

State Corporation Commission 2018 Fiscal Impact Statement

1. Bill Number: SB11

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

2. Patron: Petersen

3. Committee: Commerce and Labor

4. Title: State Corporation Commission; increases number of members.

5. Summary: Increases the number of members of the State Corporation Commission from three to five. The measure requires that one of the new members be initially elected during the 2019 Session of the General Assembly and the other new member be initially elected during the 2021 Session. The measure also requires that persons elected to fill these two new positions be found, based on previous vocation, employment, or affiliation, to be qualified as a representative of the interests of the consumers of the Commonwealth.

6. Budget Amendment Necessary: Yes, the State Corporation would need additional non-general fund appropriation (see Item 7 below). The expenditures will be paid from each of the Commission's five, special funds (all non-general funds).

Additionally, the expenditure would likely require an increase in the fees assessed on the regulated entities across the special funds including the regulatory tax paid by consumers.

7. Fiscal Impact Estimates: There is a preliminary fiscal impact. See item 8.

7a. Expenditure Impact:

| <i>Fiscal Year</i> | <i>Dollars</i> | <i>Positions</i> | <i>Fund</i> |
|--------------------|----------------|------------------|-------------|
| 2018 | \$0 | 0 | N/A |
| 2019 | \$1,235,416 | 3 | SF |
| 2020 | \$565,000 | 3 | SF |
| 2021 | \$802,500 | 6 | SF |
| 2022 | \$1,130,000 | 6 | SF |
| 2023 | \$1,130,000 | 6 | SF |
| 2024 | \$1,130,000 | 6 | SF |

8. Fiscal Implications: The expenses for fiscal year 2019 include costs for the construction of two offices, relocating existing staff, and five months of salary, benefits and office expenses for the additional Commissioner and two staff.

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Remaining fiscal year expenses include salaries, benefits and ongoing office expenses. This analysis does not factor in potential salary increases or the increase in the Commission's portion of benefit expenses.

The Commission cannot absorb these costs in its existing appropriation.

9. Specific Agency or Political Subdivisions Affected: State Corporation Commission

10. Technical Amendment Necessary:

11. Other Comments: Senate Bill 11 has been continued to 2019 in the Senate Commerce and Labor Committee. Senate Bill 11 is identical to House Bill 561, introduced by Delegate Roem.

Date: 2/2/18