

Department of Planning and Budget

2002 Fiscal Impact Statement

1. Bill Number HB1144

House of Origin ☒ Introduced ☐ Substitute ☐ Engrossed
Second House ☐ In Committee ☐ Substitute ☐ Enrolled

2. Patron Dillard

3. Committee Finance

4. Title Commonwealth of Virginia Park and Recreational Facilities Bond Act of 2002

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 \$119,040,000, subject to approval by a majority of the qualified voters of the Commonwealth voting thereon at the November 5, 2002, general election. The purpose of the bonds is to provide funds for (i) acquiring land and developing 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 Estimate are preliminary:

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

<i>Fiscal Year</i>	<i>Dollars</i>	<i>Positions</i>	<i>Fund</i>
2001-02	\$0	-	-
2002-03	\$0	-	-
2003-04	\$5,006,000	-	GF

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

<i>Fiscal Year</i>	<i>Dollars</i>	<i>Positions</i>	<i>Fund</i>
2001-02	\$0	-	-
2002-03	\$85,000	-	GF
2003-04	\$0	-	-

7. Budget amendment necessary: Yes, Item 92 for State Board of Elections and Item 291 for Treasury Board.

8. Fiscal implications: The debt service impact is computed based on the assumption of three tax-exempt bond issues of \$40 million each year beginning January 2003 through 2005. 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 \$13 million in 2006 and decline thereafter (\$11.7 million in 2007, \$11.3 million in 2008, etc.). The issuance of the bonds will be structured so that debt service payments would not begin until December 2003, which is in FY 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 parks 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 likely be outside the 2002-2004 biennium. The department would also require additional positions beginning in FY2004 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 2002 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. The following amendments should be considered to be consistent with gubernatorial authority over the capital approval process and to maintain consistency with model language approved by bond counsel and used in the 1992 general obligation bond bill.

Page 1, line 44, after “ *Replace*” strike “ *Chippokes Plantation* ”.

Page 2, line 60, strike “ *Utility Improvements* ” and insert “ *Improve utilities* ”.

Page 2, line 76, strike “ *Road Improvements* ” and insert “ *Improve roads* ”.

Page 2, line 79, strike “ *Trail access and safety improvements* ” and insert “ *Improve trail access and safety* ”.

Page 2, line 84, strike “ *Road repair*” and insert “ *Repair roads*”.

Page 3, line 118, strike “ *Shoreline Erosion*” and insert “ *shoreline erosion* ”.

Page 3, line 119, before “ *In-holdings*” insert “ *Acquire*”.

Page 3, line 120, strike “ *Trail Improvements* ” and insert “ *Improve trails* ”.

Page 3, line 126, strike “ *Director of the Department of Conservation and Recreation* ” and insert “ *Governor or the Governor’s designee* ”.

Page 3, line 129, strike “ *Director of the Department of Conservation and Recreation* ” and insert “ *Governor or the Governor’s designee* ”.

Page 3, after line 135, insert:

“*If any capital project relates to more than one state park or natural area, the Director of the Department of Conservation and Recreation shall determine the amount to be allocated within such capital project to each such state park or natural area.*”

11.Other comments: An initial review by DCR of the proposed projects indicates that some appear to be underfunded.

This bill is similar to SB672, however, it does not include some of the preconditions set out in the other bill.

Date: 01/24/02/mst

Document: G:\GaSessions\2002Session\Fis\Hb1144.Doc

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