

## 2011 General Assembly Session Transportation Funding/Allocation Bills

Bills	Patron	Description	Committee	Status	Position	Notes
<b>Transportation Funding Bills</b>						
<b>HOUSE</b>						
HB 2527	Howell, W.	Va. Transportation Infrastructure Fund and VA. Transportation Infrastructure Bank; created	S Finance	Passed House (65-33)		<b>Governor's Transportation Proposals.</b> The bill creates the Virginia Transportation Infrastructure Fund (Fund) and the Virginia Transportation Infrastructure Bank (Bank) whose board of directors administers the Fund. The initial deposit into the Fund consists of general fund surplus and certain savings identified at the Virginia Department of Transportation. Up to 20 percent of the Fund may be used to make grants to localities for transportation projects as determined by the Bank, and the remainder is used to make loans to private or public entities for transportation projects as determined by the Bank. The bill authorizes the issuance of Commonwealth of Virginia Transportation Grant Anticipation Revenue Notes whose outstanding aggregate principal amount, together with any outstanding aggregate principal amount of Commonwealth of Virginia Federal Highway Reimbursement Anticipation Notes, cannot exceed \$1.2 billion, with the proceeds used for transportation projects as determined by the Commonwealth Transportation Board. The bill also increases the aggregate principal amount of Commonwealth of Virginia Transportation Capital Projects Revenue Bonds that may be issued in a fiscal year from \$300 million to \$600 million. The bill establishes the Intercity Passenger Rail Operating and Capital Fund to be used by the Director of the Department of Rail and Public Transportation, with the approval of the Commonwealth Transportation Board, on projects that expand and improve intercity passenger rail service. Finally, the bill removes the priority structure for allocation of revenue-sharing funds to localities; removes the \$50 million total limit on funds allocated by the Commonwealth Transportation Board (CTB) to certain counties, cities, and towns in any one fiscal year and removes the \$1 million per project cap on funds; and provides that the funds allocated by the CTB will be distributed in accordance with the revenue-sharing guidelines established by the CTB.
<b>SENATE</b>						
SB 1347	Norment	Virginia Racing Commission; authorizes wagering on horse historical racing	H General Laws	Passed Senate 21-19		Authorizes wagering on historical horse racing. The bill also allocates the proceeds from such racing with fifty percent of the proceeds distributed to the Commonwealth Transportation Trust Fund and the remaining fifty percent distributed to other entities. In addition, the bill (i) requires the existing race track to provide gambling educational programs including information on the availability of gambling addiction counseling and (ii) requires the promulgation of emergency regulations
SB 1446	Wampler	Va. Transportation Infrastructure Fund and VA. Transportation Infrastructure Bank; created	H Appropriations	Passed Senate 34-6		<b>Governor's Transportation Proposals.</b> The bill creates the Virginia Transportation Infrastructure Fund (Fund) and the Virginia Transportation Infrastructure Bank (Bank) whose board of directors administers the Fund. The initial deposit into the Fund consists of general fund surplus and certain savings identified at the Virginia Department of Transportation. Up to 20 percent of the Fund may be used to make grants to localities for transportation projects as determined by the Bank, and the remainder is used to make loans to private or public entities for transportation projects as determined by the Bank. The bill authorizes the issuance of Commonwealth of Virginia Transportation Grant Anticipation Revenue Notes whose outstanding aggregate principal amount, together with any outstanding aggregate principal amount of Commonwealth of Virginia Federal Highway Reimbursement Anticipation Notes, cannot exceed \$1.2 billion, with the proceeds used for transportation projects as determined by the Commonwealth Transportation Board. The bill also increases the aggregate principal amount of Commonwealth of Virginia Transportation Capital Projects Revenue Bonds that may be issued in a fiscal year from \$300 million to \$600 million. The bill establishes the Intercity Passenger Rail Operating and Capital Fund to be used by the Director of the Department of Rail and Public Transportation, with the approval of the Commonwealth Transportation Board, on projects that expand and improve intercity passenger rail service. Finally, the bill removes the priority structure for allocation of revenue-sharing funds to localities; removes the \$50 million total limit on funds allocated by the Commonwealth Transportation Board (CTB) to certain counties, cities, and towns in any one fiscal year and removes the \$1 million per project cap on funds; and provides that the funds allocated by the CTB will be distributed in accordance with the revenue-sharing guidelines established by the CTB.
SJ 328	Miller, J.C.	Study; replacement of the state motor fuel tax; report.	H Rules, Sub. 3	Passed Senate by Voice Vote		Requests the Virginia Transportation Research Council to study the desirability and feasibility of replacing the state motor fuel tax with alternatives including a mileage-based fee predicated on vehicle-miles traveled in Virginia.
<b>Transportation Allocation Formula Bills</b>						
<b>HOUSE</b>						
HB1491	Albo	Highway maintenance funds; requires CTB to allocate funds on basis of achieving level of disparity.	S Trans.	Passed House 83-16		Provides that when allocating funds for the interstate system of highways, the primary system of state highways, and the secondary system of state highways maintained by the Commonwealth, the CTB shall consider achieving a minimal level of disparity among highway construction districts in meeting asset performance standards. Prior to such allocation, the Board shall release for public review a comparison of the proposed allocation of funds by highway construction district with an allocation of funds based entirely on specific asset performance standards by highway construction district.
<b>SENATE</b>						
<b>Protecting the Transportation Trust Fund</b>						
<b>HOUSE</b>						
HJ 511	Oder	Constitutional amendment; Transportation Funds.	S Privileges and Elections	Passed House (96-0)		Requires the General Assembly to maintain permanent and separate Transportation Funds to include the Commonwealth Transportation Fund, Transportation Trust Fund, Highway Maintenance and Operating Fund, and other funds established by general law for transportation. All revenues dedicated to Transportation Funds on January 1, 2012, by general law, other than a general appropriation law, shall be deposited to the Transportation Funds, unless the General Assembly by general law, other than a general appropriation law, alters the revenues dedicated to the Funds. The amendment limits the use of Fund moneys to transportation and related purposes. The General Assembly may borrow from the Funds for other purposes only by a vote of two-thirds plus one of the members voting in each house, and the loan must be repaid with reasonable interest by the end of the fourth fiscal year following the date of the borrowing.

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Senate					
SJ 363	Norment	Constitutional amendment; Transportation Funds	H Privileges and Elections	Passed Senate (28-10)	Requires the General Assembly to maintain permanent and separate Transportation Funds to include the Commonwealth Transportation Fund, Transportation Trust Fund, Highway Maintenance and Operating Fund, and Priority Transportation Fund. All revenues dedicated to Transportation Funds on January 1, 2013, by general law, other than a general appropriation law, shall be deposited to the Transportation Funds, unless the General Assembly by general law, other than a general appropriation law, alters the revenues dedicated to the Funds. The amendment requires Funds be appropriated only for transportation systems and projects. The General Assembly may borrow from the Funds for other purposes only by a vote of two-thirds plus one of the members voting in each house, and the loan or reduction must be repaid with reasonable interest within three years. The amendment also limits the use of general and other nontransportation funds for transportation purposes except for obligations authorized or entered into before January 1, 2013.
<b>Other Transportation Bills</b>					
House					
Senate					
House					
Senate					
<b>Legislation No Longer Under Consideration</b>					
<b>Transportation Funding Bills</b>					
HOUSE					
HB 1413	Scott	Motor fuels tax rate; converts rate of taxation from cents per gallon to a percentage rate.	H Finance, Sub. #1	Left in H Finance	Converts the rate of taxation on motor fuels from cents per gallon a percentage. Provides that the DMV Commissioner calculate the percentage rate in an amount that will most closely yield the amount of cents per gallon being charged on the applicable motor fuel prior to the effective date of the bill. Thereafter, the percentage rates would not change, but would be applied against the average price per gallon of the fuel, less federal and state taxes, as determined by the DMV Commissioner over rolling six-month periods, to determine the cents to be charged.
HB 1531	Howell, A.	Motor fuels tax; increases rate and dedicates additional revenue to transportation system.	H Finance, Sub. #1	Stricken by parton	Increases the motor fuels tax rate by \$0.10 per gallon and dedicates the additional revenue to the operation, maintenance, improvement, and expansion of the Commonwealth's transportation system.
HB 1604	Albo	Corporate income tax; market-based sourcing.	H Finance, Sub. #1	Failed in Subcom. (2-7)	Changes the way the sales factor is determined, for purposes of the corporate income tax, so that it will be market-based sourcing rather than costs-of-performance, which is the current method used.
HB 1653	Purkey	Motor fuels tax; imposes additional tax in certain transportation districts, referendum.	H Finance, Sub. #1	Stricken by parton	Imposes an additional 2.1% tax on motor fuels sold by a wholesale distributor to retailers in the counties and cities within each transportation district wherein the citizens affirm the imposition at referendum on November 8, 2011. The revenue attributable to each transportation district shall be used solely for the construction of highways, bridges, or tunnels within the respective transportation district.
HB 1892	Watts	Northern Virginia Transportation Authority Sales & Use Tax Fund; established, etc.	H Finance	Left in H Finance	Provides additional funding for transportation by (i) imposing a motor fuels sales tax rate of 4%, phased in over four years, for highway maintenance, (ii) increasing the state sales tax in No. Va. by 0.5% for transportation projects in No. Va., and (iii) increasing the recordation tax in No. Va. at a rate of \$0.40 per \$100 valuation. The motor fuels tax is not effective until the unemployment rate in the Commonwealth decreases for four consecutive quarters after July 1, 2010. The bill also reduces the sales and use tax rate on food from 1.5% to 1%, and repeals the authority for certain localities to impose a local income tax. The bill requires DMV, in consultation with the Virginia Port Authority and the Commonwealth Transportation Commissioner, to develop a fee schedule for overweight vehicles, to be presented to the Joint Commission on Transportation Accountability by December 15, 2011. In addition, the bill removes the sunset date that reduced the special real property tax rate on commercial property in the localities embraced by NVTVA from \$0.25 per \$100 of assessed value, to \$0.125 per \$100 of assessed value. Finally, the bill increases the special real property tax rate on commercial property in localities in Hampton Roads from \$0.10 per \$100 of assessed value to \$0.125 per \$100 of assessed value.
HB 1926	Marshall, D.	Salem Highway Construction District Transportation Revenue Fund; established	H Trans, Sub. #4	Stricken by parton	Provides funds for transportation in the Salem Highway Construction District by allocating revenue attributable to a portion of economic growth due to or facilitated by the Inland Port in Montgomery County.

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HB 2222	Oder	Transportation funding and administration; funding in Northern Virginia, Hampton Roads, etc.	H Approps, Sub. Trans	Passed by in H Approp with a letter	Provides for transportation funding and administration in No. Va., Hampton Roads, the Richmond Highway Construction District, the Staunton Highway Construction District, and the Salem Highway Construction District. The amount of funding is based on (i) for No. Va., a portion of the growth in certain state tax revenues in No. Va.; (ii) for Hampton Roads, a portion of the growth in certain state tax revenues generated or facilitated by the marine terminals in Hampton Roads; (iii) for the Richmond Highway Construction District, a portion of the growth in certain state tax revenues generated or facilitated by the Port of Richmond; (iv) for the Staunton Highway Construction District, a portion of the growth in certain state tax revenues generated or facilitated by the Inland Port at Front Royal; and (v) for the Salem Highway Construction District, a portion of the growth in certain state tax revenues expected to be generated or facilitated by the Elliston Intermodal Facility.
HB 2404	Rust	State sales & use tax revenue; dedicates portion for transportation projects in Hampton Roads	H Appropriations	Left in H Approp.	<b>Governor's Transportation Proposal.</b> Dedicates a portion of state sales and use tax revenue for transportation projects in No. Va. and Hampton Roads equivalent to a 1/4% sales and use tax rate in the localities in Northern Virginia and the localities in Hampton Roads, with the amount for each region calculated separately. The amounts calculated for Northern Virginia and Hampton Roads are transferred to the Northern Virginia Transportation Authority and the Hampton Roads Transportation Planning Organization, respectively, to be used solely for projects in the Commonwealth Transportation Board's Six-Year Improvement Program.
HB 2456	Brink	Alcoholic beverage control; privatization of government stores	H Gen. Laws	Left in H General Laws	Provides for the full implementation of retail privatization of distilled spirits by January 1, 2013. Under the provisions of the bill the ABC Board is to develop a plan for the discontinuation of government stores by December 31, 2011, at which time the process of auctioning of retail licenses for distilled spirits will begin. The ABC Board will still operate the warehouse for the wholesale sale of distilled spirits and wine produced by farm wineries. The bill creates a new distilled spirits retail license, which will be granted to successful bidders at an auction conducted by the ABC Board, and sets out the privileges of the license and the rates for the annual state and local license taxes. Under the provisions of the bill, these new licenses are transferable, are categorized by tier depending on square footage of the retail space and shelf space of the successful bidder, and are limited in number to one license per 8,000 people in each locality. Among other things, the bill (i) allows the new licensees the ability to set prices in accordance with their own individual business plans and in response to market conditions; (ii) provides that no one business entity shall be awarded more than 25 percent of the total number of distilled spirits retail licenses granted in any one tier, nor shall more than 25 percent of the total number of distilled spirits retail licenses in any one tier be held by businesses under common control; and (iii) provides that all revenue generated from the initial auction of distilled spirits retail licenses shall be deposited in the Transportation Trust Fund. The bill contains numerous technical amendments and has a delayed effective date to coincide with the full implementation of retail privatization by January 1, 2013.
HB 2499	Albo	Insurance license tax; dedicates to Highway Maintenance & Operating Fund one-third of total revenue	H Finance; Sub #1	Left in H Finance	Dedicates to the Highway Maintenance and Operating Fund one-third of the total revenue from the insurance license tax, phased in over three years, beginning with fiscal year 2013.
<b>Senate</b>					
SB 833	Peterson	Motor fuels taxes; indexing of tax rates.	S Finance	Left in S Finance	Increases or decreases each year the rates of Virginia's fuels taxes using a fuel efficiency index, which is defined using total annual vehicle miles traveled and the total gallons of motor fuel consumed for highway use in the Commonwealth for the relevant year. The bill would establish 2007 as the base year for the index. Thus, the percentage change in the index between the current year and 2007 would determine the annual percentage increase or decrease in the rates of Virginia's fuels taxes. Each December the DMV Commissioner would compute the adjusted rates of fuels taxes.
SB 1242	Edwards	Transportation; creates additional revenue by increasing motor vehicle sales & use and rental taxes	S Finance	Left in S Finance	Creates additional sources of revenue for transportation by increasing the motor vehicle sales and use tax by one-half percent and the motor vehicle rental tax by one percent and by imposing a five percent tax on the wholesale price of gasoline. The new revenue sources will be directed to the Rail Enhancement Fund, the Transportation Trust Fund, and the Highway Maintenance and Operating Fund for transportation projects and needs of the Commonwealth and to certain priority transportation projects, as designated by the Commonwealth Transportation Board, in Northern Virginia and Hampton Roads. The bill would also eliminate the one-half percent sales tax on food currently going to the Transportation Trust Fund and would raise the allowed credit for low-income taxpayers.
SB 1285	McWaters	Highway contractors; state taxes paid to be dedicated for transportation purposes	S Finance	Stricken by patron	Dedicates to the Transportation Trust Fund all state retail sales and use and income taxes paid by highway contractors.
SB 1295	Miller, J.C.	Transportation funding.	S Finance	Stricken by patron	Provides new and increased taxes, tolls, and general fund revenues for transportation funding. The bill would (i) decrease the motor fuels tax from \$0.175 per gallon to \$0.05 per gallon and establish a 5% tax on motor fuels sales based upon the statewide average wholesale price of a gallon of self-serve unleaded regular gasoline; (ii) subject to the amount of the additional revenues generated by the changes described in clause (i), increase the motor fuels tax rate by \$0.10 per gallon in increments of \$0.02 per gallon each year over the five-year period beginning in 2012; (iii) beginning in 2012 increase the motor vehicle sales and use tax by 0.5% each year for four years; (iv) provide that of the retail sales and use tax revenues generated by the Commonwealth's 4% tax on sales of automobile parts and automobile accessories, an amount equivalent to the revenues generated by a 2.5% retail sales and use tax on such parts and accessories would be deposited into the Highway Maintenance and Operating Fund (HMOF); (v) subject to receipt of federal authorization, authorize the CTB to impose and collect a toll of \$1 per axle on every vehicle entering the Commonwealth from the state of North Carolina via I-85 and I-95; and (vi) dedicate for highway maintenance purposes 10% of the future growth in certain state taxes that is attributable to economic activity generated or facilitated by the public and private general cargo marine terminals and inland ports of the Commonwealth. All amounts generated under the bill would be deposited into the HMOF to be used for highway maintenance except the revenues from tolls on vehicles entering the Commonwealth from North Carolina, which would be deposited into the Transportation Trust Fund.
SB 1385	Colgan	Year-end surplus of general fund balance; changes priority of assignment	S Finance	Left in S Finance	<b>Governor's Transportation Proposal.</b> Changes the priority for assigning any year-end surplus by requiring that 10 percent of the general fund balance remaining after funds are set aside for required deposits to the Revenue Stabilization Fund, the Virginia Water Quality Improvement Fund, the Transportation Trust Fund, and other commitments would be assigned to provide funding to the Department of Veterans Services.

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SB 1394	McWaters	State sales & use tax revenue; dedicates portion for transportation projects in Hampton Roads	S Finance	Passed by indefinitely		Governor's Transportation Proposal. Dedicates a portion of state sales and use tax revenue for transportation projects in Northern Virginia and Hampton Roads equivalent to a one quarter percent sales and use tax rate in the localities in Northern Virginia and the localities in Hampton Roads, with the amount for each region calculated separately. The amounts calculated for Northern Virginia and Hampton Roads are transferred to the Northern Virginia Transportation Authority and the Hampton Roads Transportation Planning Organization, respectively, to be used solely for projects in the Commonwealth Transportation Board's Six-Year Improvement Program.
SB 1417	Obenshain	Alcoholic beverage control; privatization of government stores	S Rehab and Social Services	Left in S Rehab and Social Services		Provides for the full implementation of retail privatization of distilled spirits by January 1, 2013. Under the provisions of the bill the ABC Board is to develop a plan for the discontinuation of government stores by December 31, 2011, at which time the process of auctioning of retail licenses for distilled spirits will begin. The ABC Board will still operate the warehouse for the wholesale sale of distilled spirits and wine produced by farm wineries. The bill creates a new distilled spirits retail license, which will be granted to successful bidders at an auction conducted by the ABC Board, and sets out the privileges of the license and the rates for the annual state and local license taxes. Under the provisions of the bill, these new licenses are transferable, are categorized by tier depending on square footage of the retail space and shelf space of the successful bidder, and are limited in number to one license per 8,000 people in each locality. Among other things, the bill (i) allows the new licensees the ability to set prices in accordance with their own individual business plans and in response to market conditions; (ii) provides that no one business entity shall be awarded more than 25 percent of the total number of distilled spirits retail licenses granted in any one tier, nor shall more than 25 percent of the total number of distilled spirits retail licenses in any one tier be held by businesses under common control; and (iii) provides that all revenue generated from the initial auction of distilled spirits retail licenses shall be deposited in the Transportation Trust Fund. The bill contains numerous technical amendments and has a delayed effective date to coincide with the full implementation of retail privatization by January 1, 2013.
SB 1438	Herring	Virginia Racing Commission; authorizes wagering on historical horse racing	S General Laws	Incorporated into SB 1347		Authorizes wagering on historical horse racing. The bill also allocates the proceeds from such racing with forty-two percent of the proceeds distributed to the Commonwealth Transportation Trust Fund and the remaining fifty-eight percent distributed to other entities. In addition, the bill (i) requires the existing race track to provide gambling educational programs including information on the availability of gambling addiction counseling and (ii) requires the promulgation of emergency regulations
<b>Transportation Allocation Formula Bills</b>						
<b>HOUSE</b>						
HB 1544	Kory	Commonwealth Mass Transit Fund; increases percentage of Transportation Trust Fund revenues, etc.	H Appropriations, Sub. Trans	Left in H Approp.		Increases the percentage of Transportation Trust Fund revenues flowing into the Commonwealth Mass Transit Fund from 14.7% to 19%.
HB 1582	Cosgrove	Virginia Transportation Infrastructure Bank; created.	H Appropriations, Sub. Trans	Incorporated into HB 2527		Creates the Virginia Transportation Infrastructure Bank (VTIB) as a special fund to provide loans and grants to public and private entities to fund transportation projects in the Commonwealth. The special fund shall consist of revenues generated through the privatization of the Commonwealth's ABC stores and revenues generated through a one-time drawing down of construction cash reserves by the VDOT. VTIB is authorized to issue bonds in an amount not to exceed \$4 billion.
HB 1631	Watts	Highway maintenance; payments to cities and towns.	H Trans, Sub. #4	Left in H Trans		Equalizes municipal street payments to comparable amounts paid for state maintenance.
HB 1884	Filler-Corn	Highway maintenance funds; requires CTB to allocate funds on basis of achieving level of disparity.	H Trans, Sub. #4	Incorporated into HB 1491 (Albo)		Provides that when allocating funds for the interstate system of highways, the primary system of state highways, and the secondary system of state highways maintained by the Commonwealth, the CTB shall consider achieving a minimal level of disparity among highway construction districts in meeting asset performance standards. Prior to such allocation, the Board shall release for public review a comparison of the proposed allocation of funds by highway construction district with an allocation of funds based entirely on specific asset performance standards by highway construction district.
HB 2331	Lingamfelter	Allocation of highway maintenance & construction funds; alters manner Transportation Bd. allocates.	H Appropriations, Sub. Trans	Passed by with a letter		Alters the manner in which the CTB allocates highway maintenance and construction funds from the Transportation Trust Fund and the HMOF.
SB 1044	Barker	Highway maintenance allocations.	S Trans	Failed to report (5-8-2)		Provides that allocation by the CTB for maintenance of assets within the Interstate System of Highways and the primary and secondary systems of state highways shall be based on achieving a minimal level of disparity among highway construction districts in meeting asset management performance standards established pursuant to § 33.1-13.02.
<b>Transportation Trust Fund Bills</b>						
<b>House</b>						
HJ 572	Watts	Constitutional amendment; Transportation Funds (first reference).	H Privileges and Elections	Incorporated into HJ 511 (Oder)		Requires the General Assembly to maintain permanent and separate Transportation Funds to include the Commonwealth Transportation Fund, Transportation Trust Fund, Highway Maintenance and Operating Fund, and Priority Transportation Fund. All revenues dedicated to Transportation Funds on January 1, 2013, by general law, other than a general appropriation law, shall be deposited to the Transportation Funds, unless the General Assembly by general law, other than a general appropriation law, alters the revenues dedicated to the Funds. The amendment requires Funds be appropriated only for transportation systems and projects. The General Assembly may borrow from the Funds for other purposes only by a vote of two-thirds plus one of the members voting in each house, and the loan or reduction must be repaid with reasonable interest within three years. The amendment also limits the use of general and other nontransportation funds for transportation purposes except for obligations authorized or entered into before January 1, 2013.
<b>Senate</b>						

## 2011 General Assembly Session Transportation Funding/Allocation Bills

SJ 353	Obenshain	Constitutional amendment; Transportation Funds	S Privileges and Elections, Sub. Const. Amendments	Left in S Privileges and Elections	Requires the General Assembly to maintain permanent and separate Transportation Funds to include the Commonwealth Transportation Fund, Transportation Trust Fund, Highway Maintenance and Operating Fund, and other funds established by general law for transportation. All revenues dedicated to Transportation Funds on January 1, 2013, by general law, other than a general appropriation law, shall be deposited to the Transportation Funds, unless the General Assembly by general law, other than a general appropriation law, alters the revenues dedicated to the Funds. The amendment limits the use of Fund moneys to transportation and related purposes. The General Assembly may borrow from the Funds for other purposes only by a vote of two-thirds plus one of the members voting in each house, and the loan must be repaid with reasonable interest within four years.
<b>Other Transportation Bills</b>					
<b>House</b>					
<b>Senate</b>					