

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

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ORIGINAL

Bill Number: SB517

Patron: Stanley

Bill Title: Issuance of bonds for the U.S. Route 58 Corridor Development Program.

Bill Summary: Increases from \$1.3 billion to \$1.632 billion the maximum aggregate principal amount for bonds that may be issued for the U.S. Route 58 Corridor Development Program, and specifies that the amount of such increase is not specifically allocated to a part of the project.

Budget Amendment Necessary: No

Items Impacted: N/A

Explanation: This does not have an appropriation impact in the 26-28 biennium. Associated appropriation for debt service related to this proposal should not be needed until the 32-34 biennium.

Fiscal Summary: This bill should be considered in the context of the state's bonding capacity, accounting for the December 2025 Debt Capacity Advisory Committee (DCAC) report, the additional tax supported debt proposed in the Introduced Budget Bill (HB/SB30), and any additional debt authorized during the 2026 General Assembly Session. The bill would authorize the issuance of up to \$332.0 million in additional Commonwealth transportation bonds to support the U.S. Route 58 Corridor Development Program. 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 DCAC report on 12/18/25, the Commonwealth's debt capacity would allow for up to \$1.49 billion in additional tax-supported debt to be authorized and issued in each fiscal year 2026 and 2027. HB/SB30 also proposes the authorization of state supported debt totaling \$890 million in FY27 and \$220 million in FY28, not accounted for in the December 2025 DCAC report.

Fiscal Analysis: The legislation authorizes additional debt that would enable the Commonwealth Transportation Board and the Virginia Department of Transportation (VDOT) to advance and complete the final section of the Route 58 Corridor project by 2036. The dedicated funding plus existing debt authorization is not sufficient to advance the final section, Crooked Oak.

Of the projects prioritized by Chapters 296 (2013 Acts of Assembly) and 1230/1275 (2020 Acts of Assembly), Lover's Leap, Vesta and Corridor Q have been fully funded and are underway. The only remaining section to be funded is Crooked Oak. The additional bond authorization proposed would facilitate earlier funding of and completion of the project.

The bill would authorize the issuance of up to \$332.0 million in additional Commonwealth transportation bonds to support the U.S. Route 58 Corridor Development Program (an increase from \$1.3 billion to \$1.632 billion). The Route 58 program and fund is currently supported by an allocation of the Commonwealth Transportation Fund of \$40.0 million per year and an additional \$20.0 million per year transfer from the

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Transportation Trust Fund (Item 443 of HB30/SB30). These have been ongoing allocations and do not have a specified sunset date. It is anticipated that the allocations to the fund would be sufficient to cover the debt service payments on bond issued under the proposed authorization. Debt service on bonds issued under this authorization would likely extend the timeframe needed to continue the existing allocation and transfer.

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 (DCAC) report on 12/18/25, the Commonwealth's debt capacity would allow for up to \$1.49 billion in additional tax-supported debt to be authorized and issued in each fiscal year 2026 and 2027. Any debt authorized pursuant to this legislation may impact future calculations of the Commonwealth's debt capacity. The Introduced Budget Bill (HB30/SB30) also proposes the authorization of state supported debt totaling \$890 million in FY27 and \$220 million in FY28, not accounted for in the December 2025 DCAC report. Further, this bill should be considered in the context of any additional state supported debt authorized during the 2026 General Assembly Session.

This does not have an appropriation impact in the 26-28 biennium. Associated appropriation for debt service related to this proposal should not be needed until the 32-34 biennium.

Other: This bill is identical to HB147.