

Department of Planning and Budget 2012 Fiscal Impact Statement

1. Bill Number: HB54

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

2. Patron: Putney

3. Committee: Appropriations

4. Title: Higher Educational Institutions Bond Act of 2012

5. Summary: The bill authorizes the Treasury Board to issue bonds pursuant to Article X, Section 9 (c) of the Constitution of Virginia in an amount up to \$125,594,000 plus financing costs to finance revenue-producing capital projects at five institutions of higher education.

The bonds are backed by the full faith and credit of the Commonwealth and therefore, constitute tax-supported debt. The bill also declares that an emergency exists and that the bill is effective upon passage.

6. Budget Amendment Necessary: Yes. The Construct Dormitory (\$1,000,000) project for the College of William and Mary's should be added to House Bill 30.

7. Fiscal Impact: Preliminary. The substitute bill revises the amounts for five projects to match the amounts included in House Bill 30 or in the Governor's Executive Amendments to the budget. In addition, the legislation includes one new project for the College of William and Mary which is not currently included in House Bill 30. It is expected that these projects will generate sufficient nongeneral fund revenues to pay operating expenses and debt service.

8. Fiscal implications: Institutions will need nongeneral fund appropriations for debt service once the projects are complete. Institutions of higher education affected by the bill must set rates, fees, and/or charges at levels that will generate sufficient net revenues to retire the debt.

9. Specific Agency or Political Subdivisions Affected:

George Mason University
Radford University
College of William and Mary
Department of the Treasury

James Madison University
Old Dominion University
Treasury Board

10. Technical Amendment Necessary: No.

11. Other Comments: The substitute for House Bill 54 is similar to substitute for Senate Bill 31. The House version includes supplemental funding (\$1,000,000) for a project for the College of William and Mary.

Date: 02/2/12

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