

Department of Planning and Budget
2005 Fiscal Impact Statement

1. Bill Number HB1568

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 Purkey

3. Committee Appropriations

4. Title Appropriations; reduction due to revenue shortfall.

5. Summary/Purpose:

Requires the Governor, whenever general fund revenue collections for a period of six months or more show that year-to-date revenue growth is in excess of one percent below the official estimate upon which the appropriation act is based for such fiscal year, to institute an across-the-board percentage reduction in general fund appropriations to all executive branch agencies, which shall equal at least one-half of the revenue shortfall. Such action shall be communicated to the chairmen of the money committees within five days of its adoption.

6. Fiscal Impact Estimates

The fiscal impact cannot be estimated.

Budget amendment necessary:

No.

8. Fiscal implications:

The bill provides for an exemption if the Governor certifies that the reduction would affect the public safety of the citizens of the Commonwealth. However, it does not provide for an exemption for the payment of fixed obligations, such as service on the bonded indebtedness of the Commonwealth and payments on contracts for the construction of state buildings and facilities, or for mandated appropriations, such as the K-12 allocations to local school divisions.

9. Specific agency or political subdivisions affected:

All state agencies, local school divisions, and localities receiving aid from the Commonwealth.

10. Technical amendment necessary:

No.

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11. Other comments:

No.

Date: 1/11/05 /jbc

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cc: Secretary of Finance