

## Department of Planning and Budget 2010 Fiscal Impact Statement

**1. Bill Number:** SB362

House of Origin    ☐ Introduced    ☐ Substitute    ☐ Engrossed  
Second House    ☐ In Committee    ☐ Substitute    ☒ Enrolled

**2. Patron:** Barker

**3. Committee:** Passed Both Houses

**4. Title:** **Constitutional amendment (voter referendum); limit on taxes or revenues and the Revenue Stabilization Fund.**

**5. Summary:** The bill provides for a voter referendum for a Constitutional amendment to Article X Section 8 on the limit of tax or revenue; Revenue Stabilization Fund (Fund). The bill provides for a referendum at the November 2010 election on the approval of a proposed constitutional amendment relating to the limit on the size of the Revenue Stabilization Fund. The proposed amendment increases the maximum size or “cap” of the Fund from 10 percent to 15 percent of the Commonwealth’s average annual tax revenues derived from income and retail sales taxes for the immediately preceding three fiscal years as certified by the Auditor of Public Accounts.

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

The Board of Elections will incur the following expenses:

**6a. Expenditure Impact:**

<i>Fiscal Year</i>	<i>Dollars</i>	<i>Positions</i>	<i>Fund</i>
2011	308,000		General

**7. Budget Amendment Necessary:** No, the conferees included the appropriation in enrolled HB 30.

**8. Fiscal Implications:** Placing an additional referendum on the ballot would have a fiscal impact of \$308,000 on the State Board of Elections, which is a calculated estimate to pay for the newspaper ads, posters and brochures required by Code of Virginia, § 30-19.9. Print advertisements in major newspapers account for most of this expense. The fiscal impact is based on costs for prior constitutional amendments.

The first deposit to the Revenue Stabilization Fund (Fund) was in FY 1995. In FY 2006 and FY 2007, the fund maximum or “cap” was exceeded and funds were returned to the General Fund. These were the only years in which the cap was exceeded.

Under current fiscal estimates and with the proposed withdrawal from the Fund, the balances in the Fund will not reach the current cap in the foreseeable future. However, increasing the maximum Fund balance could result in more funding being available to help with any future revenue shortfalls.

If the proposed Constitutional change had been effective for FY 2010, the fund maximum would be \$2,070.7 instead of \$1,380.5 million.

**9. Specific Agency or Political Subdivisions Affected:** Board of Elections; Department of Accounts Transfer Payments

**10. Technical Amendment Necessary:** None

**11. Other Comments:** HB 147 is identical to this bill. In addition, Chapter 774 of the 2009 Acts of Assembly (House Joint Resolution 647) addressed the proposed Constitutional amendment in the identical form.

**Date:** 3/18/2010 dpbjwe

**Document:** <http://dpb.virginia.gov/2010fis/SB362ER.doc>