

Department of Planning and Budget 2023 Fiscal Impact Statement

1. **Bill Number:** HB2461

House of Origin ☒ Introduced ☐ Substitute ☐ Engrossed

Second House ☐ In Committee ☐ Substitute ☐ Enrolled

2. **Patron:** Durant

3. **Committee:** General Laws

4. **Title:** Secretary of Finance; COVID-19 penalty reimbursements; sunset.

5. **Summary:** Requires all state agencies to report to the Secretary of Finance the total amount of fines, fees, and interest imposed on individuals, businesses, and nonprofit organizations, including any withdrawal, suspension, or cancellation of an individual's licenser or certification, resulting from violations of the Commonwealth's COVID-19 practices, guidelines, rules, or operating procedures and any state contracts that were not awarded as a result of noncompliance with the Commonwealth's COVID-19 guidelines. The bill also requires all state agencies to include in such report the fund into which such amounts were deposited. The bill directs the Secretary of Finance, in consultation with the Cabinet Secretaries with responsibility for the impacted agencies, to develop a procedure to provide reimbursement to such individuals, businesses, and nonprofit organizations up to the amount of fines, fees, or interest previously paid for such violations. The bill specifies that the procedure developed by the Secretary of Finance shall provide for the reimbursement to such individuals, businesses, and nonprofit organizations of such amounts from the fund into which the original amounts were deposited. The provisions of the bill are contingent on funding in a general appropriation act and out of any appropriation made, \$1,000,000 the second year shall be made available to implement the provisions of this bill. The bill has a sunset date of June 30, 2025.

6. **Budget Amendment Necessary:** No. The bill's second enactment clause requires that an appropriation effectuating the purposes of the bill be included in a general appropriation act in order for the bill to become effective. HB1400/SB800, as introduced, includes funding to support the purposes of the bill in Item 485 Q.

7. **Fiscal Impact Estimates:** Preliminary, see Item 8.

8. **Fiscal Implications:** The Office of the Secretary of Finance does not anticipate any additional costs to the office to implement this legislation.

The procedures developed by the Secretary of Finance are required to provide for the reimbursement to such individuals, businesses, and nonprofit organizations of such amounts from the fund into which the original amounts were deposited. Agencies which have already

deposited fines, fees, and interest into nongeneral funds will need to issue refunds to the impacted entities. The amount of such refunds is currently unknown.

The bill's third enactment clause directs that out of any appropriation provided for the purposes of the bill, \$1.0 million general fund be made available to the impacted entities if their fines, fees, or interest were deposited into the general fund. This provision is consistent with funding and language in HB1400/SB800, as introduced, for the same purpose.

- 9. Specific Agency or Political Subdivisions Affected:** Secretary of Finance, any state agency that issued a fine or fee or imposed interest on an individual, business, or nonprofit organization resulting from violations of the Commonwealth's COVID-19 practices, guidelines, rules, or operating procedures.

10. Technical Amendment Necessary: No.

11. Other Comments: None.

Date: January 25, 2023