

## Department of Planning and Budget

### 2006 SSI Fiscal Impact Statement

**1. Bill Number** HB 5088

<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** Wardup and Callahan

**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 a mandate to fund the program at \$50 million. The proposed legislation directs that the funding level satisfy all requests by localities for matching 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 Commonwealth Transportation Board (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 removes the \$50 million cap on the allocations made by the CTB to the program, instead mandating the CTB allocate \$50 million to the program.

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 \$35 million would need to come from elsewhere in the Commonwealth Transportation Fund.

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 5050, HB 5058, SB 5022 and HB 5079 also amend the revenue-sharing program.
- 2) The process used to distribute the funds to participating local governments would be modified under this bill. The Code directs that funding requests be prioritized according to a specified process that may leave some requests unfunded, but the bill requires that the \$50 million allocation satisfies all requests.

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

**Document:** F:\SMC\GA\FIS 2006\HB5088.Doc

cc: Secretary of Finance

Secretary of Transportation