

Department of Planning and Budget 2002 Fiscal Impact Statement

1. Bill Number SB394

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 Whipple

3. Committee Senate Finance

4. Title Law-enforcement expenditures of local governments.

5. Summary/Purpose: This legislation proposes to amend §§ 2.2 -1509, 2.2 -1510 and 9.1 -169 of the Code of Virginia, requiring that for any increase or decrease in HB 599 funding for law enforcement expenditures of local governments shall equal the anticipated increase or decrease in total general fund revenue collections for the relevant fiscal year as provided in the general appropriations act. The bill further states that in no event shall any percentage change in the amount of funds to be distributed to localities for any fiscal year be amended or otherwise changed after the relevant fiscal year has begun.

6. Fiscal Impact Estimates are preliminary: See Item #8.

7. Budget amendment necessary: No.

8. Fiscal implications: The fiscal implications of this legislation are uncertain. The 599 program provides a significant amount of general fund support to localities to operate police departments and the level of funding is currently tied to the relative growth or decline of general fund revenues. While the Code of Virginia says the funds are for law enforcement, there is no requirement that the funds be spent on law enforcement. It is impossible to estimate the fiscal impact upon the Commonwealth.

However, it is important to note that should this legislation pass, it will limit the state's ability to adjust its obligation to localities, whether positively or negatively, should prevailing economic conditions affect general fund revenues. For example, under Chapter 1073, of the 2000 Act of Assembly, the FY01 general fund appropriation for the 599 program was \$176,697,829 and for FY02 it was \$188,713,282, based upon general fund revenue estimates prior to the biennium. The introduced amendment to Ch. 1073, sought to correct the funding level for FY02 based on updated revenue estimates. With the budget impasse that arose during the 2001 Session of the General Assembly, no amendments to Ch. 1073 were authorized. In the absence of a budget action, 599 funds were reduced by Executive Order 74(01) to more accurately reflect revenues. Those funds were further reduced under the Caboose bill introduced at the beginning of the current Session of the General Assembly to reflect continuing economic declines. If this legislation were in place those reductions would not be allowable and the Commonwealth's obligations would remain constant in spite of worsening economic conditions placing the general fund in a precarious position.

9. Specific agency or political subdivisions affected: Department of Criminal Justice Services, the general fund, and localities.

10. Technical amendment necessary: No.

11. Other comments: This bill is identical to HB1127H1.

Date: 02/01/02/MEM

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cc:Secretary of Public Safety