

## Department of Planning and Budget 2016 Fiscal Impact Statement

**1. Bill Number:** HB1012

**House of Origin**     Introduced     Substitute     Engrossed  
**Second House**     In Committee     Substitute     Enrolled

**2. Patron:** Massie

**3. Committee:** Appropriations

**4. Title:** Virginia College Building Authority; projects; participating institutions.

**5. Summary:** Permits any organization that is exempt from federal income taxation pursuant to § 501(c)(3) of the Internal Revenue Code and that is owned or controlled by a public institution of higher education in the Commonwealth or whose purpose is to support or otherwise benefit a public institution of higher education in the Commonwealth to finance projects through the Virginia College Building Authority.

**6. Budget Amendment Necessary:** No.

**7. Fiscal Impact Estimates:** Preliminary.

**8. Fiscal Implications:** According to the Department of the Treasury, this bill will not have a fiscal impact since Virginia College Building Authority (VCBA) bonds under this program do not require appropriations from the Commonwealth nor do they pledge the Commonwealth's credit in any way.

The bill allows foundations of public institutions of higher education in Virginia to use the VCBA as a conduit issuer to access the tax-exempt bond market for financing foundation-sponsored capital projects. Currently, foundations are not legally able to use VCBA for financing. This bill provides foundations another option for issuing tax-exempt debt that may allow for a decrease in the cost of issuing bonds.

**9. Specific Agency or Political Subdivisions Affected:** Virginia Public Institutions of Higher Education and their Foundations, the Virginia College Building Authority, and the Department of Treasury.

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

**11. Other Comments:** Identical to SB 313.