Department of Planning and Budget 2025 General Assembly Session State Fiscal Impact Statement

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Bill Number: SB1082ER Patron: McDougle

Bill Title: Transportation; Commonwealth Transportation Special Structures Program Revenue Bond

Act of 2025.

Bill Summary: Authorizes the Commonwealth Transportation Board to issue up to \$1.0 billion in revenue bonds to be known and designated as "Commonwealth of Virginia Special Structures Program Revenue Bonds." Caps the amount of bonds issued under this legislation to \$200.0 million in any single fiscal year. The bill provides that such bonds shall be payable solely (i) first from revenues received from the Special Structure Fund; (ii) second and to the extent required, from revenues legally available from the Transportation Trust Fund; and (iii) then to the extent required, from any other legally available funds.

Budget Amendment Necessary: No Items Impacted: N/A

Explanation: N/A

Fiscal Summary: It is anticipated that revenues to the Special Structures Fund would be sufficient to support the debt service payments on bonds authorized by this legislation. Any bonds issued may impact the Commonwealth's debt capacity.

Fiscal Analysis: The bill would allow for the issuance of up to \$1.0 billion in bonds, capped at \$200.0 million in any single fiscal year, in Commonwealth of Virginia Special Structures Program Revenue Bonds. Bonds issued would be used to support the Special Structure Program. Based on the most recent estimates from the Virginia Department of Transportation (VDOT), the Special Structures Fund is anticipated to receive approximately \$550.0 million in dedicated revenue between FY25 and FY30. It is anticipated that the revenues to the fund would be sufficient to cover the debt service payments on any bonds issued. The bill also modifies the language related to the allocation to the Special Structure Fund by clarifying that it will increase annually by the greater of inflation or zero.

Debt supported by transportation revenues, as proposed by this legislation, are considered tax-supported debt obligations and are included in the Commonwealth's debt capacity model and calculations. Per the most recent Debt Capacity Advisory Committee report on 12/19/24, the Commonwealth's debt capacity would allow for up to \$1.31 billion in additional tax-supported debt to be authorized and issued in each of fiscal years 2025 and 2026. Any debt authorized pursuant to this legislation may impact future calculations of the Commonwealth's debt capacity. The Virginia Department of the Treasury reviewed this legislation in conjunction with other tax-supported debt authorized by the 2025 General Assembly and indicated no concern with respect to the Commonwealth's debt capacity. Associated appropriation for debt service should not be needed until the 26-28 biennium.

Other: None.