

Department of Planning and Budget 2007 Fiscal Impact Statement

1. Bill Number HB2200

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 Wardrup

3. Committee House Appropriations

4. Title State funds for local law enforcement; allocated for transportation.

5. Summary/Purpose: The proposed bill would repeal the current structure and formula for distributing certain state funds for local law enforcement in localities that have a police department, and appropriate the associated funds for transportation projects in all localities on a pro rata basis, based on population.

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

7. Budget amendment necessary: Yes. Item 393 and Item 446.

8. Fiscal implications:

Currently, funds are provided to certain localities operating police departments pursuant to Title 9.1, Chapter 1, Article 8, Code of Virginia (House Bill 599). The Appropriation Act states that the funds are to be used to fund local public safety services. The funds available for the 599 program are based in a large part on the amount of growth in general fund revenues. In FY 2008, the funds totaled \$214.7 million.

The bill would redirect the funds to all localities on the basis of population to be used for transportation projects. As a result, some localities would receive reduced amounts compared to amounts distributed under the original provisions, while other localities who previously did not participate in the 599 program would be provided funds. Those localities receiving less funding may need to redirect local funds to maintain current funding levels from the 599 program.

The proposed legislation contains an enactment clause directing that the funds be used for transportation projects by the localities. It is assumed that local governing bodies are to allocate the funds according to local priorities.

9. Specific agency or political subdivisions affected: All localities in Virginia

10. Technical amendment necessary: None.

11. Other comments: The enactment clause states the funds be distributed to all localities on a pro rata basis according to population. It is unclear what is meant by all localities. According to the Commission on Local Government, Virginia contains 95 counties, 39 cities, and 190 towns. Cities and counties regularly participate in highway construction decisions through a variety of methods, as do towns with populations greater than 3,500 people. However, a great number of Virginia's towns do not individually participate in the roadway construction process and instead work through their respective counties. Under the provisions of the proposed legislation, it appears that these towns would also receive funding for transportation projects.

Date: 01/17/07 / smc

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cc: Secretary of Finance

Secretary of Transportation