

Department of Planning and Budget 2002 Fiscal Impact Statement

1. Bill Number HB36

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

2. Patron Howell

3. Committee Passed both houses

4. Title Constitutional amendment; property tax exemptions.

5. Summary/Purpose:

Provides for a referendum at the November 5, 2002, election to approve or reject an amendment allowing local governing bodies to grant tax exemptions for property used for charitable and certain other purposes by local ordinances subject to restrictions and conditions provided by general law enacted by the General Assembly. The present Constitution allows the General Assembly to exempt such property by classification or by designation by a three-fourths vote in each house.

6. Fiscal Impact Estimates are preliminary:

6a. Expenditure Impact:

<i>Fiscal Year</i>	<i>Dollars</i>	<i>Positions</i>	<i>Fund</i>
2001-02	0	0	--
2002-03	\$270,000	0	GF
2003-04	0	0	--

6b. Revenue Impact: None

7. Budget amendment necessary: Yes. Conference included only \$50,000 in Item 92 for the costs of a advertising referendum to appear on the November 2002 ballot.

8. Fiscal implications: Whenever questions are to be submitted to voters in a statewide referendum, sections 30-19.9 and 30-19.10 of the Code require that the State Board of Elections (1) publish prior to the referendum a paid notice of explanation in a major daily newspaper across the state, (2) publish a brochure or booklet explaining the referendum in sufficient number to provide a copy to any interested person, and (3) post an explanation at each polling place on the day of the election.

Based on the experience of constitutional amendments on the ballot two years ago, the paid newspaper advertising would cost about \$100,000. Cost to publish the required brochures and posters is estimated at \$100,000.

The publication estimate assumes printing 400,000 brochures, enough for the 134 registration offices in the state to distribute to 10 percent of the approximately 4.0 million registered voters in Virginia. Brochures are assumed to be printed two sides on 8 1/2 by 11

paper. Printing costs for the poster assume publication of 2,270 copies of a poster sized 11 by 17 inches, enough for each of the 2,264 polling places in the state.)

Note that, should there be additional questions or proposed Constitutional amendments on the ballot, costs would be higher. For each additional ballot question, newspaper advertising costs would increase by 20 percent. Printing costs would increase if the additional questions necessitated larger paper stock..

The conferees included only \$50,000 in Fiscal 2003 to cover the "...costs of advertising referenda appearing on the November election 2002 ballot." At least three other referenda were passed by the General Assembly. Using the above assumption the total cost to SBE to have all four statewide referenda on the 2002 ballot would cost as follows:

First referendum	\$200,000.
Second referendum(@ 20% of first \$200,000)	40,000
Third referendum(@ 20% of first \$200,000)	40,000
Fourth referendum(@ 20% of first \$200,000)	<u>40,000</u>
Total	\$320, 000
Amount provided by General assembly in	
Half-sheet to Item 92#12c	\$50,000
Shortfall	\$270,000

9. Specific agency or political subdivisions affected: State Board of Elections

10. Technical amendment necessary: No

11. Other comments: None

Date: 3/18/02 vrm

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cc: Secretary of Administration