

Department of Planning and Budget 2011 Fiscal Impact Statement

1. Bill Number: HB1631

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

2. Patron: Watts

3. Committee: Transportation

4. Title: Payments to cities and towns for highway maintenance.

5. Summary: Currently, the Code of Virginia requires the Department of Transportation to create a statewide maintenance index of the unit costs for labor, equipment and materials used on roads and highways in FY 1986. Changes in this index are to be used to calculate annual changes in the base per-lane-mile payments to municipalities for roadway maintenance. The proposed legislation would specify that VDOT is to use changes in the amount paid by the state for maintenance unit costs when calculating the changes to the annual payment rates.

6. Budget Amendment Necessary: Yes. In order for the amendments to §33.1-41.1 to have an effect on maintenance payments to municipalities, a language amendment is required to strike Item 455 A. That Item overrides the provisions of §33.1-41.1 and directs VDOT to adjust the municipal payments on the basis of inflation.

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

8. Fiscal Implications: The Code of Virginia directs the Commonwealth Transportation Board 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. In FY 2011, \$511.0 million was transferred from the construction program to provide sufficient funding for maintenance activities. To the extent that the proposed legislation increases or reduces the amount of funding required for maintenance costs, an equal impact will be experienced on the construction program.

9. Specific Agency or Political Subdivisions Affected: Department of Transportation, municipalities which maintain local roads

10. Technical Amendment Necessary: None.

11. Other Comments: None.

Date: 1/26/2011 dpb/smc

Document: G:\GA\FIS 2011\HB1631.doc