

HB 3202
Omnibus Transportation Bill

General Assembly Action: Provides (i) statewide funding of transportation projects through current funds and additional funds, (ii) authority to localities in Northern Virginia and Hampton Roads to impose additional fees for transportation, and (iii) several administrative and efficiency reforms impacting transportation. The bill also authorizes the Commonwealth Transportation Board to issue bonds in an aggregate amount not to exceed \$2.5 billion for statewide transportation funding with the debt service on such bonds to be paid from a portion of the annual revenues from the state recordation tax.

Governor's Action:

Comparison of Major Features for HB 3202		
Issue	Enrolled Bill	Governor's Amendments
<i>General Fund Surplus</i>	1/2 of unreserved or undesignated balance to be deposited into the Transportation Trust Fund	2/3 of unreserved or undesignated balance to be deposited into the Transportation Trust Fund. New language stating that the use of surplus does not "preclude the appropriation of additional amounts from the general fund for transportation purposes."

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<i>Use of General Fund Surplus</i>	Allocated to all transportation modes	No change.
<i>Recordation Taxes</i>	Supports debt service for \$2.5 billion bond issue. \$148.0 million in '09 \$172.0 million for next five years	<p>3¢ of the 25¢ per \$100 of value tax to be earmarked for transportation of which 2¢ goes to mass transit and 1¢ for maintenance.</p> <p><u>Note</u>: Sets precedent in the use of general fund revenue for road maintenance. \$64.1 M in FY 09 \$67.3 M in FY 10 \$67.5 M in FY 11 \$67.9 M in FY 12 \$68.6 M in FY 13</p>
<i>Bonds</i>	<p>Authorizes \$2.5 billion limited to 20-year issuances with an annual maximum issuance of \$300.0 M.</p> <p>Debt service paid from general fund (recordation taxes).</p>	<p>Authorizes \$3.0 billion limited to up to 25-year issuances with an annual maximum issuance of \$300.0 M.</p> <p>Debt service paid from dedication of 1/3 of insurance premium taxes.</p>

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	<p>Proceeds used as follows: 15.7% for transit 4.3% for rail 80.0% for roads</p> <p>Road money is for priority transportation projects on the primary or Interstate systems.</p> <p>CTB ensures each district receives a share proportionate to its formula allocation over the life of the issuances, <u>within a 10% margin.</u></p> <p>Order of magnitude total cost to service bonds is \$3.9 billion.</p>	<p>Proceeds used as follows: 20.0% for transit 4.3% for rail 75.7% for roads</p> <p>Road money leverages federal funds for interstate, primary, secondary, & urban construction. Also can be used for local road revenue sharing program, and to fund statewide or regional projects.</p> <p>No specific allocation for construction districts. Replacing state transportation dollars with bond proceeds to match federal dollars should result in more state dollars provided to the districts.</p>

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		Order of magnitude cost to service bonds is \$5.4 billion .
<i>Maintenance</i>	<p>Increases passenger vehicle registration fees, truck registration fees, and liquidated damages. Institutes abusive driver fee program. Dedicates these new and increased revenues for maintenance.</p> <p>FY 08 \$151.1 M FY 09 \$175.0 M FY 10 \$203.5 M FY 11 \$204.4 M FY 12 \$205.4 M FY 13 \$206.5 M</p>	<p>Increases passenger vehicle registration fees, truck registration fees, liquidated damages, diesel fuel tax, and road tax. Dedicates 1¢ of the recordation tax for maintenance. Institutes abusive driver fee program. Dedicates these new, current, and increased revenues for maintenance.</p> <p>FY 08 \$112.6 M FY 09 \$186.9 M FY 10 \$202.5 M FY 11 \$203.6 M FY 12 \$204.6 M FY 13 \$205.3 M</p>
<i>Abusive Drivers</i>	<p>Imposes civil remedial fees for conviction of certain driving offenses. Additional fees would be imposed on Virginia drivers</p>	<p>Same fee structure as enrolled bill, but no retroactive imposition of civil penalties. Only demerit points accrued after bill</p>

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	with demerit points of eight or more on their driving record. FY 08 \$57.5 M FY 09 \$80.5 M FY 10 \$108.1 M FY 11 \$108.1 M FY 12 \$108.1 M FY 13 \$108.1 M	becomes law count towards the eight demerit points. FY 08 \$0 FY 09 \$61.8 M FY 10 \$65.4 M FY 11 \$65.4 M FY 12 \$65.4 M FY 13 \$65.4 M
<i>Hampton Roads Transportation Authority</i>	Bundles a variety of taxes and fees. Phase 1 - Route 460 Upgrade; I-64 Peninsula Widening; I-64 Southside Widening; Downtown Tunnel; Midtown Tunnel/MLK Extension; Southeastern Parkway/Dominion Boulevard, I-664 Widening in Newport News, Southside & Monitor Merrimac Tunnel Phase 2 - I-64 to the Intermodal Connector, I-564 to	Same fees and taxes except the commercial real estate assessment and the local vehicle registration fee are local option and a regional vehicle registration fee is authorized for the authority. At 10¢ per \$100 value, the commercial real estate tax realizes about \$20.3 million per year. Same projects. <u>Taxes and fees imposed by regional</u>

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	<p>Monitor-Merrimac Tunnel, Craney Island Connector</p> <p>Taxes and fees include local rental car impact fee (2%), commercial real estate assessment (10¢ per \$100), initial vehicle registration fee (1% of value), congestion relief fee (40¢ per \$100), annual vehicle license fee (\$10), motor vehicle inspection fee (\$10), auto repair service exemption removal (5%), and regional 2% gas tax.</p> <p><u>Taxes and fees imposed by governing bodies of counties and cities in the Authority.</u></p> <p>Approval done by local ordinances.</p> <p>Taxes are</p>	<p><u>authority and not by localities.</u></p> <p>HB 3202 establishes the authority rather than the localities.</p> <p>The regional taxes and fees are activated by the authority if at least seven of the 12 localities representing at least 51% of the region's population pass resolutions no later than December 31, 2007, and if at least seven of the 12 voting members of the authority representing at least 51 percent of the population vote in the affirmative to impose all of the fees and taxes authorized under HB 3202.</p> <p>FY 08 \$74.4 M FY 09 \$168.5 M</p>

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	<p>conditional unless seven of the governing bodies comprising at least 50% of the population of all the eligible counties and cities duly adopt ordinances before December 31, 2007 and designate a local elected member of the governing body to serve.</p> <p>FY 08 \$88.1 M FY 09 \$200.0 M FY 10 \$203.3 M FY 11 \$203.8 M FY 12 \$205.0 M FY 13 \$206.4 M</p>	<p>FY 10 \$172.5 M FY 11 \$173.8 M FY 12 \$175.6 M FY 13 \$177.5 M</p> <p>Concerning implementation of regional taxes and fees, the Governor's amendments direct a state agency-local government task force to develop the guidelines, policies and procedures. The Secretary of Finance is authorized to approve an anticipation loan to jump start the administrative processes.</p>
<p><i>Northern Virginia Transportation Authority</i></p>	<p>Bundles a variety of taxes and fees for these projects:</p> <p>40% of revenues for local road and transit needs (upon consultation with members of the General Assembly</p>	<p>Same fees and taxes except the commercial real estate assessment is local option; the initial driver's license fee is eliminated; and a regional vehicle registration fee,</p>

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	<p>representing any locality which receives such revenue) and</p> <p>60% of revenues for regional needs, including \$50.0 M for WMATA, \$25.0 M for VRE, \$20.0 M for phase two of the Dulles Rail projects, \$2.0 M for Loudoun County transit service, and debt service on any bonds issued by the authority.</p> <p>Taxes and fees include local rental car impact fee (2%), commercial real estate assessment (25¢ per \$100), initial driver's license fee (\$100), congestion relief fee (40¢ per \$100), and transient occupancy tax (2%).</p> <p><u>Taxes and fees</u></p>	<p>safety inspection fee, sales tax for auto repairs, and initial vehicle registration fee are authorized for the authority.</p> <p>At 10¢ per \$100 value, the commercial real estate tax realizes about \$83.5 million per year.</p> <p>Same projects except no specific set asides for Dulles Rail or Loudoun County transit.</p> <p><u>Taxes and fees imposed by regional authority and not by localities.</u></p> <p>The regional taxes and fees are imposed if 2/3 of the localities comprising the authority and representing 2/3 of the population vote</p>

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	<p><u>imposed by governing bodies of counties and cities in the Authority.</u> Approval done by local ordinances. Bill is based on a "pay to play" policy.</p> <p>FY 08 \$215.0 M FY 09 \$409.6 M FY 10 \$419.0 M FY 11 \$420.4 M FY 12 \$422.7 M FY 13 \$425.4 M</p>	<p>in the affirmative.</p> <p>FY 08 \$195.3 M FY 09 \$425.0 M FY 10 \$435.7 M FY 11 \$437.9 M FY 12 \$441.4 M FY 13 \$445.3 M</p> <p>Concerning implementation of regional taxes and fees, the Governor's amendments direct a state agency-local government task force to develop the guidelines, policies and procedures. The Secretary of Finance is authorized to approve an anticipation loan to jump start the administrative processes.</p>
<i>Land Use</i>	Requires counties in Northern Virginia, Richmond-Petersburg, and Winchester MSAs with population	Expands requirement for urban development areas to 70 localities with 15% growth rates or populations

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	<p>growth in excess of 15% and total population of greater than 20,000 to include urban development areas in local comprehensive plans.</p> <p>For urban transportation service districts, authorizes imposition of impact fees for transportation and other infrastructure improvements in counties with populations greater than 90,000.</p> <p>For subdivision streets, requires additional design standards prior to subdivision streets being eligible for entry into the state secondary system.</p>	<p>over 20,000 with 5% growth. "To the extent possible, state and local transportation, housing, and economic development funding" would be directed to these areas.</p> <p>Impact fee authority in high growth localities broadened and extended. Fees applicable to by-right commercial and residential development. Proffer credits required.</p> <p>Eligible localities include Fairfax, Loudoun, Prince William, Spotsylvania, and Stafford, if they create urban transportation service districts</p>

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Issue	Enrolled Bill	Governor's Amendments
		before December 31, 2008. Provisions dealing with acceptance of subdivision streets into state secondary system removed.