

## **Department of Planning and Budget 2018 Fiscal Impact Statement**

**1. Bill Number:** SB622

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

**2. Patron:** Surovell

**3. Committee:** Local Government

**4. Title:** Local transportation plan; secondary system road construction program allocation.

**5. Summary:** Provides that if the adopted local transportation plan designates corridors planned to be served by mass transit, a portion of its allocation from the secondary system road construction program may be used for the purpose of utility undergrounding in the planned corridor, if the locality matches 100 percent of the state allocation.

**6. Budget Amendment Necessary:** No.

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

**8. Fiscal Implications:** This legislation has no state fiscal impact. Any cost to localities is indeterminate.

**9. Specific Agency or Political Subdivisions Affected:** Virginia Department of Transportation, counties of Virginia.

**10. Technical Amendment Necessary:** No.

**11. Other Comments:** According to the Virginia Department of Transportation, as written, the main secondary construction program fund that would serve as the funding source for the bill's purpose technically no longer exists pursuant to changes in §33.2-358, relating to the allocation of funds among highways. The changes were enacted as part of Chapter 684 (2015) and included the removal of the "40-30-30," primary-urban-secondary construction funds allocation formula.

However, since the elimination of secondary system construction funds, the counties continue to use the Secondary Six Year Plan (SSYP) to develop and engage the public on potential secondary road construction and improvement projects and to allocate the remaining funding sources that are distributed through the SSYP for secondary system construction improvement projects which are noted below:

\* Unpaved secondary highway funds – §33.2-359 (However, use of these funds is restricted to improvement of nonsurface treated secondary highways that carry 50 or more vehicles per day.) ; and,

\* Public Rights of Way Use Fees – §56-468.1 (These Rights of Way Use fees paid by telecommunication providers (telefees) are dedicated to secondary construction and are distributed according to county population. VDOT estimates that close to 2/3 of the counties will receive less than \$100,000 in telefees. Further, the telefees are shown in the SSYP for all counties except the Northern Virginia District and have already been programmed to other projects for the next six years. The telefees for counties in the Northern Virginia District are dedicated to the Northern Virginia Transportation District Bond Program and Fund and are not available for distribution through the SSYP.)

In addition, many secondary road improvement projects qualify for additional fund sources that are distributed outside of the county's secondary system road construction program that include:

\* SMART SCALE - §33.2-214.1.

\* Contributions to primary or secondary state highway construction by counties - §33.2-337.

\* The Revenue Sharing program - §33.2-357.

\* State of Good Repair - §33.2-369.