Department of Planning and Budget
2008 Fiscal Impact Statement

1. **Bill Number:** HB781

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

2. **Patron:** Kilgore

3. **Committee:** General Laws

4. **Title:** **Southwest Virginia Cultural Heritage Commission.**

5. **Summary:** Creates the Southwest Virginia Cultural Heritage Commission to encourage the economic development of Southwest Virginia through the expansion of cultural heritage ventures and initiatives related to tourism and other asset-based enterprises, including the Southwest Virginia Artisan Center, the Crooked Road, Round the Mountain, and related cultural heritage organizations and venues that promote entrepreneurial and employment opportunities. The bill sets out the membership of the Commission and its powers and duties.

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

6a. Expenditure Impact:

Fiscal Year	*Dollars*	*Positions*	*Fund*
2008	0	0	-
2009	0	0	-
2010	0	0	-
2011	150,000	1	GF
	100,000	1	NGF
2012	150,000	1	GF
	200,000	2	NGF
2013	150,000	1	GF
	200,000	2	NGF
2014	150,000	1	GF
	200,000	2	NGF

6b. Revenue Impact:

Fiscal Year	*Dollars*	*Positions*	*Fund*
2008	0	0	-
2009	0	0	-
2010	0	0	-
2011	100,000	0	NGF
2012	200,000	0	NGF
2013	200,000	0	NGF
2014	200,000	0	NGF

7. **Budget Amendment Necessary:** No.

8. **Fiscal Implications:** The proposed legislation creates the Southwest Virginia Cultural Heritage Commission, in the executive branch of government, to encourage the economic development of Southwest Virginia through the expansion of cultural heritage ventures and

initiatives related to tourism and other asset-based enterprises. This Commission will consist of 23 members, including legislators and representatives of state agencies, localities, and local cultural organizations. All members of the Commission will be reimbursed for their expenses. In addition, legislative members will receive compensation for their services if performed on a day their respective house is not in active session. These expenses can be absorbed within existing resources currently appropriated for the artisan center (from the Department of Housing and Community Development).

It is anticipated that the Commission established by this bill would encourage the economic development of Southwest Virginia by serving as an umbrella entity for the various cultural groups and organizations in Southwest Virginia, such as the planned Southwest Virginia Artisan Center, "The Crooked Road" music heritage trail, and the Round the Mountain artisan network. To that end, the Commission will have the authority to: enter into agreements; acquire and dispose of property; plan, construct, and maintain facilities; operate and manage cultural activities and visitor services, and employ staff. It is anticipated that the Commission will oversee the operation of the Southwest Virginia Artisan Center that will be constructed in the Town of Abingdon. Chapter 951, 2005 Acts of Assembly authorized and provided funding for the development of regional artisan centers (Item 112.10, paragraph F and Item 506, paragraph V). Item 104, paragraph L in Chapter 847, 2007 Acts of Assembly as well as Item 110, paragraph J in HB30/SB30, reappropriated funding in the Department of Housing and Community Development (DHCD) for this purpose.

Construction of the artisan center in the Town of Abingdon is expected to begin in the spring of 2008 and be completed within two years. By the start of FY 2011, the facility should be operational. The fiscal impact estimates above include general fund support, which could be fazed-out as the Center becomes self-sufficient, for salary and benefits for an individual to serve as executive director during the initial phases of the Center's operations. The salary and nonpersonal services costs for the executive director are estimated at $58,500. Additional hourly staff could be employed as needed at an estimated cost of $11.40/hour. Any remaining funding would be used to support other artisan and heritage tourism-related activities within the region. It is anticipated that in the future the Center will generate sufficient revenue to fund its operations; this revenue would include income from the on-site sales of goods and services, concession revenues, and charges for the use of the facility by outside parties.

It is anticipated that once the Center is operational in future biennia it and the Commission will become a separate state agency apart from DHCD.

9. **Specific Agency or Political Subdivisions Affected:** General Assembly; Town of Abingdon; Washington County; Planning District Commissions 1, 2, 3, 4, and 12; Virginia Community College System; Department of Housing and Community Development; Virginia Tourism Corporation; Virginia Commission for the Arts; Round the Mountain; The Crooked Road; Southwest Virginia Higher Education Center.

10. **Technical Amendment Necessary:** Yes. The bill is silent regarding what agency within the executive branch will support the Commission. An amendment is necessary to clarify what agency will provide this support. Funding is currently in DHCD for the development of the Southwest Virginia Artisan Center.

11. Other Comments: The companion bill is SB 653 in the Senate Committee on Rules.

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cc: Secretary of Commerce and Trade
Secretary of Education