

## 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** Passed Both Houses**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.

This bill also contains as a precondition for authorization that the Governor prepare and release a plan, to the chairmen of the Senate Finance and House Appropriations Committees by December 1, 2002, for the orderly issuance of the bonds. The plan is required to include the development of processes to expedite the capital outlay review process and the development of detailed draws schedules, to the extent practicable, and an estimate of the net additional costs of staffing and equipping such projects.

The bill contains a second enactment clause that requires the Secretary of Finance to provide to the chairmen of the Senate Finance and House Appropriations committees, by April 1 and September 1 of each year, a status report on the projects, including compliance with the preconditions set out for the initial authorization of the projects.

**6. Fiscal Impact Estimates are final:****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	\$768,000	-	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	\$40,000	-	GF
2003-04	\$0	-	-

HB1144FiscalImpactStatement  
PageTwo

**7. Budget amendment necessary:** Yes, Item 92 in HB/SB30.

**8. Fiscal implications:** The debt service impact is computed based on preliminary draw schedules with the assumption of five tax-exempt bond issues: \$6.1 million in FY2003, \$15.8 million in FY2004, \$32.0 million in FY2005, \$30.2 million in FY2006, and \$34.9 million in FY2007. 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 \$12.5 million in 2008 and decline thereafter. 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 about \$40,000 for printing informational materials and for advertising the ballot initiative. For further discussion regarding the funding needs of the State Board of Elections related to the total costs of all the bond referenda, please refer to the fiscal impact statement on SB131.

**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:** No.

**11. Other comments:** SB672 is a companion bill introduced by Senator Chichester that has passed both houses.

**Date:** 03/12/02/mst

**Document:** G:\GaSessions\2002Session\Fis\Hb1144ER.Doc

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