

Commission on Local Government

Estimate of Local Fiscal Impact
2014 General Assembly Session

Bill: SB 124 **Patron:** Lucas **Date:** January 13, 2014

In accordance with the provisions of §30-19.03 of the Code of Virginia, the staff of the Commission on Local Government offers the following analysis of the above-referenced legislation:

I. Bill Summary

SB 124 includes electronic or other systems among those items that a local governing body shall provide for the use of clerks of all courts of record as in the governing body's judgment may be reasonably necessary for the proper conduct of such offices. The bill also provides that a locality shall not reduce funding to a constitutional officer for personnel or other operational expenses except by separate ordinance after a public hearing. A local governing body shall not reduce funding to a constitutional officer for personnel or other operational expenses if such constitutional officer certifies that such reduction in funding would impair the ability of such constitutional officer to perform their statutory duties. Furthermore, the governing body or the chief administrative officer of a locality may not transfer locally funded personnel or electronic or other systems from a constitutional officer to a state agency without the written approval of such constitutional officer. The bill contains a technical amendment.

II. Fiscal Impact Analysis

The Commission on Local Government (CLG) did not solicit data from localities in the assessment of this bill, but nonetheless received input from the Counties of Prince Edward, Rappahannock, Westmoreland, and Wise; the Cities of Chesapeake, Lynchburg, and Newport News; and the Towns of Strasburg and Warrenton.

The Towns of Strasburg and Warrenton reported that they would not be impacted by SB 124 because they do not operate with constitutional officers. The City of Chesapeake does not predict an impact because of their strong relationships with their constitutional officers.

Prince Edward County believes that SB 124 is an unjustified intrusion on the authority of the local governing body. They are especially concerned with the amendments to §15.2-2507 because a locality will be unable to reduce funding if a constitutional officer makes the required certification.

Rappahannock County estimated that the bill could cost them between \$5,000 and \$20,000. They contract with their clerk's office for accounts receivable work and expressed concern over possibly needing an ordinance to end that relationship. They

were also concerned that the legislation overly politicizes the relationship between local governing bodies and constitutional officers.

Westmoreland County believes that SB 124 puts an unnecessary encumbrance upon the governing bodies because it requires an ordinance and public hearing to reduce funding to a constitutional officer. They feel that this further ties the hands of local governing bodies as they manage their budgets.

The City of Lynchburg noted that SB 124 could cause a possible annual operating cost of \$100,000. Their estimate is based upon increases to VRS and health insurance costs beginning in FY2015 that would have to be absorbed by other departments of reductions could not come from constitutional officers.

Wise County and the City of Newport News echoed most of the same concerns listed above. They are primarily concerned that SB124 takes authority away from local governing bodies as they face budget shortfalls. It would be especially difficult for Wise County because they are facing economic difficulties due to the state of the coal industry.

III. Conclusion

SB 124 amends four different sections of the Code of Virginia. First, it amends §15.2-1600 to prohibit the transfer of personnel or equipment from a constitutional officer to a state agency by a local governing body. §15.2-1656 is also amended to specify electronics as equipment that must be provided to constitutional officers by local governments. Third, §15.2-2507 is amended to prohibit local governments from reducing funding to a constitutional officer for personnel or other operational expenses except by a separate ordinance and public hearing. Finally, a technical amendment is made to §58.1-1727.

Local governments that have assisted CLG with this analysis are primarily concerned with the alterations to §15.2-2507. The language in the bill supports the localities concerns related to a local governing body's ability to manage its budget. If localities are unable to reduce funding to a constitutional officer without holding a public hearing and an ordinance or because of certification from the constitutional officer, the bill would qualify as one that increases a locality's net expenditures.