

Department of Planning and Budget 2022 Fiscal Impact Statement

1. Bill Number: HB261

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: Wyatt

3. Committee: Transportation

4. Title: Reduction of speed limits; local authority.

5. Summary: Authorizes localities to reduce the speed limit by up to 10 miles per hour on any highway within its boundaries if indicated by lawfully placed signs and based on a traffic engineering study and analysis. Current law authorizes localities to reduce the speed limit to less than 25 miles per hour, but not less than 15 miles per hour, on highways within its boundaries that are located in a business district or residence district and maintained by the locality.

6. Budget Amendment Necessary: No.

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

8. Fiscal Implications: The Virginia Department of Transportation (VDOT) may need to update or install new signage to the extent any localities exercise the expanded authority proposed by this bill on roads where signage is VDOT's responsibility. Each instance of a speed reduction would require a new or updated speed limit sign in each travel direction at a cost of between \$1,200 and \$3,750 per sign, or \$2,400 to \$7,000 per speed limit reduction for a two-way road. The costs of signage is determined by the size of the required signs; secondary roads would require smaller signs while interstates and other high volume, multi-lane highways require larger signs. In some cases, additional warning signs or additional speed limit signs would be required at a similar, approximate cost of \$1,200 per small (36 in. by 36 in.) sign.

This bill expands localities' authority over speed limits by eliminating the restriction that such local authority only applied to roads in a business or residence district. The bill would effectively expand such authority to every highway maintained by VDOT and where signage is VDOT's responsibility. As of 2020, VDOT centerline mileage estimates for secondary highways is 49,766 miles, for primary highways is 8,030 miles and for Interstates is 1,119 miles. The total cost of any required signage is indeterminate.

The bill requires that speed limit reductions be based on a traffic engineering study and analysis. However, the bill does not specify any entity to initiate or complete the required engineering study.

The Virginia Department of Transportation relies on revenues generated for highway maintenance operations, which are fully appropriated in the 2022 Budget Bill (HB30/SB30). Although additional appropriation is not needed, the agency will need to redirect funding from other budgeted activities to address the potential costs associated with this legislation.

It is anticipated that this legislation will not have a state fiscal impact to the Virginia State Police.

9. Specific Agency or Political Subdivisions Affected: Virginia Department of Transportation, Virginia State Police, local governments.

10. Technical Amendment Necessary: No.

11. Other Comments: HB633 and SB333 also involves changes to local authority regarding speed limits.