

Department of Planning and Budget 2004 Fiscal Impact Statement

1. Bill Number SB686

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 Rerras

3. Committee Courts of Justice

4. Title Establishing the ownership and management relationship of the sailing vessel Virginia

5. Summary/Purpose:

Authorizes the Governor to enter into an agreement with the Virginia Maritime Heritage Foundation for the operation of the sailing vessel Virginia. Under the bill, ownership of the Virginia is transferred to the Commonwealth; however, the operation and maintenance of the Virginia is the responsibility of the Foundation. The bill sets out the minimum requirements of the agreement and that the Virginia is to be used for trade missions, marketing, economic development, film production, festivals and other events.

6. Fiscal Impact Estimates are indeterminate. The time charter requires a fixed monthly fee equal to 50 percent of the yearly operating cost of the vessel, which is unknown at this time.

7. Budget amendment necessary:

Yes, at such time as the operating cost of the vessel is known.

8. Fiscal implications:

The Commonwealth would be responsible for 50 percent of the yearly operating cost. However, the Foundation would be responsible for fundraising to cover some or all of the state's operating cost. Under the demise charter, the Virginia Maritime Heritage Foundation would be responsible for the management of the vessel for 24 years. After that the Commonwealth would need to decide the future use of the vessel. Presumably the Commonwealth would have the right either to operate the vessel or dispose of it.

9. Specific agency or political subdivisions affected:

Governor and agencies of the Commonwealth. Use by the Department of Transportation, Virginia Economic Development Partnership, Virginia Tourism Authority and the Virginia Port Authority shall collectively amount to two dockside or sailing receptions in each port of call on the itinerary for each year, to be used in any combination thereof, to include catering and entertainment costs to the Foundation.

10. Technical amendment necessary:

No.

11. Other comments:

The Governor would have authority to appoint three members of the Board of Directors of the Virginia Maritime Heritage Foundation. The vessel shall be on call to agencies of the Commonwealth for at least 50 percent of the operating season. The Governor is authorized to negotiate the agreement for the management and operation of the vessel in consultation with the Attorney General. Any agreement shall be in a form approved by the Attorney General.

Date: 1/28/04 /jbc

Document: G:\04 Bills Fis\Sb686.Doc Jim Cook

cc: Secretary of Commerce and Trade
Secretary of Finance