Department of Planning and Budget
2017 Fiscal Impact Statement

1. **Bill Number:** SB1416-H1

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 an elected treasurer that has been provided authority to invest moneys belonging to or within the control of the locality, to act on behalf of his locality to become a participating political subdivision in qualified investment pools without an ordinance adopted by the locality approving a joint exercise of power agreement. "Qualified investment pool" means a jointly administered investment pool organized as a trust fund pursuant to Article 1 of Chapter 13 of Title 15.2 that has a professional investment manager and has maintained for a period of one year at least (i) 40 or more participants and (ii) $400 million in invested assets.

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-S1.