

Department of Planning and Budget 2004 Fiscal Impact Statement

1. Bill Number HB93

House of Origin ☒ Introduced ☐ Substitute ☐ Engrossed

Second House ☐ In Committee ☐ Substitute ☐ Enrolled

2. Patron Callahan

3. Committee Appropriations

4. Title Public Building Authority and College Building Authority bonds

5. Summary/Purpose: This bill authorizes the Virginia Public Building Authority (VPBA) to issue bonds in an amount not to exceed \$56,457,000, 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 will be used to finance all or any portion of the cost of thirteen capital projects throughout the Commonwealth.

This bill also authorizes the Virginia College Building Authority (VCBA) to issue revenue bonds in an amount not to exceed \$216,865,538 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 will be used to finance all or any portion of the cost of thirty projects at fifteen higher educational institutions throughout the Commonwealth.

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 third enactment clause of the bill provides that the capital projects set out in the bill shall not be initiated unless the Governor's tax reform package is enacted into law.

The fourth enactment clause provides that the general provisions of the general appropriation act shall apply to the capital projects listed in the bill.

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	-	-	-
2005-06	-	-	-
2006-07	\$4,584,630	-	GF
2007-08	\$10,051,601	-	GF
2008-09	\$15,513,160	-	GF
2009-10	\$20,961,834	-	GF

6b. Revenue Impact: None.

- 7. Budget amendment necessary:** No. Debt service funding would not be needed until the 2006-2008 biennium.
- 8. Fiscal implications:** The fiscal impact is the amount of debt service necessary to support the bonds issued to finance the capital projects. Since no draw schedules are available to indicate when funding is needed for the projects, the Department of the Treasury assumed that the projects would be funded equally over a four-year period. The first bonds would be sold in the spring of 2006 with debt service beginning in fiscal year 2007. The bonds issued would have a term of 20 years.
- 9. Specific agency or political subdivisions affected:** Department of the Treasury, Virginia Museum of Finance Arts, Science Museum of Virginia, Frontier Culture Museum, Jamestown-Yorktown Foundation, Department of Conservation and Recreation, Virginia Museum of Natural History, Department of Criminal Justice Services, Department of Forestry, and the Department of General Services.

Higher education institutions impacted: College of William and Mary, University of Virginia, Virginia Tech, University of Virginia Medical Center, Virginia Military Institute, Virginia State University, Norfolk State University, Longwood University, Mary Washington College, James Madison University, Radford University, Old Dominion University, Virginia Commonwealth University, Christopher Newport University, University of Virginia's College at Wise, Virginia Community College System, and the Virginia Institute of Marine Science.

10. Technical amendment necessary: None.

11. Other comments: SB 37, introduced by Senator Chichester, is an identical bill.

Date: 01/21/04 / mst

Document: G:\Ga Sessions\2004 Session\Fis\Hb93.Doc

cc: Secretary of Finance