

Department of Planning and Budget

2017 Fiscal Impact Statement

1. Bill Number: HB1973

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

2. Patron: O'Quinn

3. Committee: Passed both houses

4. Title: Economic Development Access Program; bonded projects.

5. Summary: Imposes a 48-month moratorium on the repayment of funds allocated to a locality for a bonded project pursuant to the Economic Development Access Program (EDA), provided that the conditions of the Commonwealth Transportation Board's economic development access policy are met. The bill has an emergency clause.

6. Budget Amendment Necessary: No.

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

8. Fiscal Implications: The Economic Development Access Program provides funding to localities as a cost share for transportation projects meeting certain economic development-related benefits. Any funding provided to bonded projects that in the end do not meet the economic requirements of the EDA program are to be repaid to the Virginia Department of Transportation. Since 2010, the Commonwealth Transportation Board (CTB) has provided moratoriums on repayment for existing projects to account for the difficult economic conditions facing localities. With the last moratorium expiring January 2017, the CTB set a new policy allowing a repayment schedule of five years for the remaining bonded EDA projects.

According to the Virginia Department of Transportation (VDOT), based on impacted localities paying back the first year of the five, there are currently nine bonded EDA projects requiring the impacted localities to repay \$705,874 in FY 2018 and \$835,874 annually for the following three years. Lacking any additional investment or passage of this legislation, they would presently be required to repay an additional total amount of \$3,213,496 over the next four years.

9. Specific Agency or Political Subdivisions Affected: VDOT; CTB; the nine localities with bonded EDA projects that would be affected: Pulaski County, Bland County, Shenandoah County, Louisa County, Town of Rocky Mount, Town of West Point, Wythe County, Henry County and Carroll County. Wythe, Henry and Carroll are included as potentially impacted in the out-years should they not meet the requirements of the program.

10. Technical Amendment Necessary: No

11. Other Comments: This bill is a companion to SB1591.