

Department of Planning and Budget 2011 Fiscal Impact Statement

1. Bill Number: SB1400

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

2. Patron: Locke

3. Committee: Local Government

4. Title: Fort Monroe Authority Act.

- 5. Summary:** Moves the Fort Monroe Authority Act's enabling legislation from Title 15.2 to Title 2.2 and makes necessary technical changes. Additionally, the Fort Monroe Authority (FMA) may fix, charge, and collect rents, fees, and charges for the use of the services or facilities provided, owned, operated, or financed by the Authority benefiting property within the Authority's Area of Operation, with an exception provided for use by the Commonwealth or the City of Hampton. Such rents, fees, and charges will be used to fund payments to the Commonwealth or any political subdivision thereof, including annual payments to the City of Hampton based on a prescribed formula for the services, privileges, or facilities provided by the City. The bill allows FMA to contest the assessments, which are a factor in the formula on which the annual payments to the City will be based. The Authority is expressly prohibited from arranging or contracting for the furnishing of works, services, privileges, or facilities the City of Hampton provides, except to the extent necessary to provide additional, more complete, or more timely services than are generally available in the City of Hampton to the residents, businesses, and visitors of Fort Monroe.

Also, provides that employees of FMA are eligible for all of the health and related insurance and other benefits, including premium conversion and flexible benefits, available to state employees, thus making the Fort Monroe Act consistent with language in HB1500/SB800. The bill also relaxes restrictions on the sale or conveyance of real property interests by FMA.

6. Budget Amendment Necessary: No.

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

- 8. Fiscal Implications:** The fiscal impact of the bill is indeterminate and will depend on the calculations of the formula on which annual payments to the City of Hampton will be based and the revenue FMA generates from the rent and other charges FMA is authorized to collect from users and occupants of FMA facilities, as well as the amount of funding FMA receives from the state, the federal government, and other revenue sources. Calculations for the first annual payment will be based on the assessed value of FMA's real property between September 15, 2011, and December 31, 2011.

HB1500/SB800 includes \$1.93 million in FY 2012, from the general fund, for the Commonwealth's share of the Authority's operating expenses. In addition to the funds the Commonwealth will provide to FMA, it is anticipated that FMA will continue to receive funds from the federal Office of Economic Adjustment and revenue from rental property and other enterprises at the Fort.

9. Specific Agency or Political Subdivisions Affected: Fort Monroe Authority and the City of Hampton.

10. Technical Amendment Necessary: No.

11. Other Comments: None.

Date: 1/24/11

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