

Commission on Local Government

Estimate of Local Fiscal Impact

2018 General Assembly Session

Bill: SB495

Patron: Carrico, Sr.

Date: 1/19/2018

In accordance with the provisions of §30-19.03 of the Code of Virginia, the staff of the Commission on Local Government offers the following analysis of the above-referenced legislation:

Bill Summary:

Creates the Deputy Sheriff Supplemental Salary Fund to provide funds for qualified localities to supplement the salaries of deputy sheriffs. Twenty percent of local fines generated by a local sheriff's office would be transferred by the circuit court clerk to the Fund to pay for such supplements.

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**Executive Summary:**

Localities have evaluated a negative fiscal impact ranging from \$0.00 - \$362,500.00. Localities noted that the bill would have a negative fiscal impact because it would divert a portion of their local fines to a state fund for redistribution without any local input, and would require them to direct funds from other parts of their budgets to compensate for the loss of locally generated revenue. Other localities noted that their Sheriff's office does not generate any revenue from fines but wondered what would happen to the fines generated by their police department. Other localities noted that salary increases for Sheriff's offices in one locality, could force other localities to increase salaries to be competitive. One locality raised questions regarding how the provisions of the bill would be applied in situations where localities jointly operate their Sheriff's offices.

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**Local Analysis:**

**Locality:** Augusta County

**Estimated Fiscal Impact:** \$54,000.00

The General Assembly appears to be attempting to classify deputies into: law enforcement, civil, courtroom security and jailors.

This bill will move fine money to the Commonwealth, when currently the County and the Sheriff are capable of distributing 20% locally without the Commonwealth's influence. Sometimes the state collects county funds, and even though it says that it cannot be used for anything other than the attended purpose (Paragraph A of SB495), there is a chance that the state could take a portion of the fund to balance a future state budget. Sometimes they take a percent of the funds to manage the program or fund that they are setting up. If the County continues to collect the funds directly, then it can commit to a spending plan whereby it knows that the funds stay in the County.

Paragraph B of SB495, notes that if a locality is not supplementing salaries more than the 20% of base deputy salary, then the Fund could be used for that locality to increase deputy salaries. There may be localities that are currently supplementing deputy salaries by 20% and may not be able to use the Deputy Sheriff Supplemental Salary Fund. Those localities would be sending funding to the Commonwealth that will assist other localities in salary increases for their deputies vs. keeping the funds in the locality where the funds are collected to address it's own expenditure needs.

Also, there will be an administrative burden for localities and the state to determine which deputies in which localities qualify to receive increases from the Fund.

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Locality: Botetourt County

Estimated Fiscal Impact: \$29,628.00

Botetourt County

Based on FY17 revenues from Local Fines and Forfeitures:

Revenue base = \$148,142
Less: 20% transfer x20%

Reduction in revenues \$ 29,628

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**Locality:** City of Covington

**Estimated Fiscal Impact:** \$24,659.60

In addition to state funds, additional local funds could come in to play. For example, when there is a joint city or town operation with a county sheriff's department, the amount spent by the sheriff's office may increase and the % match for a joint operations scenario could impact a city or town based on each local scenario.

Also, in joint operations, will cities and towns share in a % of all additional revenues if they are sharing in the costs of operations instead of designated where the ticket was generated?

Fiscal Impact would vary from locality to locality. From our Fines and Forfeitures Revenues FY 17 of \$4,709 we would lose \$941.80

Our locality (City) current pays approximately 27% of unfunded costs for Law Enforcement Sheriff (County) which in "our share" FY 17 (Schedule of Expenditures) was \$237,178 and a 10% impact on that would be \$23,717.80.

If salaries are increased for Sheriff's Offices, in areas where salaries are basically the same, cities and or towns will be forced to increase their salaries to compete for certified law enforcement professionals as well. A 20% increase on a starting salary of 34,000 is \$6,800 which is considerable for a small city or town.

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Locality: City of Danville **Estimated Fiscal Impact:** \$0.00

The Sheriff's Office does not generate any revenue from fines relating to violation of local ordinances. (Danville Sheriff's Office handles courtroom security, jail security, process serving). However, the changes to 16.1-69.48 brings up additional questions as written. The way this bill is written is not clear what happens to the fines generated by police departments for violations of local ordinances as it singles out sheriff/deputy sheriff fines only.

Locality: City of Martinsville **Estimated Fiscal Impact:** \$1.00

This is hard to say; totally dependent on the amount of the supplements. However, isn't it robbing one local source to give to another? That is totally unfair to the locality. And it would cause dissension in the ranks - giving one group of constitutional employees a benefit that others will not receive. As a locality that has little to look forward to in the way of raises for any of their employees in the near or distant future, this would hurt our ability to retain other municipal employees.

Locality: City of Virginia Beach **Estimated Fiscal Impact:** \$300,000.00

Estimated potential impact is to be \$300,000. The Sheriff's Office operates within a special revenue fund with a General Fund supplement. Removal of any portion of these fees would require an increased contribution from the General Fund to maintain operational services.

Locality: City of Winchester **Estimated Fiscal Impact:** \$20,000.00

According to Clerk of the Circuit Court,

The Sheriff's get treated fairly by the Comp Board and what this legislation asks is for the Circuit Court Clerk's Office to collect money so the Sheriff's Deputies will be paid more.

And the locality would lose money that might be needed for more pressing needs. The \$20,000 is a ball park estimate.

Locality: County of Henrico **Estimated Fiscal Impact:** \$0.00

The Henrico County Sheriff's office does not generate fines. The County has a Police Division that is the local law enforcement agency, which generates fines.

Locality: Fairfax County **Estimated Fiscal Impact:** \$1.00

The bill would limit the County's ability to spend locally generated revenue and would divert it to other jurisdictions which do not supplement their sheriffs' salaries. In Fairfax County, the Sheriff's Office does not routinely act as police officers and does not issue a significant number of traffic tickets. As long as the bill does not affect the revenue distribution of Court Security fees, the revenue impact is likely to not be significant.

Locality: Prince George County

Estimated Fiscal Impact: \$9,600.00

Prince George County currently supplements all Sheriff Deputy salaries by 20% or more except for 1 position. On average we exceed the required Comp Board salaries by 21.8%. If we are permitted to apply for the one position that we do not supplement at 20%, the estimated fiscal impact is approximately \$9,536 (\$7,629 in salary with another \$1,907 in benefits).

Locality: Rockingham County

Estimated Fiscal Impact: \$32,000.00

Rockingham County is against any legislation that would mandate how County Revenues are spent. This bill would directly take revenues in the County's General Fund and allocate it to pay supplements without any County input.

Locality: Spotsylvania County

Estimated Fiscal Impact: \$80,000.00

Spotsylvania's minimum sheriff's deputy salary is 35% greater than the State's minimum. As such, Spotsylvania would not qualify for any funding from the proposed Deputy Sheriff Supplemental Salary Fund, but would lose an estimated \$80,000 in local revenue due to the proposed requirement to send 20% of fine revenue to the State. This would be a net \$80,000 cost to the County.

Locality: Town of Culpeper

Estimated Fiscal Impact: \$0.00

N/A - The Town does not receive any benefit from local fines generated by the County Sherriff's office.

Locality: Wise County

Estimated Fiscal Impact: \$5,000.00

Our locality already supplements deputy sheriffs to some extent. Also this appears to swap funds from one fund to another and could simply reduce funds available to fund other law enforcement needs or other needs. Additionally our locality does not radar and writes limited tickets for fines.

Professional Organization Analysis:

Organization: Accomack-Northampton Planning District
Commission

This impact is based on the fines and forfeitures of the FY18 budgets (not actual). Accomack County would contribute \$1,400 to the Supplemental Salary Fund. Northampton County would contribute \$102,000 to the Supplemental Salary Fund and this impact is on the order of Northampton's budgeted annual contingency expenditure or insurance expenditure.

Organization: Commissioners of Revenue Association of VA

No position

