

## Department of Planning and Budget 2007 Fiscal Impact Statement

**1. Bill Number** SB1352

<b>House of Origin</b>	<input type="checkbox"/> Introduced	<input checked="" type="checkbox"/> Substitute	<input type="checkbox"/> Engrossed
<b>Second House</b>	<input type="checkbox"/> In Committee	<input type="checkbox"/> Substitute	<input type="checkbox"/> Enrolled

**2. Patron** Stosch

**3. Committee** Finance

**4. Title** Virginia War Memorial.

**5. Summary/Purpose:** This bill requires the State Treasurer to advance a loan of \$3.5 million to the Department of General Services for the state share of the construction of an educational wing for the Virginia War Memorial in the form of a short-term treasury loan, with no interest, upon certification by the Secretary of Administration that \$2 million in private funds have been raised, are available, and will be used to support construction.

**6. Fiscal Impact Estimates are:** See item 8, below.

**7. Budget amendment necessary:** Yes. Item C-4, to authorize the treasury loan

**8. Fiscal implications:** Chapter 3, 2006 Acts of Assembly, Special Session I, provides \$2.5 million (\$500,000 from the general fund and \$2.0 million in special fund appropriation) for the project. The introduced budget bill (SB 750) also adds \$1.5 million from the general fund to support the construction of this project (Item C-4). The remaining appropriation needed to complete this project is \$2.0 million.

The Department of Treasury and the Department of Planning and Budget are authorized to provide anticipation loans for capital projects. However, according to Section 4-3.02 of Chapter 3, a treasury loan for a capital project is only authorized when the agency has developed a plan for financing the capital project and it has an identified source of anticipated revenue (i.e. federal funds) to repay the treasury loan. This bill authorizes a loan against the general fund.

**9. Specific agency or political subdivisions affected:** Department of General Services,  
Department of the Treasury

**10. Technical amendment necessary:** No

**11. Other comments:** None

**Date:** 01/25/07/ AFG

**Document:** G:\AFG\General Assembly 2007 Session\FIS 2007\SB1352S1.Doc AFG

cc: Secretary of Administration

Secretary of Finance