

Department of Planning and Budget 2006 Fiscal Impact Statement

1. Bill Number HB83-ER

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

2. Patron Sherwood

3. Committee Passed Both Houses

4. Title Public Building Authority; issuance of bonds for State Agency Radio System for State Police.

5. Summary/Purpose: Authorizes the Virginia Public Building Authority (VPBA) to finance \$201.9 million for the development, acquisition, construction and equipping of the project known as the State Agency Radio System (STARS). The funding will support Phase II of the project.

6. Fiscal Impact Estimates are: FINAL.

6a. Expenditure Impact:

<i>Fiscal Year</i>	<i>Dollars</i>	<i>Positions</i>	<i>Fund</i>
2005-06		\$0	
2006-07	\$1,372,750		
2007-08	\$12,244,612		
2008-09	\$23,737,441		
2009-10	\$25,160,017		
2010-11	\$25,143,445		
2011-12	\$25,129,700		

7. Budget amendment necessary: No.

8. Fiscal implications: This legislation authorizes the Virginia Public Building Authority (VPBA) to issue revenue bonds in an amount not to exceed \$201,900,000 for Phase II of the STARS project, plus amounts needed to fund issuance costs, reserve funds, original issue discount, interest prior to and during acquisition, construction or renovation and for one year after completion thereof, and other financing expenses. The introduced budget includes the debt service expense noted above for the 2006-08 biennium.

The 2004 General Assembly authorized the issuance of \$159,300,000 in revenue bonds through Chapter 522 for Phase I of the STARS project. As such, a commitment was made to ensure a viable communication system existed throughout the state to aid law enforcement officers and first responders. This system will also provide increased communications during situations like Hurricane Katrina or acts of terrorism. Also, this system has been designed

with interoperability capabilities that will permit localities to communicate with other localities and state agencies.

The bonds authorized by this bill will constitute tax-supported debt of the Commonwealth and as such have an impact on the Commonwealth's debt capacity. The Authority's superior bond ratings provide a low cost of borrowing for capital needs and thereby minimize the burden to the citizens of the Commonwealth.

- 9. Specific agency or political subdivisions affected:** Commonwealth entities affected include: Department of the Treasury, Virginia Public Building Authority, Treasury Board, Department of State Police, Department of Transportation, Department of Forestry, Department of Corrections, Department of Emergency Management, Department of Mines, Minerals & Energy, Department of Military Affairs, Marine Resources Commission, Department of Fire Programs, Department of Game and Inland Fisheries, Department of Health, Department of Conservation & Recreation, Capital Police, Department of Alcoholic Beverage Control, Department of Information Technology, Department of Environmental Quality, Department of Motor Vehicles, Virginia Port Authority, Department of Charitable Gaming and the Department of Juvenile Justice. The Chesapeake Bay Bridge Tunnel Police are also included. All local public safety and law enforcement entities are also potentially impacted.

- 10. Technical amendment necessary:** No.

- 11. Other comments:** Identical to SB 27. Also, Phase I of this project is presently ahead of schedule and on budget. The first test of the system in December was successful.

Date: 03/01/06 / jgc

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cc: Secretary of Finance
Secretary of Public Safety