

Department of Planning and Budget 2016 Fiscal Impact Statement

1. Bill Number: SB329H1

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

2. Patron: Charles W. Carrico, Sr.

3. Committee: Committee on Counties, Cities and Towns

4. Title: SB 329 BVU Authority; Board powers, officers; broadband; FOIA.

5. Summary: BVU Authority; Board powers, officers; broadband; FOIA. Reduces from nine to seven the number of directors on the Board of Directors (the Board) of the BVU Authority (the Authority) and alters the methods of their appointment and their powers and duties. The bill removes the current membership of the Board, comprising six citizens of Bristol, Virginia, two Bristol City Council members, and one member of the Board of Supervisors of Washington County, and institutes in their place a board of seven directors, comprising (i) one citizen of each of the following localities with its appointing authority: the City of Bristol, appointed by the Governor; the Town of Abingdon or the City of Bristol, appointed by the Board; Scott County, appointed by the Speaker of the House of Delegates; and Washington County, appointed by the Senate Committee on Rules, and (ii) one member of the governing body of each of the localities of the City of Bristol, the Town of Abingdon, and Washington County, appointed by their respective governing bodies.

The bill changes the operation of the Board by altering certain requirements regarding bylaws, eliminating the Board's authority to appoint an attorney, requiring an annual vote to retain independent legal counsel, and barring Board members from receiving financial compensation for service. The bill alters the authority of the Board president by eliminating his power to enter into long-term employment contracts with Authority employees. It also limits a president's term of service to a renewable term of three years and bars any severance agreement for the president amounting to more than one year's base salary.

The bill clarifies that the Authority is prohibited from making charitable donations, contracting with or becoming a wireless service authority, or contracting with a locality to have it acquire property for the Authority by eminent domain. The bill eliminates several Authority-related records and open meeting exemptions from the Freedom of Information Act.

The bill changes the Authority's broadband-related powers, allowing it to offer and operate broadband and cable television service only in specified areas. The Authority's first broadband priority is to be the construction of wired broadband infrastructure in unserved areas, and its power to apply for grants for broadband projects is defined in conjunction with that priority. Any broadband networks the Authority builds are to be operated on an open-access basis.

The bill directs the Auditor of Public Accounts to examine the accounts of the Authority by July 1, 2016, and contains an emergency clause.

6. Budget Amendment Necessary: Yes.

7. Fiscal Impact Estimates: Preliminary, See line 8.

8. Fiscal Implications: The Auditor of Public Accounts (APA) indicates that the audit required by this bill cannot be absorbed with its current staffing levels. APA estimates that the cost to hire a firm to perform the audit would be from \$10,000 to \$15,000.

The Commission on Local Government, per § 30-19.03 of the Code of Virginia, has determined that this bill does not require a net additional expenditure by any county, city, or town, nor does it require a net reduction of revenues by any county, city, or town.

9. Specific Agency or Political Subdivisions Affected: Auditor of Public Accounts and localities

10. Technical Amendment Necessary: No

11. Other Comments:

Date: 2/26/16

Document: G:\2016 Session FIS and LAS\Engrossed\SB329H1\SB329H1.docx