Department of Planning and Budget
2007 Fiscal Impact Statement

1. **Bill Number** HB 3197

   House of Origin   ☒ Introduced   ☐ Substitute   ☐ Engrossed

   Second House   ☐ In Committee ☐ Substitute   ☐ Enrolled

2. **Patron**   Athey

3. **Committee**   House Transportation

4. **Title**   Urban transportation service districts; created.

5. **Summary/Purpose:** The proposed legislation would provide for the creation of urban transportation service districts and provide a mechanism whereby counties that resume responsibility for maintaining all or portions of the state secondary highway system within their boundaries before July 1, 2010, will receive an amount equal to the urban allocation per lane mile for the area within the district for purposes of road maintenance. In addition, such locality shall receive an amount equal to the difference between the urban allocation and what VDOT would be spending within the service district if not for the creation of such district. The boundaries of urban transportation service districts are to be agreed upon by both the local governing body of the locality and by the Virginia Department of Transportation. The proposed legislation also makes provision for transferring VDOT equipment and employees to localities that adopt such districts. In addition, localities that establish an urban transportation service district shall have expanded impact fee authority that includes roads, schools and other public facilities.

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

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

8. **Fiscal implications:**   The proposed legislation would grant localities the authority to deny rezoning requests if the existing transportation network is inadequate to support the proposed development. The legislation would also allow localities to impose impact fees if the locality has established an urban transportation service district. The ability to impose impact fees is limited to parcels currently zoned agricultural and are being rezoned for by-right development. The locality is to credit the developer for any cash proffers previously paid to the locality.

     Urban transportation service districts are to be established by counties according to certain density requirements. Localities which have established such a service district would have the authority to maintain and construct streets and roads in the service district. VDOT would pay the localities the amount equal to the urban allocation payment rate per lane mile instead of the current secondary allocation payment rate. The proposed legislation would also extend the authority to participate in the urban transportation service district to counties which have assumed maintenance responsibility of their secondary road system. Such

counties would receive the urban allocation rate for lane miles within the district. If all eligible localities create countywide urban transportation service districts, an additional $62 million would need to be budgeted off the top of the construction program, as these localities would be authorized to receive higher maintenance payments than the CTB currently allocates.

In addition to the increased allocation rate, the locality would be paid the difference between the urban allocation rate and the amount VDOT would spend in the urban service district had it not been created. The locality would receive surplus equipment transferred to it from VDOT that is no longer needed for road maintenance. The department would pay each locality $10,000 for each displaced VDOT employee the locality hires. Each VDOT employee who is hired by a locality would receive $10,000 after one year of service to the locality.

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

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

11. **Other comments:** The bill is similar to HB 3197. HB 3202 and SB 1417 contain similar provisions.

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cc: Secretary of Finance
    Secretary of Transportation