

Department of Planning and Budget

2003 Fiscal Impact Statement

1. Bill Number HB1393

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

2. Patron Lingamfelter

3. Committee General Laws

4. Title Virginia Truth in Fees Report Act.

5. Summary/Purpose:

Virginia Truth in Fees Report Act. Requires the Comptroller to post on the website for the Department Accounts the following: (i) not later than October 1 of each year, the total amount of each fee collected by the Commonwealth for the most recent six-month period ending June 30, and (ii) not later than April 1 of each year, the total amount of each fee collected by the Commonwealth for the most recent six-month period ending December 30. The Comptroller shall include in the information posted the amount of any such fee that was used for any purpose other than the purpose originally established in law for such fee.

Currently, revenues are tracked using revenue source codes in the statewide accounting system. In many cases, multiple fees are currently recorded and reported in summary under a single revenue source code. For administrative efficiency, each individual fee is not assigned its own unique revenue source code. The current level of reporting meets budgetary and financial (GAAP) reporting requirements. There are already over 1,600 revenue source codes currently in use. Expanding the chart of accounts to create a financial reporting mechanism for individual fees would require the addition of a huge, but currently unknown, number of additional codes. To provide this additional level of detail, agency administrative burden and costs associated with applying more detailed coding and data entering additional lines of coding for deposit documents would increase. Statewide deposit transaction processing volume in FY02 stood at 1.7 million lines of coding. These transactions were processed at an estimated direct and indirect cost of \$10 -20 million. This bill is conservatively estimated to double this number of transaction lines at a cost of an additional \$2 -3 million.

Currently, fee revenues are collected and deposited to the State Treasury and expenditures are made pursuant to agency appropriations approved by the General Assembly. Agencies are responsible for ensuring appropriations are spent in accordance with their purpose. Although there is not always a direct correlation between fee collections and subsequent expenditure of fee revenue, some assurance of fee and appropriations use compliance may already be provided through APA compliance audits. Reported non-compliance could be posted on the internet. If the bill implies additional compliance testing, additional resources would be required, potentially ranging from an agency certification of fee use process (modest cost) to program audits (high costs).

6. Fiscal Impact Estimates:

Expenditures:

<i>Fiscal Year</i>	<i>Dollars</i>	<i>Positions</i>	<i>Fund</i>
2002-03			
2003-04	\$2-3 million	0	
2004-05	\$2-3 million		

\$2-3millionperfiscalyear.

7. Budget amendment necessary: Yes.

8. Fiscal implications: This bill is difficult to enact as written and would cause a great amount of additional effort by agencies coding the transactions and for DOA to develop the capability to accumulate this information. Once this information is available there is no problem posting this on the DOA web site in a timely manner. See item 5 for further fiscal impact.

9. Specific agency or political subdivisions affected: Department of Accounts; Department of Planning and Budget; All agencies of the Commonwealth that collect revenues.

10. Technical amendment necessary:

11. Other comments:

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Secretary of Finance