

Department of Planning and Budget 2003 Fiscal Impact Statement

1. Bill Number SB1279

House of Origin	<input type="checkbox"/> Introduced	<input type="checkbox"/> Substitute	<input type="checkbox"/> Engrossed
Second House	<input type="checkbox"/> In Committee	<input type="checkbox"/> Substitute	<input checked="" type="checkbox"/> Enrolled

2. Patron Edwards

3. Committee Passed Both Houses

4. Title Rail Transportation Development Authority.

5. Summary/Purpose:

Establishes a seven -member rail transportation authority appointed by the Governor to finance or assist in the financing of capital improvement to rail lines and associated facilities. The authority may borrow money and accept contributions, grants, and other financial assistance, to issue bonds, including projects undertaken by the Public -Private Transportation Act of 1995, and make loans and grants. The provision of this act shall only become effective if reenacted by the 2004 Regular Session of the General Assembly.

6. Fiscal Impact Estimates are: Final, see Item 8.

7. Budget amendment necessary: No.

8. Fiscal implications:

The bill is unclear on how the Authority will be financially supported. Although it could be implied that funding from the Department of Rail and Transportation (DRPT) may be eligible since the proposed new Chapter 10.2 is included within that part of the Code of Virginia dealing with DRPT. The authority appears to have the power, without limitation, to assist in the financing of rail line capital improvement projects. The fiscal impact of this bill is not known since it would depend on the number of projects, overall cost, debt service conditions, type of loans and grants, and the source of the funding to pay for the projects would originate. However, the amount that could be issued in bonds appears unlimited.

If any funding for debt service comes from Transportation Trust Fund money or other related funding, then debt issued by this authority would impact the state's debt capacity.

9. Specific agency or political subdivisions affected: The Department of Rail and Public Transportation and the Department of Treasury.

10. Technical amendment necessary: No.

11. Other comments: The purpose of the authority appears to be for financing infrastructure improvement to rail lines, which are owned and controlled by private freight companies.

Date: 03/05/03/jlm

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cc: Secretary of Transportation
cc: Secretary of Finance