

Department of Planning and Budget

2023 Fiscal Impact Statement

1. **Bill Number:** HB2302-H2

House of Origin ☐ Introduced ☒ Substitute ☒ Engrossed

Second House ☒ In Committee ☐ Substitute ☐ Enrolled

2. **Patron:** Adams, L.R.

3. **Committee:** Transportation

4. **Title:** Transportation Partnership Opportunity Fund.

5. **Summary:** The bill authorizes the Governor to direct funds from the Transportation Partnership Opportunity Fund to the Commonwealth Transportation Board for transportation projects determined to be necessary to support major economic development initiatives or to enhance the economic development opportunities of the Commonwealth's transportation programs when recommended by the Secretary of Transportation and Secretary of Commerce and Trade; these directed funds do not have a specified limit. Funds directed by the Governor over \$35.0 million are subject to review of the Major Employment and Investment (MEI) Project Approval Commission. If the MEI Commission does not recommend a transfer, the transfer cannot be made unless it is subsequently authorized by the General Assembly. The bill also authorizes the Governor to use funds from the Fund to enhance the economic development opportunities of the Commonwealth's transportation programs. The bill authorizes the use of grants, funds directed to the Board, and revolving loans for property acquisition and new or improved infrastructure to support economic development opportunities of the Commonwealth's transportation programs.

6. **Budget Amendment Necessary:** No.

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

8. **Fiscal Implications:** The bill expands the criteria for eligible projects to receive funding from the Transportation Partnership Opportunity Fund (TPOF) to projects supporting economic development opportunities. The bill would allow the Governor, when recommended by the Secretaries of Transportation and Commerce and Trade, to direct TPOF funds to projects that would support major economic development initiatives or to enhance the economic development opportunities of the Commonwealth's transportation programs. Additionally, the bill specifies that the existing caps on loan or award amounts included in the Code would not apply to amounts directed by the Governor for economic development; as a result, amounts directed for this purpose would not have a statutory limit.

In addition to existing statutory allocations to the TPOF, the Amended Budget Bill (HB1400/SB800) proposes to direct \$300.0 million in resources to the TPOF. Item 452 Q. of

HB1400/SB800 would direct the deposit of \$100.0 million in uncommitted balances in the Virginia Transportation Infrastructure Bank to the Transportation Partnership Opportunity Fund. Item 452 R. of HB1400/SB800 would direct the Commonwealth Transportation Board to allocate \$200.0 million to the TPOF from revenue increases identified in the December 2022 transportation revenue forecast in the FY24-FY29 Six-year Improvement Program.

The Virginia Department of Transportation administers the TPOF and is responsible for distributing funding and monitoring performance of award agreements. The number of additional awards, or the amount awarded, resulting from economic development projects is unknown. As a result, any fiscal impact to VDOT from this legislation is indeterminate.

9. Specific Agency or Political Subdivisions Affected: Virginia Department of Transportation, Secretary of Transportation, Secretary of Commerce and Trade, MEI Project Approval Commission.

10. Technical Amendment Necessary: No.

11. Other Comments: This bill is similar to the second substitute of SB1106.