

Department of Planning and Budget 2008 Fiscal Impact Statement

1. Bill Number: HB1033

House of Origin X Introduced Substitute Engrossed
Second House In Committee Substitute Enrolled

2. Patron: Frederick

3. Committee: Counties, Cities and Towns

4. Title: **Urban transportation service districts.**

5. Summary: The proposed legislation would grant towns authority to create urban transportation service districts. Creation of such districts is also a prerequisite for use of the new impact fee authority granted during the 2007 General Assembly session.

Pursuant to the legislation passed in 2007, urban counties which create urban transportation service districts agree to maintain the roads within the district, and receive per-lane-mile maintenance payments from the Virginia Department of Transportation (VDOT) equal to the rate paid to cities and towns in the urban system of roadways. The urban counties establishing urban transportation service districts also have the authority to impose impact fees on development. The authority may only be exercised in areas outside of the urban transportation service districts and on parcels that are currently zoned agricultural and are being subdivided for by-right residential development.

6. Fiscal Impact Estimates: Unavailable. See Item 8.

7. Budget Amendment Necessary: None.

8. Fiscal Implications: The proposed legislation would allow towns to establish urban transportation service districts, in addition to urban counties. Establishing such a district would require the town to maintain the roadways within the service district. Towns with populations over 3,500 already maintain the roads within their jurisdictions, and receive the urban allocation rate paid by VDOT. The creation of urban service districts will not increase the payment rate the towns currently receive.

The legislation does not limit the authority to towns currently included in the urban system of roadways. Towns with populations less than 3,500 would be authorized by the proposed legislation to create urban transportation service districts. If such towns created service districts, VDOT would increase the maintenance payments made to localities. Any increase in maintenance funding resulting from the provisions of the bill would require additional funding to VDOT's maintenance program. Current law directs all maintenance funding needs to be met prior to construction expenditures. In FY 2008, maintenance funding required an infusion of \$260 million from the construction program. Any additional maintenance funding requirements would increase the amount transferred from the construction program to the maintenance program.

It is unclear the amount of land in towns that is currently zoned agricultural upon which the towns may impose the impact fees.

9. Specific Agency or Political Subdivisions Affected: Virginia Department of Transportation, towns.

10. Technical Amendment Necessary: None.

11. Other Comments: None.

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cc: Secretary of Transportation