

Department of Planning and Budget 2004 Fiscal Impact Statement

1. Bill Number HB68

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

2. Patron Marshall, R.G.

3. Committee Counties, Cities and Towns

4. Title Local Parks and Recreational Facilities Act

5. Summary/Purpose: The bill requires the Department of Conservation and Recreation to undertake a comprehensive assessment of the adequacy of public parks and recreational facilities provided by each Virginia locality. The bill sets forth factors that the Department must consider and requires that the locality cooperate during the assessment process. If the Department determines that a locality's parks or recreational facilities are inadequate or will be inadequate within five years, then the locality will have one year to develop a plan for correcting such inadequacy. If the Department determines that such plan will not achieve adequacy, then it shall impose a parks and recreation residential impact fee upon the builder of each new residential unit in the locality, until such time as the parks and recreational facilities are adequate. The Department shall base such fee on the pro-rata impact of each additional residential unit on (i) existing parks and recreational facilities, and on (ii) the costs of improving or developing new parks or recreational facilities. The Department shall hold all collected fees on behalf of the locality in an interest-bearing escrow account, and shall make distributions for the development of new or improvement of existing parks and recreational facilities. The Board of Conservation and Recreation is authorized to promulgate regulations for the implementation of the Act.

6. Fiscal Impact Estimates are preliminary:

6a. Expenditure Impact: The following impact includes estimates for those costs that can be estimated, however the actual fiscal impact is expected to be higher, especially in the long-term.

<i>Fiscal Year</i>	<i>Dollars</i>	<i>Positions</i>	<i>Fund</i>
2003-04	-	-	-
2004-05	\$309,000	6.00	GF
2005-06	\$336,000	6.00	GF
2006-07	\$336,000	6.00	GF
2007-08	\$336,000	6.00	GF
2008-09	\$336,000	6.00	GF
2009-10	\$336,000	6.00	GF

6b. Revenue Impact: Not available.

7. Budget amendment necessary: Yes, Item 381. The Department of Conservation and Recreation does not have the resources to absorb the fiscal impact.

- 8. Fiscal implications:** The bill would have a significant impact on both the Department of Conservation and Recreation and local governments. There are over 300 counties, cities, and towns in Virginia that would require an assessment. The agency currently has no staff to carry out a program of this magnitude and cannot absorb any such costs within its current budget. The Department of Conservation and Recreation estimates that one staff person could do the baseline analysis for eight to ten localities per year. It would take a staff of six people between five and six years to accomplish the first review and analysis of all Virginia localities. Staff would then continue with monitoring, evaluating, and providing technical assistance during the implementation phases, which would continue for several more years.

The fiscal impact estimate assumes that the implementation of the provisions of this bill would be done in a timely manner and the initial review of all local governments would be completed in a five to six year time frame. Therefore, the Department of Conservation and Recreation would require additional funding for six staff. The staff costs are based on a salary of \$40,000 and another \$13,996 for associated fringe benefits for each position. The fiscal year 2005 estimate is less since the position costs are calculated for 22 pay periods (assumes that it will take some time to hire the people). An estimated \$2,000 in travel and operating costs for each position is included.

If as a result of the Department of Conservation and Recreation's review there is a determination that any locality is unable to meet their recreational needs within five years, the agency can then place a recreational impact assessment on the building of each new home in the locality. Placing such an impact fee would generate revenue that would then be distributed to the locality to bring its parks and recreation facilities to an adequate level. Since the Department of Conservation and Recreation would collect fees from the builder of each residential unit, the agency would need additional staff to handle the processing of any levied impact fees, to distribute collected funds to the appropriate locality and to monitor receipt and expenditure activity. However, such costs are not known since the number of localities that would fall in the situation of having inadequate parks and recreation facilities is not known thus any revenue from an impact fee being imposed can not be estimated.

The cost to each locality to assist the Department of Conservation and Recreation in doing the recreational assessment and costs incurred in operating new facilities acquired under this program will not be known until the recreational assessments are complete.

- 9. Specific agency or political subdivisions affected:** Department of Conservation and Recreation and local governments.

10. Technical amendment necessary: No.

11. Other comments: None.

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cc: Secretary of Natural Resources