

Department of Planning and Budget 2006 Fiscal Impact Statement

1. Bill Number: SB163

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

2. Patron: Norment, T.

3. Committee: Senate Finance

4. Title: A bill to amend and reenact § 9 of the first enactment of Chapter 799 of the Acts of Assembly 1993, relating to funding of George P. Coleman Bridge.

5. Summary/Purpose:

This bill requires that the tolls be removed from the George P. Coleman Bridge.

6. Fiscal Impact Estimates are Preliminary:

6a. Expenditure Impact: (See Item 8)

<i>Fiscal Year</i>	<i>Dollars</i>	<i>Positions</i>	<i>Fund</i>
2005-06	\$0	0	
2006-07	(\$650,000)	(8.00)	NGF
2007-08	(\$650,000)	(8.00)	NGF
2008-09	(\$650,000)	(8.00)	NGF
2009-10	(\$650,000)	(8.00)	NGF

6b. Revenue Impact: (See Item 8)

<i>Fiscal Year</i>	<i>Dollars</i>	<i>Positions</i>	<i>Fund</i>
2005-06	\$0	0	
2006-07	(\$6,525,400)	0	NGF
2007-08	(\$6,598,200)	0	NGF
2008-09	(\$6,670,000)	0	NGF
2009-10	(\$6,818,400)	0	NGF

7. Budget amendment necessary: Yes

a) Item 445

8. Fiscal implications:

Article X, Section 9(c) of the Virginia Constitution allows the authorization of general obligation debt without voter approval when such debt is created for revenue-producing capital projects and the Governor has certified that anticipated net revenues will be sufficient to service such debt.

Chapters 596 and 799 of the 1993 Acts of Assembly (the Acts) authorized the issuance of \$38.1 million in 9(c) Bonds to finance the widening of the Coleman Bridge. The Acts authorized the Commonwealth Transportation Board to fix, revise, charge, and collect tolls and to pledge such net revenues (after payment of operating expenses) to the payment of debt service. \$43.3 million in bonds were issued in November 1994 (including capitalized interest, discount and costs of issuance) with maturities in 1997 – 2021. Portions of the original 1994 issue have been refunded at various times, however final maturity remains unchanged. As of June 30, 2005, \$37.3 million remains outstanding. The revenue from tolls paid by users of the bridge is used to pay the debt service on these bonds.

Because the proposed legislation eliminates tolls on the George P. Coleman Bridge that have been pledged for the debt service on the outstanding bonds, the Department of Treasury has noted that it may violate the terms of the bonds. Eliminating the tolls would require appropriation from another source to service the debt, either the general fund or the Transportation Trust Fund, which would negatively impact available debt capacity of the Commonwealth. Whether retiring the outstanding bonds entirely or paying the annual debt service, this will remove available funds for other transportation projects.

In addition, the Department of Treasury is concerned that it may be unconstitutional to use general fund or Transportation Trust Fund revenues to pay the debt service of the Coleman Bridge.

Since the bridge is owned by the Virginia Department of Transportation (VDOT), annual maintenance, repairs, and snow removal would then need to be provided by the Hampton Roads District and Fredericksburg District through transportation maintenance funds instead of toll revenues. This will result in reduced maintenance funding for other projects in these districts.

The George P. Coleman Bridge is currently administered by eight VDOT employees. These positions would either be reassigned or eliminated.

9. Specific agency or political subdivisions affected:

Virginia Department of Transportation

10. Technical amendment necessary: No

11. Other comments: Equivalent to HB947

Date: 02/01/06 / jmh

Document: SB163.doc (DPB F:\JMH\2006Session\FIS\SB163.doc)

cc: Secretary of Transportation