

**Department of Planning and Budget
2016 Fiscal Impact Statement**

1. Bill Number: HB 1325

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

2. Patron: Israel D. O'Quinn

3. Committee: Committee on Counties, Cities and Towns, Subcommittee #2

4. Title: BVU Authority; Board powers and duties, broadband, repeals certain provision.

5. Summary: BVU Authority; Board powers, officers; broadband; FOIA. Alters the powers and duties of the Board of Directors (Board) of the BVU Authority (the Authority). The bill changes the operation of the Board by altering certain requirements regarding bylaws, eliminating the Board's authority to appoint an attorney, requiring an annual vote to retain independent legal counsel, and barring Board members from receiving financial compensation for service. The bill alters the authority of the Board president by eliminating his power to enter long-term employment contracts with Authority employees. It also limits the president's term of service to a renewable term of three years and bars any severance agreement for the president amounting to more than one year's base salary.

The bill clarifies that the Authority is prohibited from making charitable donations, contracting with or becoming a wireless service authority, or contracting with a locality to have it acquire property for the Authority by eminent domain. The bill also eliminates several Authority-related records and open meeting exemptions from the Freedom of Information Act (FOIA).

The bill changes the Authority's broadband-related powers, allowing it to offer and operate broadband and cable television service only in specified areas. The Authority's first broadband priority is to be the construction of wired broadband infrastructure in unserved areas, and its power to apply for grants for broadband projects is defined in conjunction with that priority. Any broadband networks the Authority builds are to be operated on an open-access basis.

6. Budget Amendment Necessary: Yes

7. Fiscal Impact Estimates: Preliminary, See line 8.

8. Fiscal Implications: The Auditor of Public Accounts (APA) indicates that the audit required by this bill cannot be absorbed with its current staffing levels. APA estimates that the cost to hire a firm to perform the audit would be from \$10,000 to \$15,000.

The Commission on Local Government, per § 30-19.03 of the Code of Virginia, the Commission on Local Government has determined that this bill does not require a net additional expenditure by an county, city, or town, nor does it require a net reduction of revenues by any county, city, or town.

9. Specific Agency or Political Subdivisions Affected: Auditor of Public Accounts

10. Technical Amendment Necessary: No

11. Other Comments:

Date: 2/9/16

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