

Department of Planning and Budget 2019 Fiscal Impact Statement

1. **Bill Number:** SB1515

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

2. **Patron:** Carrico

3. **Committee:** Courts of Justice

4. **Title:** Property conveyance; authorizes DBHDS to transfer certain property.

5. **Summary:** This bill authorizes the Department of Behavioral Health and Developmental Services (DBHDS) to transfer a portion of property previously used as the Southwestern Virginia Mental Health Institute (SVMHI) to the Mount Rogers Community Services Board (CSB) and a portion of such property currently being leased to Smyth County to the County.

6. **Budget Amendment Necessary:** No.

7. **Fiscal Impact Estimates:** See 8 below.

8. **Fiscal Implications:** This legislation transfers ownership of two separate portions of property formerly used by the Southwestern Virginia Mental Health Institute to the Mount Rogers Community Services Board and to Smyth County, respectively. While this legislation would convey the property without consideration, the Department of General Services has stated that the acreage included in this bill was most recently appraised at \$5.2 million. Pursuant to § 37.2-318, Code of Virginia, all net proceeds from the sale of DBHDS property is to be deposited into the Behavioral Health and Developmental Services Trust Fund and used to provide community-based services to individuals with developmental or intellectual disabilities.

The bill states that heating to the Morrison Building (SVMHI) currently being leased by Smyth County is to be provided by the Commonwealth for no less than five years. DBHDS has expressed concern that because the system is over 70 years old and in need of replacement, the facility may be unable to provide heat to the Morrison Building past December 31, 2019, a date agreed upon by Smyth County and SVMHI as stated in the current lease. The bill's requirement for continued provision of service may obligate the Commonwealth to repair or replace the existing heating system if it should fail within the five year requirement. The agency does not have the current capacity or resources to fix or replace the steam line should it become unusable. While an estimate to replace the system is not available, capital requests in previous years from DBHDS to address the steam line system at SVMHI or buildings at other state facilities were in the range of \$1.0 million - \$3.0 million, though those costs have likely increased due to inflation.

According to both DBHDS and the Department of the Treasury, there are not currently any outstanding treasury bonds on the parts of the property that are included in this legislation. However, should a conveyance extend beyond the portions that are currently being discussed, further analysis of any bond implications would need to be completed.

9. Specific Agency or Political Subdivisions Affected: Department of Behavioral Health and Developmental Services, SWVMHI, Mt. Rogers CSB, Smyth County

10. Technical Amendment Necessary: No.

11. Other Comments: None.