Department of Planning and Budget
2018 Fiscal Impact Statement

1. **Bill Number:** HB692

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

2. **Patron:** Marshall

3. **Committee:** Appropriations

4. **Title:** Virginia Regional Industrial Facilities Act; revenue sharing; composite index.

5. **Summary:** Provides that the Commonwealth's calculation of the composite index of local ability-to-pay shall take into account an arrangement by localities entered into pursuant to the Virginia Regional Industrial Facilities Act whereby a portion of tax revenue is initially paid to one locality and redistributed to another locality. Such calculation shall properly apportion the percentage of tax revenue ultimately received by each locality.

6. **Budget Amendment Necessary**: Yes, Item 136.

7. **Fiscal Impact Estimates:** Indeterminate. See Item 8.

8. **Fiscal Implications:** The appropriation act outlines the calculation of the composite index of local ability-to-pay (local composite index). To make changes to the local composite index formula, a corresponding budget amendment is necessary.

    This bill requires the local composite index calculation to account for an arrangement by localities entered into pursuant to the Virginia Regional Industrial Facilities Act whereby a portion of tax revenue is initially paid to one locality and redistributed to another locality. The Department of Taxation provides data to the Department of Education to use in the local composite index calculation. The Department of Taxation is not aware if any localities currently participate in these revenue sharing agreements and does not have any data to support such agreements. Consequently, any fiscal impact to the state and to localities is indeterminate.

9. **Specific Agency or Political Subdivisions Affected:** Department of Education, Department of Taxation, local school divisions

10. **Technical Amendment Necessary:** No

11. **Other Comments:** None