

Finance

The proposed amendments for the Finance secretariat would result in a net decrease of \$71.9 million GF for FY 2008. General fund reductions include \$69.5 million GF to reflect a smaller than expected required deposit to the Revenue Stabilization Fund, and \$2.5 million in the second year to adjust the debt service requirements for currently authorized bond issuances.

Proposed new language for the department of Taxation continues to expand authorized use of funds deposited into the Contractor Collector Fund, and provides for administration of sales tax collections authorized for the Hampton Roads and Northern Virginia Regional Transportation Authorities.

- **Department of Accounts Transfer Payments**

- *Revenue Stabilization Fund Deposits.* The Constitution requires that a deposit be made to the Rainy Day Fund when the rate of growth for income and sales tax collections in a fiscal year exceeds the average growth rate for the prior six years. The required deposit is one half of the above average growth for the fiscal year, but the amount in the Fund cannot exceed a Constitutional cap. HB/SB 29 reduces the FY 2008 Rainy Day Fund appropriation by \$69.5 million to reflect a revised calculation of the Fund cap by the Auditor of Public Accounts.

- **Department of Taxation**

- *Contractor Collector Fund.* The Tax Department is authorized to hire private collection agencies for the collection of delinquent accounts and to deposit proceeds into the Contractor Collector Special Fund for the purpose of paying collection fees. In recent years, administrative authority for expenditure from the Fund has been broadened to include oversight of the collection agencies, upgrade of collection systems and interfaces, and retention of experts to analyze receivables and collection techniques. HB/SB 29 proposes to further expand the authorized use of Contractor Collector Funds to include upgrading audit functions as well.
- *Hampton Roads and Northern Virginia Regional Transportation Authorities.* Language authorizes and appropriates the direct Tax Department cost of administering sales tax collections authorized in HB 3202 of the 2007 Session for the two regional transportation authorities. The direct administrative cost would be deducted from sales tax collections.

- **Treasury Board**

- *Adjust Debt Service Funding.* Proposes a reduction Reduces the general fund amounts required for debt service on outstanding obligations and issuances of currently authorized General Obligation, Virginia College Building Authority, and Virginia Public Building Authority bond projects by \$2.5 million in the second

year. The reductions reflect changes in the issuance of bonds, the amounts to be bonded, interest rate assumptions, and refunding and refinancings.