

## Department of Planning and Budget 2011 Fiscal Impact Statement

**1. Bill Number:** SB899

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

**2. Patron:** Deeds

**3. Committee:** Passed both houses

**4. Title:** Charter; City of Alleghany Highlands

**5. Summary:** Provides a new charter for the City of Alleghany Highlands, the city created by the consolidation of Alleghany County and the City of Covington.

**6. Budget Amendment Necessary:** No

**7. Fiscal Impact Estimates:** Unavailable. Final (see Item 8)

**8. Fiscal Implications:** Because of the process required to formally create the City of Alleghany Highlands, any potential fiscal impact to the state resulting from this legislation would not be until fiscal year 2013. One potential fiscal impact to the state relates to the calculation of state support for K-12 education. If the City of Alleghany Highlands is created through public referendum, the lowest composite index between the City of Covington and Alleghany County will be used for the calculation of state support for the new City of Alleghany Highlands. This would result in a higher cost to the state, although the impact should be relatively small given the size of these localities. The potential cost cannot be estimated until K-12 rebenchmarking is conducted this summer.

It is not clear at this time if the creation of the City of Alleghany Highlands would result in fiscal implications in public safety funding. Although funding should stay the same for state support related to police forces under the HB599 Program, there may be additional state costs to support deputy sheriffs. As provided in separate legislation, HB1771/SB901, the Compensation Board is given authority to provide funding to support law enforcement deputies to the City of Alleghany Highlands. With this provision, it is uncertain if additional deputies would be provided, or the present level of funding for deputies maintained.

Also unknown at this time are the potential fiscal implications from the creation of the City of Alleghany Highlands to any other state aid-to-localities program.

**9. Specific Agency or Political Subdivisions Affected:** Department of Education, Commission on Local Government, Compensation Board, Department of Criminal Justice

Services, Alleghany County, City of Covington, potentially any other state agency providing aid-to-localities funding to Alleghany County and/or Covington.

**10. Technical Amendment Necessary:** No

**11. Other Comments:** This bill is identical to HB 1770.

**Date:** February 21, 2011

**Document:** G:\FIS\SB899ER.Doc mdm