

**Department of Planning and Budget**  
**2006 Special Session Fiscal Impact Statement**

**1. Bill Number   HB 5006**

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

**2. Patron**       Carrico

**3. Committee**   Appropriations

**4. Title**         Increase in bond authority for Rt. 58

**5. Summary/Purpose:**

Currently, the Commonwealth Transportation Board (CTB) is authorized to issue up to \$704.3 million in revenue bonds to finance the cost improving the Rt. 58 corridor along the southern boundary of the Commonwealth. The proposed bill would raise the maximum amount of bonds that could be issued by \$299 million to a little over \$1 billion.

The bill directs that the proceeds of the bonds be used for the following portions of the Rt. 58 corridor project:

- Hillsville Bypass                \$62 million
- Abingdon/Damascus            \$52 million
- Pennington Gap Bypass        \$80 million
- Stuart over Lover's Leap       \$105 million

**6. Fiscal Impact Estimates are:** Preliminary. See Item 8.

**7. Budget amendment necessary:** Yes.

**8. Fiscal implications:**

Currently, annual debt service on the bonds that have been issued for Rt. 58 totals approximately \$52 million. Of this amount, \$40 million is from the general fund (recording tax revenue) and \$12 million comes from the Transportation Trust Fund.

The schedule of debt service payments on the additional \$299 million in bonds authorized by the proposed bill would depend on when the CTB issued the bonds. Assuming that the additional bonds would be 25-year bonds, which is the term of the current Rt. 58 bonds, and that they were issued in \$50 million blocks over a period of six years, the debt service would be \$3.6 million the first year and increase to \$21.6 million in the sixth year and remain at that level for the next 19 years, at which point it would begin to decline.

The proposed bill does not specify the source of the debt service payments—general fund or transportation funds.

**9. Specific agency or political subdivisions affected:**

Department of Transportation  
Department of the Treasury  
Carroll County  
Washington County  
Patrick County  
Lee County

**10. Technical amendment necessary:** None

**11. Other comments:** None

**Date:** 09/26/06 / rwh

**Document:**