

Department of Planning and Budget 2004 Fiscal Impact Statement

1. Bill Number HB485 Enrolled

House of Origin ☐ Introduced ☐ Substitute ☐ Engrossed

Second House ☐ In Committee ☐ Substitute ☒ Enrolled

2. Patron Cole

3. Committee Passed Both Houses

4. Title Allocation of funds for secondary system highway construction.

5. Summary/Purpose:

Provides that not more than one-third of the annual secondary system highway funds apportioned to a county under this section may be used to reimburse the county for (i) debt service for bonds or (ii) eligible project costs incurred on approved projects included in the county's Secondary Six-Year Plan and the county's capital improvement program. Such funds may also be used by the county for debt service for bonds issued for, or eligible project costs incurred or to be incurred on, approved projects included, at the time such bonds are issued or such costs are incurred or are to be incurred, in the Six-Year Improvement Program of the Commonwealth Transportation Board and the county's capital improvement program.

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

7. Budget amendment necessary: No.

8. Fiscal implications:

According to the Department of the Treasury, a county's utilization of the funding for their bond debt service should not impact state tax-supported debt.

9. Specific agency or political subdivisions affected: The Department of Transportation and localities.

10. Technical amendment necessary: No.

11. Other comments: The bill is unclear on what would occur if bonds are issued based on the expectation of a certain level of allocations from the Commonwealth Transportation Board, and those allocations suddenly decreased to the point that a locality could not meet debt service. What would be the state's obligation?

Date: 03/17/04 / jlm

Document: (DPB G:\Leg 04\HB485ER.DOC)

cc: Secretary of Transportation
Secretary of Finance