

Department of Planning and Budget

2015 Fiscal Impact Statement

1. Bill Number: SB1436

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: McEachin

3. Committee: Rules

4. Title: Tobacco Indemnification and Community Revitalization Commission.

5. Summary: This bill reconstitutes the membership of the Tobacco Indemnification and Community Revitalization Commission by reducing the number of members from 31 to 15, eliminating legislative and flue-cured and burley tobacco producer members and adding the Chancellor of the Virginia Community College System and the president of a major state research institution of higher education. The bill expands the powers and duties of the Commission to include conducting studies and gathering data in order to determine the potential effects of agricultural, industrial, and educational initiatives in Southside and Southwest Virginia. The bill establishes the following formula for the distribution of the Tobacco Indemnification and Community Revitalization Fund: up to 25 percent to attract prospective economic development projects in the region, up to 25 percent to promote initiatives that increase and enhance educational attainment in the region, up to 25 percent to increase investments in the deployment of rural broadband infrastructure, and up to 25 percent to commercialize agricultural research conducted at Virginia colleges and universities.

6. Budget Amendment Necessary: No.

7. Fiscal Impact Estimates: Preliminary.

8. Fiscal Implications: It is anticipated that this bill will result in minimal savings. This bill alters the membership of the Tobacco Indemnification and Community Revitalization Commission (the Commission). Specifically, the bill reduces the number of members of the Commission from 31 to 15. Accordingly, the Commission anticipates some administrative savings. Currently, the costs associated per member totals \$1,700 annually. As such, the reduction of 16 members will yield savings of approximately \$27,200 per year. The bill replaces two members with the Chancellor of the Virginia Community College System and the president of a major state research institution of higher education. These new members would be compensated and reimbursed by the Commission. As all members of the of the legislature are removed from the Commission, it is anticipated that both the Virginia House of Delegates and the Senate of Virginia will incur some administrative savings as they would no longer have to compensate the legislative commission members per meeting. The House anticipates general fund savings of \$4,800, while the Senate anticipates general fund savings of \$3,200.

The bill also alters restrictions placed on the corpus of the Tobacco Indemnification and Community Revitalization Endowment. Currently, up to ten percent of the corpus shall be paid to the Tobacco Indemnification and Community Revitalization Fund upon request of the Commission and up to 15 percent shall be paid to the Fund upon two-thirds vote of the Commission. This bill limits the disbursement of the corpus to the Fund to ten percent. According to the Commission, the corpus invasions and disbursements to the Fund have been ten percent or less over the last three years.

9. Specific Agency or Political Subdivisions Affected: Tobacco Indemnification and Community Revitalization Commission; Virginia Community College System; public institutions of higher education.

10. Technical Amendment Necessary: No.

11. Other Comments: None.