

Department of Planning and Budget

2016 Fiscal Impact Statement

1. Bill Number: SB197

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

2. Patron: Stanley

3. Committee: Finance

4. Title: Interstate 73 Corridor Development Fund and Program.

5. Summary: The substitute bill creates a special nonreverting fund that shall be a part of the Transportation Trust Fund and that shall be known as the Interstate 73 Corridor Development Fund, consisting of the first \$40 million of annual collections of the state recordation taxes imposed by Chapter 8 (§ 58.1-800 et seq.) of Title 58.1, provided, however, that this dedication shall not affect the local recordation taxes under subsection B of § 58.1-802 and § 58.1-814. The Fund shall also include such other funds as may be appropriated by the General Assembly and designated for the Fund and all interest, dividends, and appreciation that may accrue thereto. Any moneys remaining in the Fund at the end of a biennium shall not revert to the general fund but shall remain in the Fund. Allocations from the Fund may be paid to any authority, locality, or commission for the purposes of the Interstate 73 Corridor Development Program, which is also created through this proposal. The provisions of this legislation go into effect upon completion of the U.S. Route 58 Corridor Development Program. Currently, \$40 million is allocated annually to the Route 58 project.

6. Budget Amendment Necessary: No

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

8. Fiscal Implications: According to the Virginia Department of Transportation (VDOT), the Route 58 Corridor Program has outstanding debt requirements through 2026 on debt previously issued. In 2013, Chapter 296 (HB 1953) authorized an additional \$595.7 million in debt to be issued in the future for the Crooked Oak Section, the Vesta Section, and the Lover's Leap Section. None of this additional debt has been issued. Chapter 296 was also tied to the passage of Chapter 766 (HB 2313), also in 2013, which included an enactment clause that required the deposit of \$20 million from the highway construction share of the Transportation Trust Fund into the Route 58 Corridor Development Fund beginning in Fiscal Year 2020. These additional funds will support the issuance of the additional bonds. The additional bonds are expected to require debt obligations through fiscal year 2046. Given this, the provisions of this legislation would not go into effect until fiscal year 2046.

9. Specific Agency or Political Subdivisions Affected: Virginia Department of Transportation; Commonwealth Transportation Board; Department of Treasury

10. Technical Amendment Necessary: No

11. Other Comments: If this substitute bill is adopted, it would not impact outstanding bonds or any proposed refunding of Route 58 Bonds. It would not adversely affect the security and source of payment for the Route 58 Bonds.