

## Department of Planning and Budget

### 2019 Fiscal Impact Statement

**1. Bill Number:** HB2084

<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:** Watts

**3. Committee:** Counties, Cities and Towns

**4. Title:** Additional powers of certain counties.

**5. Summary:** Grants counties with a population greater than 100,000 certain powers of cities and towns, including taxation, borrowing, and eligibility for highway maintenance funds. Currently, such powers are generally granted only to cities and towns.

**6. Budget Amendment Necessary:** No

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

**8. Fiscal Implications:** According to the Virginia Department of Transportation (VDOT), ten counties would qualify for Urban System payments pursuant to Code of Virginia § 33.2-319 based on 2017 Weldon Cooper population estimates. VDOT maintains secondary roads for eight of these counties and the primary roads for all ten. The counties of Arlington and Henrico maintain their own secondary roads and receive allocations from VDOT's maintenance funds in accordance with § 33.2-366, Funds for Counties that Have Withdrawn from the Secondary State Highway System. Counties that withdraw from the secondary system pursuant to the Devolution Statute, § 33.2-342, receive allocations from VDOT's maintenance funds also in accordance with § 33.2-366. This bill essentially converts counties with population greater than 100,000 into urban jurisdictions, allowing those counties to receive the same maintenance payment rate as the Urban System cities and towns.

The Virginia Department of Transportation estimates that approximately \$333 million is spent for maintenance in the ten counties impacted by this legislation. Based on the methodology used to determine the amount of Urban System payments, these same ten counties would receive funding of approximately \$436 million. As a result, the difference of \$103 million would impact the amount of maintenance funding available to support the current 84 localities in the Urban System. Without additional funding, these localities would not be supported at the same level of maintenance as today.

The agency estimates the difference could rise to \$110 million by FY 2023. Any shortfall in needed maintenance funding would be covered by transferring construction budget funding to the maintenance budget. Any transfer of construction funds to maintenance reduces the amount of funding available for planned construction projects, potentially impacting delivery dates for existing transportation construction projects.

**9. Specific Agency or Political Subdivisions Affected:** Virginia Department of Transportation, localities within VDOT's Urban System

**10. Technical Amendment Necessary:** No

**11. Other Comments:** None