



# House Bill 3202 and 2007 Legislative Update

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# Presentation Summary

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- Review of Conference Report on HB3202
  - Bonding Component
  - New Revenues
  - Regional Provisions
  - Other Provisions
- Governor's 2007 Legislative Package
  - Successful Legislative Proposals
  - Approved Budget Recommendations



# HB 3202 – Bonding Proceeds

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- \$2.5 billion in new transportation debt
  - \$300 million per year in 20-year notes
  - Minimum of 4.3% to Rail Enhancement Fund
  - Minimum of 15.7% to Transit Capital
  - Remainder to Interstate and Primary Highway Systems
  - Highway proceeds distributed to districts based upon combined share of all allocation formulas, with 10% variation allowance
  - Issuance to begin in FY2009



# HB 3202 – Bond Allocation

	<b>Total Systems per District</b>
Bristol	7.3%
Culpeper	6.3%
Fredericksburg	7.0%
Hampton Roads	20.8%
Lynchburg	7.3%
Northern Virginia	19.3%
Richmond	14.5%
Salem	9.8%
Staunton	7.7%
<b>Total</b>	<b>100.0%</b>



# HB 3202 – Debt Service

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- Debt service subject to annual appropriation of general fund revenues
  - \$148 million in first year, to peak around \$200 million according to Department of Treasury
- Absent annual appropriation, Transportation Trust Fund provides debt-service backstop
- Similar to structure of VTA 2000



# HB 3202 – New Revenues

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- **\$10 Increase in Annual Registration Fee**
  - \$62.4 million / year
- **\$10 Increase in Truck Registration Fee and Increased Liquidated Damages for Overweight Vehicles**
  - \$33 million / year
- **Abusive Driver Fee**
  - Additional Fee of \$750-\$3000 for moving violations and other offenses assessed in 3 payments over 26 months
  - Annual fee of \$100 plus \$75/point for drivers with balance of 8 or more points
  - \$108.1 million / year upon full implementation



# HB 3202 – Other Revenues

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- Dedication of 1/3<sup>rd</sup> of existing Insurance Premium Revenue from General Fund to Transportation Trust Fund
  - Revenue stream currently intended to service FRAN debt
  - \$144 million in FY2009
  - Since promise made in VTA of 2000:
    - 1 year of full appropriation
    - 2 years of partial appropriation
    - 2 years of no appropriation
- 1/2 of Nonrecurring General Fund Surplus to Transportation Trust Fund



# HB 3202 – Revenue Summary

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- \$2.5 billion (\$300 million/yr) in new debt, dependent on future General Fund appropriations
- Approximately \$200 million in new and reliable annual transportation revenue that is dedicated and sustained for statewide purposes





# HB3202 – Northern Virginia

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- Approximately \$400 million in new annual revenue\*
  - 2% Rental Car Tax (\$8.6 million)
  - Commercial Real Estate Assessment of \$0.25/\$100 (\$208 million)
  - \$100 initial Driver's License Fee (\$5.9 million)
  - Grantor's Tax of \$0.40/\$100 (\$163 million)
  - 2% Transient Occupancy Tax (\$23.2 million)

\*Assumes all localities adopt all new fees



# HB3202 – Northern Virginia

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- Local governments required to impose all new taxes and fees to participate – no “cut-off” date
- Requires county assumption of secondary construction responsibilities
- NVTA to operate independently of VDOT and CTB
- NVTA may issue additional bonds



# HB3202 – Northern Virginia

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- 40% of revenues to localities pro-rata
  - 50% minimum for urban and secondary construction projects
- 60% of revenues to NVTA
  - \$50 million / year to WMATA (if new federal revenues are provided)
  - \$25 million / year for VRE service in Prince William
  - \$20 million / year for Dulles Metrorail Extension



# HB3202 – Hampton Roads

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- Approximately \$200 million in new annual revenue\*
  - 2% Rental Car Tax (\$3.5 million)
  - Commercial Real Estate Assessment of \$0.10/\$100 (\$20.3 million)
  - 1% Initial Registration Fee (\$41.2 million)
  - Grantor's Tax of \$0.40/\$100 (\$49.1 million)
  - \$10 Annual Registration Fee (\$13.3 million)
  - \$10 Annual Motor Vehicle Inspection Fee (\$12.3 million)
  - 5% Sales Tax on Auto Repair (\$21.7 million)
  - 2% Regional Gas Tax (\$38.6 million)

\*Assumes all localities adopt all new fees



# HB3202 – Hampton Roads

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- HR Transportation Authority to consist of local elected officials and General Assembly Members
- 7 local governments encompassing 50% of total population required to impose all new taxes and fees to create authority by December 31, 2007
- Authority to assume control of CBBT upon retirement of existing debt
- Accomack and Northampton may join Authority upon assumption of CBBT



# HB3202 – Hampton Roads

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- 100% of revenues allocated by HRTA to projects within MPO Long Range Plan
  - 1<sup>st</sup> Phase Projects:
    - Route 460 Upgrade
    - I-64 Widening on Peninsula
    - Downtown Tunnel/Midtown Tunnel/MLK Extension
    - Southeastern Parkway/Dominion Boulevard
    - I-664 Widening on Southside
    - Monitor Merrimac Bridge Tunnel Widening
  - 2<sup>nd</sup> Phase Projects:
    - Craney Island Connector
    - I-64 to Intermodal Connector
    - I-564 Connector to Monitor Merrimac Bridge Tunnel



# HB3202 – Land Use

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- Incorporation of Governor's Secondary Street Acceptance Proposal (subdivision streets)
- Codification of Governor's Regional Performance Measures
- New Impact Fee authority that applies only to large counties (90,000+)
  - Impact Fees limited to use for roads, streets and bridges in Richmond-Petersburg MSA
  - 6 of these 7 counties have separate impact fee authority today



# HB3202 – Urban Development Areas

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- Counties of 20,000+ in Northern Virginia, Winchester and Richmond-Petersburg MSAs to create “Urban Development Areas”
  - 20-year growth horizon
  - 4 units per gross acre or 3x surrounding densities
  - Provisions for traditional neighborhood design
  - No additional zoning authority or ability to reject proposals outside of UDA
  - Locality may self-certify compliance





# HB3202 – Urban Transportation Service Districts

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- Counties of 90,000+ may create Urban Transportation Service Districts
  - Boundaries determined by VDOT and Locality with disputes decided by Commission on Local Government
  - County to receive increased (urban) maintenance payments for area within district
  - Henrico and Arlington eligible for urban maintenance allocation (net increase of \$12 million for Henrico and reduction of \$2.5 million for Arlington)



# HB3202 – Other Provisions

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- General Assembly to Appoint 5 At-Large CTB Members
- CTB to set VDOT Commissioner's Salary
- Creation of Legislative Commission on Transportation Accountability
- Creation of Legislative Subcommittee to review all Government Functions
- Reduction of environmental review period applies to all permits (as opposed to intended application to general permits)
  - Potential conflict with public comment requirements and interagency requirements per statute
- CTB to Reclassify and Reassign Highways based upon functional classification
  - Potentially significant consequences have not been evaluated



# HB3202 – Technical Issues

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- Legislation Contains Numerous Technical and Drafting Errors
  - Inconsistent enactment dates and references
  - The same revenues are deposited into two different funds
  - Debt to be serviced by fund that does not exist



# HB3202 – Maintenance Deficit

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- Increased maintenance costs are the primary driver of increased transportation needs
- Code of Virginia's "maintenance first" requirement results in annual transfer of funding from statewide construction formula to maintenance fund (\$450 million in FY07)
- Bill as approved only addresses approximately \$200 million of the maintenance gap
- Additional funding for Henrico County will increase overall maintenance costs



# HB3202 – General Issues

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- Sustainable funding outside of Northern Virginia and Hampton Roads is limited
- Different treatment of different regions
- Assumes long-term commitment and annual appropriation of general funds
- Dedicated and General Fund revenues do not meet identified statewide needs



# 2007 Legislative Update

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- **Governor's 2007 Legislative Package**
  - Secondary Street Acceptance Requirements
  - Access Management Standards
  - Office of Intermodal Planning and Investment
  - Biennial Maintenance Report
  - Traffic Impact Analysis Revisions



# New Secondary Street Acceptance Requirements

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- Unanimous approval of SB1181 / HB 2227
  - CTB to establish new requirements for acceptance of secondary streets into state system
    - Connectivity of Road and Pedestrian Networks
    - Minimization of Impervious Surface Area and Stormwater Runoff
    - Performance Bonding and Cost Recovery
    - Provisions included in HB3202
    - New requirements to be in place by January 1, 2008



# New Access Management Standards

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- Unanimous approval of SB1312 / HB 2228
  - VDOT to develop and implement access management standards to preserve and enhance existing highway network
  - VDOT may require shared-use entrances as condition of granting access permits
  - VDOT required to provide access – not to replace existing entrances
  - Standards published by December 31, 2007 and effective July 1, 2008





# Office of Intermodal Planning and Investment

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- Unanimous approval of SB1199 / HB 2850
  - Refined role for former “Intermodal Office”
  - Major Environmental Reviews may be overseen by office, as opposed to individual modal agencies
  - Support CTB in development of Statewide Transportation Plan
  - Enhanced role to coordinate freight, safety and bike/pedestrian issues



# Biennial Maintenance Report

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- Unanimous approval of SB1128 / HB 2838
  - Biennial report on maintenance needs and methodology
  - Submitted to Governor, CTB and General Assembly's investigative agency (JLARC)
  - Enhanced accountability and transparency for maintenance and operations



# Traffic Impact Analysis

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- Unanimous approval of SB1200
  - Provisions for phased implementation of TIA program
  - Allows VDOT to establish fee schedule
  - Extends APA exemption until July 1, 2008
  - Clarifies local authority to act in the absence of VDOT comment



# 2007 Legislative Update

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- Governor's 2007 Budget Recommendations as Approve
  - \$500 million for one-time investments in priority projects
  - I-95 and I-81 Corridor Rail Investments
  - Port Investments
  - Transit Capital



# Appropriations Act – TPOF

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- \$305 million to Transportation Partnership Opportunity Fund for Priority Projects Identified by Governor Kaine
  - Capital Beltway HOT Lanes
  - Route 50 Widening in Fairfax and Loudoun
  - Hillsville Bypass
  - I-64/264 Interchange
- Additional Projects Added by General Assembly
  - Route 37 Eastern Bypass EIS (Frederick County)
  - NS Corridor Between Norfolk and Virginia Beach



# Appropriations Act – Rail

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- \$65 million to Rail Enhancement Fund
  - Approximately \$18-25 million to be used to complete five I-95 corridor rail projects; upon completion, MOU allows for 4 additional daily VRE trains
  - Remaining funds dedicated for rail improvements between Manassas and Front Royal to support I- 81 rail needs and shift freight from truck to rail



# Appropriations Act – Transit

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- \$60 million for Transit Capital
  - \$20 million to WMATA for rolling stock
  - \$15 million to VRE for rolling stock
  - \$10 million to HRT Light Rail rolling stock
  - Additional \$15 million to increase state support for transit capital to 40%



# Appropriations Act – Port

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- \$50 million for Port Needs
  - Up to \$40 million for completion of median rail relocation project
  - Remaining funds to advance environmental and permitting work for Craney Island Marine Terminal





# Appropriations Act – Revenue Sharing

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- \$20 million in additional General Funds for Revenue Sharing Program
  - Increases program to \$35 million



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