

**Jurisdiction and Agency Coordinating Committee
Northern Virginia Transportation Authority**

MEMORANDUM

TO: Christopher Zimmerman, Chairman
Northern Virginia Transportation Authority

Members
Northern Virginia Transportation Authority

FROM: Tom Biesiadny, Chairman
Jurisdiction and Agency Coordinating Committee
Northern Virginia Transportation Authority

SUBJECT: Update on General Assembly Activities (Item VIII)

DATE: June 5, 2008

On May 12, 2008, Governor Timothy Kaine released a transportation funding plan and called for a special session of the General Assembly to address transportation on June 23, 2008. The plan includes both regional and statewide components.

Regional Components

The regional components of the Governor's plan include:

- A one-percent sales tax, imposed by the state in both Northern Virginia and Hampton Roads. The revenue from this tax would be returned to the regions to replace the seven taxes and fees originally approved as part of HB 3202.
- The tax would initially generate a projected \$306 million in Northern Virginia and \$168 million in Hampton Roads in FY 2009. This revenue would grow to a projected \$414 million in Northern Virginia and \$227 million in Hampton Roads by FY 2014.
- The revenue from the Northern Virginia portion of the tax would be sent to NVTA for allocation.
- For Northern Virginia, the Governor is proposing the same distribution of funds that was included in HB 3202; i.e. 40 percent of the funds would be returned to the jurisdiction in which the funds are raised for local projects; \$50 million of the regional funding retained by NVTA would be allocated to Washington Metropolitan Area Transit Authority capital projects and \$25 million would be allocated to Virginia Railway Express capital and operating projects. Remaining funds would be available for regional projects.
- The Hampton Roads Transportation Authority would be abolished; however, it is not clear how the Hampton Roads projects would be implemented. In addition to the Hampton Roads projects included in HB 3202, the Governor's plan adds improvements to the Hampton Roads Bridge-Tunnel.

Statewide Components

The statewide components of the Governor's plan include:

- A one percent increase in the motor vehicle sales taxes (from three-percent to four-percent) which will generate approximately \$200 million per year. These funds are dedicated to highway maintenance.
- A rededication of one-percent of the current motor vehicle sales tax to highway maintenance (the remaining two-percent are already dedicated to highway maintenance). If any motor vehicle sales tax revenues remain after highway maintenance needs are met, these funds would be used for highway construction.
- A \$10 annual increase in the vehicle registration fee that will be dedicated to highway maintenance. This increase will generate approximately \$70 million per year.
- A \$0.25/\$100 valuation increase in the state grantor's tax. The increase would generate approximately \$150 million per year. These funds would be distributed:
 - 65 percent to transit capital and operating expenses (Northern Virginia would receive approximately 70 percent).
 - 10 percent to rail capital and operating projects
 - 4 percent to airports
 - 7.5 percent to ports
 - 13.5 percent to the Transportation Partnership Opportunity Fund

Additional details about the funding implications of the Governor's plan are attached. The plan is being drafted as a bill; however, the specific details of some of the allocations are not available yet. It is staff's understanding that legislation that is not adopted as part of a regular General Assembly session requires a 120-day delay in implementation, unless the legislation includes an emergency clause. As a result, if the General Assembly acts around June 23, 2008, to adopt a new transportation plan, the plan will likely be effective around November 1, 2008.

Governor Kaine is hosting a series of town hall meetings on transportation around the state. One meeting was held in Woodbridge on May 13. Another is scheduled in Leesburg on June 11. The meeting will be at Harper Parker Middle School Auditorium, 701 Potomac Station Drive Northeast, Leesburg, Virginia from 7:00 p.m. to 8:30 p.m. Staff will report on this town hall meeting at the NVTAs meeting on June 12, 2008.

In the meantime, several legislators are introducing other pieces of transportation funding legislation. It is not yet clear how the General Assembly will approach the review of all the legislation that is introduced.

Members, Northern Virginia Transportation Authority
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Jurisdiction and Agency Coordination Committee members and I will be available at the June 12, 2008, NVTA meeting to answer questions.

Cc: Members, NVTA Jurisdiction and Agency Coordinating Committee
John Mason, Executive Director

Governor Kaine's 2008 Transportation Plan

Statewide Maintenance Funding						
	FY09	FY10	FY11	FY12	FY13	FY14
1% Motor Vehicle Sales and Use Tax	\$ 172.5	\$ 192.5	\$ 195.1	\$ 202.6	\$ 212.7	\$ 212.0
\$10 Annual Registration Fee	70.3	71.9	72.1	72.5	72.9	73.1
Rededicate existing 1% Motor Vehicle Sales and Use Tax to Highway Maintenance (other 2% already dedicated)	188.2	192.5	195.1	202.6	212.7	212.0
Rededicate Existing \$35 Minimal Motor Vehicle Sales and Use Tax to Highway Maintenance*	14.3	14.5	14.7	15.1	15.6	15.5
Total Funding Dedicated to Highway Maintenance	\$ 445.3	\$ 471.4	\$ 477.0	\$ 492.8	\$ 513.9	\$ 512.6

Regional Northern Virginia Funding						
	FY09	FY10	FY11	FY12	FY13	FY14
1% Retail Sales and Use Tax	\$ 306.3	\$ 351.1	\$ 368.3	\$ 384.2	\$ 400.3	\$ 414.3
<ul style="list-style-type: none"> - Local Projects -- 40% - Dedicated Metro Funding -- \$50m - Virginia Railway Express -- \$25m - Regional Projects -- Remaining Funds 						

Regional Hampton Roads Funding						
	FY09	FY10	FY11	FY12	FY13	FY14
1% Retail Sales and Use Tax	\$ 167.9	\$ 192.5	\$ 201.9	\$ 210.6	\$ 219.4	\$ 227.1
<ul style="list-style-type: none"> - I-64 Widening on Peninsula & Southside - Midtown/Downtown Tunnel - Southeastern Parkway/Dominion Blvd - I-664 Widening on Peninsula & Southside - Third Crossing - Hampton Roads Bridge Tunnel - Route 460 						

Transportation Change Fund						
	FY09	FY10	FY11	FY12	FY13	FY14
25 Cent Grantor's Tax	\$ 142.0	\$ 155.0	\$ 152.5	\$ 152.5	\$ 152.5	\$ 155.0
<ul style="list-style-type: none"> - 65% Transit Capital & Operating - 10% Rail Capital & Operating - 13.5% Transportation Partnership Opportunity Fund - 4% Airports - 7.5% Ports 						

TOTAL NEW TRANSPORTATION FUNDING						
	FY09	FY10	FY11	FY12	FY13	FY14
	\$ 859.0	\$ 963.0	\$ 989.9	\$ 1,022.4	\$ 1,057.8	\$ 1,081.5

*Law requires a \$35 tax or the payment of a 3% motor vehicle sales & use tax, whichever is greater