

Transportation – Virginia 2020 General Assembly Session Crossover Report

This report reflects House and Senate action as of February 11, 2020 when both bodies had to complete work on their bills. This report does not reflect any amendments to the budget that could require study of specific initiatives or advancement of specific projects. Deadlines for budget action are:

- February 16th – House Appropriations and Senate Finance and Appropriations Committees must finish work on their budget bills by midnight
- February 18th – Committee approved budget amendments are available by noon
- February 20th – House and Senate must approve their budget bills

Unless noted, the hyperlinks are for bill versions that passed the House or the Senate.

Funding for the Authority

- [HB 729](#) (Watts) – Restore Funding for the Northern Virginia Transportation Authority – Bill passed House 55-45
 - Provides \$70 million in funding for the Authority
 - Increases the regional grantors tax \$.05/\$100. \$.10 goes to the Metro Capital Fund; \$.10 goes to the Authority
 - Increases the regional transient occupancy tax by 1% to make sure funding is provided for the Metro Capital Fund and to provide funding for Prince William County, Manassas and Manassas Park
 - Dedicates \$40 million in state recordation taxes raised in Northern Virginia to the Authority
- [HB 1414](#) (Filler-Corn)/[SB 890](#) (Saslaw) – Administration Omnibus Bills
 - Provides \$30 million in funding for the Authority via an increase in the regional grantors tax \$.05/\$100. \$.10 goes to the Metro Capital Fund; \$.10 goes to the Authority
 - Increases the regional transient occupancy tax by 1% to maintain funding levels for the Metro Capital Fund
 - HB1414 extends the TOT to Prince William County, Manassas and Manassas Park
 - The revenues are to be used by those localities in the following manner:
 - Two-thirds to be used for public transportation purposes
 - One-third to be use for transportation purposes

Other Transportation Funding Initiatives

There are a number of funding initiatives before the General Assembly

- Governor's Omnibus Bills HB 1414 (Filler-Corn)/HB 890 (Saslaw) started out with a number of initiatives. HB 1414 passed House 56-42/SB 890 Passed Senate 23-17
 - Both bills
 - Convert the regional 2.1% gas tax in Hampton Roads, Northern Virginia and the I-81 corridor to a 7.6 cents per gallon structure and index it to CPI
 - Implement a new high fuel-efficiency vehicle registration fee to capture transportation revenue from vehicles using less fossil fuel
 - Create a new Virginia Passenger Rail Authority to operate the new rail infrastructure created by the agreement with CSX and Amtrak. The Authority has extensive powers including ability to issue bonds, negotiate service agreements with the Class I railroads and use eminent domain to secure right-of-way.
 - Authorize debt to help finance the Long Bridge project. Debt service provided by revenues from inside the Beltway I-66 tolls
 - Authorize debt to finance the I-81 Corridor Improvement Program backed by the regional gas tax
 - Create a new unified Commonwealth Transportation Fund in which all revenues are deposited and then distributed to all mode programs
 - Provide \$30 million in new funding for the Northern Virginia Transportation Authority via increases in the regional grantors' tax and transient occupancy tax
 - Create the Interstate Operations and Enhancement Program to help program interstate funding approved in 2019 for I-81 and other interstates. CTB will develop and adopt a prioritization process in 2020.
 - Provides funds for the Robert O. Norris Bridge and Statewide Special Structures Program created in 2019. Funding starts at \$20 million in FY 2021 and increases to \$85 million in FY 2024
 - Creates a Transit Incentive Program for urban areas defined by population (the threshold may be changed to capture more areas). Program provides funds to among other initiatives routes of regional significance, regional funding models for transit, reduced fair programs
 - The bills differ in the following manner which will eventually be worked out before sine die
 - They have different statewide gas tax increases:
 - The House bill converts the state gas/diesel tax to cents per gallon structure, increases the tax by 12 cents over three years, and indexes it to CPI. The bill would generate a net \$350 million annually for transportation
 - The Senate bill converts the state gas/diesel tax to cents per gallon structure, increases the fuel tax by 8 cents over two

years, and indexes it to CPI. It raises the same amount of money because it doesn't reduce the vehicle registration fee

- The Senate bill imposes a 7.6 cents gas tax in localities not in the Hampton Roads, Northern Virginia or I-81 Corridors. The funding is kept in the transportation district and programmed by CTB. Similar to SB 452
 - The House bill still contains the safety reform provisions; the Senate has decided to deal with them via a stand-alone bill – SB 907
 - The House requires vehicle safety inspections every two years; the Senate keeps the current annual requirement
 - The House reduces the passenger vehicle registration fee by \$20 starting FY 2022; the Senate maintains the current fee level
- [HB 1438](#) (Jones) – Authorizes the Hampton Roads Transportation Accountability Commission to Impose and Collect Tolls on High Occupancy Toll Lanes – Passed House 63-35
 - Legislation outlines agreement between HR TAC and Virginia on financing structure for the Hampton Roads regional HOT lanes.
 - The lanes will run from I-64/Jefferson Avenue to I-64/I-264/I-664
 - Authorizes HR TAC to collect toll revenue and use for any debt service for bonds sold to build out the system.
 - HR TAC must enter into an agreement with CTB and VDOT outlining standards for imposing tolls and use of the revenues
 - [HB 1541](#) (McQuinn) – Central Virginia Transportation Authority – Passed House 66-32
 - Led by local governments, the central Virginia Region is close to getting its own regional transportation authority with additional revenue to fund local and regional priorities.
 - Planning District 15: Richmond City, Town of Ashland, Counties of Charles City, Chesterfield, Goochland, Hanover, Henrico, New Kent and Powhatan
 - Distribution of revenue
 - 35% to the new Authority
 - 15% to the Greater Richmond Transit Company for transit and mobility services in Planning District 15
 - 50% returned to the localities proportionally to be used to improve transit and local mobility, construction, maintenance or expansion of roads sidewalks, trails
 - The revenue sources are
 - .7% increase in the sales and use tax
 - 2.1% tax on gas sold in the region (this will be converted to 7.6 cents and indexed to CPI to conform with the Administration's reforms)

Revenue estimates for six years

Fiscal Year	2.1% Motor Fuels Sales Tax Revenue	0.7% Additional Sales and Use Tax Revenue	Total New Revenue
2021*	\$47,093,109	\$132,404,673	\$179,497,782
2022	\$51,405,817	\$146,752,525	\$198,158,342
2023	\$51,151,637	\$149,100,565	\$200,252,202
2024	\$50,831,338	\$151,486,174	\$202,317,512
2025	\$50,688,947	\$153,909,953	\$204,598,900
2026	\$50,726,039	\$156,372,512	\$207,098,551

*reflects 11 months of collections

- [SB 452](#) (Edwards) – Expands regional gas tax to all other regions of the Commonwealth – Passed Senate 24-15
 - Imposes a 7.6 cent per gallon regional tax (former 2.1%) to all regions who don't already have the regional gas tax
 - CTB will program the new revenue. It must be used in the transportation district where generated via the district grant program

- [HB 1726](#) (Askew)/ [SB 1038](#) (Lucas) – New Funding for Hampton Roads Transit Needs – HB 1726 Passed House 59-38/SB 1038 Passed Senate 22-18
 - The Hampton Roads region seeks to create a regional funding source dedicated to transit. Unlike Northern Virginia, the 2013 funding provided to HR TAC cannot support public transit projects.
 - The bills create the Hampton Roads Transit Program to develop, maintain and improve a core regional network of transit routes and related infrastructure to support economic development, employment opportunities, mobility and environmental sustainability in the region.
 - SB 1038 specifically prohibits use of these funds for light rail in Hampton Roads
 - Revenue Sources -- \$.15/\$100 grantors tax and a 1% transient occupancy tax
 - The bills have two enactment clauses to provide time for more regional discussions
 - The revenue sources are not imposed unless the bill is reenacted by the 2021 General Assembly
 - Requires the Hampton Roads Transportation Planning Organization to convene stakeholders to develop regional consensus on what regional revenue sources should fund a regional, inter-jurisdictional, high-frequency bus service and to recommend such consensus to the 2021 General Assembly session.

Transit/Rail

- [SJ 50](#) (McClellan) Commonwealth Corridor Passenger Rail Study – Passed Senate
 - DRPT has agreed to study the feasibility of expanding intercity passenger rail service between Hampton Roads through Richmond to the New River Valley
 - Recommendations to be delivered to the Governor and the General Assembly January 2022
- [SB 277](#) (Barker) Creates Corporate and Individual Income Tax Deduction for Commuter Benefits – Passed Senate 28-12
 - Provides an income tax deduction of \$265 per employee for benefits to assist with expenses paid for public transportation and ridesharing arrangements for commuting to and from the employer
 - Deduction is for taxable years 2020 through 2024

Safety

The administration proposed several safety initiatives in face of rising vehicle crash fatalities. The proposals include:

- Making seatbelt use a primary offense and requiring use of all passengers in the vehicle
- Prohibiting the use of handheld personnel communication devices
- Establishing a speed monitoring system on three highway safety corridors using a remote camera
- Allowing localities to lower the speed limit to below 25 mph in business and residential districts
- Making it illegal to have an open container of alcohol in a motor vehicle
- These provisions have gotten a very mixed response. These provisions are/were in both stand alone bills and in the two omnibus bills
- [SB 907](#) (Lucas) only has two provisions left – seat belts and local government speed limits
 - The Senate has passed separate bills on handheld communications devices
- [HB 1439](#) (Jones) as passed the House has all of the original provisions