

Omnibus Transportation Bill - HB 1414 (Filler-Corn) /SB 890 (Saslaw)

January 31, 2020

REGIONAL FUNDING

Regional Funding Restoration - Provides \$30 million to the Northern Virginia Transportation Authority (NVTA) to partially restore \$102 million diverted to the WMATA Capital Fund in 2018. This is currently done by:

- Reducing the existing grantor's tax that is placed on Northern Virginia Transportation Commission (NVTC) jurisdictions and separately to the Northern Virginia non-NVTC jurisdictions (from \$.15/\$100 valuation to \$.10/\$100 valuation). This would decrease the portion of grantor's tax provided to the WMATA Capital Fund by \$15 million.
- Increasing the transient occupancy tax for NVTC jurisdictions (from 2 percent to 3 percent) that is provided to the WMATA Fund. This provides an additional \$15 million to the WMATA Capital Fund.
- Separately increasing \$.10 / \$100 valuation on the regional grantor's tax. This provides \$30 million to NVTA.

Regional Gas Tax: Changes the existing regional gas tax (which supports WMATA expenses) from a percentage per gallon to cents per gallon. Indexes this gas tax to the consumer price index.

STATEWIDE TRANSPORTATION FUNDING

Restructures Virginia's Transportation Funding Model – Currently various types of revenues are directed to specific transportation funding programs. This legislation directs the majority of revenues to a new unified Commonwealth Transportation Fund. Funds are then distributed to the various programs, including new programs created through this bill (described on page 2).

Makes changes to funds used to support statewide transportation programs:

- Statewide Gas Tax - Changes the statewide gas tax from a percentage per gallon to cents per gallon. Increases the gas tax by \$.12/gallon over the next three years. Indexes this gas tax to the consumer price index, following the proposed gas tax increase.
- Annual Vehicle Registration - Reduces the annual registration fee from \$40.75 to \$20.75 (for a standard vehicle).
- Highway Use Fee on Fuel-Efficient Vehicles – Imposes a new highway use fee, which is tiered based on fuel economy.
- State Recordation Tax Revenues – A portion of the state recordation tax that is attributable to Northern Virginia (approximately \$20 million) is currently allocated to the Northern Virginia Transportation District Fund and used to back debt for various projects (portions of the state recordation tax are also used for other specific areas: Route 58 and Oak Grove). HB 1414/SB 890 would instead pay the debt service on these bonds with the new transportation revenues noted above, while the existing set-aside recordation tax revenues would be transferred to the state General Fund.

The new revenues generated by HB 1414/SB 890, offset by the transfer of the recordation revenues to the General Fund, result in a net increase in statewide transportation funding of:

- \$124.4 million in FY 2021
- \$137.1 million in FY 2022
- \$319.1 million in FY 2023
- \$371.0 million in FY 2024

These funds will be provided to the Commonwealth Transportation Fund, and distributed to various transportation programs, including maintenance, Smart Scale, Mass Transit, Rail, and the new programs noted below.

Highway Safety Improvement Program – The bills establish a new fund for infrastructure and behavioral safety initiatives. The funds would be invested based on a five-year investment strategy adopted by the Commonwealth Transportation Board that gives priority to projects, strategies, and activities based on the expected reduction in fatalities and severe injuries relative to cost.

Robert O. Norris Bridge and Statewide Special Structure Program – The bills establish a new program to implement the fund enacted during the 2019 GA session.

Transit Incentive Program – The bills establish a new program for regional routes for certain transit connections by offsetting capital and operating needs specific to services in major urbanized areas (Northern Virginia; Richmond; Hampton Roads; Roanoke). These funds can be used for:

- Routes of regional significance;
- Development and implementation of regional subsidy models;
- Establishment of bus-only lanes on routes of regional significance; and,
- Implementation of integrated fare collection.

Bond Authorizations – Authorizes bonds backed by a portion of the toll revenues on I-66 Inside the Beltway, with the proceeds to be used for the Long Bridge and improvements to the Rosslyn Metrorail Station. Also authorizes bonds to support the I-81 Corridor Improvement Program which would be backed by the regional fuels tax along the I-81 corridor.

New Rail Authority – Creates a new Rail Authority to promote, sustain, and expand passenger and commuter rail service. The structure is similar to the existing Port Authority. This Rail Authority would receive 91.5 percent of the revenues from the Commonwealth Rail Fund.

Governance: The Board of Directors would consist of 11 members:

- 8 non-legislative citizen members, appointed by the Governor, to serve with voting privileges. Of the eight non-legislative citizen members with voting privileges:
 - 2 must reside within the boundaries of NVTC;
 - 2 must reside within the boundaries of PRTC;
 - 2 must reside within the boundaries of the Richmond Metropolitan Transportation Authority;
 - 1 must reside within the boundaries of the Hampton Roads Transportation Accountability Commission; and,
 - 1 must reside within the boundaries of Planning District 5, 9, 10, or 11.
- 1 non-legislative citizen member, appointed by the Governor, to represent Amtrak without voting privileges.
- The VRE CEO to serve ex officio without voting privileges.
- Director of the Department of Rail and Public Transportation to serve ex officio, with voting privileges only in the event of a tie.

Powers of the Rail Authority Board:

- Grant others the privilege to design, build, finance, operate, and maintain rail facilities.

- Grant others the privilege to operate concessions, leases, and franchises, including but not limited to the accommodation and comfort of persons using rail facilities and the provision of ground transportation services and parking facilities.
- Borrow money and issue bonds to finance and refinance rail facilities and pledge or otherwise encumber all or any of the revenues or receipts of the Authority as security for all or any of the obligations of the Authority.
- Fix, alter, charge, and collect fees, rates, rentals, and other charges for the use of rail facilities, the sale of products, or services rendered by the Authority.
- Lease or sell and convey the airspace superadjacent or subadjacent to any rail facility owned by the Authority.
- Acquire by purchase, lease, or grant rail facilities and other lands, structures, property, both real and personal, tangible and intangible, rights, rights-of-way, franchises, easements, and other interests therein, whether located within or not within the geographic boundaries of the Commonwealth, for the construction, operation, maintenance, and use of rail facilities.
- Acquire by the exercise of the power of eminent domain any lands, property rights, rights-of-way, franchises, easements, and other property deemed necessary or convenient for the construction or the efficient operation of rail facilities.

Differences Between HB 1414 and SB 890

The bills are moving through the legislative process and some changes have been made, which has resulted in differences between the two bills. These include:

Annual Vehicle Inspections:

- HB 1414 requires vehicle inspections to occur every two years.
- SB 890 continues to require a vehicle inspection annually.

Roadway Safety Policies and Programs

HB 1414 has several safety policies, which have been removed from SB 890. *Separate stand-alone legislation on these provisions is also being considered by both the House and Senate (HB 1439 – Jones; SB 907 – Lucas).* The provisions in HB 1414 include:

- Making it illegal to possess an open container of alcohol in a motor vehicle;
- Requiring all passengers in a vehicle to wear safety belts and making failure to wear a safety belt a primary offense;
- Prohibiting the use of handheld personal communication devices;
- Establishing a speed monitoring program in highway safety corridors that uses a vehicle sensor to take a picture of a vehicle traveling more than 10 miles over the speed limit, subjecting the driver to a monetary fine; and
- Allowing localities to lower the speed limit below 25 miles per hour in business and residential districts, provided such reduced speed limit is indicated by lawfully placed signs.
- The bill includes a delayed enactment for the primary seat belt, handheld ban, and open container provisions (until July 1, 2021), which will provide time for the development of training and educational materials for law enforcement and educational materials for the general public.
- The DMV Commissioner will also establish an advisory committee to oversee education and enforcement of policies such as the seatbelt and hands-free provisions.