

Virginia Department of Transportation

2001 Fiscal Impact Statement

1. Bill Number: SB 1389 S 1

House of Origin ☐ Introduced ☒ Substitute ☐ Engrossed
 Second House ☐ In Committee ☐ Substitute ☐ Enrolled

2. Patron: Williams, M.

3. Committee: Senate Transportation

4. Title: A Bill to amend and reenact Section 33.1-41.1 to increase the amount of street payments to Cities and towns.

5. Summary/Purpose:

A Bill to amend and reenact Section 33.1-41.1 of the Code of Virginia, relating to the payments to Cities and Towns for highway maintenance; use of depreciation factors in calculating these payments. In addition to the maintenance index of unit costs adjustment, the base per-lane-mile rates payable under this section shall be adjusted by an annual depreciation factor, to account for aging and increased use and wear. The annual depreciation factor shall consist of an additional two percent increase above the previous year's payment rate. The initial adjusted payment rates in fiscal year 2002 shall be adjusted by thirty percent, to reflect depreciation since 1986. Subsequent years shall be adjusted by the annual two percent depreciation rate.

6. Preliminary Fiscal Impacts are:

6a. Expenditure Impact:

<i>Fiscal Year</i>	<i>Dollars</i>	<i>Positions</i>	<i>Fund</i>
2000-01	\$0.00	0	
2001-02	\$58,296,000.00	0	NGF
2002-03	\$63,396,000.00	0	NGF

b. Revenue Impact:

<i>Fiscal Year</i>	<i>Dollars</i>	<i>Positions</i>	<i>Fund</i>
2000-01	\$0.00	0	
2001-02	\$0.00	0	
2002-03	\$0.00	0	

7. Budget amendment necessary: SB1389 will increase the amount of funds paid to Cities and Towns for street maintenance. These funds will have the affect of decreasing the amount of VDOT's construction funds by \$58,296,000.00 in FY 2002. This will decrease Budget Item 525 (Highway System Acquisition and Construction) in the Budget and will increase Budget Item 526 (Highway System Maintenance)

8. Fiscal implications: SB1389 will increase the amount of funds paid to Cities and Towns for street maintenance. These funds will be paid from the Highway Maintenance and Operations budget (HMO) and additional funds must be taken from the Transportation Trust Fund (TTF) to make the

HMO whole. This will decrease the amount of VDOT's construction funds by \$58,296,000.00 in FY 2002. This impact on VDOT's funding will increase to \$63.4 million in FY2003 and to more than \$68.5 million in FY2004. This is a significant impact on VDOT's construction funds.

9. Specific agency or political subdivisions affected: In addition to VDOT, All 80 Cities and Towns receiving street payments from VDOT.

10. Technical amendment necessary: NO

11. Other comments: Substitute Bill changes the method for calculating the depreciation rate, thereby substantially increasing the financial impact on VDOT.

Since SB1389 makes no provision for increasing the available funding, this legislation will be a significant impact on VDOT's construction funds.

Date: 01/31/2001

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cc: Secretary of Transportation

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