

Department of Planning and Budget 2009 Fiscal Impact Statement

1. Bill Number: SB864

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

2. Patron: Edwards

3. Committee: Senate Transportation

4. Title: **Rail Transportation Development Authority.**

5. Summary: The proposed legislation would establish the Rail Transportation Development Authority (the Authority). The Authority is to be responsible for identifying needed construction, reconstruction, improvements, or repairs to railroads and their facilities and equipment. The Authority is given the power to finance or assist in financing any such rail transportation project. The bill requires the Virginia Department of Rail and Public Transportation (DRPT), in conjunction with the Authority, to develop a rail transportation plan for the Commonwealth. The bill further abolishes the Rail Advisory Board and repeals Chapter 1041 of the 2003 Acts of Assembly, which provided for the creation of a Rail Transportation Development Authority, but never became effective, because it included a reenactment clause, and the act was not reenacted.

6. Fiscal Impact Estimates:

6a. Expenditure Impact:

<i>Fiscal Year</i>	<i>Dollars</i>	<i>Positions</i>	<i>Fund</i>
2010	\$282,800	0	NGF
2011	\$532,800	0	NGF
2012	\$757,800	0	NGF
2013	\$757,800	0	NGF
2014	\$757,800	0	NGF
2015	\$757,800	0	NGF

7. Budget Amendment Necessary: Yes, Item 450.

8. Fiscal Implications: The bill notes that the members of the Authority shall be reimbursed their actual and necessary expenses incurred in carrying out their duties and, in addition, shall be paid the same per diem as provided in the general appropriation act for members of the General Assembly engaged in legislative business between sessions. Currently, non-session per diems are \$200 per day. If the nine members are reimbursed, for example, \$150 for their actual and necessary expenses, and an additional \$200 per day, and there are four meetings per year, then the total costs could be \$12,600. As the bill repeals the Code section creating the Rail Advisory Board, whose eight members are currently reimbursed for expenses, the net effect of the cost of the Rail Transportation Development Authority is \$7,800. Section 2.2-2813 directs that if no funding is provided to the Authority for reimbursement of expenses

and per diem amounts, funding shall be provided by the entity that supports the work of the body. As the bill requires DRPT to provide support staff to the Authority, it is assumed it will provide the funding to reimburse members.

The Governor's proposed budget assumes the suspension of per diem payments to citizen members of the Commonwealth's various boards and commission for executive branch agencies. If per diem payments were not made to citizen members of the Authority, the cost to the Authority would be \$1,350 per meeting or \$5,400 per year if four meetings were held annually. This amount would be nearly offset by the elimination of the Rail Advisory Board.

DPRT estimates it will cost \$275,000 to provide startup costs to the Authority for support services, provide administrative support services for the Authority, which shall include developing, publishing, advocating, and periodically revising a rail transportation plan for the Commonwealth. If DRPT uses transportation funding for this purpose, then funding to other transportation programs will need to be reduced.

When the full provisions of the legislation are implemented, additional staff or consultant staff for the Authority could cost \$250,000 to \$500,000. Senate Document 4, created in the 2004 General Assembly session, indicated a budget need of between \$500,000 to \$1 million each year. Thus, out-year costs are estimated at \$525,000 in FY 2011, and \$750,000 each year thereafter. As the Authority takes on more responsibility, additional staff may have to be added to the department, such as attorneys, engineers, and other technical advisors. However, the actual number, positions, and salaries cannot be determined at this time. No source of funds is identified, though it is assumed that transportation funding currently supporting other programs would be used.

The Authority is authorized to issue bonds and other debt. As the legislation does not direct a funding source for the Authority, the impact of any potential debt on the Commonwealth cannot be determined. If a portion of the Commonwealth Transportation Fund is used to support the debt, the debt would be considered tax-supported debt and impact the state's debt capacity.

9. Specific Agency or Political Subdivisions Affected: Department of Rail and Public Transportation

10. Technical Amendment Necessary: None.

11. Other Comments: Senate Document #4 (2004) raised concerns regarding the constitutionality of the intended purpose of the Virginia Rail Transportation Authority.

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cc: Secretary of Transportation