



Report of the Subcommittee on Transportation

Senate Finance Committee
Virginia General Assembly

February 5, 2017



SENATE OF VIRGINIA

Senate Finance Committee

2017 Report of the Transportation Subcommittee The Honorable Frank W. Wagner, Chairman February 5, 2017

Mr. Chairmen and Members of the Committee:

Your Transportation subcommittee has worked this year to continue to provide oversight of transportation investments and identify areas where additional targeted investments of transportation resources could provide substantial returns to Virginia's economy. Recently, the expenditure of Commonwealth aviation funds has been brought into question. While this matter remains unsettled, we recommend expressly prohibiting the expenditure of public funds on anything other than airport capital improvement projects.

Recognizing the will of the people of the City of Virginia Beach, we recommend that the Secretary of Transportation enter into an agreement that will ensure the repayment of funds allocated in support of Hampton Roads Light Rail. We recommend the Secretary redirect up to \$20 million in Commonwealth Project Revenue bond proceeds originally disbursed for that project to the construction of facilities in support of our growing commercial aerospace and unmanned systems industries. In doing so, we will ensure that this funding remains deployed in the region to diversify the economy of Hampton Roads.

Compensation is the key priority of the Senate Finance Committee, however the agencies in the Transportation secretariat do not directly benefit from the general funds provided elsewhere in the budget. Accordingly, we offer flexibility to agencies, such as the Department of Motor Vehicles, to generate the revenues necessary to provide the salary adjustments that we have authorized for all state employees.

Recognizing that transparency and accountability in all expenditures is critical to maintaining public confidence in Virginia's transportation program, the proposals of your Transportation Subcommittee focus on providing diligent oversight, sound fiscal stewardship and commonsense solutions to the challenges that we face today.

Mr. Chairmen, this completes the report of your Transportation Subcommittee.

Respectfully Submitted,

The Honorable Frank W. Wagner, Chairman

The Honorable Richard L. Saslaw

The Honorable Stephen D. Newman

The Honorable Charles W. Carrico

The Honorable George L. Barker

The Honorable Siobhan S. Dunnavant

Report of the Subcommittee on Transportation
(Recommended Amendments to SB 900, As Introduced)

| Amendment | General Funds | | |
|--|---------------|----------|----------|
| | FY 2017 | FY 2018 | Biennium |
| 1 Virginia Commercial Spaceflight Authority | | | |
| 2 Construction of Processing Facilities | | Language | |
| 3 Audit Procurement Language | | Language | |
| 4 Department of Aviation | | | |
| 5 Air Carrier Airport Audit Requirements | | Language | |
| 6 Department of Motor Vehicles | | | |
| 7 Remove Partial Refund | | Language | |
| 8 Remove Driver's License Applications | | Language | |
| 9 Flexibility on Discount Programs | | Language | |
| 10 Registration Transfer Fees | | Language | |
| 11 Additional Jamestown \$1 Registration Fee | | Language | |
| 12 Department of Rail and Public Transportation | | | |
| 13 Reduce proposed new staffing | | Language | |
| 14 Hampton Roads Passenger Rail EIS | | Language | |
| 15 Department of Transportation | | | |
| 16 Coalfields Expressway Authority | | Language | |
| 17 Underground Power lines - Rolling Road | | Language | |
| 18 Prohibition of PLAs on P3s | | Language | |

VCSFA Facility Enhancements

| Transportation | FY16-17 | FY17-18 | |
|--|----------------|----------------|-----|
| Virginia Commercial Space Flight Authority | \$0 | \$25,000,000 | NGF |

Language:

Page 429, line 37, strike "\$15,800,021" and insert "\$40,800,021".

Page 429, following line 48, insert:

“Of the amounts originally provided from Transportation Capital Projects Revenue Bonds Series 2011 to the Transportation Partnership Opportunity Fund for the acquisition of Norfolk Southern right-of-way pursuant to the authority granted in Chapter 847 of the Acts of Assembly of 2007, the Commonwealth Transportation Board shall authorize an amount not to exceed \$20,000,000 to finance the construction of additional facilities at the Mid-Atlantic Regional Spaceport in support of both commercial space flight and unmanned systems activities. The Secretary, at his discretion, may provide for the one-time transfer of such funding as may be required, from such funds as may available to the Commonwealth Transportation Board for the construction of such facilities. The Secretary, on behalf of the Commonwealth Transportation Board, shall enter into an agreement with the City of Virginia Beach to ensure the full repayment of the funding provided under a grant agreement entered into with the City on September 22, 2010.”.

Explanation:

(This amendment directs up to \$20.0 million NGF from the repayment of Transportation Capital Project Revenue Bond proceeds provided to the City of Virginia Beach for facility improvements at the Mid-Atlantic Regional Spaceport.)

VCSFA: Increase Competition for Audit

Transportation

| | |
|--|----------|
| Virginia Commercial Space Flight Authority | Language |
|--|----------|

Language:

Page 429, following line 48, insert:

"In order to increase competition among qualified independent audit firms, the Virginia Commercial Spaceflight Authority is authorized to solicit requests for

proposals from national firms including those that have submitted proposals prior to July 1, 2016. The final selection of the certified public accounting firm shall be performed by the Auditor of Public Accounts, with the assistance of the Virginia Commercial Spaceflight Authority, through a competitive negotiation process."

Explanation:

(This amendment authorizes the Virginia Commercial Spaceflight Authority to solicit requests for proposals from any qualified independent external audit firm.)

Item 438 #1s

Air Carrier Airport Audit Controls

Transportation

Department of Aviation

Language

Language:

Page 430, following line 37, insert:

"F.1. By November 1 of each year, the Virginia Aviation Board shall report to the Governor and the General Assembly on the use of Commercial Airport Fund revenues allocated the previous fiscal year. The report shall include at a minimum the following: (i) the use of entitlement funds allocated by each air carrier airport, including the amount of funds that are unobligated; (ii) the award and use of discretionary funds allocated for air carrier and reliever airports by every such airport; and (iii) the award and use of discretionary funds allocated for general aviation airports by every such airport. Such report shall also include the status of ongoing projects funded in whole or in part by the Commonwealth Airport Fund pursuant to subdivision A 3 of § 58.1-638.

2. The Board shall have the right to withhold entitlement funds allocated pursuant to subdivision 45 A 3 a of § 58.1-638 in the event that the entitlement utilization plan is not approved by the Board or the airport uses the funds in a manner that is inconsistent with the approved plan.

G. It is the intent of the General Assembly that state moneys allocated pursuant to subdivision A 3 of § 58.1-638 shall not be used for (i) operating costs unless otherwise approved by the Virginia Aviation Board, or (ii) purposes related to supporting the operation of an airline, either directly or indirectly, through grants, credit enhancements, or other related means."

Explanation:

(This amendment incorporates the enhanced airport report requirements of SB 1129 of the 2017 General Assembly into existing DOAV reporting requirements.)

End Partial Year Motor Vehicle Registration Refunds

| Transportation | FY16-17 | FY17-18 |
|------------------------------|----------------|-----------------|
| Department of Motor Vehicles | \$0 | \$3,200,000 NGF |

Language:

Page 431, line 28, strike "\$178,585,157" and insert "\$181,785,157".

Page 433, following line 25, insert:

"N. Notwithstanding §46.2-688, Code of Virginia, the Department of Motor Vehicles shall not be required to refund a proration of the total cost of a motor vehicle registration when less than a year remains in the registration period. The annual savings, estimated to be \$3,200,000 each year, shall be retained by the Department and used to meet the expenses of the Department."

Explanation:

(This amendment removes the requirement that partially used registrations be refunded if less than 12 months remain in the registration period.)

Organ Donation Brochures

| Transportation | Language |
|------------------------------|-----------------|
| Department of Motor Vehicles | |

Language:

Page 433, following line 25, insert:

"N. Notwithstanding §46.2-342, Code of Virginia, the Department of Motor Vehicles shall not be required to include organ donation brochures with every driver's license renewal notice or application mailed to licensed drivers."

Explanation:

(This amendment removes an unnecessary provision that requires informational brochures be included with driver's license mailings. The Department of Motor Vehicles has confirmed with Donate Life that the brochures are no longer needed.)

Motor Vehicle Registration Discounts

Transportation

Department of Motor Vehicles

Language

Language:

Page 433, following line 25, insert:

"N. Notwithstanding §46.2-214.3, Code of Virginia, the Commissioner of the Department of Motor Vehicles may end or modify discounts for mutiyear or online registrations. The annual savings from any such action shall be retained by the agency and used to meet the expenses of the Department."

Explanation:

(This amendment provides flexibility to the Commissioner to respond to shifts in customer behavior.)

Item 442 #4s

Motor Vehicle Registration Transfer Fee

Transportation

FY16-17

FY17-18

Department of Motor Vehicles

\$0

\$800,000 NGF

Language:

Page 431, line 28, strike "\$178,585,157" and insert "\$179,385,157".

Page 433, following line 25, insert:

"N. Notwithstanding any other provision of law, the Department shall assess a fee on the transfer of an existing registration to another vehicle titled in the name of the owner that is equal to the Department's share of the fee for an original registration."

Explanation:

(This amendment would equalize the motor vehicle registration transfer fee with the fee amount DMV receives from original registrations.)

Item 442 #8s

\$1 Jamestown License Plate Fee

Transportation

Department of Motor Vehicles

Language

Language:

Page 433, following line 25, insert:

"N.1. In addition to all other fees required by law, there is imposed a \$1.00 annual fee on the registration by the Department of Motor Vehicles on each pickup or panel truck and each motor vehicle, to be charged and collected at the time of registration under subdivisions A1 through A12 of §46.2-694, Code of Virginia.

2. In each fiscal year, the funds collected from the \$1.00 annual registration fee pursuant to paragraph N.1 of this Item shall be paid to the Jamestown 2019 Commemoration Fund to support educational programs sponsored or approved by the Jamestown-Yorktown Foundation, community programs, facility operations and other activities related to the planning, and promotion of the 2019 Commemoration.

3. The Jamestown-Yorktown Foundation shall prepare an operating plan for the use of any monies paid into the Jamestown 2019 Commemoration Fund and receive the Governor's approval of such operating plan prior to the allotment of such monies for expenditure.

4. It is the intent of the General Assembly that the provisions of this paragraph support activities of the Jamestown 2019 Commemoration and are not to be continued past June 30, 2020."

Explanation:

This amendment directs the imposition of a \$1.00 vehicle registration fee for FY2018 through the end of FY2020 with the proceeds directed to the Jamestown Yorktown Foundation for the 2019 Commemoration.)

Item 449 #1s

Hampton Roads Passenger Rail Tier II EIS

Transportation

Department of Rail and Public Transportation

Language

Language:

Page 437, following line 47, insert:

"F. No later than May 1, 2017, the Department of Rail and Public Transportation, in collaboration with the Hampton Roads Transportation Planning Organization as well as all relevant stakeholders, shall evaluate the costs of and potential funding sources for completing a Tier II Environmental Impact Study for the purpose of delivering future high speed passenger rail service between Richmond and Hampton Roads, and provide this information to the Chairmen of the House Committees on Transportation and Appropriations, the Senate Committees on Transportation and Finance no later than November 15, 2017. The Commonwealth Transportation Board shall prioritize the inclusion

of funding for the development Tier II EIS in the FY18 to FY 23 Six Year Improvement Plan beginning not earlier than FY 2020. Such funds shall be administered as Intercity Passenger Rail Operating and Capital Funds."

Explanation:

(This amendment directs the Department of Rail and Public Transportation and the Hampton Roads Transportation Planning Organization to conduct the Richmond/Hampton Roads Tier II Passenger Rail Environment Impact Study not earlier than FY 2020.)

Item 450 #1s

Reduce Proposed New Staffing

| Transportation | FY16-17 | FY17-18 |
|--|----------------|----------------|
| Department of Rail and Public Transportation | 0.00 | -3.00 FTE |

Language:

Page 438, line 6, strike "7" and insert "5".

Explanation:

(This amendment reduces the proposed new staffing for the Department of Rail and Public Transportation from six to three and reduces the proposed increase in Rail program overhead expenses from 7 percent to 5 percent. The amendment leaves approximately \$900,000 for three positions to manage the initial stages of the Atlantic Gateway project.)

Item 453 #1s

Coalfields Expressway Authority

| Transportation | Language |
|------------------------------|-----------------|
| Department of Transportation | |

Language:

Page 441, following line 30, insert:
"L. It is the intent of the General Assembly that the Commissioner, Department of Transportation, with the cooperation of the Secretary of Finance shall effectively transfer any federal funding specifically authorized by Congress for projects on the Coalfields Expressway to the Coalfields Expressway Authority as established by the 2017 General Assembly."

Explanation:

(This amendment directs the transfer of any future federal funding programmed for projects on the Coalfields Expressway to the Coalfields Expressway Authority established by the 2017 General Assembly.)

Item 453 #2s

Rolling Road Widening Project; Moving Utilities Underground

Transportation

Department of Transportation

Language

Language:

Page 441, following line 30, insert:

"L. Notwithstanding any other provision of the Code of Virginia, from such state levied revenue sources appropriated to the Construction District Grant Programs, the Commonwealth Transportation Board shall allocate \$2,000,000 in the second year for the purpose of underground utilities in conjunction with widening of Rolling Road in Fairfax County between Old Keen Mill Road and the Fairfax and Franconia-Springfield Parkways. Costs incurred shall not include any previously budgeted costs for moving utilities as part of the project nor any associated right of way acquisition cost. Provision of this funding shall be contingent upon the the affirmative determination of the Commissioner that these funds be matched by not less than \$2.00 in matching funding to every \$1.00 in Commonwealth Transportation Funds."

Explanation:

(This amendment provides funding for one-third of the costs of moving utilities underground as part of the current Rolling Road widening project in Fairfax County.)

Item 453 #3s

Prohibit PLAs on PPTA Projects

Transportation

Department of Transportation

Language

Language:

Page 441, following line 30, insert:

"L. Notwithstanding any provision of law to the contrary, the provisions of §2.2-4321.2, Code of Virginia, shall be applicable to transportation infrastructure projects or facilities to

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be developed pursuant to the Public-Private Transportation Act of 1995, as amended.”.

Explanation:

(This amendment expands existing statutory provisions governing project labor agreements to PPTA projects. The public body would be prohibited from requiring or prohibiting labor agreements as part of the contract. Voluntary agreements between contractors and labor would not be impacted.)
