

## Department of Planning and Budget 2006 Fiscal Impact Statement

1. **Bill Number** SB357ER

**House of Origin**     Introduced     Substitute     Engrossed

**Second House**     In Committee     Substitute     Enrolled

2. **Patron**        Edwards

3. **Committee** Privileges and Elections

4. **Title**            Constitutional amendment (voter referendum); property exempt from taxation

5. **Summary/Purpose:** Provides for a referendum at the November 2006 election on approval of a proposed constitutional amendment relating to property tax exemptions. The proposed amendment authorizes the General Assembly to enact legislation that will permit localities to provide a partial exemption from real property taxes for real estate and associated new structures and improvements in conservation, redevelopment, or rehabilitation areas.

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:** The Senate approved an amendment to SB30 to Item 85 for \$266,000 GF for expenses related to the constitutional amendments in SB357 and SB526. The House also included three amendments, totaling \$332,000 GF, to HB30 to fund expenses required for three constitutional amendments. (Based on \$200,000 for the first amendment and \$66,000 for each subsequent amendment).

**Date:** 1/27/06 mtb

**Document:** G:\2006session\Fis\SB357er.Doc Mike Barton

cc: Secretary of Administration