

Department of Planning and Budget

2006 SSI Fiscal Impact Statement

1. Bill Number HB 5050

House of Origin ☒ Introduced ☐ Substitute ☐ Engrossed

Second House ☐ In Committee ☐ Substitute ☐ Enrolled

2. Patron Scott

3. Committee Appropriations

4. Title Revenue-sharing funds for systems in certain counties, cities and towns.

5. Summary/Purpose:

The proposed legislation would modify the revenue-sharing program by changing the \$50 million cap on the program to \$100 million. The prioritization process used to distribute funds is removed, as is a restriction on the amount of local funding that may come from proffered funds.

6. Fiscal Impact: Preliminary. See Item 8.

7. Budget amendment necessary: None.

8. Fiscal implications:

The revenue-sharing program is a state/local matching program for the improvement, construction or maintenance of transportation facilities within localities. The program is intended for relatively small and immediately needed improvements or to supplement funding provided for existing projects, and is open to all counties and those cities and towns which are included in the urban system of roadways. Currently, the Code caps the program at \$50 million. Localities who submit requests to the CTB must match the requested funding level with local revenues, of which no more than one-half may take the form of proffers. The program contains prioritization criteria regarding the distribution of funds to localities. Each locality may receive up to one million dollars in matching funding.

The proposed legislation raises the \$50 million cap on the allocations made by the CTB to the program to \$100 million. It also removes the restriction on the source of local funds, potentially allowing local governments to raise their funding requests.

The 2006 Appropriation Act allocates \$15 million to the revenue-sharing program. The Appropriation Act, by its own provisions, supersedes any acts passed after its enactment. Because the program is now limited to \$15 million in the Appropriation Act, there may be no fiscal impact resulting in changes to the spending cap authorized in this bill. If the Appropriation Act is amended, or the CTB follows the General Assembly's intent as expressed in this bill, the additional funding would need to come from elsewhere in the

Commonwealth Transportation Fund. If matching requests reach the full \$100 million provided for the program, an additional \$85 million would need to be reallocated.

Redirection of existing revenues to an increased revenue-sharing program could impact VDOT's ability to match federal funding, which could result in a loss to the Commonwealth of four dollars in federal funding for every one dollar not available for match.

9. Specific agency or political subdivisions affected:

All county governments
City and town governments included in VDOT's urban system of roadways
Virginia Department of Transportation
Commonwealth Transportation Board

10. Technical amendment necessary: None.

11. Other comments:

1) HB 5088, HB 5058, SB 5022 and HB 5079 also amend the revenue-sharing program.

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cc: Secretary of Finance

Secretary of Transportation