

Department of Planning and Budget 2009 Fiscal Impact Statement

1. Bill Number: HB1861

House of Origin X Introduced Substitute Engrossed
Second House In Committee Substitute Enrolled

2. Patron: Shannon

3. Committee: House Transportation

4. Title: **Street maintenance payments; increased where traffic volumes exceed statewide average by 20 percent.**

5. Summary: The proposed legislation would direct the Department of Transportation (VDOT) to increase maintenance payments to cities and towns by 20 percent when traffic volumes exceed the statewide average by more than 20 percent.

Section 33.1-41.1, Code of Virginia, requires the Commonwealth Transportation Board (CTB) to make maintenance payments to cities and towns belonging to the urban system of highways. The Code section directs that cities and towns receive per-lane-mile payments to maintain the streets within their jurisdictions. The bill would increase by 20 percent the per-lane-mile payment for any highway where the average daily traffic volume on such highway is more than 20 percent higher than the statewide average daily traffic volume of a comparable highway.

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

7. Budget Amendment Necessary: None.

8. Fiscal Implications: The proposed legislation would potentially increase the per-lane-mile payments to cities and towns with congested streets. The Code of Virginia directs the Commonwealth Transportation Board (CTB) to allocate each year the funds it deems reasonable and necessary for the maintenance of state-maintained highways, city and town maintenance payments and payments to counties that have elected to withdraw from the state secondary system. If the amount necessary for maintenance is greater than the funds available, the CTB is authorized to transfer funding from the construction program. The transfer from the construction program to the maintenance program in FY 2009 was \$385.0 million. To the extent that the provisions of the proposed legislation increase the payments made to cities and towns, the maintenance needs of the Commonwealth and the amount transferred from the construction fund will increase.

9. Specific Agency or Political Subdivisions Affected: Department of Transportation, cities and towns in the urban system of highways

10. Technical Amendment Necessary: None.

11. Other Comments: Item 458 A. of the 2008 Appropriation Act overrides §33.1-41.1, Code of Virginia, and directs VDOT to use an inflation factor to determine the payments for cities and towns. It is unclear if the budget provisions conflict, and therefore override, the provisions of the proposed legislation.

Date: 1/27/2009 dpb/smc

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cc: Secretary of Transportation