

Department of Planning and Budget
2007 Fiscal Impact Statement
(Revised for the amendment in the nature of a substitute)

1. **Bill Number** SB 1160

House of Origin	<input type="checkbox"/> Introduced	<input checked="" type="checkbox"/> Substitute	<input type="checkbox"/> Engrossed
Second House	<input type="checkbox"/> In Committee	<input type="checkbox"/> Substitute	<input type="checkbox"/> Enrolled

2. **Patron** Quayle

3. **Committee** S Finance

4. **Title** Line of Duty Disability Fund

5. **Summary/Purpose:** The bill would require all alarm company operators to collect a fee of \$1 per month on all alarm systems that police or firefighters are expected to respond. The fee would apply to commercial and residential systems. Finally, the bill requires the alarm company operators to submit to the Comptroller of Virginia all moneys collected from the fees for deposit in the Line of Duty Death and Health Benefits Trust Fund as established in Item 262B of Chapter 3 of the 2006 Acts of Assembly, Special Session I.

6. **Fiscal impact:** Preliminary (See Item 8).

7. **Budget amendment necessary:** Yes; Item 262 B (Department of Accounts Transfer Payments) or Item 256 (Department of Accounts).

8. **Fiscal implications:** Based on information from the Virginia Professional Fire Fighters, the \$1 monthly fee would provide \$12 million annually. This information would assume one million alarm systems subject to the new fee and would assume there would be no uncollectible assessments. It is unclear how many alarm company operators would collect the \$1 fee and submit the proceeds to the Department of Accounts; however, according to the National Burglar and Fire Alarm Association's (NBFAA) website, there are 49 member firms in Virginia. Other firms likely provide this service but are not members of the NBFAA. The administrative impact on the Department of Accounts would depend upon the number of alarm company operators submitting the fees (in other words, the higher the number, the higher the administrative costs to process the receipts and ensure compliance with the new requirements). According to the Department of Accounts, two additional positions and \$150,000 annually would be needed to develop policies, procedures, and the processing of the receipts.

9. **Specific agency or political subdivisions affected:** Department of Accounts; Department of Accounts Transfer Payments.

10. **Technical amendment necessary:** If the administrative costs can be paid from the additional collections, then language could be added to the bill to provide the Department of Accounts with the authority to deduct such costs from the nongeneral fund collections.

11. **Other comments:** None.

Date: 01/31/2007 / jwe

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cc: Secretary of Finance