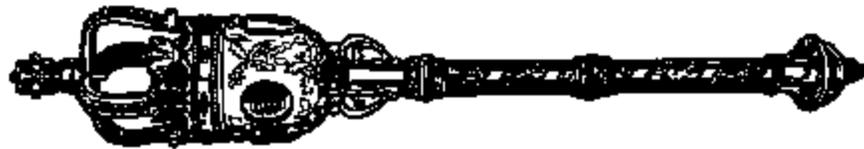


*Report of the
House Appropriations
Subcommittee*

on

Transportation



House Bill 1400

February 2, 2003

**Respectfully Submitted by the House Appropriations Subcommittee
on Transportation:**

John A. Rollison, III, Chairman

Beverly J. Sherwood

Leo C. Wardrup, Jr.

Allen W. Dudley

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Marian Van Landingham

Jackie T. Stump

REPORT OF THE SUBCOMMITTEE

on

TRANSPORTATION

Mr. Chairman and Members of the Committee:

As we have heard in detail over the past month, the reductions to DMV imposed by the Governor this past October posed a serious hardship to citizens across the Commonwealth. In order to help balance the general fund budget, DMV had to close 12 of its 73 customer service centers across the state. This action has resulted in citizens in some areas of the state driving long distances for these core services, while the closure of all remaining service centers on Wednesdays led to unacceptable wait times. In many locations Virginia's drivers have faced lines lasting 3 or more hours. Quite simply, the daily lives of our citizens were made unnecessarily difficult by the DMV reduction actions.

The Transportation Subcommittee is pleased to recommend the restoration of services at DMV including providing funding for: reopening the closed customer service centers by April 1 of this year, reestablishing Wednesday operations at all 73 customer centers, rehiring central employees needed to support these expanded activities, and reopening two of the closed weigh stations.

Unlike the Governor's restoration proposal, which was dependent on a one-time revenue source, the subcommittee recommends providing DMV with a reliable ongoing revenue stream by reducing the transfer of DMV special fund revenues to the general fund, and increasing the driver's license fee by \$1.00 per year to support DMV's long-term revenue shortfalls. In total, \$17.7 million of DMV reductions are restored by the subcommittee over the biennium.

The subcommittee also continues its commitment to investments in other areas of transportation across the Commonwealth. Included among the subcommittee recommendations is \$11.5 million from the general fund in FY 2004 to support one full year of debt service on a \$150 million bond issuance for highway construction and transit projects in Northern Virginia, Hampton Roads and the I-81 corridor. Although the VTA of 2000 commitment to provide one-third of the insurance premium tax revenues for transportation cannot be met this year because of the broader budgetary shortfalls, this commitment to the bond program authorized by House Bill 2750 will be used to jumpstart needed capital improvements across the Commonwealth.

In other action, the Subcommittee also was able to reduce the transfer of funding from the Motor Vehicle Dealer Board's Transaction Recovery Fund by \$500,000 to ensure that Virginia's independent automotive dealers can continue to operate under the auspices of the Fund. Without the restoration of these fund balances, dealers would have faced far higher ongoing costs of doing business simply for the sake of short-term budgetary savings. By maintaining a minimum balance in the recovery fund, independent dealers avoid having to purchase high-cost individual liability coverage.

Finally, the Subcommittee recommends authorizing a \$50.0 million revenue bond issuance for the Virginia Port Authority to support Phase II of the Norfolk International Terminal South. These bonds will be supported wholly from the VPA's special revenue funds and will supplement the State-supported bonds issued this past year for Phase I of that project.

The details of the Subcommittee's report are contained in the attachments. Committee staff will review the report and the attached listing of our recommendations at this time, and we hope it will be your pleasure to adopt the report.

Budget Amendment Recommendations

<u>Amendment</u>	<u>2002-04 BIENNIAL TOTAL</u>		
	<u>General</u>	<u>NGF</u>	<u>FTE</u>
	<u>Fund</u>		
<u>HB 30 (2002-04 Budget)</u>			
<u>Transportation</u>			
Additional Revenues			
Remove Sale of DMV Customer Service Centers		(1,634,060)	
Transfers			
Reduce Transfer from DMV		(4,745,307)	
Reduce Transfer from DMV for HB 1954		(400,000)	
Transfers Balances from DOAV for TTF Bonds		4,250,000	
Reduce Transfer from MVDB Trans. Recovery Fund		(500,000)	
Secretary Of Transportation			
Utilization of All Bridge Funds for Bridge Projects	Language		
Department Of Aviation			
Restore Washington Airports Task Force Funding		240,000	
Department Of Motor Vehicles			
Restoration of Services		17,757,878	302
Restore Local Rental Tax Payment Appropriation		3,680,000	
Department of Rail and Public Transportation			
Special Project Grant Funding Uses	Language		
Department of Transportation			
Soil Stabilization Study	Language		
Route 58 Corridor Report	Language		
FRAN Debt Service Payments	Language		
HB 2750 Bond Funding		11,500,000	
Motor Vehicle Dealer Board			
Retain MVDB Transaction Recovery Fund	Language		
Virginia Port Authority			
Use of Bond Proceeds for Security Facilities	Language		
Central Appropriations			
Expand PPTRA to Vehicles Held in Trust		26,790	
Part 3			
Technical Correction/Aviation Transfer Language	Language		
VDOT Transfer to Support Historic Resources	Language		
DMV Driver's License Increase to \$20/5 years	Language		
	=====	=====	
Subtotal: Transportation		11,526,790	18,648,511

Transportation

Secretary Of Transportation

Language

Language:

Page 445, after line 37, insert:

"G. Funds apportioned under federal law for the Bridge Replacement and Rehabilitation program shall be allocated as required by federal law and to bridge projects across the Commonwealth. All funds apportioned to the Commonwealth through the federal Bridge Replacement and Rehabilitation Program shall be programmed for bridge projects, and the Commonwealth's full apportionment of such funds shall be allocated for such purposes each year. No federal bridge funds may be transferred to any other funding program, regardless of the provisions of federal law. The Secretary of Transportation shall report the chairmen of the House Appropriations and Senate Finance Committees no later than July 1, 2003, on the Department of Transportation's efforts to expedite the expenditure of available bridge funds."

Explanation:

(This amendment states that no federal bridge funds available to the Commonwealth may be used for other purposes and directs the Secretary of Transportation to report on his efforts to expedite VDOT's utilization of bridge funds.)

Transportation

Department Of Aviation

Language

Language:

Page 446, line 45, strike the first "\$250,000" and insert "\$370,000".

Page 446, line 45, strike the second "\$250,000" and insert "\$370,000".

Explanation:

(This amendment increases the appropriation for the Washington Airports Task Force from \$250,000 each year to \$370,000 each year. The introduced Budget Bill reduced funding for this activity by 50 percent each year. The remaining reduction is 26 percent each year over Chapter 899 levels.)

Transportation Subcommittee

Item 485 #1g

Transportation

Department Of Rail And Public
Transportation

Language

Language:

Page 452, line 11, strike "shall be" and insert:

"may be used to support transportation demand management projects, public transportation safety, training, technical assistance, planning, marketing and promotion, demonstration projects, and other public transportation projects as approved by the Commonwealth Transportation Board."

Page 454, strike lines 12 through 13.

Explanation:

(This amendment clarifies the use of special project grant funding.)

Transportation Subcommittee

Item 490 #1h

Transportation

Department Of Transportation

Language

Language:

Page 455, after line 33, insert:

"Out of the amounts provided for Ground Transportation System Planning and Research, the Department of Transportation, through the Virginia Transportation Research Council, shall allocate such amounts as may be required to continue its study on the use of soil stabilizers as an alternative to paving low-volume secondary roads. The study shall include the analysis of sufficient road samples for the Department to establish a policy facilitating the use of soil stabilizers wherever cost-effective. Findings of the study shall be reported to the Chairmen of the House Appropriations and Senate Finance Committees no later than December 1, 2003."

Explanation:

(This amendment directs VDOT's Virginia Transportation Research Council to continue its study of the use of soil stabilizers as an alternate to paving low-volume secondary roads.)

Transportation Subcommittee

Item 491 #3h

Transportation

Department Of Transportation

Language

Language:

Page 457, after line 42, insert:

"5. The Commissioner of the Department of Transportation shall report on or before July 1 of each year to the Chairmen of the House Appropriations and Senate Finance Committees on the cash balances in the Route 58 Corridor Development Fund. In addition, the report shall include the following: i) allocations and expenditures from the Fund for the preceding fiscal year by project and district; ii) a comparison of actual spending to allocations by project and district; and iii) a six-year plan for planned future expenditures from the Fund by project and district."

Explanation:

(This amendment directs VDOT to report to the House Appropriations and Senate Finance Committees concerning the cash balance in the Route 58 Corridor Development Fund. This plan must include a presentation of where funds are currently being expended and a plan for future allocations from the fund.)

Transportation Subcommittee

Item 491 #8h

Transportation

Department Of Transportation

Language

Language:

Page 461, line 33, after "2000.", insert:

"Additionally, notwithstanding Enactment 6 of Chapters 1019 and 1044, Acts of Assembly of 2000, out of the amounts provided for this item in the second year, an amount equivalent to the debt service payment requirements on the Federal Highway Reimbursement Anticipation Notes, exclusive of general funds provided for that same purpose, shall be set aside from the highway portion of the Transportation Trust Fund prior to making the formula allocations required by § 33.1-23.1 B for budgetary accounting purposes."

Explanation:

(This amendment directs VDOT to allocate any transportation funds required to support debt service on FRANs issued in support of VTA projects "off-the-top" prior to allocations to the primary, secondary and urban systems.)

Transportation Subcommittee

Item 499 #1h

Transportation

Motor Vehicle Dealer Board

Language

Language:

Page 464, strike lines 30 through 36.

Explanation:

(This amendment strikes language eliminating the Motor Vehicle Transaction Recovery Fund. House Bill 2604 amends language relating to the fund which would allow for voluntary payment into the fund or, alternatively, individual bonding. A companion amendment to Part 3 decreases the Governor's proposed balance sweep from the fund to ensure that a \$500,000 balance is maintained in the fund to support claims against those who elect to continue operating under the Fund.)

Transportation Subcommittee

Item 501 #1h

Transportation

Virginia Port Authority

Language

Language:

Page 466, line 55, after "407-16644)", insert:

", and the construction of security related facilities at Norfolk International Terminals (North) and Portsmouth Marine Terminal."

Explanation:

(This amendment allows revenue bonds to be used also for the new construction of security facilities.)

Transportation Subcommittee

Item 3-1.01 #7h

Transfers

Interfund Transfers

Language

Language:

Page 565, italicize line 18.

Explanation:

(This amendment corrects a technical error in the introduced budget bill to appropriately designate a transfer from the DOAV as a new request.)

Transportation Subcommittee

Item 3-1.01 #8h

Transfers

Interfund Transfers

Language

Language:

Page 565, line 17, strike "\$4,389,922" and insert "\$3,889,922".

Explanation:

(This amendment decreases the proposed transfer of balances from the Motor Vehicle Dealer Board's Transaction Recovery Fund by \$500,000 to allow for continued operation of this fund for those motor vehicle dealers that elect to continue to contribute to the Fund.)

Transportation Subcommittee

Item 3-1.01 #11h

Transfers

Interfund Transfers

Language

Language:

Page 565, line 20, strike "\$2,402,437" and insert "\$6,652,437".

Explanation:

(This amendment increases the Governor's proposed transfer of balances in the Aviation Special Fund to the general fund from \$2.4 million to \$6.6 million.)

Transportation Subcommittee

Item 3-1.01 #17h

Transfers

Interfund Transfers

Language

Language:

Page 565, line 3, strike "\$14,018,329" and insert "8,873,022".

Explanation:

(This amendment reduces transfers from DMV to reflect the restoration of funding provided by the House amendments to the 2002-2004 Budget Bill. The DMV restoration is accomplished in a companion amendment to Item 480.)

Transportation Subcommittee

Item 3-1.01 #18h

Transfers

Interfund Transfers

Language

Language:

Page 565, line 9, strike "\$38,142,104" and insert "\$38,242,104".

Explanation:

(This amendment transfers \$100,000 from VDOT in the second year to the Department of Historic Resources to expedite the processing by Historic Resources of reviews required to undertake transportation projects.)

Transportation Subcommittee

Item 3-1.01 #21h

Transfers

Interfund Transfers

Language

Language:

Page 565, line 18, strike "\$3,988,762" and insert "\$3,868,762".

Page 565, line 18, strike "4,132,075" and insert "\$4,012,075".

Explanation:

(This amendment reduces the transfer from the Department of Aviation to the general fund in order to restore a portion of the funding for the Washington Airports Task Force.)

Transportation Subcommittee

Item 3-6.02 #1h

Adjustments and Modifications to Fees

Motor Vehicle Fees

Language

Language:

Page 573, line 40, strike "§ 3-6.01" and insert "§ 3-6.02".

Page 573, line 49, after "shall be," strike "three" and insert "four".

Page 573, line 49, after "year.", insert:

"The fee for a commercial driver's license or seasonal restricted commercial driver's license shall be seven dollars per year."

Explanation:

(This amendment increases the fee for a driver's license by \$1 per year, increasing the five-year license cost from \$15 to \$20. The fees for a commercial driver's license would increase from \$30 from \$35. Revenues generated from this action will be used exclusively to restore DMV activities.)