



## **HB 2313 Funding Fact Sheet:**

### ***How NVTa Transportation Dollars Are Spent***

**All of the taxes and fees collected under HB 2313 are sent to the Northern Virginia Transportation Authority. Once received by the Authority, those dollars are divided into one of two categories: 70% Regional Revenue Funds and 30% Local Distribution Funds.**

It's absolutely critical that all monies collected under HB 2313 are used appropriately by the Authority and its member jurisdictions. If they are not, there are significant penalties. For example:

1. The Authority's regional funds will expire if the General Assembly appropriates or transfers any of the HB 2313 revenues for any non-transportation-related purpose.
2. If an NVTa member jurisdiction (including qualifying Towns) uses its funds for non-transportation purposes, then that locality will not receive any regional transportation funding in the following year.

### **70% Regional Revenue Funds**

These funds may be used on:

- Regional projects that are included in TransAction 2040 (*NVTa's long term regional transportation plan*) or subsequent TransAction updates;
- Projects that have also been evaluated by VDOT<sup>1</sup> as part of the HB 599 Rating and Evaluation Study; and
- Mass transit capital projects that increase capacity. Beginning in FY2017 all mass transit projects will be evaluated as part of the HB 599 process<sup>2</sup>.

***OVER for more on Local Distribution Funding***



<sup>1</sup> The HB 599 rating and evaluation was not required for funds received in FY2014.

<sup>2</sup> Per HB 1470, passed during the 2015 General Assembly session.

## 30% Local Distribution Funds

These funds will be distributed directly to individual NVTAs member jurisdictions based on the revenues collected in the jurisdiction and may be used as follows:

- Urban or secondary road construction;
- Capital improvements that reduce congestion;
- Projects included in TransAction 2040 or other transportation capital improvements which have been approved by the most recent long range transportation plan adopted by the Authority; and
- Public transportation purposes.

Like the Regional Revenue Funds, the 30% Local Distribution Funds have certain requirements:

1. These funds must be deposited into a separate special fund for all local HB 2313 revenues received and each jurisdiction's Commercial and Industrial (C&I) Tax revenues (or the equivalent funding) must also be accounted for in this special fund.
2. Each locality shall, on an annual basis, provide documentation to the Authority showing the funds were used as required by law.
3. Any administrative expenses incurred by the Authority will be taken from the 30% (prior to distribution to the jurisdiction) unless another payment method is agreed by the Authority (e.g. this includes each locality's portion of administrative expenses that are based on relative population).
4. These funds can be allocated towards appropriate project implementation costs such as project managers, staff and other direct costs associated with the implementation of the project.

**Note:** Each city and county is required to adopt the Commercial and Industrial (C&I) Property Tax for transportation at a rate of \$0.125 per \$100 valuation or deposit an equivalent amount into a separate fund for transportation improvements.

- If a city or county fails to deposit the full amount of C&I tax or equivalent into a separate fund for transportation, the Authority shall reduce its disbursement of 30% funding by the difference between the amounts the city or county deposited compared to the amount it should have deposited.
- Each city and county is required to maintain its average expenditures for transportation from FY2011 to FY2013, or lose its share of the 30% of the Local Distribution Revenue HB 2313 funds for the fiscal year succeeding the year in which it did not maintain its transportation expenditures.

## **Towns (Dumfries, Herndon, Leesburg, Purcellville, Vienna)**

- The Authority and the counties embraced by the Authority shall work cooperatively with the Towns (with a population greater than 3,500) for the purposes of implementing HB 2313 and to ensure that such Towns receive their respective share of revenue.
- The three counties that have Towns located within their boundaries that meet the population requirement (Fairfax, Loudoun and Prince William) distribute revenues to the towns using the same approach.
- The Code of Virginia requires that sales taxes be distributed to Towns based on their percentage of school-age population. The same approach will be used by the Authority to distribute the new Local Distribution Revenue to the Towns (through the relevant counties).

If you have questions about the propriety of the intended use, please contact the Authority's Executive Director, Monica Backmon at [Monica.Backmon@TheNovaAuthority.org](mailto:Monica.Backmon@TheNovaAuthority.org)