

Department of Planning and Budget

2014 Fiscal Impact Statement

1. Bill Number: HB332

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

2. Patron: Greason

3. Committee: General Laws

4. Title: Common Interest Community Ombudsman; owners' bill of rights.

5. Summary: This bill provides that in addition to other powers and duties, the Common Interest Community Ombudsman is required to develop and disseminate to all common interest communities in Virginia a common interest community owners' bill of rights, which shall be written in readily understandable language using words of common everyday usage and avoiding legal terms and phrases. The bill requires the Ombudsman also to post a copy of the common interest community owners' bill of rights on its website. The bill sets out the minimum requirements for inclusion in the bill of rights.

6. Budget Amendment Necessary: No.

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>
2014	\$0	0.0	n/a
2015	\$99,490	0.0	Common Interest Community Mgmt Information Fund/Dedicated Special Revenue
2016	\$88,323	0.0	Common Interest Community Mgmt Information Fund/Dedicated Special Revenue
2017	\$88,323	0.0	Common Interest Community Mgmt Information Fund/Dedicated Special Revenue
2018	\$88,323	0.0	Common Interest Community Mgmt Information Fund/Dedicated Special Revenue
2019	\$88,323	0.0	Common Interest Community Mgmt Information Fund/Dedicated Special Revenue
2020	\$88,323	0.0	Common Interest Community Mgmt Information Fund/Dedicated Special Revenue

7b. Revenue Impact: None.

8. Fiscal Implications: This bill increases the administrative and regulatory responsibilities of the Department of Professional and Occupational Regulation (DPOR) by requiring the Common Interest Community Ombudsman to develop and disseminate a common interest community owners' bill of rights. DPOR expects a large increase in inquiries, telephone calls, and written correspondence from property owners concerning the bill of rights or other advocacy issues.

Expenditure Impact: This legislation will require one classified Band 4 position to receive and respond to telephone inquiries, e-mails, and written correspondence from property owners. Correspondence is expected to be complex, requiring a staff person that is knowledgeable of the regulations and requirements and stipulations of the bill of rights. The volume of other tasks within the Ombudsman office is also expected to increase. The cost of salary and benefits for this position, based on the mid-point for the band 4 salary range, is expected to be \$74,292 in FY 2015 (assuming 23 pay periods) and \$77,523 annually beginning in FY 2016. These are recurring costs that will continue into future biennia. The agency can utilize a vacant position to fill this position.

In FY 2015, DPOR will need to purchase furniture and equipment for the new position at an estimated cost of \$7,000. Also in FY 2015, DPOR will incur one-time cost estimated at \$5,525 for postage and supplies related to the required mailing to all registered common interest community associations and a one-time cost of \$1,873 for expenses related to one additional board meeting conducted to review the bill of rights with the Common Interest Community Board. Other operating costs beginning in FY 2015 and recurring in future years include telephone, employee development, computer operating support, and supplies. These costs are estimated at \$10,800 each year.

While no additional revenue is expected as a result of this legislation, the Board's current cash and revenue are expected to be sufficient to cover the additional costs and a fee increase would not be required. The additional expenditures can be absorbed within existing appropriations. Therefore, a budget amendment is not necessary.

9. Specific Agency or Political Subdivisions Affected: Department of Professional and Occupational Regulation.

10. Technical Amendment Necessary: No.

11. Other Comments: None.