

**Department of Planning and Budget
2002 Fiscal Impact Statement**

1. Bill Number SB43

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

2. Patron Reynolds

3. Committee Senate Finance

4. Title Industrial/airport access road fund.

5. Summary/Purpose:

Provides for use by the Commonwealth Transportation Board (CTB) a portion of the industrial/airport access road fund to support economic incentive programs by counties, cities, towns, and licensed public -use airports by providing a means to fund access roads to publicly owned industrial parks and licensed public -use airports. In cases where the Board has recaptured funds from counties, cities, and towns between July 1, 1994, and June 30, 2002, the Board is required to return to those localities the amounts recaptured. Where a county, city, town, or licensed public -use airport has an active outstanding grant under the industrial access road bonded program, such grants will be issued under the terms of the economic incentive grant program established in the bill.

6. Fiscal Impact Estimates are preliminary.

7. Budget amendment necessary: To be determined.

8. Fiscal implications:

The existing bond program provides funds to the localities based on actual expenditures made for constructing the road. The proposed grant program indicates providing funds directly to the county initially. According to the Department of Transportation, this bill converts all existing bonded projects to grants, which could result in an immediate cash impact on their department and, in particular, to industrial access projects.

In addition, the bill provides that funds that were recovered by the department, because an industrial or airport tenant has not located on the site, would be remitted back to the localities.

According to the department, this bill could have a fiscal impact of about \$3 million in fiscal year 2003, and \$1.5 million in fiscal year 2004. The estimate is based on about \$2.1 million recovered between July 1, 1994 and today, with seven projects that have bonds expiring between now and June 30, 2002, which may require recovery of another \$1 to 1.5 million based on existing guidelines that would be refunded under the grant proposal. Overall, there is about \$5 million set aside each year for this program. Given this, if the board remits back to the counties, cities, and towns the funds that were recaptured, then this could impact on funds available for other industrial access projects. In addition, if the funds are to be replaced, then a budget amendment may be required.

9. Specific agency or political subdivisions affected: The Department of Transportation and counties, cities, towns, and certain airports.

10. Technical amendment necessary: No.

11. Other comments: Please see similar bills: SB26; HB433; and, HB715.

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cc: Secretary of Transportation