

Department of Planning and Budget 2012 Fiscal Impact Statement

1. Bill Number: HB721

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: Yancey

3. Committee: Transportation

4. Title: Board of Towing and Recovery Operators.

5. Summary: This bill abolishes the Board of Towing and Recovery Operators.

6. Budget Amendment Necessary: See Item 8.

7. Fiscal Impact Estimates: Indeterminate

8. Fiscal Implications: The Towing and Recovery Operators agency was created in 2006 and supported by a treasury loan of \$350,000 in both FY 2007 and FY 2008. Beginning July 1, 2008, revenue from licensure/regulations of towing and recovery operators began to support agency operations. The agency began to pay down the loan incrementally in FY 2009 and all loans have now been paid. The agency receives no general fund support. All funds are generated via licensure fees collected from towing and recovery operators between May and October of a given calendar year.

Currently, there are 2.0 full time staff and 4.0 part-time staff. The office lease includes a provision that will disallow any assessed penalties against the Commonwealth by the property owner if the lease is abrogated prematurely.

The agency's FY 2013 appropriation is \$573,743 and FY 2011 expenditures were \$501,068. Because the Board's revenue from licensure/regulation of towing and recovery operators is used to support agency operations and this bill eliminates this revenue, the abolishment of the Board of Towing and Recovery Operators will produce no savings. The projected remaining balance at the end of FY 2012 is about \$150,000. In addition, once the towing industry knows the agency has been abolished, it is unlikely that any new or renewal revenues would be forthcoming, significantly reducing the final fiscal resources of this self-funded agency.

While the introduced budget anticipates introduction and passage of this legislation, Item 421 will need to be amended in the future to reflect the elimination of the Board of Towing and Recovery Operators.

9. Specific Agency or Political Subdivisions Affected: Board of Towing and Recovery Operators

10. Technical Amendment Necessary: None

11. Other Comments: HB1291 presents the Governor's reorganization plan for the executive branch of state government, which includes abolishing the Board of Towing and Recovery Operators effective January 1, 2013.

Date: February 7, 2012

Document: clc