

Department of Planning and Budget 2017 Fiscal Impact Statement

1. Bill Number: SB1416

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

2. Patron: Newman

3. Committee: Finance

4. Title: Investment of Public Funds Act; investment of funds in the Virginia Investment Pool Trust Fund.

5. Summary: Authorizes public officers, municipal corporations, and other political subdivisions to invest any or all of the moneys belonging to them or within their control, other than sinking funds, in the Virginia Investment Pool Trust Fund administered by the Virginia Local Government Finance Corporation, provided that such investments comply with the requirements of the Investment of Public Funds Act (§2.2-4500 et seq.) applicable to municipal corporations and other political subdivisions.

6. Budget Amendment Necessary: No.

7. Fiscal Impact Estimates: Indeterminate; See Item 8 below.

8. Fiscal Implications: According to the Department of Treasury, the fiscal impact is indeterminate. This fund would be an alternative to Treasury's Local Government Investment Pool (LGIP) if localities choose to use it. Currently, Treasury charges LGIP participants four basis points to manage their LGIP funds. The potential fiscal impact to Treasury is the lost four basis points management fee for any participants that take funds out of the LGIP and use this new fund. The level of participation in the new fund is unknown at this time; however, Treasury currently funds 4.75 full-time equivalent positions with this fund source.

9. Specific Agency or Political Subdivisions Affected: Department of Treasury, public officers, municipal corporations, and other political subdivisions.

10. Technical Amendment Necessary: No.

11. Other Comments: Identical to HB2105.