

## Department of Planning and Budget

### 2006 SSI Fiscal Impact Statement

**1. Bill Number** HB 5026

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

**2. Patron**        Lingamfelter

**3. Committee** House Committee on Appropriations

**4. Title**            Virginia Defense Facility and Transportation Improvement Fund and Program.

**5. Summary/Purpose:**

The proposed legislation creates the Virginia Defense Facility and Transportation Improvement Program and mandates the annual transfer of \$36 million from the state recordation taxes. The funds are to be used to respond to transportation needs arising from changes in the use of Virginia's military facilities as a result of the recommendations of the Base Realignment and Closure Commission. The bill requires that matching funds be provided by the locality or localities. The provisions of the bill would expire on July 1, 2011.

**6. Fiscal Impact:** Preliminary.

<i>General Fund</i>	
<i>Fiscal Year</i>	<i>Amount</i>
FY 2007	(36,000,000)
FY 2008	(36,000,000)
FY 2009	(36,000,000)
FY 2010	(36,000,000)
FY 2011	(36,000,000)

<i>Transportation Trust Fund</i>	
<i>Fiscal Year</i>	<i>Amount</i>
FY 2007	36,000,000
FY 2008	36,000,000
FY 2009	36,000,000
FY 2010	36,000,000
FY 2011	36,000,000

**7. Budget amendment necessary:** Yes. To implement the transfer, a reduction of \$36 million of general fund revenues and a subsequent transfer of the same amount to transportation will be required in the 2007 Amendments to the 2006 Appropriations Act. This reduction in general fund revenues may require that there be reductions in general fund appropriations for some programs or agencies.

**8. Fiscal implications:**

The funds in the new program are to be allocated by the Commonwealth Transportation Board for expanding, constructing or improving the transportation infrastructure that will be affected by the realignment of federal defense facilities and bases. The funds may be used for highways, parking facilities and mass transit systems.

The bill requires an equal match by the locality or localities in which the transportation improvement is located. The program will be a non-reverting subaccount within the Transportation Trust Fund. The annual transfer of \$36 million will not affect the local recordation taxes currently received by local governments.

The transfer of \$36 million will provide additional funding to accommodate potential shifts in the commuting patterns of Department of Defense employees due to the realignment, freeing existing transportation revenue to focus on other needs. Depending on the growth of general fund revenues in future fiscal years, funding may need to be transferred from areas currently getting general fund support in order to meet the mandated transfer amount to the Transportation Trust Fund.

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

Northern Virginia, Hampton Roads and Richmond Construction Districts  
Department of Transportation  
Department of Rail and Public Transportation  
Commonwealth Transportation Board

**10. Technical amendment necessary:** None.

**11. Other comments:** None.

**Date:** 08/07/06 / smc

**Document:** F:\SMC\GA\FIS 2006\HB5026.Doc

cc: Secretary of Finance

Secretary of Transportation