

**NORTHERN VIRGINIA TRANSPORTATION AUTHORITY**  
**MEMORANDUM**

**FOR:** Chair Phyllis J. Randall and Members  
Northern Virginia Transportation Authority

**FROM:** Monica Backmon, Chief Executive Officer  
Tracy Baynard, Sr. Vice President, McGuire Woods Consulting, LLC

**DATE:** December 1, 2022

**SUBJECT:** Adoption of the 2023 NVTA Legislative Priorities

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1. **Purpose:** To seek the Northern Virginia Transportation Authority (NVTA) adoption of the 2023 NVTA Legislative Priorities.
2. **Suggested Motion:** *I move Authority adoption of the 2023 NVTA Legislative Priorities.*
3. **Discussion:** For review are the four priorities (ongoing) for 2023 (attached). The priorities provide a framework for the Authority to review and comment on any legislation or budget action that impact the Authority's ability to advance regionally significant, congestion reducing, multimodal transportation projects in Northern Virginia. Included in the priorities is a continued focus on protecting and restoring regional funding and the effective use of technology in transportation solutions. The priorities are consistent with the priorities from the adopted 2022 Legislative Program. For reference, the adopted 2022 Legislation program is located on [NVTA's website](#).

The four priorities are outlined below:

1. **PROTECT DEDICATED REVENUE SOURCES AND POWERS OF THE NORTHERN VIRGINIA TRANSPORTATION AUTHORITY**
  - Keep the Authority's current revenue sources and flexibility to meet the region's evolving transportation needs is paramount.
  - Oppose efforts to isolate the Authority's or local government's share of regional transportation funds that undermine the region's ability to determine priorities and focus.
2. **RESTORE LONG TERM FUNDING TO THE AUTHORITY**
  - \$38.5 million in dedicated regional revenue is still needed to be restored to pre-2018 levels and the Authority and the region strongly support state statewide revenue as the first source replacement funding.

**3. PROTECT VIRGINIA’S TRANSPORTATION FUNDING**

- Elimination of 1.5% of the sales tax on food and personal hygiene products begins on January 1, 2023. This reduction includes 0.5% which is dedicated to state transportation.
    - No additional reductions to state transportation revenues should occur until the full impact of this change is understood.
    - Department of Taxation projected in July that for FY 23-28 the Commonwealth Transportation Fund would see \$741.4 million in revenue reduction from this action.
- \*No funding was identified to backfill this revenue loss.

**4. SUPPORT THE USE OF EFFECTIVE TRANSPORTATION TECHNOLOGY**

- The Authority’s Transportation Technology Strategic Plan (TTSP) nine strategies that address congestion reduction, accessibility, cybersecurity/privacy, autonomous vehicles (especially zero-occupancy passenger vehicles), pricing mechanisms, communications infrastructure, regional interoperability, enhanced mobility through technologies in transit, and Electric Vehicle (EV) infrastructure provides a foundation for the Authority and its members to participate in implementing the Commonwealth’s National Electric Vehicle Infrastructure (NEVI) Plan and Automated Traffic Enforcement technologies.
- Implementation of Virginia’s NEVI Plan includes an upcoming Request for Information (RFI) and likely additional appropriation of new Infrastructure Investment and Jobs Act (IIJA) funds to secure a reliable charging infrastructure across the Commonwealth.
  - The U.S. Department of Transportation approved the Virginia Department of Transportation’s (VDOT) NEVI Plan. The Request for Proposals is expected early next year. VDOT will work directly with EV charging station companies to submit proposals. Furthermore, EV charging station companies are currently working directly with private companies to install the charging stations.

**Attachment:** 2023 NVTA Legislative Priorities



## Northern Virginia Transportation Authority

*The Authority for Transportation in Northern Virginia*

### 2023 NVTA Legislative Priorities

December 1, 2022

The Northern Virginia Transportation Authority has several goals for the 2023 Virginia General Assembly session:

#### **PROTECT DEDICATED REVENUE SOURCES AND POWERS OF THE NORTHERN VIRGINIA TRANSPORTATION AUTHORITY**

The Northern Virginia region has significant transportation needs requiring dedicated funding for multi-modal solutions. The Authority and its member localities use these dedicated revenues to fill funding needs the Commonwealth is unable to meet and keep the regional economy and quality of life operating at high levels. The Authority and member localities need stable and predictable revenue sources and powers to make decisions that reduce traffic congestion for residents and businesses of the region.

The Authority will work with the General Assembly and the Administration to find an effective means of ensuring the region is not deprived of critically needed dedicated revenue to meet the multimodal transportation needs of our community. The Authority funds regionally significant multimodal transportation projects using a prioritization process required by law. We oppose any action that bypasses this process by mandating the spending of dedicated regional revenues outside of the prioritization process or dedicated locally controlled revenues by requiring set asides or any other action.

Any action to divert or remove dedicated revenue sources that generate revenue through state taxes or fees deposited into the Northern Virginia Transportation Authority Fund shall contain a method to restore or replace revenue sources to provide for similar revenue collections as of fiscal year ending June 30, 2018.

#### **RESTORE ANNUAL LONG- TERM FUNDING TO THE AUTHORITY TO PRE-2018 LEVEL**

An additional \$38.5 million in annual revenues is still needed to restore dedicated regional revenues to pre-2018 levels. The passage of HB 2313 was clear that dedicated regional revenues be used for regionally significant, multimodal transportation projects that reduce congestion. As such, the Authority and the region strongly supports statewide revenue as the first source of funding to replace diverted regional revenues. Previously diverted dedicated regional revenue sources could be returned to the Authority and its member localities if the Commonwealth were to take on a larger role in providing funding to the Metro Capital Fund.

With the 2018 action to create dedicated revenue for the Metro Capital Fund, the Northern Virginia region has absorbed an increase of twenty cents per \$100 in the Grantor's Tax and a three percent increase in the Transient Occupancy Tax to produce revenue to complete critical multimodal transportation infrastructure, and with local funds, provides 2/3 of the dedicated revenues to the Metro Capital Fund which supports State of Good Repair projects of the Washington Metropolitan Area Transit Authority (WMATA) to improve safety and reliability. Efforts to restore previously diverted regional revenue sources should not come from additional taxes imposed on Northern Virginia.

## **PROTECT VIRGINIA'S DEDICATED TRANSPORTATION FUNDING**

The Commonwealth of Virginia has primary responsibility for the region's multimodal transportation system. An efficient transportation infrastructure is critical to Virginia's ability to attract and retain jobs. Resources that keep transportation projects moving forward need to continue and grow to ensure the Commonwealth can support the infrastructure that moves the goods and people that support the region's businesses, residents, and visitors. A replacement vehicle should be adopted to restore loss of state transportation funding resulting from the elimination of the state sales and use tax on food and personal hygiene products.

## **SUPPORT USE OF EFFECTIVE TRANSPORTATION TECHNOLOGY**

The Northern Virginia Transportation Authority Transportation Technology Strategic Plan (TTSP) was developed as a tool for establishing a proactive approach to innovation, which keeps congestion reduction top of mind. It is comprised of an Action Plan and nine strategies that address **congestion reduction, accessibility, cybersecurity/privacy, autonomous vehicles (especially zero-occupancy passenger vehicles), pricing mechanisms, communications infrastructure, regional interoperability, enhanced mobility through technologies in transit, and electric vehicle infrastructure**. TTSP activity will be grounded in the Authority's vision and core values including equity, sustainability, and safety. The Authority's TTSP provides a foundation for the organization and its members to participate in implementing the Commonwealth's National Electric Vehicle Infrastructure (NEVI) Plan to advance use of low or zero emission vehicles in Virginia and expanding local authority to take advantage of Automated Traffic Enforcement technologies to enhance traffic operations and safety.

## **Background on Dedicated Regional Transportation Funding Sources**

The Northern Virginia Transportation Authority (Authority) is a regional body focused on delivering real transportation solutions and value for Northern Virginia's transportation dollars by bringing regional jurisdictions and agencies together to plan and program regional multimodal transportation projects focused on relieving congestion.

The landmark HB 2313 (2013) statewide transportation funding legislation also provided new, sustained regional funding for the Authority and its member jurisdictions.

In 2018, deliberations on how the Commonwealth of Virginia should provide \$154 million annually to address long neglected capital maintenance at the Washington Metropolitan Area Transit Authority (WMATA) resulted in the diversion of two of the Authority's three revenue sources. The two percent Transient Occupancy Tax and the fifteen cents per \$100 Grantor's Tax are now assigned to the WMATA Capital Fund.

The annual impact was a loss of \$102 million in Authority revenues for regional and local use. The adopted FY 2018-2023 Six Year Program was reduced by \$275 million from initial projections, resulting in partial funding for multiple projects with high scores of reducing congestion.

In 2019 and 2020, actions were taken to increase taxes in Northern Virginia and dedicate state transportation funding to partially restore funding diverted from the Authority and local governments.

To date, the Authority is advancing a total of **122 regional multimodal transportation projects, totaling \$3.1 billion**, for congestion reduction throughout the region. The Authority has distributed an additional \$868 million to member localities for transportation needs within their jurisdiction.