

Department of Planning and Budget 2011 Fiscal Impact Statement

1. Bill Number: SB1400

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: Locke

3. Committee: Finance

4. Title: Fort Monroe Authority Act.

- 5. Summary:** Moves the Fort Monroe Authority Act's enabling legislation from Title 15.2 to Title 2.2 and makes necessary technical changes. Additionally, the Fort Monroe Authority (FMA) may fix, charge, and collect rents, fees, and charges for the use of the services or facilities provided, owned, operated, or financed by the Authority benefiting property within the Authority's Area of Operation, with an exception provided for use by the Commonwealth or the City of Hampton. Such rents, fees, and charges may be used to fund payments to the Commonwealth or any political subdivision thereof, including payments to the City of Hampton based on a prescribed formula for the services, privileges, or facilities provided by the City. The bill allows FMA to contest the assessments, which are a factor in the formula on which the payments to the City will be based. The Authority may arrange or contract for the furnishing of works, services, privileges, or facilities to supplement those provided by the City of Hampton and for which FMA will compensate the City, in order to provide additional, more complete, or more timely services.

Also, provides that employees of FMA are eligible for all of the health and related insurance and other benefits, including premium conversion and flexible benefits, available to state employees, thus making the Fort Monroe Act consistent with language in HB1500/SB800. The bill also relaxes restrictions on the sale or conveyance of real property interests by FMA.

The bill adds definitions for "Design Standards", "Fort Monroe Reuse Plan" or "Reuse Plan", and "Programmatic Agreement for the Closure and Disposal of Fort Monroe, Va", or "Programmatic Agreement", to the Fort Monroe Authority Act. Any leases and operating or management agreements into which FMA enters will be consistent with the Programmatic Agreement, Design Standards, and Reuse Plan. FMA's responsibilities include serving as the Commonwealth's management agent for implementation, including procedures, of the Programmatic Agreement, Design Standards, Reuse Plan, and any other agreements regarding Fort Monroe to which the Commonwealth is a party.

The bill includes the provision for the City to deal directly with any taxpayers at Fort Monroe regarding any taxes or fees the City believes are owed to it.

In addition, the bill increases the voting membership of the FMA Board from 11 to 12, by adding the Assistant to the Governor for Commonwealth Preparedness as the twelfth voting member. The Assistant to the Governor for Commonwealth Preparedness is currently an ex officio, nonvoting member.

6. Budget Amendment Necessary: No.

7. Fiscal impact estimates are preliminary. See item 8, below.

8. Fiscal Implications: The fiscal impact of the bill is indeterminate and will depend on the calculations of the formula on which payments to the City of Hampton will be based and the revenue FMA generates from the rent and other charges FMA is authorized to collect from users and occupants of FMA facilities, as well as the amount of funding FMA receives from the state, the federal government, and other revenue sources. Calculations for the payments will be based on the assessed value of FMA's real property. The first payment will be paid on or before January 15, 2012. Future payments will occur on June 30 and December 31 of each year.

HB1500/SB800 includes \$1.93 million in FY 2012, from the general fund, for the Commonwealth's share of the Authority's operating expenses. In addition to the funds the Commonwealth will provide to FMA, it is anticipated that FMA will continue to receive funds from the federal Office of Economic Adjustment and revenue from rental property and other enterprises at the Fort.

9. Specific Agency or Political Subdivisions Affected: Fort Monroe Authority and the City of Hampton.

10. Technical Amendment Necessary: No.

11. Other Comments: None.

Date: 1/26/11

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