

Department of Planning and Budget

2014 Fiscal Impact Statement

1. Bill Number: HB256

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: Lingamfelter

3. Committee: Appropriations

4. Title: Department of State Police; variable housing allowance.

5. Summary: Provides a housing allowance for full-time, sworn State Police officers, based upon pay grade and geographical location, from funds that are appropriated for such purpose. The rates of the variable allowance shall be based on suggested rates developed and annually updated by the Department of Human Resource Management.

6. Budget Amendment Necessary: Yes. Item 413.

7. Fiscal Impact Estimates: Preliminary; See Item 8 below.

8. Fiscal Implications: According to the Department of State Police, the proposal will have a fiscal impact. Similar bills were introduced in the 2008 Session (HB846 and SB682) and in the 2013 Session (HB929 and HB2278). Using the same costs that were reported by the Department, the potential fiscal impact of this proposal could be as high as \$25 million per year if a system similar to the military is developed and implemented. It should be noted that this is a conservative estimate because the Department has since added additional full-time sworn officers. As it was noted in 2008 and 2013, if only 25 percent of the 2008 military rate is used, approximately \$6.15 million per year would be required.

According to the Department of Human Resources (DHRM), this proposal would result in additional costs to DHRM of approximately \$15,000 annually, since it would require DHRM to employ a seasonal wage employee, an Economic Analyst, in order to support the development of a variable housing allowance based on State Trooper pay bands. The cost estimate is based on the market rate for an experienced analyst with expertise in research, including forecasting, data collection, and statistical analysis.

9. Specific Agency or Political Subdivisions Affected: Departments of State Police and Human Resource Management.

10. Technical Amendment Necessary: No.

11. Other Comments: This proposal is similar to HB152; however under HB152 the variable housing allowance would not be considered taxable income for state income tax purposes. The proposed legislation (HB256) does not provide such tax exemption.

Date: 1/22/2014-HB256.DOC (LAJ)