

Department of Planning and Budget 2011 Fiscal Impact Statement

1. Bill Number: HB2021

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

2. Patron: May

3. Committee: Transportation

4. Title: Allocation of revenue-sharing funds.

5. Summary: The proposed legislation would remove the tier structure for the allocation of revenue-sharing funds to localities. The bill also sets the funding level for the program at no less than \$50 million each fiscal year. The revenue-sharing program is a state/local matching program for the improvement or construction of transportation facilities within localities. The program is open to all counties and cities and those towns included in the urban system of roadways. Localities submitting requests to the Commonwealth Transportation Board must match the requested funding level with local revenues up to one million dollars.

Currently, first priority is given to requests when the project will be administered by the locality, second priority is given when localities pledge more local funding than is requested from the state, and third when the project will accelerate a project currently in VDOT's six-year improvement program or the locality's capital plan. The proposal remove the first and second tiers and only give priority to projects that are contained in a VDOT's program or the locality's capital plan.

6. Budget Amendment Necessary: No. Item 452 A. sets the funding level for the revenue sharing program at \$50 million in FY 2012, which aligns with the proposed legislation.

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

8. Fiscal Implications: The revenue sharing program leverages state funds with local funds to complete transportation projects. The amendments would give localities an incentive to request matching funds for the acceleration or completion of currently planned projects.

9. Specific Agency or Political Subdivisions Affected: Local governments, VDOT

10. Technical Amendment Necessary: None.

11. Other Comments: None.

Date: 1/26/2011 dpb/smc

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