

Department of Planning and Budget 2010 Fiscal Impact Statement

1. Bill Number: SB541

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

2. Patron: Newman

3. Committee: Senate Transportation

4. Title: **Commonwealth of Virginia Transportation Capital Projects Revenue Bonds.**

- 5. Summary:** The proposed legislation would provide that at least 50 percent of the proceeds of Commonwealth of Virginia Transportation Capital Projects Revenue Bonds be used for new road or highway construction projects. The bill defines a new road or highway construction project as the construction of, enhancement of, or addition to a road or highway (or a portion or segment of a road or highway), which construction, enhancement, or addition did not commence prior to January 1, 2010. Chapter 896 of the 2007 Acts of Assembly (HB 3202) authorized the Commonwealth Transportation Board (CTB) to issue a total of \$3 billion in Commonwealth of Virginia Transportation Capital Projects Revenue Bonds.

Currently, the Code of Virginia specifies the use of 20 percent of the bond proceeds for transit capital and 4.3 percent for rail capital. The remainder is available for any highway, rail or public transportation project with a statewide or regional impact, after using the proceeds to match federal funds and provide for the revenue sharing program.

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

7. Budget Amendment Necessary: None.

- 8. Fiscal Implications:** The Commonwealth Transportation Board currently has the authority to designate 75.7 percent of the bond proceeds to any highway, rail or public transportation project with a statewide or regional impact. The provisions of the proposed bill would require at least half of the proceeds be used for new road or highway construction projects.

Projects in the current Six-Year Improvement Program are funded with bond proceeds, and bond proceeds were used for a payment to the Metropolitan Washington Airports Authority as part of the Dulles Corridor Metro project. This legislation may require shifts in funds that are used to match federal funds, thus requiring the Department of Transportation to identify new matching funds.

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

10. Technical Amendment Necessary: None.

11. Other Comments: Identical to HB 666.

Date: 2/8/2010 dpb/smc

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