

Department of Planning and Budget
2011 Fiscal Impact Statement

1. Bill Number: HB1627

House of Origin ☒ Introduced ☐ Substitute ☐ Engrossed
Second House ☐ In Committee ☐ Substitute ☐ Enrolled

2. Patron: Watts, V.

3. Committee: General Laws

4. Title: Common Interest Community Board; annual payment by common interest communities.

5. Summary: Changes the minimum amount payable annually by common interest communities to the Common Interest Community Board from the lesser of \$1,000 or five hundredths of one percent (0.05%) to the lesser of \$3,000 or three hundredths of one percent (0.03%).

6. Budget Amendment Necessary: No

7. Fiscal Impact Estimates: Fiscal impact estimates are preliminary.

7a. Expenditure Impact:

<i>Fiscal Year</i>	<i>Dollars</i>	<i>Positions</i>	<i>Fund</i>
2011	\$0	0.0	0900 NGF
2012	\$0	0.0	0900 NGF
2013	\$0	0.0	0900 NGF
2014	\$0	0.0	0900 NGF
2015	\$0	0.0	0900 NGF
2016	\$0	0.0	0900 NGF
2017	\$0	0.0	0900 NGF

7b. Revenue Impact:

<i>Fiscal Year</i>	<i>Dollars</i>	<i>Fund</i>
2011	\$0	0900 NGF
2012	(\$115,000)	0900 NGF
2013	(\$115,000)	0900 NGF
2014	(\$115,000)	0900 NGF
2015	(\$115,000)	0900 NGF
2016	(\$115,000)	0900 NGF
2017	(\$115,000)	0900 NGF

8. Fiscal Implications: This bill decreases the annual assessment fee established in statute from .05 percent to .03 percent, and increases the maximum fee from \$1,000 to \$3,000. It

affects licensed managers, registered condominium unit owners' associations, and registered property owners' associations. This bill will reduce annual revenues from assessment fees paid into the Community Management Information Fund.

Revenue: The reduction in the percentage of the assessment fee from .05 percent to .03 percent is expected to reduce revenues collected by the Fund by approximately \$115,000 annually.

In accordance with the provisions of Section 54.1-113 (Callahan Act) of the Code of Virginia, licensing fees are established at rates adequate to cover a program's operating costs and a proportionate share of agency support costs.

The Board's current cash and revenue are expected to be sufficient for the next biennium to cover the loss of revenue associated with this bill. Revenues in future biennia may be inadequate to cover the program's operating costs. This may necessitate increases to other Board application, renewal, and annual filing fees. On average, the fees would increase by approximately \$25.

Cost to Regulants: This legislation could add approximately \$25 annually on average to fees paid by associations and managers.

9. Specific Agency or Political Subdivisions Affected: Department of Professional and Occupational Regulation

10. Technical Amendment Necessary: No

11. Other Comments: None

Date: 01/13/2011

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HB1627 FIS FY11.doc