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New Virginia Transportation Bill

What Does it Mean for Fairfax County?

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Greetings,

On February 23, the Virginia General Assembly passed an historic piece of legislation that will help Fairfax County and Northern Virginia to invest in our critical transportation needs. I am writing to let you know the highlights of this bill and what it means for Fairfax County.

Last summer, I began working with my counterparts throughout Virginia's Urban Crescent (Northern Virginia, Hampton Roads and Richmond) to pressure the state to address Virginia's growing transportation crisis. With the gasoline tax losing its value and a lack of new funding, the state over the past years has increasingly failed to adequately maintain our roads, expand transit service, or build new transportation infrastructure. The failure to invest in transportation was cited as a reason for why Virginia dropped from first to third in CNBC's 2012 Rankings of America's Top States for Business; Virginia dropped twenty-three spots in the category for Infrastructure and Transportation, falling from 10th to 33rd.

On September 4, I joined the mayors and chairs of the Urban Crescent in sending a letter to Gov. Bob McDonnell and our State representatives to press for action. Our request was for transportation solutions that provide significant increases in state funding from new stable, reliable, permanent, and balanced sources. While all local government leaders may not agree with every component of the new bill, it does meet the spirit of our call for action and is a great first step in maintaining a vital transportation network in Virginia.

Specifically, the bill has both a **statewide component** and a **local/regional component**. Statewide, the sales tax is increased from 5 percent to 5.3 percent. This money will go to projects throughout the Commonwealth, including projects in Fairfax County, as determined by

the Commonwealth Transportation Board.

The local/regional share of the package comes from increases in the Grantor's Tax (a tax on home sales), Sales Tax and the Transient Occupancy Tax (a tax on hotels based on occupancy). The revenue generated by these three taxes is split - 30 percent comes directly to Fairfax County while 70 percent goes to the Northern Virginia Transportation Authority to be spent on regional projects.

In total, Fairfax County will generate an **estimated** \$158.6 million from the new taxes, of which **\$47.6 million (30%) comes directly to Fairfax County** and \$111 million (70%) to the NVTA. *(These numbers are preliminary and will be refined as we work through the details in the bill.)*

Fairfax County's share of funding going to NVTA will be joined by funding from other Northern Virginia jurisdictions. The total NVTA annual funding is estimated to be between \$300 and \$350 million.

Tax	Increase (New Rate)	Total	Fairfax County	NVTA
Sales Tax	0.7% (6.0%)	\$120,000,000	\$36,000,000	\$84,000,000
Grantor's Tax	\$0.25 (\$0.35/\$100)	\$23,000,000	\$7,000,000	\$16,000,000
Transient Occ.	3.0% (7%)	\$15,600,000	\$4,700,000	\$10,900,000
TOTAL		\$158,600,000	\$47,700,000	\$110,900,000

For the NVTA portion of the new revenue, projects will be selected based on the NVTA's TransAction 2040 Plan, which can be viewed by visiting:

<http://www.thenovaauthority.org/transaction2040/trans2040publications.html>. That project list includes highway, rail and other transit projects. Voting on NVTA is "weighted" in order to address the population differences among jurisdictions. Fairfax County therefore has a strong role in selecting NVTA projects. There are currently nine jurisdictions in NVTA, and Fairfax County represents over half the population of NVTA members. Fairfax County retains a veto, and therefore no NVTA project would move forward without our support.

In Fairfax County, we are guided by our Four Year Transportation Program which can be found here: <http://www.fairfaxcounty.gov/fcdot/fouryearprogram.htm>.

While the bill results in new revenue coming to Fairfax County, it does have some restrictions on how that money is used, such as

restricting it toward maintenance, construction and transit. Additionally the projects selected must relieve congestion. Our transportation staff is working now to determine exactly how this new money can be spent.

Another major victory, the bill also includes a commitment of \$300 million over three years to go toward Phase II of the Silver Line project. This commitment will help keep tolls affordable for Northern Virginia motorists.

Please let me know if you have any questions or comments, or would like to have additional materials.

Sincerely,



Sharon Bulova

Chairman, Fairfax County Board of Supervisors

