Department of Planning and Budget 2025 General Assembly Session State Fiscal Impact Statement

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Bill Number: HB1820 Patron: Reid

Bill Title: Virginia Public Safety Communications Infrastructure Fund established.

Bill Summary: Establishes the Virginia Public Safety Communications Infrastructure Fund (the Fund), to be administered by the Department of Emergency Management and financially managed by the Virginia Resources Authority, for the purpose of awarding grants to local governments to assist with improvement projects relating to public safety radio and communications infrastructure. The bill increases by 50 cents the fee paid by the owner of every motor vehicle at the time of registration and credits such funds to the Fund.

Budget Amendment Necessary: Yes Items Impacted: 398

Explanation: Additional general fund is required to support two Emergency Preparedness program

positions. Nongeneral appropriation to account for revenues generated by the \$0.50 vehicle

registration fee increase can be administratively appropriated.

Fiscal Summary: According to the Department of Emergency Management (VDEM), up to two positions would be required to support the program as proposed, for a total cost of \$225,340. The Virginia Resources Authority (VRA) estimates an annual management cost of \$25,000. The Department of Motor Vehicles (DMV) estimates that the fee increase would generate \$2,850,000 annually, and that collection costs of \$50,000 would be incurred annually.

General Fund Expenditure Impact:

Agency	FY2025	FY2026	FY2027	FY2028	FY2029	FY2030
VDEM	\$0	\$225,340	\$225,340	\$225,340	\$225,340	\$225,340
TOTAL	\$0	\$ 225,340				

Nongeneral Fund Revenue Impact:

<u>Agency</u>	FY2025	FY2026	FY2027	FY2028	FY2029	FY2030
VDEM	\$0	\$2,850,000	\$2,850,000	\$2,850,000	\$2,850,000	\$2,850,000
VRA	\$0	(\$25,000)	(\$25,000)	(\$25,000)	(\$25,000)	(\$25,000)
DMV	\$0	(\$50,000)	(\$50,000)	(\$50,000)	(\$50,000)	(\$50,000)
TOTAL	\$0	\$2,775,000	\$2,775,000	\$2,775,000	\$2,775,000	\$2,775,000

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Position Impact:

<u>Agency</u>	FY2025	FY2026	FY2027	FY2028	FY2029	FY2030
VDEM	0	2	2	2	2	2
TOTAL	0	2	2	2	2	2

Fiscal Analysis: The Department of Emergency Management (VDEM) estimates that to develop and oversee the Program and the Fund as required by this bill, it would need additional resources to hire up to two full-time positions: a program manager at an annual cost of \$108,525 (including salary and benefits), and a program specialist at an annual cost of \$76,815 (including salary and benefits). An estimated overhead cost of \$20,000 per position includes VITA costs, training and travel, and office space. If the legislation was amended to allow VDEM to utilize the Virginia Public Safety Communications Infrastructure Fund for administrative costs, general fund would not be needed to support these positions.

According to the Virginia Resources Authority (VRA), their costs to financially manage the fund would depend on the volume of activity but are preliminary estimated at \$25,000 per year. VRA would reimburse its cost out of the Virginia Public Safety Communications Infrastructure Fund.

According to the Department of Motor Vehicles (DMV), on average, DMV processes approximately 5.7 million original and renewal registration transactions each year. DMV estimates that the new registration fee increase of \$0.50 would generate about \$2.85 million annually for the Communications Infrastructure Fund. DMV estimates that it would incur collection costs of about \$50,000 annually from credit card processing fees and select agent compensation payments. The bill does not prevent the agency from recovering collection costs from the revenue generated by the new fee.

Other: The Governor's introduced budget provided \$2,500,000 in one-time general fund support to establish a new grant program to assist localities with purchasing public safety radio and communications infrastructure equipment. This funding was placed under the Department of Criminal Justice Services (DCJS).