

Department of Planning and Budget 2009 Fiscal Impact Statement

1. Bill Number: HB1758

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

2. Patron: Englin

3. Committee: Appropriations

4. Title: Flood Mitigation Bond Act of 2009; created

5. Summary: The bill authorizes issuance of bonds not to exceed \$100 million to be used as matching funds for localities' flood mitigation projects that are approved by the Department of Conservation and Recreation.

6. Fiscal Impact Estimates: Preliminary.

6a. Expenditure Impact:

<i>Fiscal Year</i>	<i>Dollars</i>	<i>Fund</i>
2009	\$0	
2010	\$0	
2011	\$8.4 million	general fund
2012	\$8.4 million	general fund
2013	\$8.4 million	general fund
2014	\$8.4 million	general fund
2015	\$8.4 million	general fund

7. Budget Amendment Necessary: No. The debt service payments will not begin until FY 2011, assuming that the bonds are not issued until FY 2010.

8. Fiscal Implications: According to the Department of Treasury, the debt service on the authorized amount of \$100 million will be approximately \$8.4 million annually for 20 years, assuming that the notes are issued in FY 2010.

The bill provides that the debt service payments will be paid from amounts to be appropriated by the General Assembly. The notes will be tax-supported debt and will affect the debt capacity of the Commonwealth.

The bond proceeds will be used for matching grants to localities for flood mitigation projects. The Department of Conservation and Recreation is charged with administering the grants. No locality may receive more than \$10 million of bond funds.

9. Specific Agency or Political Subdivisions Affected: Treasury Board, Department of Conservation and Recreation.

10. Technical Amendment Necessary: Yes.

Line 55, the Treasury Board does not have a vice-chairman.

Line 60, strike "Transportation Board" and insert "Treasury Board."

11. Other Comments: Historically, the Treasury Board does not issue revenue bonds. The Virginia Public Building Authority would be a more appropriate issuing authority.

For clarification, the bill should specify that the bonds are being used for matching grants to localities.

Date: 1/28/2009 dpbkbs

Document: G:\09 FIS\DCR\HB1758.doc

cc: Secretary of Natural Resources
Secretary of Finance