

Department of Planning and Budget 2007 Fiscal Impact Statement

1. Bill Number HB2310

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

2. Patron Lingamfelter

3. Committee House Transportation

4. Title State funding for portions of certain local transportation projects.

5. Summary/Purpose: The proposed legislation provides that the Commonwealth Transportation Board (CTB) shall make an allocation to any locality, not to exceed the lesser of \$25 million or 33 percent of the cost of the project, to be used by the locality for a transportation project, provided that certain conditions are met. Total state funds allocated by the Board for this program shall not exceed \$50 million in any one fiscal year

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

7. Budget amendment necessary: Yes. Item 446.

8. Fiscal implications: The proposed legislation directs the CTB to provide up to \$50 million annually to be used to create an incentive program for localities. In the program, the CTB would allocate the lesser of \$25 million or 33 percent of the cost of a project, when the locality has issued or will issue bonds for a transportation project. The local government must have sufficient matching funds to complete the project. The CTB is to award funds competitively, based on the likelihood the project will relieve severe traffic congestion. The CTB shall award one-half of the funds when the project is 50 percent complete, and the remainder is to be paid when the project is finished.

The \$50 million is to be provided from annual allocations of state transportation funds. Redirection of existing transportation revenues to the new 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. The proposed legislation could also impact the funding available for existing formula allocations such as the primary, secondary and urban systems.

9. Specific agency or political subdivisions affected: Local governments, Commonwealth Transportation Board, Virginia Department of Transportation

10. Technical amendment necessary: None.

11. Other comments: None.

Date: 01/22/07/ smc

Document: F:\SMC\GA\FIS 2007\HB2310.Doc

cc: Secretary of Finance

Secretary of Transportation