

General Assembly Session

Fiscal impact statements provide local governments an opportunity to advise legislators of the likely costs of proposed state mandates before the bills become law.

General Information

- FI Process >> [PDF](#)
- Good Estimate >> [PDF](#)
- [CLG fiscal impact statute](#)

Purpose of the Fiscal Impact Analysis Process

During the legislative session, the Commission on Local Government (CLG) is required to file, with the General Assembly, a fiscal impact statement for each bill identified by the Division of Legislative Services as likely to impose on one or more local governments a net additional expenditure, a net reduction of revenues or both. (Va. Code § 30-19.03). Additionally, the Department of Planning and Budget and the Department of Taxation also have the authority to refer bills to CLG for local fiscal analysis.

These fiscal impact statements summarize the prospective effect of the bills on localities, based on the analyses of local officials from a representative cross-section of approximately 40 localities throughout the commonwealth. The purpose of the fiscal impact analysis process is to ensure that legislators considering proposed new state mandates understand the costs that the bills would impose on localities before such legislation is enacted.

Procedures

Prior to the legislative session, the CLG establishes a network of volunteer local fiscal contacts and professional organizations with the help of the Virginia Municipal League (VML) and the Virginia Association of Counties (VACo). The CLG receives notification of the bills to be examined after the session commences and alerts network participants to begin their evaluations. CLG staff rely on information provided by network participants, supplemented by information from state agency representatives and independent research, to complete fiscal impact statements for all the bills referred. The CLG endeavors to file fiscal impact statements before the respective legislative committees take action on the bills.

Communications with Members of the Fiscal Impact Network

The CLG's goal is to make participation in the response network as convenient as possible for local fiscal contacts. Most communications take place by email, but members of the network can also maintain contact with CLG staff by telephone. Once completed and filed with the General Assembly, local fiscal impact statements are posted on the [Legislative Information System \(LIS\)](#)

Questions

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