

Department of Planning and Budget 2024 Session Fiscal Impact Statement

1. Bill Number: SB282

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

2. Patron: Roem

3. Committee: Transportation

4. Title: Virginia Highway Safety Improvement Program; surplus funds.

5. Summary: Provides that beginning in fiscal year 2025, in any fiscal year in which there is a surplus of general fund revenues, as that term is defined in the bill, the Governor shall include in his proposed budget an appropriation of 10 percent of such surplus for the Virginia Highway Safety Improvement Program for the purpose of funding projects consistent with the objectives of the Program.

6. Budget Amendment Necessary: No.

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

8. Fiscal Implications: This bill would direct that 10 percent of any surplus in general fund revenues in excess of the official estimates, after subtracting deposits to the Revenue Stabilization Fund, Water Quality Improvement Fund, and Revenue Reserve Fund be allocated to the Virginia Highway Safety Improvement Program. The funding would be used to fund projects that would address a hazardous road location or feature or other identified highway safety problem and improve transportation safety at a specific location, including projects that would implement safe system approach designs, improve high accident risk areas, improve safety at school crossing zones, or create safer options for pedestrians and bicyclists. This allocation would be required to be included in the budget bill submitted by the Governor.

General fund revenues collected in a given fiscal year in excess of the official estimates are, by definition, unanticipated. As a result, it is not possible to provide an estimate of any additional funding that would be allocated to the Virginia Highway Safety Improvement Program as a result of this bill. Any allocations to this program would be included by the Virginia Department of Transportation in a future Six-Year Improvement Program.

Several provisions of the Constitution and the Code of Virginia dictate the allocation of any general fund revenue collected over the official estimates in a given fiscal year. See item 11 for a listing of these provisions. Further, certain portions of any excess general fund revenue may be considered committed or assigned in a given year. The “Committed Fund Balance” represents amounts that must be spent for specific purposes that have been legislatively mandated by the Governor and General Assembly. The “Assigned Fund Balance” represents

amounts that the Commonwealth has identified for planned purposes but for which the intended use is not legislatively mandated. These uses could be considered obligated and/or unavailable to redirect to other uses. The currently required allocations of excess general fund revenue include a deposit to the Commonwealth Transportation Fund (CTF), per § 2.2-1514, Code of Virginia, of 67 percent of the general fund balance that is not otherwise restricted, committed, or assigned for other usage within the general fund. The deposit to the CTF can be used for any transportation-related purpose.

The definition of “surplus” in this bill does not account for the committed and assigned uses of funds beyond the deposits to the Revenue Stabilization, Water Quality Improvement (WQIF), and Revenue Reserve funds. Effectively, this would result in the allocation to the Virginia Highway Safety Improvement Program prior to consideration of other committed or assigned uses of the general fund balance. Additionally, allocations to the Virginia Highway Safety Improvement Program would be considered otherwise restricted, committed, or assigned for the purpose of calculating the second component of the deposit to the WQIF and any deposit to the CTF from the general fund surplus. This would reduce the amount of such deposits.

The Department of Environmental Quality (DEQ) administers the Water Quality Improvement Fund. Other than potential impacts to the WQIF, this is not anticipated to have a fiscal impact to DEQ.

9. Specific Agency or Political Subdivisions Affected: Virginia Department of Transportation, Department of Environmental Quality.

10. Technical Amendment Necessary: No.

11. Other Comments: Provisions of law directing the use of excess general fund revenues include the following:

Article X, Section 8, Constitution of Virginia sets out the requirements for deposits to the Revenue Stabilization Fund from any general fund surplus. Section 2.2-1829, Code of Virginia, requires the Governor to include any such amount in the budget bill.

Section 10.1-2128, Code of Virginia, sets out the requirements for deposits to the Virginia Water Quality Improvement Fund from any general fund surplus as 10 percent of any annual general fund revenue collections that are in excess of the official estimates and 10 percent of any unrestricted and uncommitted general fund balance at the close of each fiscal year whose reappropriation is not required in the general appropriation act.

Section 2.2-1831.3, Code of Virginia, sets out the requirements for deposits to the Revenue Reserve Fund from any general fund surplus and requires the Governor to include any such amount in the budget bill.

Section 2.2-1514, Code of Virginia, provides that 67 percent of the general fund balance that is not otherwise restricted, committed, or assigned for other usage within the general fund is

to be deposited to the Commonwealth Transportation Fund (CTF) and requires the Governor to include such deposits in the budget bill. The remaining 33 percent is to be used for nonrecurring expenditures.