

Department of Planning and Budget 2007 Fiscal Impact Statement

1. Bill Number HB2785

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

2. Patron Joannou

3. Committee Passed both houses

4. Title Allocation of highway funds; additional allocation to certain port cities.

5. Summary/Purpose: The proposed legislation would provide that the Commonwealth Transportation Board (CTB), from funds appropriated for such purpose in the general appropriation act, allocate additional funds to the Cities of Newport News, Norfolk, and Portsmouth and Warren County for use in addressing highway maintenance and repair needs created by or associated with port operations in those cities.

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

7. Budget amendment necessary: None.

8. Fiscal implications: The proposed bill directs the CTB to allocate funds to the four localities in which the Virginia Port Authority operates when such funds are appropriated in the general appropriation act by the General Assembly. The CTB is to apportion the funds among the four localities as it chooses. The act does not give the CTB any guidelines or formula to use to distribute the funds. The bill directs the localities to use the funds to address highway maintenance and repair needs created by or associated with port operations.

The proposed legislation will only have a fiscal impact if funds are provided for such a purpose in the Appropriation Act. If funds are provided, the General Assembly may provide general fund support, or direct the CTB to allocate funds from the Transportation Trust Fund. Depending on the size of the transfer, redirection of existing transportation revenues to the localities 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 Governor's proposed budget contained one million dollars in general fund support for localities in which the Virginia Port Authority owns tax-exempt real estate. Mostly consistent with this legislation, the General Assembly amended the budget language to transfer the funds to the highway system maintenance program under the Virginia Department of Transportation and directed the CTB to distribute the funds to the localities. The amended language directs the funds be treated as payments to cities and towns for highway maintenance activities and not be used to supplant other local government expenditures for roadway maintenance. The amended language also directs the CTB to

distribute the funds based on the proportion of cargo traveling through each port facility.

9. Specific agency or political subdivisions affected: City of Newport News, City of Norfolk, City of Portsmouth, Warren County, Commonwealth Transportation Board

10. Technical amendment necessary: None.

11. Other comments: None.

Date: 02/28/07 / smc

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cc: Secretary of Finance

Secretary of Transportation