

<b>Agency</b>	<b>FY2026</b>	<b>FY2027</b>	<b>FY2028</b>	<b>FY2029</b>	<b>FY2030</b>	<b>FY2031</b>
DHCD (165)		2	2	2	2	2
<b>TOTAL</b>		<b>2</b>	<b>2</b>	<b>2</b>	<b>2</b>	<b>2</b>

**Department of Planning and Budget**  
**2026 General Assembly Session**  
**State Fiscal Impact Statement**

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**Fiscal Analysis:** This impact statement is preliminary. The bill establishes a new statewide compliance monitoring and incentive framework that creates direct and ongoing expenditure impacts for DHCD. The requirement to conduct semiannual compliance reviews of all localities, determine compliance status based on average permitting timelines, and prepare and transmit formal reports necessitates a level of sustained analytical and administrative capacity beyond current absorbable workloads. While supervisory oversight may be absorbed within DHCD's Policy and Legislative Services Division, the agency estimates that implementation would require two policy and program analyst positions, at an estimated total annual cost of \$240,000. One position would focus on program design, locality coordination, and compliance determinations, while the second would focus on data collection, analysis, and preparation of the required semiannual reports.

The bill also authorizes grant awards to compliant localities sufficient to fund one full-time equivalent planning position per compliant review period. Although these grants are explicitly subject to appropriation, implementation consistent with legislative intent would require an indeterminate appropriation from the general fund. Without such an appropriation, the incentive component of the bill would be inoperative.

Transportation funding withheld from noncompliant localities is required to revert to and remain in the Commonwealth Transportation Fund, representing a redistribution of existing revenues rather than a net increase or decrease. Any reduction in transportation project budgets associated with noncompliant localities may impact the timely completion of those projects or jeopardize projects entirely. Delays may result in increased costs to the Commonwealth to complete a given project. Any projects cancelled prior to completion as a result of withheld funding may incur losses for work already completed. Commonwealth Transportation Fund allocations support projects across transportation modalities including highways, roads, rail, transit, and pedestrian safety and mobility. The Commonwealth's transportation infrastructure functions as a network, any projects delayed or cancelled in one locality may negatively impact transportation outcomes in other localities.

**Other:** None.