

## Department of Planning and Budget 2007 Fiscal Impact Statement

**1. Bill Number** HB2655

<b>House of Origin</b>	<input checked="" type="checkbox"/> Introduced	<input type="checkbox"/> Substitute	<input type="checkbox"/> Engrossed
<b>Second House</b>	<input type="checkbox"/> In Committee	<input type="checkbox"/> Substitute	<input type="checkbox"/> Enrolled

**2. Patron** Lingamfelter

**3. Committee** House Appropriations

**4. Title** Highway maintenance payments; counties that have withdrawn from state secondary highway system.

**5. Summary/Purpose:** The proposed legislation would revise the amount of the maintenance payments to counties that have withdrawn from the state secondary highway system prior to January 1, 2007. The bill would provide for similar payments to counties that withdraw in the future.

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

**7. Budget amendment necessary:** Yes. Item 443 and Item 444.

**8. Fiscal implications:** Two counties, Arlington and Henrico, do not participate in the state secondary highway system and maintain their own road systems. The Commonwealth Transportation Board currently allocates an amount per lane mile for maintenance to these two localities, with Arlington County in Northern Virginia being paid a higher rate than Henrico County. The proposed legislation would raise the amount paid to Henrico County and equalize the two payment rates.

According to the Department of Transportation, the increase in the maintenance payments would approximately triple the current rate of expenditure per lane mile of maintenance to these two localities. The increase cost in maintenance would require a decrease in funds in the construction program. By law, VDOT must transfer funds from its construction program to meet the maintenance needs of the state. In FY 2007, this transfer amounted to \$450 million. Any increase in the maintenance program will require an offsetting reduction in the construction program.

In the 2006 Appropriation Act, language directs VDOT to adjust the payments made to Arlington and Henrico to account for inflation. The language has been included in the appropriation act since 2004.

**9. Specific agency or political subdivisions affected:** Commonwealth Transportation Board, Department of Transportation

**10. Technical amendment necessary:** None.

**11. Other comments:** None.

**Date:** 01/23/07 / smc

**Document:** F:\SMC\GA\FIS 2007\HB2655.Doc

cc: Secretary of Finance

Secretary of Transportation