

Department of Planning and Budget 2019 Fiscal Impact Statement

1. Bill Number: HB1739

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: Rush

3. Committee: Education

4. Title: Public School Security Equipment Grant Act of 2013; eligible security equipment.

5. Summary: Specifies that, for the purpose of eligibility for grants for security equipment through the Public School Security Equipment Grant Act of 2013, security equipment includes software and mobile applications.

6. Budget Amendment Necessary: No

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

8. Fiscal Implications: The Virginia Public School Authority sells an annual tax-exempt bond that provides the proceeds for the School Security Equipment Grant Program. Part of the tax-exempt status is predicated on the proceeds being used for capital expenses. Defining security equipment to include software and mobile applications threatens the tax-exempt status of these bonds, as only in rare circumstances would software or mobile applications qualify as a capital expense. To ensure that the tax-exempt status is not threatened, the Department of Education would need to provide administration of individual software and mobile application purchases by local school divisions, which would require an additional wage position at an estimated cost of \$55,000 per year.

9. Specific Agency or Political Subdivisions Affected: Department of Education, Department of the Treasury, Virginia Public School Authority, local school divisions

10. Technical Amendment Necessary: No

11. Other Comments: None