

Department of Planning and Budget

2006 Fiscal Impact Statement

1. **Bill Number** HB1382er

House of Origin ☐ Introduced ☐ Substitute ☐ Engrossed

Second House ☐ In Committee ☐ Substitute ☒ Enrolled

2. **Patron** McQuig

3. **Committee** Privileges and Elections

4. **Title** Constitutional amendment (voter referendum); powers of the General Assembly; limitations on powers including incorporation of churches.

5. **Summary/Purpose:** Provides for a referendum at the November 2006 election on approval of a proposed constitutional amendment relating to incorporation of churches. The proposed amendment deletes language that prohibits the General Assembly from granting charters of incorporation to churches. This prohibition was held to be unconstitutional in 2002 by the United States District Court for the Western District of Virginia in *Falwell v. Miller* (203 F.Supp. 2d 624). The Court held that the prohibition against incorporation of churches violated the plaintiff church's First Amendment right to the free exercise of religion. Since that case, the State Corporation Commission has granted charters to churches. This amendment deletes the now obsolete language and effects no change in current law on the powers of the General Assembly.

6. Fiscal Impact Estimates are: One time

6a. Expenditure Impact:

<i>Fiscal Year</i>	<i>Dollars</i>	<i>Positions</i>	<i>Fund</i>
2006-07	\$200,000	0.0	General Fund

7. **Budget amendment necessary:** Yes, Item 85.

8. **Fiscal implications:** A constitutional amendment to the voters will have a fiscal impact on the State Board of Elections (SBE) of at least \$200,000 whenever a constitutional amendment or other statewide issue is put on the ballot. The cost for the advertising required by §§ 30-19.9 and 30-19.10 is currently estimated at \$200,000 for the first such statewide constitutional amendment or ballot issue, and approximately \$66,000, for each additional amendment or ballot issue to be voted at the same election. Most of this cost is for the required newspaper advertising of the official explanations, which include the full text of the section being amended. SBE also incurs costs for the printing and shipping of brochures and posters containing the explanations and texts. The brochures are sent to every local registrar's office, and to anyone requesting copies. The posters are displayed in the registrars' offices and in every polling place.

Since the advertising is a one-time cost that cannot be predicted at the time the agency is preparing its budget package in the summer and fall (as we never know how many amendments or issues the General Assembly will put on the ballot the next year), the advertising must be funded through a budget amendment.

9. Specific agency or political subdivisions affected: State Board of Elections, local electoral boards and registrars

10. Technical amendment necessary: No

11. Other comments: No

Date: 2/23/06 mtb

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cc: Secretary of Administration