2007 Transportation Initiative

House Bill 3202

Assuring Fiscal Responsibility
Using Debt Prudently
Promoting Regional Solutions
Managing Growth
Seeking Compromise Solutions

Assuring Fiscal Responsibility

- Transportation Funding Needs to Be Stable and Reliable—$377-$420 million in New, Permanently Dedicated Statewide Sources
  - "Lockbox" amendment to protect *all* transportation revenues from General Fund downturns
- General Fund Support for Transportation Needs to Be Achievable and Reliable
  - 2/3 of General Fund Undesignated Surplus
  - 3 cents recordation tax - $64 million a year with 2 cents dedicated to transit operations

New Statewide Transportation Revenues - $377 to $421 million

- In addition to 1¢ recordation tax, new statewide transportation user fees are dedicated to Highway Maintenance Fund
  - abusive driver fees beginning July 1; $10 registration fee increase for cars, trucks, trailers; diesel tax equalization; and higher fines for overweight trucks
  - Eases maintenance funding shortfall which helps address construction's obligation to pay for maintenance

Using Debt Prudently

- $3 Billion Bond Authorization
  - $100 million planned sale in 2007
  - $300 million/year beginning in 2008
- Permanent Dedication of Insurance Premium Taxes to Pay Off Debt - Promised Since 2000 – will also offset impact of existing FRAN debt
- Minimum 20% Transit Capital
- Minimum 4.3% Rail Enhancement
- Maximum 75.7% Highway Construction
  - Match and leverage federal funds for interstate, primary, secondary and urban construction
  - Match and leverage local funds for expanded revenue sharing
  - Priority projects

Hampton Roads: $200 to $215 Million Annually

- Regional Authority May Raise $170-$180 million Annually
  - 7 of 12 localities representing 51% of population may activate new authority before December 31, 2007
  - Authority may then impose: 2% gas, 40 cent grantor's, 2% vehicle rental, $10 safety, 1% initial registration, 5% auto repair, and $10 regional registration (no deadline)
  - 7 of 12 Authority members representing 51% of population affirmative vote required to impose and all taxes and fees must be imposed

- Localities May Raise Additional $20-$35 Million Annually for Transportation Purposes
  - Commercial real estate surcharge
  - Local vehicle registration
  - Commercial and residential impact fees

Hampton Roads: Meeting Regional Needs

- Region Must Adopt Transportation and Land Use Measures and Goals
- Phase I Projects Include Rt. 460, I-64, Downtown/Midtown, Southeastern Pkwy/Dominion Blvd/Route 17, I-664
- Phase II Projects Include I-564 and Craney Island Connectors

Northern Virginia: $425 to $445 Million Annually

- Northern Virginia Transportation Authority May Raise $325-$345 Million Annually
  - Six of nine members may impose: 40 cent grantor's, 2% vehicle rental, $10 safety,1% initial registration, 5% auto repair, $10 regional registration, and 2% transient occupancy
- Localities May Raise Additional $80-$110 Million Annually for Transportation Purposes
  - Commercial real estate surcharge
  - Local vehicle registration fee
  - Commercial and residential impact fee

Northern Virginia: Meeting Regional Needs

- Region Must Adopt Transportation Performance Measures and Goals
- 40% for Local Road and Transit Needs
- 60% for Regional Needs:
  - $50 Million WMATA
  - $25 Million VRE
  - Other priority highway and transit projects

Managing Growth

- Commonwealth Transportation Board, Hampton Roads, and Northern Virginia Regions to Develop Transportation and Land Use Measures and Goals

- Expands Requirement for Urban Development Areas to 70 localities with significant growth
  - Available to localities with 15% growth rate or population over 20,000 with 5% growth
  - Local and state investment targeted within UDAs
  - May exempt UDAs from impact fees to encourage compact growth

Managing Growth

- Transportation Impact fee authority in high growth localities broadened and extended
  - Applicable to by-right commercial and residential development
  - Proffer credits required

- Up to five counties, pilot projects for county road maintenance involving service districts and impact fees on rural development (action by December 2008)

HB3202 – Other Amendments

- JLARC May Provide Transportation Accountability Commission Staffing
- Governor Retains CTB Appointment Authority
- Environmental Review Time Limitations Restricted to General Permits
- Implementation procedures to be developed jointly with focus on efficiency and effectiveness

Compromise Solutions

- Compromises Rarely Perfect
- Amendments to HB 3202 Make Regional Solutions in Hampton Roads and Northern Virginia Possible
- $3 Billion Bond Package Will Leverage Federal and Local Funds
- Annual Maintenance Deficit Will Still Exceed $200 Million

STATEWIDE TRANSPORTATION FUNDING
($ in millions)

Sources	Rate Change	FY08	FY09	FY10	FY11	FY12	FY13
Abusive Drivers Fee	8+ demerits; varies by conviction	$0.0	$61.9	$65.4	$65.4	$65.4	$65.4
Registration Fee -- Cars & Light Trucks	$10	62.4	62.4	62.4	62.4	62.4	62.4
Registration Fee for Heavy Trucks/Trailers	$10 plus weight fee	27.0	27.0	27.0	27.0	27.0	27.0
Violation of Weight Limits by Heavy Trucks	varies	3.4	3.4	3.4	3.4	3.4	3.4
Diesel/Road Tax	1 1/2 cents	19.8	20.9	21.9	22.9	23.8	24.3
Insurance Premiums	1/3rd of total	0.0	137.0	144.1	150.8	159.7	169.5
Recordation tax	3 cents	0.0	64.1	67.3	67.5	67.9	68.6
General Fund Surplus	GF	Appropriation Act*		2/3rds general fund surplus			
Statewide New Revenue Total		**$112.6**	**$376.7**	**$391.4**	**$399.4**	**$409.6**	**$420.6**

*Budget amendments to Chapter 3 (Appropriation Act) appropriate $500 million in surplus general funds to transportation for spending in FY 2008

Uses of New Revenues		FY08	FY09	FY10	FY11	FY12	FY13
Debt Service	insurance premiums	Appropriation Act	$137.0	$144.1	$150.8	$159.7	$169.5
Transportation Trust Fund		Appropriation Act		2/3rds general fund surplus			
Transit Operating	2 cents recordation	0.0	42.7	44.9	45.0	45.3	45.7
Highway Maintenance	others fees/taxes	112.6	196.9	202.5	203.6	204.6	205.3
$3.0 Billion Bond Authorization							
Amount of Sale - 25-year debt	$100 then $300						
Transit Capital	20% minimum	20.0	60.0	60.0	60.0	60.0	60.0
Rail	4.3% minimum	4.3	12.9	12.9	12.9	12.9	12.9
Federal Highway Match/Revenue Sharing/Statewide & Regional Projects	Remainder	75.7	227.1	227.1	227.1	227.1	227.1
Available for Spending - New Revenues & Bonds (net of debt service)		**$212.6**	**539.6**	**$547.3**	**$548.5**	**$549.8**	**$551.0**

NORTHERN VIRGINIA REGIONAL PACKAGE (assumed January 2008 Implementation)
($ in millions)

Authority Imposed	Rate Change	FY08	FY09	FY10	FY11	FY12	FY13
Grantor's Tax	40 cents	$75.8	$163.6	$172.0	$172.4	$173.6	$175.2
Motor Vehicle Rental Tax	2%	4.2	8.6	8.8	9.0	9.2	9.5
Transient Occupancy Tax	2%	9.3	23.2	24.1	25.2	26.2	27.3
Safety Inspection Fee	$10	8.1	16.2	16.2	16.2	16.2	16.2
Initial Vehicle Registration Fee	1%	25.9	62.8	63.9	64.4	65.4	66.4
Sales Tax on Auto Repairs	5%	13.4	33.2	33.2	33.2	33.2	33.2
Regional Registration Fee	$10	8.5	17.0	17.0	17.0	17.0	17.0
Northern Virginia Authority Total		**$145.1**	**$324.5**	**$335.2**	**$337.4**	**$340.9**	**$344.8**
Local Option Revenues							
Commercial Real Estate (est. is 10 cents)	up to 25 cents	$41.7	$83.5	$83.5	$83.5	$83.5	$83.5
Local Registration Fee	$10	8.5	17.0	17.0	17.0	17.0	17.0
Commercial/Residential Impact Fee	to be determined						
Northern Virginia Local Option Total		**$50.2**	**$100.5**	**$100.5**	**$100.5**	**$100.5**	**$100.5**
TOTAL NORTHERN VIRGINIA		**$195.3**	**$425.0**	**$435.7**	**$437.9**	**$441.4**	**$445.3**

HAMPTON ROADS REGIONAL PACKAGE (assumed January 2008 Implementation)
($ in millions)

Authority Imposed	Rate Change	FY08	FY09	FY10	FY11	FY12	FY13
Sales Tax on Gasoline	2%	$12.6	$30.2	$30.2	$30.2	$30.2	$30.2
Grantor's Tax	40 cents	22.7	49.1	51.6	51.7	52.1	52.6
Motor Vehicle Rental Tax	2%	1.7	3.5	3.6	3.7	3.8	3.9
Safety Inspection Fee	$10	6.2	12.3	12.3	12.3	12.3	12.3
Initial Vehicle Registration Fee	1%	17.0	41.2	41.9	42.2	42.9	43.5
Sales Tax on Auto Repairs	5%	7.6	18.9	19.6	20.2	21.0	21.7
Regional Registration Fee	$10	6.7	13.3	13.3	13.3	13.3	13.3
Hampton Roads Authority Total		**$74.4**	**$168.5**	**$172.5**	**$173.8**	**$175.6**	**$177.5**
Local Option Revenues							
Commercial Real Estate	up to 10 cents	$10.1	$20.3	$20.3	$20.3	$20.3	$20.3
Local Registration Fee	$10	6.7	13.3	13.3	13.3	13.3	13.3
Commercial/Residential Impact Fee	to be determined						
Hampton Roads Local Option Total		**$16.8**	**$33.6**	**$33.6**	**$33.6**	**$33.6**	**$33.6**
TOTAL HAMPTON ROADS		**$91.2**	**$202.1**	**$206.1**	**$207.4**	**$209.2**	**$211.1**

Localities Required to Establish UDAs & Authorized to Assess Road Impact Fees

Accomack County
Albemarle County
Alexandria City
Amelia County
Amherst County
Arlington County*
Augusta County
Bedford County
Botetourt County
Brunswick County
Buckingham County
Campbell County
Caroline County
Charlottesville City
Chesapeake City
Chesterfield County
Craig County
Culpeper County
Cumberland County
Dinwiddie County
Fairfax City
Fairfax County* +
Fauquier County*
Fluvanna County
Franklin County
Frederick County*
Gloucester County
Goochland County
Greene County
Greensville County

Halifax County
Hanover County
Harrisonburg City
Henrico County
Isle of Wight County
James City County
King George County
King William County
Loudoun County* +
Louisa County
Lunenburg County
Manassas City
Manassas Park City
Mecklenburg County
Montgomery County
New Kent County
Northumberland County
Orange County
Page County
Pittsylvania County
Powhatan County
Prince George County
Prince William County* +
Richmond County
Roanoke County
Rockbridge County
Rockingham County
Shenandoah County
Spotsylvania County* +

Stafford County* +
Suffolk City
Sussex County
Virginia Beach City
Warren County
Washington County
Winchester City
York County

*Localities already have ability to assess road impact fees

+Localities authorized to do pilot service districts and broader impact fees