

## Department of Planning and Budget 2011 Fiscal Impact Statement

**1. Bill Number:** SB1468

**House of Origin**    ☒ Introduced    ☐ Substitute    ☐ Engrossed  
**Second House**    ☐ In Committee    ☐ Substitute    ☐ Enrolled

**2. Patron:** Edwards

**3. Committee:** 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. Budget Amendment Necessary:** No, since no source of funding is provided to DRPT to provide for expenditures related to the provisions of the bill.

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

**7a. Expenditure Impact:**

<i>Fiscal Year</i>	<i>Dollars</i>	<i>Positions</i>	<i>Fund</i>
2011	\$0	0	
2012	\$275,000	0	Transportation Funds
2013	\$525,000	0	Transportation Funds
2014	\$750,000	0	Transportation Funds
2015	\$750,000	0	Transportation Funds
2016	\$750,000	0	Transportation Funds
2017	\$750,000	0	Transportation Funds

**8. Fiscal Implications:** 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 could be used.

The members of the Authority will be eligible for reimbursement of travel costs. Since the bill eliminates the Rail Advisory Board with the Authority, it is estimated that these costs will be offset by the savings from the board.

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 may 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.

Chapter 1041 of the 2003 Acts of Assembly was repealed by Chapter 864 and Chapter 871 of the 2009 Acts of Assembly.

**Date:** 1/27/2011 dpb/smc

**Document:** G:\GA\FIS 2011\SB1468.doc