

Department of Planning and Budget 2001 Fiscal Impact Statement

1. Bill Number HB2476

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

2. Patron Hall

3. Committee Counties, Cities and Towns

4. Title Disclosure of proffered cash payments and expenditures.

5. Summary/Purpose:

Requires localities to make annual disclosures of such payments and expenditures to the Commission on Local Government. The Commission shall compile the information and prepare a report to make available to the public and the chairmen of the Senate Local Government and House Counties, Cities and Towns Committees.

6. No Fiscal Impact

7. Budget amendment necessary: No

8. Fiscal implications: The Commission's analysis indicates that in the first year of implementation of the proposal it would cost the Commission on Local Government (CLG), approximately \$7,000 due the requirement that the CLG collect and report ten-years worth of data on cash proffers as well as the requirement that all localities report, even if it is negative (see line 22 of the proposed bill). After the first year, the total cost would drop to about \$4,500 annually. Those costs include using the web for conducting the survey, follow-up, and publishing the report. However, the Library of Virginia still requires 20 hard copies.

The Commission should be able to absorb the costs within its budget.

With respect to the impact on local governments, according to a 1999 survey by the Virginia Chapter of the American Planning Association, 69 out of 135 counties and cities (51%) were eligible to have cash proffers. Of that number, 22 counties and cities (32%) were using cash proffers. It should be noted that towns within eligible counties can use cash proffers, so the total number of jurisdictions that would be affected by this bill would be greater, probably in the neighborhood of 100 jurisdictions ultimately. CLG's limited sampling finds that many of the largest users of cash proffers (Chesterfield and Loudoun) currently collect and report to their respective governing bodies annually the requested information. The requirement for ten-years worth of data may be expensive, depending on how the data is to be collected and reported. Second, there is some concern that the definition of "cash proffers" may be too broad and include things such as developer installed sidewalks and other similar public facilities for which there is limited accounting information in any year.

The substitute may reduce slightly the fiscal impact on this the Commission by a) reducing the initial retrospective reporting period by local governments from ten fiscal years to two, and b) requiring the Commission on Local Government to survey only those localities that are ELIGIBLE to request cash proffers, which reduces the survey population from 325 counties, cities, and towns to approximately 100. These changes will not significantly reduce the fiscal impact estimates provided previously by the Commission.

9. Specific agency or political subdivisions affected: Commission on Local Government, Counties, cities and towns.

10. Technical amendment necessary: No

11. Other comments: No

Date: 2/12/01 mtb

Document: MTB G:\SBE\BILLS\FIS\2001Session\HB2476H1.DOC

c: Secretary of Administration

PDF Created 2/12/2001 10:55:17 AM