

Department of Planning and Budget 2001 Fiscal Impact Statement

1. Bill Number HB2390

House of Origin	<input checked="" type="checkbox"/> Introduced	<input type="checkbox"/> Substitute	<input type="checkbox"/> Engrossed
Second House	<input type="checkbox"/> In Committee	<input type="checkbox"/> Substitute	<input type="checkbox"/> Enrolled

2. Patron Dillard

3. Committee Finance

4. Title Commonwealth of Virginia Park and Recreational Facilities Bond Act of 2001

- 5. Summary/Purpose:** The bill authorizes the issuance of Commonwealth of Virginia Park and Recreational Facilities Bonds pursuant to Article X, Section 9 (b) of the Constitution of Virginia in an amount not exceeding \$164,129,000, subject to approval by a majority of the qualified voters of the Commonwealth voting thereon at the November 6, 2001, general election. The purpose of the bonds is to provide funds for (i) acquiring land and developing four state parks; (ii) acquiring land for natural area preservation; and (iii) construction of numerous specified projects at existing state parks. The full faith and credit of the Commonwealth is pledged for the payment of the principal of and interest on the bonds and any bond anticipation notes or refunding bonds.

6. Fiscal Impact Estimates are preliminary:

6a. Expenditure Impact: (Treasury Board – Debt Service)

<i>Fiscal Year</i>	<i>Dollars</i>	<i>Positions</i>	<i>Fund</i>
2000-01	\$0	-	-
2001-02	\$0	-	-
2002-03	\$7,264,388	-	GF

6b. Expenditure Impact: (State Board of Elections)

<i>Fiscal Year</i>	<i>Dollars</i>	<i>Positions</i>	<i>Fund</i>
2000-01	\$0	-	-
2001-02	\$85,000	-	GF
2002-03	\$0	-	-

7. Budget amendment necessary: Yes, Item 88.

- 8. Fiscal implications:** The debt service impact is computed based on the assumption of three tax-exempt bond issues of \$54.7 million in each fiscal year from 2002 through 2004. This does not factor in the use of tax-exempt commercial paper to provide interim funding for these projects. Once all bonds are issued, annual debt service would peak at approximately \$18.5 million per year in 2005. However, the issuance of the bonds in FY 2002 will be structured so that debt service payments would not begin until the next biennium (2002-2004).

The fiscal impact on the Department of Conservation and Recreation (DCR) would affect both expenditures and revenues. Some of the projects proposed in the bill would generate additional revenues for the state park system. However, the department would require additional funds to operate and maintain the majority of the new facilities once acquisition and/or construction is completed. All of these costs would be outside the 2000-2002 biennium. The department would also require additional positions beginning in FY 2003 to oversee the design and construction of these projects. Restricted positions whose payroll costs are charged directly to the related bond projects may be utilized.

For the November 2001 general election, the State Board of Elections would incur costs of an estimated \$85,000 for printing informational materials and for advertising the ballot initiative.

9. Specific agency or political subdivisions affected:

- Department of the Treasury
- Treasury Board
- Department of Conservation and Recreation
- State Board of Elections
- Department of General Services

10. Technical amendment necessary: Yes.

Page 4, line 197, strike *Director of the Department of Conservation and Recreation*, and insert *Governor or the Governor's designee*

Page 4, line 200, strike *Director of the Department of Conservation and Recreation*, and insert *Governor or the Governor's designee*

11. Other comments: An initial review by DCR of the proposed projects indicates that some appear to be underfunded. The department will work with the patron of the bill to identify where additional funding may be necessary.

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cc: Secretary of Finance
Secretary of Natural Resources
Secretary of Administration