

Department of Planning and Budget 2009 Fiscal Impact Statement

1. Bill Number: SB1459

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

2. Patron: Puckett

3. Committee: General Laws and Technology

4. Title: **Manufactured Housing Licensing and Transaction Recovery Fund Law.**

5. Summary: Raises the maximum claim amount of a single claimant against the Virginia Manufactured Housing Recovery Fund for single or multiple violations by one or more regulants from \$20,000 to \$40,000, and raises the minimum balance of the Fund from \$250,000 to \$500,000. The bill also (i) authorizes interest earned on the Fund to be used for education programs for a wider range of individuals and to pay department staff expenses for conducting investigations, and (ii) authorizes the Manufactured Housing Board to use up to five percent of the balance of the Fund in any fiscal year for educational purposes and to pay investigation expenses. Under the bill, the provisions raising the minimum fund balance and authorizing the use of the Fund balance and interest on educational programs and to pay investigative cost will expire on July 1, 2012.

6. Fiscal impact estimates are preliminary. See item 8, below.

7. Budget Amendment Necessary: No.

8. Fiscal Implications: The provisions of the bill would remain in place through FY 2012. The proposed legislation requires the maintenance of a minimum balance of \$500,000 in the fund. For the last several fiscal years, the Fund has maintained a balance at year-end of over \$900,000. At the end of FY 2008, the Fund had a balance of \$999,203. However, language in the Appropriation Act overrides the Code of Virginia and requires the State Comptroller to retain in the general fund any interest the Virginia Manufactured Housing Recovery Fund would otherwise accrue during FY 2009 and FY 2010.

Also, language in the introduced budget bill directs the State Comptroller to transfer from this Fund to the general fund \$150,000 in FY 2010.

At the end of the current biennium and absent language in the Appropriation Act requiring the retention by the general fund of interest earnings, in FY 2011 and FY2012 the provisions of the bill may provide additional funding for the Department of Housing and Community Development to expand the educational programs that could be funded from this Fund and to recover a portion of its expenses incurred in performing investigations on claims filed by homeowners.

9. Specific Agency or Political Subdivisions Affected: Department of Housing and Community Development.

10. Technical Amendment Necessary: No.

11. Other Comments: None.

Date: 1/27/2009 tmw

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cc: Secretary of Commerce and Trade