

Department of Planning and Budget 2004 Fiscal Impact Statement

1. Bill Number SB 357

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

2. Patron Colgan**3. Committee** Finance**4. Title** Transportation authorities of the Commonwealth.**5. Summary/Purpose:**

Creates a transportation Authority for each of the nine current construction districts. Each transportation Authority would receive additional revenue from an increase on gasoline tax from 17.5 cents per gallon to 24.5 cents per gallon, and the tax on diesel fuel and alternative fuels increase from 16 cents per gallon to 23 cents per gallon. The authorities are given the responsibility for planning and providing for the transportation needs of the counties and cities embraced by the authority, and may use their share of the gasoline tax increase to acquire or construct transportation facilities, issue bonds for such purposes, and provide security for bonds with their allocable share of motor vehicle sales and use tax revenues. The net additional revenues generated from increases in the rate of the motor vehicle sales and use tax become effective on January 1, 2005. The additional revenues collected by the Commissioner of the Department of Motor Vehicles shall be paid into the state treasury to the credit of a special fund that is hereby created on the Comptroller's books under the name "Collections of Fuel Taxes for Transportation Authorities."

6. Fiscal Impact Estimates are: Preliminary, see item 8.**6b. Revenue Impact:**

<i>Fiscal Year</i>	<i>Dollars</i>	<i>Positions</i>	<i>Fund</i>
2003-04	\$0	0	NA
2004-05	\$178,900,000	0	NGF
2005-06	\$369,100,000	0	NGF
2006-07	\$380,400,000	0	NGF
2007-08	\$389,600,000	0	NGF
2008-09	\$397,400,000	0	NGF
2009-10	\$405,300,000	0	NGF

7. Budget amendment necessary: Yes.**8. Fiscal implications:**

According to the Department of Taxation, additional revenue in FY 2005 could be \$178.9 million (starting January 1, 2005- calculated by dividing Taxation's annual estimate in half), and \$369.1million in FY 2006. Each Authority's share of such revenues shall be determined on a pro rata basis according to the population of the counties and cities embraced by each Authority as compared to the total population of the Commonwealth.

If any funding for debt service comes from Transportation Trust Fund moneys or other related funding, then debt issued by these Authorities would impact the state's debt capacity. According to the

Department of Treasury, the 2003 Debt Advisory Capacity Committee recommended that no more than \$661.9 million of tax-supported debt be authorized in any year. Given this, the issuance of these bonds could impact other bond projects. The ultimate impact on the state's debt capacity will depend upon the issuance and debt repayment terms of the bonds so authorized.

The administrative expenses of the Authority shall be allocated among the component counties and cities on the basis of the relative population. Members of the Authority may be paid for their services a per diem in either (i) the amount provided in the general appropriation act for members of the General Assembly engaged in legislative business between sessions or (ii) a lesser amount as determined by the Authority. Members of the General Assembly engaged in legislative business between sessions currently receive non-session per diems of \$200 per day. The Authority's budget shall be limited solely to the administrative expenses and shall not include any funds for construction or acquisition of transportation facilities or the performing of any transportation service. Given this, it does not appear that funding from the Collections of Motor Vehicle Sales and Use Taxes for Transportation Authorities fund moneys may be used for these purposes, so it is unclear what source of funding would be used.

In addition, the Department of Transportation and the Department of Rail and Public Transportation shall make their employees available to assist the Authority. Given that the Authority is responsible for long-range transportation planning, setting the policies and priorities guided by performance-based criteria for regional transportation projects, and directly overseeing priority regional transportation projects, additional staff may be required to provide assistance to each authority. However, the number of additional employees and the amount of funding needed cannot be determined at this time.

9. Specific agency or political subdivisions affected: The Department of Transportation, Commonwealth Transportation Board, Department of Rail and Public Transportation, Department of Motor Vehicles, Department of Taxation, and the Department of the Treasury.

10. Technical amendment necessary: Add the word "Roads" in line 40 so that "Hampton Transportation District" reads as "Hampton Roads Transportation District."

11. Other comments: SB 357 allows each Authority to carry out all powers and responsibilities without obtaining the consent of any commission, board, bureau or agency of the Commonwealth or of any governmental subdivision and without referendum, other proceedings or the happening of other conditions except for those proceedings or conditions which are specifically required by the this chapter. Given this, it is unclear how this could impact current responsibilities of the Commonwealth Transportation Board. In addition, each Authority is provided oversight of regional programs of the Department of Transportation and/or the Department of Rail and Public Transportation involving mass transit or congestion mitigation. Also, the bill does not appear to provide for gubernatorial or Treasury Board approval of such financings, and repeals the authority for the Northern Virginia Transportation Authority. Also, see SB 356, which is similar to SB 357.

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cc: Secretary of Transportation
Secretary of Finance