

Commission on Local Government

Estimate of Local Fiscal Impact

2023 General Assembly Session | 01/28/23

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 legislation impacting local governments.

HB 2207: Information Technology Access Act; numerous organizational changes to Act. (Patron: Delegate Kathy K. L. Tran)

Bill Summary: Information Technology Access Act. Makes numerous organizational changes to the Information Technology Access Act. The bill defines "information and communications technology" that is used to promote digital accessibility, also defined in the bill, for all persons with disabilities. The bill requires the head of each covered entity, defined in the bill, to designate an employee to serve as such covered entity's digital accessibility coordinator and to be responsible for developing and implementing such covered entity's digital accessibility policy and report. The bill has a delayed effective date of January 1, 2024.

Local Fiscal Impact: Net Additional Expenditure: X Net Reduction of Revenues:

Summary Analysis:

Number of Localities Responding: 3 Cities, 2 Counties, 5 Towns, 1 Other

Localities estimated a negative fiscal impact ranging from \$0 to \$1.3 million over the biennium (including both recurring and one-time expenditures). Localities estimated the fiscal impact of the bill based on current expenses and revenues, given the delayed enactment date.

Localities identified the bill's fiscal impact as the increased expenditures needed to meet the requirements set forth in the bill (e.g., naming a digital accessibility coordinator to develop and implement the digital accessibility policy and report). Several of these localities indicated the bill would require them to establish a position to perform the work; additionally, several of them indicated the need to purchase additional equipment to meet any accessibility requirements. Some also noted a potential increase in legal liability if they unknowingly violated some provision of the bill or accessibility.

A few localities indicated that the bill would present no fiscal impact, as they already were in compliance with the bill's requirements or could do so at no additional cost.

Net Increase in Expenditures: Itemized Estimates by Responding Localities

Locality	Juris	Recurring Expense- Personnel		Recurring Expense - Operating		Recurring Expense - Capital		Recurring Expense - Other	
		FY23	FY24	FY23	FY24	FY23	FY24	FY23	FY24
City of Alexandria	City		\$300,000		\$250,000		\$750,000		
City of Richmond	City	\$150,000	\$150,000	\$200,000	\$200,000				
City of Winchester	City								
Prince George County	County								
Rappahannock County	County	\$1	\$1	\$1	\$1				
Northern Neck PDC	Other								
Town of Blacksburg	Town		\$100,000						
Town of Chincoteague	Town		\$2,000				\$2,000		
Town of Christiansburg	Town		\$20,000		\$8,000		\$2,000		\$1,000
Town of Luray	Town	\$75,000	\$75,000			\$50,000	\$25,000		
Town of Marion	Town								

Net Increase in Expenditures: Itemized Estimates by Responding Localities

Locality	Nonrecurring Expense - Operating		Nonrecurring Expense - Capital		Nonrecurring Expense - Other		Penny Value of Increase on Real Estate Rate*	Total Increase in Expenses (Biennium Total)
	FY23	FY24	FY23	FY24	FY23	FY24		
City of Alexandria							0	\$1,300,000
City of Richmond	\$100,000						0	\$800,000
City of Winchester					\$20,000			\$20,000
Prince George County				\$5,000			0.0001	\$5,000
Rappahannock County							0	\$4
Northern Neck PDC								\$0
Town of Blacksburg							0.0025	\$100,000
Town of Chincoteague							0	\$4,000
Town of Christiansburg		\$2,000		\$4,000		\$5,000	0	\$42,000
Town of Luray							0.01	\$225,000
Town of Marion								\$0

Locality	Expenditure Narrative by Responding Localities
City of Alexandria	Estimated fiscal impact range to align with the proposed scope change compared to the City's current ADA compliance activities is roughly in the range of \$1M - \$1.5 million in capital and operating expenses for technology on-site/in-person, online/virtual, and City staff and solution needs to properly source the bill's compliance needs. Fiscal impact assumptions include an approximate estimate of \$300,000 in reoccurring personnel expenses and \$250,000 in reoccurring non-personnel expenses as well as \$750,000 in capital investments needed to reconfigure existing public gathering spaces and the City's information sources (webpages, online systems) to meet accessibility needs for all persons.
City of Richmond	This is a preliminary estimate. Anticipated costs include \$100,000 for audit/consultant study, \$200,000 for software purchases, and \$150,000 in staffing. Additionally the cost to bring the City into compliance with provisions of the new law is indeterminate at this time.
City of Winchester	
Prince George County	Prince George County already has in place measures for citizen-access to our digital platforms (webpage; portals). We would handle employee accommodations as needed, and estimate approximately \$5,000 in additional costs per department with employee needing such upgrades. We included estimates for copier braille label kits \$35 ea; copier voice guidance kits \$900 ea; copier voice operation kits \$2,235 ea; copier access handle \$125 ea; we also estimated another \$500 for phone upgrades (VOIP compatible). We estimated one department and one employee (Prince George County has approximately 300 employees). We have not included estimates for the public school system employees.
Rappahannock County	It is not possible to estimate the fiscal impact of this bill, but it could cause at least a 5% increase in capital costs for equipment (PC and telephony) and lead to legal liability for small localities who do not have the staff or resources to hire more staff to effectively monitor and enforce the new requirements. The expansion of requirements beyond those related to equipment being purchased with funds received from the state vastly expands the requirement on localities.
Northern Neck PDC	Technology is currently accessible, and no accommodations have been requested.
Town of Blacksburg	If passed, this bill would require the Town of Blacksburg to hire a new employee to serve in the digital accessibility coordinator role and ensure compliance with state and federal laws.
Town of Chincoteague	
Town of Christiansburg	I assume a portion of our Public Relations department salaries and operating would be dedicated to the work. There would likely be some small one-time capital purchases as well as some on-going small capital costs. I would also anticipate some consulting costs and possibly website updates.

Locality	Expenditure Narrative by Responding Localities
Town of Luray	<p>Will require establishing an IT position to evaluate and determine appropriate solutions to comply. Position will need to maintain currency on all disability designations and potential impacts to technology and communications delivery.</p> <p>What are the legal implications on non-compliance and what is acceptable time to evaluate and resolve identified issues?</p> <p>How is the 5% cost waiver determined?</p>
Town of Marion	Personnel plus equipment costs

* Penny value is defined as the amount a locality would need to raise their real estate tax rate to cover the fiscal impacts of the bill, assuming no other changes to revenues or expenditures. It is represented in terms of dollars (e.g., 0.01 is a one cent increase in the real estate tax rate, etc.).