

Department of Planning and Budget 2004 Fiscal Impact Statement

1. Bill Number HB106

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

2. Patron Sherwood

3. Committee Appropriations

4. Title Bond financing for State Agency Radio System

5. Summary/Purpose: The bill authorizes the financing by the Virginia Public Building Authority of the undertaking, development, acquisition and construction of the project known as the State Agency Radio System, Phase I. This bill authorizes the Virginia Public Building Authority to issue revenue bonds in an amount not to exceed \$159,300,000, plus amounts needed to fund issuance costs, reserve funds, original issue discount, interest prior to and during acquisition, construction or renovation and for one year after completion thereof, and other financing expenses.

The bonds authorized by this bill constitute tax-supported debt of the Commonwealth and as such have an impact on the Commonwealth's debt capacity.

The second enactment clause provides that the authorization to finance the State Agency Radio System is contingent upon passage of the Governor's tax reform package.

6. Fiscal Impact Estimates are final:

6a. Expenditure Impact:

<i>Fiscal Year</i>	<i>Dollars</i>	<i>Positions</i>	<i>Fund</i>
2003-04	-	-	-
2004-05	\$1,319,063	-	GF
2005-06	\$9,550,938	-	GF
2006-07	\$19,032,213	-	GF
2007-08	\$19,803,525	-	GF
2008-09	\$19,805,938	-	GF
2009-10	\$19,804,213	-	GF

6b. Revenue Impact: None.

7. Budget amendment necessary: No. The debt service is included in the introduced budget (HB30). The expenditure impact reflects the reduced amount for debt service in the Governor's executive amendment to HB 30.

- 8. Fiscal implications:** The fiscal impact is based on the projected debt service resulting from the Virginia Public Building Authority issuing \$159,300,000 in bonds to fund Phase I of the project. The impact assumes that the authority would issue \$58.5 million in the Fall of 2004 and \$100.8 million in the Fall of 2005. This amortization is over the ten year, economic useful life of the telecommunications system components, which comprises the greater part of the system.
- 9. Specific agency or political subdivisions affected:** Department of the Treasury and Department of State Police.
- 10. Technical amendment necessary:** No.
- 11. Other comments:** SB 39, introduced by Senator Stolle, is an identical bill.

Date: 01/21/04 / mst

Document: G:\Ga Sessions\2004 Session\Fis\Hb106.Doc

cc: Secretary of Finance
Secretary of Public Safety