

## Virginia Local Government Law

## VDOT Secondary Roads Study: Will State Roads Become Local Again?

By: Andrew McRoberts. Thursday, July 7th, 2011

At the end of June, the Virginia Secretary of Transportation announced a new study dated June 16, 2011 that says something we all have known for a decade or more — the state has no funds to adequately maintain our roads, let alone construct new ones, and that our roads and bridges are in a state of decay. One of the many impacts of this was the subject of my <u>previous blog post</u> entitled "Virginia Infrastructure Needs Hurt Economic Development."

The study is getting quite a buzz in <u>Hampton Roads</u> and in <u>Northern Virginia</u>, as it should all across the state.

The study makes no recommendations, but strongly suggests that devolution — handing off the secondary road dilemma to local governments — may be in our near future. The study draws a roadmap (sorry for the pun) for the Commonwealth to address the problem of lack of maintenance and construction of secondary roads. Of course, given the fact that the study finds (i) the current administrative arrangement is "appropriate," (ii) the current state funding is resulting in a "deteriorating" secondary road system, and (iii) the current local options for assuming road maintenance are not attracting any takers, it is hard to see how the status quo options are real options at all. This leaves devolution in some form as the most likely path forward.

Glaring in its absence in the press release is an option to raise state revenues adequate to solve a problem largely created by lack of — yes — state revenue.

Isn't that the real problem here? Isn't the real problem that the state has not adequately funded its secondary road system, leaving many localities in gridlock and secondary roads in the shambles they are today? It may be time for devolution on some basis. But perhaps it is the Commonwealth's unwillingness to shoulder its burden that has made this so.

Some mandatory devolution in some form appears to be our future, accompanied by increased local

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taxes to pay for it. If real local option revenue sources come with the responsibility, this may not entirely be a bad thing. As pointed out in the study, combining local land use authority with a local control over road construction and maintenance makes sense. And, with devolution, the elected local officials closest to the citizens and the problems created by inadequate roads will be tasked to solve the problem.

One shortcoming of devolution is the loss of the economies of scale when handling roads on a regional or district basis. Another is suggested by the finding in the study that says: "Many counties have limited capacity to assume secondary maintenance responsibilities." Well said. Many smaller localities utterly lack the staff, resources and tax base to pull off devolution. Some counties are in not much better financial position today than they were in the 1930s when the state assumed control over the former "county roads."

Even in a relatively large and wealthy counties, a shift to local control over secondary roads would be difficult and no local taxpayer will be happy to see their taxes go up. New revenue must be found, and in the current political environment, it does not seem forthcoming from the state. Better to focus taxpayer anger at local boards and councils than at the Virginia General Assembly, right?

However, what if the political environment is not much friendlier at the local level for increased taxes? What if the same state officials that pushed this expensive burden on local officials and local taxpayer then complain about out of control local taxes and seek limits on tax increases or local taxing authority?

What do you think about devolution? Is it the right answer?

Reprinted here in total is the VDOT press release:

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## NEW STUDY ADDRESSES ISSUES FACING VIRGINIA'S SECONDARY ROADS

All options examined to address secondary road system needs

RICHMOND – Today Secretary of Transportation Sean T. Connaughton announced the publication of a new study titled Policy Options for Secondary Road Construction and Management in the Commonwealth of Virginia. The study, authored by Dr. Jonathan L. Gifford, a professor at the George Mason University School of Public Policy, discusses historical aspects of Virginia's secondary roads policy, the current issues facing secondary roads in Virginia and potential policy options for the Commonwealth's secondary roads.

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"The Commonwealth of Virginia is one of only four states in the nation that maintains responsibility for the vast majority of its secondary roads," said Secretary Connaughton. "Virginia's 97,629 lane miles of secondary roads are vital to the Commonwealth's economic prosperity and our citizens' quality of life. This study looks at every option to adequately address future secondary road system needs."

The study identifies 10 findings related to the secondary roads program:

- The secondary road system as currently configured is not an appropriate administrative apparatus for maintenance and operations of the roads it contains;

- The condition of the secondary system is deteriorating;

- In recent years the VDOT secondary construction program has provided minimal funding support for constructing new roads in the secondary system;

- The current budget allocation process for maintenance funds gives relatively low priority to the secondary system;

- The current "devolution mechanisms" for construction and maintenance are not attracting county participation;

- County officials generally agree that state payments will not cover all the costs of a local road program for maintaining secondary roads;

- Many counties have limited capacity to assume secondary maintenance responsibilities;

- Local control over local roads and streets affords significant opportunity to integrate decision making over transportation and land use and improve development outcomes;

- Local option transportation taxes have been used throughout the U.S. to generate revenue for local road construction and maintenance programs; and

- Current secondary road acceptance procedures have and may continue to add roads to the secondary system in ways that exacerbate the maintenance budget shortfall.

Secretary Connaughton continued, "Our secondary road program is facing an enormous array of challenges. VDOT's current resources are sufficient to do a few missions well or many missions inadequately. This report provides an excellent overview of the choices ahead."

Several policy options are discussed in the report, including:

- Maintaining the current policy on construction and maintenance devolution;

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- Maintaining the current policy with enhanced budgetary priority for secondary road construction and maintenance;

- Restructuring the secondary road system;
- Performance-based maintenance contracting on the secondary system;
- Empowering counties to raise revenues;
- Imposing devolution on all counties; and
- Imposing devolution on select urban counties.

"The Commonwealth of Virginia is currently in a unique position," said Dr. Gifford. "While decreases in available funding and statutorily mandated prioritizations have led to deteriorating secondary roads, Virginia has a number of viable options to consider in solving these challenges."

A link to the study is provided here:

http://papers.ssrn.com/sol3/papers.cfm?abstract\_id=1865957

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