

## Department of Planning and Budget 2008 Fiscal Impact Statement

**1. Bill Number:** SB56

House of Origin	<u>X</u>	Introduced	___	Substitute	___	Engrossed
Second House	___	In Committee	___	Substitute	___	Enrolled

**2. Patron:** Colgan

**3. Committee:** Finance

**4. Title:** Projects financed by the Virginia Resources Authority

**5. Summary:** The bill authorizes the Virginia Resources Authority (VRA) to finance the construction of local government buildings.

**6. Fiscal Impact Estimates:** Preliminary. See Item 8.

**7. Budget Amendment Necessary:** No.

**8. Fiscal Implications:** While the bill would impact the types of projects that could be financed through VRA, it would not affect the total dollar amount of projects that could be financed. VRA's current moral obligation debt limit is \$900 million. VRA's moral obligation debt outstanding as of September 30, 2007 was approximately \$677 million. The bill would have no general fund or nongeneral fund fiscal impact because VRA, as established, is "off the books of the Commonwealth." VRA is totally self-sufficient and covers its expenses with administrative fees from the various programs it administers. VRA does not anticipate any significant changes to its workload as a result of this bill.

**9. Specific Agency or Political Subdivisions Affected:** Virginia Resources Authority

**10. Technical Amendment Necessary:** No.

**11. Other Comments:** If localities choose to finance construction of local government buildings through VRA, they could benefit from reduced borrowing costs, thereby decreasing the financial burden to borrowers and local taxpayers.

**Date:** 1/10/2008 dpbaek

**Document:** G:\FIS\2008 Fiscal Impact Statements\VRA\SB56.Doc aek

cc: Secretary of Commerce and Trade  
Secretary of Finance