

Department of Planning and Budget 2008 Fiscal Impact Statement

1. Bill Number: HB111

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

2. Patron: Scott, E.T.

3. Committee: Senate Transportation

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

- 5. Summary:** The proposed legislation amends the process for the distribution of funds to counties, cities and towns pursuant to the revenue sharing program. The bill provides that the funding for the program is to be from revenues made available by the General Assembly after January 1, 2008, rather than from annual allocations of state funds for maintenance. The legislation also allows for requests for projects between two or more localities, and requires funding requests to be accompanied by a prioritized listing of specific projects. The proposed bill specifies the revenue sharing funds are to be used to improve, construct or reconstruct roadways.

The bill also amends the prioritization process used by the Commonwealth Transportation Board (CTB) in awarding grants to localities. In allocating these funds, the Board must give priority (i) first when such project is administered by the county, city, or town, either directly or by contract with another entity, (ii) second when such county, city, or town commits more local funding than the amount of revenue-sharing funding requested, and (iii) third when the allocation will accelerate an existing project in the Six-Year Improvement Program or the locality's capital plans. Any remaining funds may be applied to other projects that require an equivalent matching allocation. The bill contains an enactment clause with an effective date of July 1, 2009 for the changes to the prioritization process.

Currently, §33.1-23.05, Code of Virginia, caps the revenue sharing program at \$50 million per fiscal year. The bill retains this upper limit, but amends the Code to allow no less than \$15 million per fiscal year, subject to appropriation for such purpose.

The bill authorizes the Virginia Department of Transportation (VDOT) to provide engineering, right-of-way acquisition, and construction services, paid for by the locality. In addition, the CTB may reallocate the funds allocated to any project without any expenditures within two subsequent fiscal years.

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

7. Budget Amendment Necessary: None.

- 8. Fiscal Implications:** Item 455 of the Governor's proposed budget allocates \$15 million to the revenue sharing program. Language in Item 455 directs that the remaining funding necessary to meet the funding requirements contained in §33.1-23.05, Code of Virginia, be provided from the proceeds of the Commonwealth of Virginia Transportation Capital Projects Revenue Bonds pursuant to §33.1-23.4:01 Code of Virginia.
- 9. Specific Agency or Political Subdivisions Affected:** Department of Transportation, Commonwealth Transportation Board, counties, cities and towns of the Commonwealth.
- 10. Technical Amendment Necessary:** None.
- 11. Other Comments:** This bill is similar to SB 99.

Date: 2/13/2008 dpb/smc

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cc: Secretary of Finance
Secretary of Transportation