

Department of Planning and Budget 2011 Fiscal Impact Statement

1. Bill Number: HB1018

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: Poindexter

3. Committee: Appropriations

4. Title: U.S. Route 58 Corridor Completion Fund; created.

5. Summary: The proposed legislation would create the U.S. Route 58 Corridor Completion Fund. The fund is to be a component of the Transportation Trust Fund and receive \$50 million annually from the general fund beginning on July 1, 2013. The fund is to be used solely to expand Route 58 to a four-lane facility to its intersection with Interstate 77. Upon completion of the widening project, any remaining funds are to revert to the general fund.

In 1989, the General Assembly created the U.S. Route 58 Corridor Development Program to widen Route 58 from Virginia Beach to I-77 in Carroll County. The Commonwealth issued bonds to finance the improvements and the program receives \$40 million annually from the general fund for debt service.

In December 2003, VDOT signed a public-private partnership agreement to widen 36 miles of the Route 58 corridor from Hillsville to Stuart as state funding becomes available. The segment is the last remaining section to complete the widening of Route 58. To date, over eight miles of the project has been completed, and construction is slated to begin in 2012 on an additional 8.2 miles at a cost of \$119.8 million. Approximately 20 miles remains to be widened between Hillsville and Stuart.

6. Budget Amendment Necessary: Yes. The budget must be amended to account for the \$50.0 million of general fund revenue that will be transferred to the new Route 58 fund thus reducing the balance available to appropriate from the general fund in FY 2014. Also, it must be amended to reflect the appropriation of \$50 million in Item 446 for the new fund.

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

8. Fiscal Implications: The proposed legislation will require an appropriation reduction to general fund supported programs or agencies. Since the proposed legislation creates a new fund and does not amend the bond provisions of the existing Route 58 corridor program, it is assumed that the additional funding will be used for pay-as-you-go construction improvements and not be used for additional debt service. Although the exact cost to widen the remaining 20 miles of the corridor will not be known until VDOT negotiates with the

private contractor, it is expected that the \$50 million transfer from the general fund will occur for at least four or five fiscal years.

9. Specific Agency or Political Subdivisions Affected: Department of Transportation, general fund supported agencies

10. Technical Amendment Necessary: None.

11. Other Comments: None.

Date: 1/24/2012 dpb/smc

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