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OFFICE OF FEDERAL AWARDS MANAGEMENT (OFAM)

WRITTEN ONLY

TESTIMONY BY LAUREL A. JOHNSTON
ACTING DIRECTOR, DEPARTMENT OF BUDGET AND FINANCE
TO THE SENATE COMMITTEES ON PUBLIC SAFETY, INTERGOVERNMENTAL,
AND MILITARY AFFAIRS AND TRANSPORTATION AND ENERGY
ON
SENATE BILL NO. 2215

**February 8, 2018
10:15 a.m.
Room 225**

RELATING TO COUNTY TRANSIT ORIENTED DEVELOPMENT INFRASTRUCTURE

Senate Bill No. 2215 establishes the County Infrastructure Development Loan Revolving Fund to provide no-interest loans to the counties to increase infrastructure capacity and promote transit-oriented development (TOD).

While the Department of Budget and Finance supports the intent to improve infrastructure and expedite TOD in the State, the department strongly believes that utilizing the Dwelling Unit Revolving Fund (DURF) would be a more appropriate mechanism than creating a new revolving fund. DURF's authorized uses include the expansion of regional State infrastructure constructed in conjunction with housing and mixed-use TOD projects.

Additionally, we note that each county has its own authority to issue debt obligations to finance infrastructure projects, and the use of State debt obligations to finance county infrastructure results in an indirect subsidy to counties using State revenues that may not be intended to support county projects.

Thank you for your consideration of our comments.