

Department of Planning and Budget 2012 Fiscal Impact Statement

1. Bill Number: HB1039

House of Origin	<u> X </u>	Introduced	<u> </u>	Substitute	<u> </u>	Engrossed
Second House	<u> </u>	In Committee	<u> </u>	Substitute	<u> </u>	Enrolled

2. Patron: Keam

3. Committee: House Transportation

4. Title: Street maintenance payments.

5. Summary: Cities and certain towns maintain their municipal streets using funds paid to them by VDOT. The amount paid is calculated by applying a rate to the number of moving-lane miles of highways available to peak-hour traffic. The proposed legislation would increase the rate paid by VDOT by 20 percent when traffic volume on the highway exceeds the statewide average for comparable highways by more than 20 percent.

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

7. Budget Amendment Necessary: The proposed legislation would likely require appropriation to be transferred from the highway construction program in Item 446 of the introduced budget to the maintenance program in Item 449. However, since the exact amount cannot be identified at this time, any appropriation amount required could be transferred administratively.

8. Fiscal Implications: The proposed legislation would likely increase the maintenance payments VDOT makes to localities, which would increase the state's overall maintenance costs. State law dictates that maintenance needs be funded prior to construction projects. In FY 2011, approximately \$511.0 million was transferred from the construction fund to pay for maintenance needs. In FY 2012, this amount is estimated to be \$447.8 million. If maintenance costs were increased by the provisions of the bill, the amount available for construction would decrease correspondingly.

9. Specific Agency or Political Subdivisions Affected: Cities and certain towns of the Commonwealth, Department of Transportation

10. Technical Amendment Necessary: None.

11. Other Comments: None.

Date: 1/19/2012 dpb/smc

Document: G:\GA\FIS 2012\HB1039.doc