

Department of Planning and Budget 2012 Fiscal Impact Statement

1. Bill Number: HB155

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: Ware, R.L.

3. Committee: Transportation

4. Title: Revenue sharing funds for highways; funds provided to localities are a grant, etc.

- 5. Summary:** The revenue sharing program operated by VDOT is a matching program in which localities may request up to \$10 million in matching funds for a local highway project. The proposed legislation would direct that funds revenue sharing funds provided to localities constitute a grant that is to be provided to the applicable locality upon the execution of an agreement with VDOT. Localities are to certify in writing to the Department that the funds were used as intended. The bill also directs that VDOT is not to have any administrative oversight of the project.

Under the current program guidelines, revenue sharing funds are provided to localities on a reimbursement basis after the project's completion.

6. Budget Amendment Necessary: None.

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

- 8. Fiscal Implications:** The proposed legislation would change the timing of the distribution of revenue sharing funds to local governments, which the Code of Virginia authorizes to be as much as \$200 million per year. The change may impact VDOT's cash flow, since all funding would be paid out to localities immediately upon allocation by the CTB, instead of on a staggered basis as the projects are completed.

9. Specific Agency or Political Subdivisions Affected: Local governments, Department of Transportation

10. Technical Amendment Necessary: None.

11. Other Comments: None.

Date: 1/17/12 dpb/smc

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