



HB 2313 Funding Fact Sheet:

How Transportation Dollars Are Spent

All of the taxes and fees collected under HB2313 are sent to the Northern Virginia Transportation Authority. Once received by the Authority, those dollars are divided into one of two categories: 70% (Regional) Funds and 30% (Local) Funds.

70% Funds (Regional)

These funds may be used on:

- Regional projects that were included in TransAction 2040 (*NVTA's long term regional transportation plan*) or subsequent TransAction updates;
- Other transportation capital improvements that have been approved by the most recent long range transportation plan adopted by the Authority - that have also been evaluated by VDOT* for reducing congestion; or
- Mass transit capital projects that increase capacity.

(**The VDOT evaluation is not required for funds received in FY2014*).

It's absolutely critical that all monies collected under HB2313 are used appropriately by the Authority and its member jurisdictions. If they are not there are significant penalties. For example:

1. The Authority's regional funds will expire if the General Assembly appropriates or transfers any of the additional revenues (HB2313 funds) for any non-transportation-related purpose.
2. If an Authority jurisdiction (including qualifying Towns) uses its funds for non-transportation purposes, then that locality would not receive any regional transportation funding in the following year.
3. All Authority jurisdictions receiving these funds must maintain their current level of local transportation funding in the future. If a locality does not contribute this minimum level of local funding, it will not receive any of the Regional (70%) transportation funding in the following year.

30% Funds (Local)

These funds will be distributed directly to individual Authority jurisdictions and may be used on:

- Urban or secondary road construction;
- Capital improvements that reduce congestion;
- Projects included in TransAction 2040 or other transportation capital improvements, which have been approved by the most recent long range transportation plan adopted by the Authority; and
- Public transportation purposes.

Like the regional funds, the 30% (Local) funds have certain requirements:

1. These funds must be deposited into a separate special fund for all local HB2313 revenues received and each jurisdiction's Commercial and Industrial (C&I) tax revenues (or the equivalent funding) that must also be accounted for in this special fund.
2. Each locality shall, on an annual basis, provide documentation to the Authority showing the funds were used as required by law.
3. Any administrative expenses incurred by the Authority will be taken from the 30% (prior to distribution to the jurisdiction) unless another payment method is agreed by the Authority (e.g. this includes each locality's portion of administrative expenses that are based on relative population).
4. Regional funds can be allocated towards appropriate project implementation costs such as project managers, staff and other direct costs associated with the implementation of the project.

Note: Each city and county is required to adopt the commercial and industrial (C&I) property tax for transportation at a rate of \$0.125 per \$100 valuation or deposit an equivalent amount into a separate fund for transportation improvements.

- If a city or county fails to deposit the full amount of C&I tax or equivalent into a separate fund for transportation, the Authority shall reduce its disbursement of 30 percent funding by the difference between the amount the city or county deposited compared to the amount it should have deposited.
- Each city and county is required to maintain its average expenditures for transportation from FY 2010 to FY 2013 or lose its share of the 30 percent of the regional HB 2313 funds for the fiscal year succeeding the year in which it did not maintain its transportation expenditures.

Towns (Dumfries, Herndon, Leesburg, Purcellville, Vienna)

- The Authority and the counties and cities embraced by the Authority shall work cooperatively with the Towns -- with a population greater than 3,500 -- for the purposes of implementing HB2313 and to ensure that such Towns receive their respective share of revenue.
- The three counties that have Towns located within their boundaries (Fairfax, Loudoun and Prince William) distribute revenues to the towns using the same approach.
- Towns should receive the funding specifically associated with property sales and hotels within their boundaries.
- The Code of Virginia requires that sales taxes be distributed to Towns based on their percentage of school-age population. The same approach will be used by the Authority to distribute the new regional sales tax revenue to the Towns (through the relevant counties).
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HB2313 Revenues Cannot be Used for Maintenance.

HB2313 states clearly that these new revenues cannot be used for maintenance purposes. Some examples of maintenance projects include, but are not limited to, the following:

- Upgrading guardrail
- Replacing signage
- Upgrading signal systems
- Repairing tunnel HVAC and plumbing systems
- Rehabilitating bridge decks
- Paving roads
- Pothole patching
- Deck patching
- Cleaning and repairing drainage
- Flushing culverts, pipes and bridge scuppers
- Mowing
- Litter and dead animal pickup
- Snow removal
- Incident response
- Repairing damaged guardrail and signs