

## Department of Planning and Budget 2012 Fiscal Impact Statement

**1. Bill Number:** HB482

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

**2. Patron:**        Iaquinto

**3. Committee:** Appropriations

**4. Title:**         Circuit court clerks; technology fee.

**5. Summary:** Replaces the \$5 Technology Trust Fund Fee with a \$4 Local Technology Trust Fund Fee and a \$1 State Technology Trust Fund Fee. The \$4 local fee will be deposited into the circuit court clerk's non-reverting local fund to be used for the operational expenses associated with providing secure remote access to land records. The \$1 state fee is paid to a state trust fund and may be allocated by the State Compensation Board to those clerks' offices whose deposits from the local fund are not sufficient for modernizing access to records. Currently, \$4 of the \$5 fee is paid into a trust fund and allocated by the Compensation Board to circuit court clerks' offices for such purposes and the remaining \$1 is allocated to studies of automation and to clerks' offices whose share of the \$4 fee is not sufficient to implement such modernizations.

**6. Budget Amendment Necessary:** Yes; Front page nongeneral fund revenue and Item 73.

**7. Fiscal Impact Estimates:** Preliminary; See item 8 below

**7a. Expenditure Impact:**

<i>Fiscal Year</i>	<i>Dollars</i>	<i>Positions</i>	<i>Fund</i>
2013	\$2,978,426	0.00	General Fund
2013	-\$6,400,712	0.00	Nongeneral Fund
2014	\$2,978,426	0.00	General Fund
2014	-\$6,400,712	0.00	Nongeneral Fund
2015	\$2,978,426	0.00	General Fund
2015	-\$6,400,712	0.00	Nongeneral Fund
2016	\$2,978,426	0.00	General Fund
2016	-\$6,400,712	0.00	Nongeneral Fund
2017	\$2,978,426	0.00	General Fund
2017	-\$6,400,712	0.00	Nongeneral Fund
2018	\$2,978,426	0.00	General Fund
2018	-\$6,400,712	0.00	Nongeneral Fund

**8. Fiscal Implications:** The proposed legislation is expected to have a fiscal impact either to the Commonwealth or to circuit court clerks' offices. The amounts identified in item 7 above

reflect a general fund appropriation that is necessary to restore support to clerks' operating expenses that has been supported with Technology Trust Fund (TTF) revenue and a nongeneral fund appropriation adjustment due to lower TTF revenue being received (since this revenue would be retained by the circuit court clerks in their local fund).

Item 73, paragraph F of HB30, states that the Compensation Board "may" use up \$3,978,426 each year of TTF revenue for operating expenses in circuit court clerks' offices. The Compensation Board currently allocates \$2.98 million of this amount to support clerks' operating expenses. Under the proposed legislation, the \$4 portion of the fund would be deposited to the clerk's local non-reverting fund, and would no longer be available to the Compensation Board for supplanting operating expenses in clerks' offices. In the event this proposal passes and \$2.98 million is not provided via amendment to restore the support relied upon from the TTF for clerks' operating costs, the Compensation Board would be required to reduce clerks' offices budgets by approximately 7.2 percent beginning in FY13.

Additionally, under current budget language, the Compensation Board utilizes a line of credit to budget and allocate funds to clerks' offices, based upon a projection of revenue that will come in during the fiscal year. This allows clerks to budget for expenses and seek reimbursement for a portion of their budgeted expenses during the year, instead of having to wait for the funds to accrue through collections. Clerks with lesser collection levels may experience a delay in the first year of implementation in being able to accrue sufficient collections to pay expenses through their local non-reverting fund collections.

**9. Specific Agency or Political Subdivisions Affected:** Circuit court clerks' offices statewide, Compensation Board.

**10. Technical Amendment Necessary:** No.

**11. Other Comments:** Depending on final budget actions taken, Item 73, paragraph F may need to be revised to account for less TTF to cover clerks' operating costs.

**Date:** January 31, 2012

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