



The Senate Committee on Finance

Budget Bulletin

Prepared by Chris DeWitte and Ben Agsten, Budget Analysts



May 10th, 2019

SENATE BILL 522: Creating Special Road Repair Fund

Senate Bill 522 (SB522) was introduced in the Senate to address long-standing issues with road repair in the state. The bill created a special account to fund road repair and put guidelines on how that money should be used and dispersed to counties. The bill was ultimately vetoed by the governor on policy grounds.



SB522 KEY FACTS

Introduced: January 5, 2019

Completed Legislative Action: March 9, 2019

Vetoed by Governor: March 27, 2019

Potential Cost: \$80 million

ORIGINS

Governor Justice started the legislative session with a policy initiative known as “JIM’s Dream” with a goal of addressing the opioid crisis. Randy Smith, Senator from Tucker County, gave a speech on the Senate floor saying that “Randy’s Dream” was to see all the roads in his district repaired. Several other legislators followed suit, saying that the number one complaint they get from constituents is about the state of the roads. To address the issue, Senator Smith introduced Senate Bill 522, which became known as “The Roads Bill”.

PROGRAM COSTS

Road construction and repair has its own section in the Budget, the State Road Fund. Legislators appropriated \$1.38 billion in the FY2020 Budget, \$27 million dollars more than was appropriated in FY2019. The original Roads Bill would have appropriated money straight into the State Road Fund. However, after several committee substitutes, the bill instead created a special revenue account allowing the Commissioner of Highways to transfer up to \$80 million to a new Special Road Repair Fund.

PROVISIONS

In addition to creating a special revenue account, the bill also contained the following provisions:

- The State Auditor is directed to develop a public website that provides information on all state road projects and the money allocated to pay for them.
- The county supervisor from the Division of Highways would work with the county commission and currently elected members of the Legislature to submit a list of roads most in need of repair.
- The Division of Highways is required to contract with a private contractor if 70 percent of the core maintenance projects from the previous year have yet to be completed.
- Funds from the Special Road Repair fund would be allocated to counties based upon the total mileage of nonfederal aid eligible county routes in each district. No county would receive less than \$1 million.
- The Legislative Auditor must conduct biennial audit reports to review the program.

KEY TERMS

Introduced Bill: The form a bill is in when first presented to a committee.

Appropriation: Money that has been allocated in the state budget to fund a specific purpose.

Committee Substitute: A committee of the Legislature proposes an alternative version of an introduced bill. If a majority of the committee votes in favor of the substitute, the substitute replaces the original version of the bill and is brought before the full chamber for a vote.

Special Revenue: Appropriations for which the funding does not come from the state's general revenue collections. Funding can be from licenses, fees or an agency's budget.



RESULTS

Governor Justice vetoed Senate Bill 522 on policy grounds, stating “the purpose of the bill, while well-intentioned, is problematic because it represents a legislative encroachment into executive functions”.

Though the bill was vetoed, it helped kickstart an initiative to repair West Virginia’s roads. Legislators, acting as representatives of the citizens, brought their complaints to forefront of the list of issues that need addressed.

On March 19th, Governor Justice called in all district engineers and county supervisors from the Department of Highways for a meeting at the Capitol. He then told them to make a list of roads most in need of repair.

Work on the roads is ongoing. According to Revenue Secretary Dave Hardy, money to pay for the repair work is coming from three sources: The Department of Highway’s budget, supplemental appropriations and existing road bonds.

