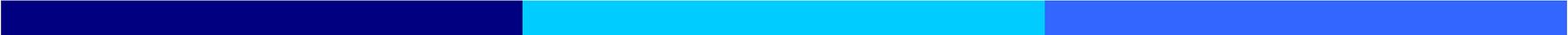


HB 3202

Transportation Package



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House Appropriations Committee Staff

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HB 3202 – Transportation Reform Act of 2007

- Three-pronged approach to addressing transportation needs in the Commonwealth:
 - VDOT Reform
 - Additional Transportation Revenues
 - Statewide component
 - Northern Virginia Regional Package
 - Hampton Roads Regional Package
 - Land Use Reform
 - Will be addressed by Delegate Athey

VDOT Reform

- General Assembly Selection of Certain Commonwealth Transportation Board Members
 - Provides for the election of the five at-large Members of the CTB by the General Assembly
 - Governor would retain authority to appoint majority of Members – 9 district representatives
 - JLARC recommendation (December 2001)

- Provides for CTB Selection of VDOT Commissioner
 - Subject to approval of Governor
 - 4-year term
 - CTB also authorized to set the salary of the Commissioner

- Creation of the Transportation Accountability Commission
 - Membership comprised of 6 members of the House of Delegates, 4 members of the Senate and the Auditor of Public Accounts

- VDOT to Reconsider and Reassign Road Classification
 - VDOT roadways currently are assigned to administrative classifications – primary, secondary and urban that bear no relationship to the uses of the roadway
 - Language would require VDOT to shift roadways among the systems to more closely match their functional classifications
 - JLARC recommendation (December 2001)

- Competitively Bid Any of VDOT Functions
 - Authorizes the VDOT Commissioner to take steps as may be necessary to competitively bid or privatize Department functions that could be reasonably be provided by the private sector

- Require Toll Facilities to be Fully Automated Electronically
 - Provides that if substantial improvements are made to any toll facility, such improvements shall include the full automation of such toll collection technologies
 - Designed to ensure freer movement of traffic by construction full-speed lanes

Statewide Transportation Funding Package

(\$ in millions)							
	Proposed						
Proposed Sources	Amount	FY08	FY09	FY10	FY11	FY12	FY 13
One-time General Fund		566.0					
Dedicate \$250 million GF to transportation			250.0	250.0	250.0	250.0	250.0
50% of nonrecurring GF surplus*		50% of nonrecurring GF surplus					
Dedicate 1/3 Insurance Premiums Per Existing Law**		109.8	144.0	150.8	159.7	169.5	180.0
Increase Motor Vehicle Registration Fees	\$10	71.7	73.1	74.4	74.4	74.4	74.4
Collect Fees from Abusive Drivers	8+ demerits	57.5	80.5	108.1	108.1	108.1	108.1
Diesel Tax Equalization		19.8	20.8	21.8	22.9	24.1	25.3
Heavy Truck Registration Fees/Liquidated Damages	varies by weight	29.3	29.7	30.2	30.7	31.2	31.7
Grand Total:		\$ 854.0	\$ 598.1	\$ 635.3	\$ 645.8	\$ 657.3	\$ 669.5
Proposed Uses		FY08	FY09	FY10	FY11	FY12	FY 13
TPOF, Rail Enhancement, Port Fund		339.0					
Address Unfunded FRAN Debt Service		109.8	125.1	124.9	124.7	72.2	72.1
Sinking Fund Deposit for Bond Debt Service		163.0					
Bond Debt Service			18.9	25.9	35.0	97.3	107.9
Transportation Trust Fund Formula (All Modes)		\$ 242.2	\$ 454.1	\$ 484.5	\$ 486.1	\$ 487.8	\$ 489.5
Total Proposed Uses		\$ 854.0	\$ 598.1	\$ 635.3	\$ 645.8	\$ 657.3	\$ 669.5
Source: Revenue forecasts for insurance premiums, motor vehicle registration fees, abusive drivers, truck fees and diesel tax provided by Department of Taxation.							
*Average surplus remaining assumed to be \$64.0 million based on 12-year average, with short-fall years calculated as zero.							
**Insurance premium figure includes actual amount appropriated in FY 2008 which is 27%. Code provisions set dedication at one-third.							

Statewide Bond Package

- Authorizes the Commonwealth Transportation Board to issue up to \$2.0 billion of “AA”-rated 9(d) debt
 - Debt limited to 20-year issuances
 - Maximum of \$300 million would be issued each year over a 6-7 year period

- Bond proceeds would flow through the existing Transportation Trust Fund construction formula to the nine VDOT districts
 - Exclusive of unpaved roads
 - CTB permitted to dedicate portion to Interstate projects and to match federal Interstate dollars with bond proceeds

Statewide Bond Package

- When the entire \$2.0 billion in bonds is issued (approximately 2014), debt service requirements will peak at about \$154 million each year
 - Because debt is issued in \$300 million increments, debt service costs in the next biennium are only \$23.0 million in FY 2009 and \$46 million in FY 2010
- Debt service funded from two sources:
 - One-time deposit of \$163 million derived from additional revenues available from Governor's December 2006 revenue reforecast
 - This amount deposited into the Commonwealth Transportation Capital Projects Fund
 - Generates interest because amount not required for debt service in early years
 - Portion of 1/3 insurance premiums not required to service FRAN debt service
 - VDOT's FRAN debt service requirements (net of existing PTF revenues) allows excess amounts to be used for debt service on new bond issue
 - When FRAN debt is retired (first issuance paid off in FY 2011), freed up revenues will be dedicated to debt service on the new bonds
 - Any excess revenues flow to TTF
- The Debt Capacity Advisory Committee's (DCAC) most recent report (December 2006) indicates the Commonwealth could issue approximately \$945 million in tax-supported debt each year for the next ten years and stay within the self-imposed 5% debt service / revenues cap
 - Thus proposal would consume less than 1/3 of outstanding annual debt capacity
 - This capacity is above and beyond all previously authorized debt

Northern Virginia Regional Package

(\$ in millions)							
	Proposed						
Proposed Sources	Amount	FY08	FY09	FY10	FY11	FY12	FY13
Local Rental Car Impact Fee	2%	3.3	8.0	8.0	8.0	8.0	8.0
Commercial Real Estate Assessment	\$0.25/\$100	102.1	245.0	245.0	245.0	245.0	245.0
Initial Driver's License Fee	\$100/excludes teens	1.5	3.6	3.6	3.6	3.6	3.6
Congestion Relief Fee (real estate - by sellers)	\$0.40/\$100 value	63.2	151.6	151.6	151.6	151.6	151.6
Grand Total:		\$ 170.1	\$ 408.2				
Proposed Uses		FY08	FY09	FY10	FY11	FY12	FY13
WMATA		50.0	50.0	50.0	50.0	50.0	50.0
VRE		30.0	30.0	30.0	30.0	30.0	30.0
Payment to Existing Tax Districts (Route 28/Dulles Rail)	\$10.5 m. Rte 28, \$16.5 Dulles	27.0	27.0	27.0	27.0	27.0	27.0
45% of remainder pro rata to localities		28.4	135.5	135.5	135.5	135.5	135.5
50% Secondary and Urban							
Local Projects in long-range plan							
55% of remainder for Authority selected projects		34.7	165.7	165.7	165.7	165.7	165.7
Phase 2 Dulles Rail	\$20 million						
Total Proposed Uses		\$ 170.1	\$ 408.2				

Sources: Data on commercial real estate assessment and initial driver's license provided by Northern Virginia localities.

Hampton Roads Regional Package

(\$ in millions)							
	Proposed						
Proposed Sources	Amount	FY08	FY09	FY10	FY11	FY12	FY 13
Local Rental Car Impact Fee	2%	1.4	3.3	3.3	3.3	3.3	3.3
Commercial Real Estate Assessment	\$0.30/\$100	25.4	60.9	60.9	60.9	60.9	60.9
Initial Vehicle Registration Fee	1%	17.1	41.0	41.0	41.0	41.0	41.0
Grantors Tax	\$0.30/\$100 value	13.8	33.2	33.2	33.2	33.2	33.2
Auto Repair - Sales Tax on Services	5%	9.0	21.6	21.6	21.6	21.6	21.6
Local Motor Vehicle Registration Fee	\$10	5.4	13.0	13.0	13.0	13.0	13.0
Motor Vehicle Inspection Fee	\$10	6.1	14.6	14.6	14.6	14.6	14.6
Driver's License Fee	\$20	8.8	21.2	21.2	21.2	21.2	21.2
Grand Total:		\$ 87.0	\$ 208.8				
Proposed Uses		FY08	FY09	FY10	FY11	FY12	FY 13
Funding Dedicated to Identified Regional Projects - 2030 Plan		\$ 87.0	\$ 208.8				
Phase 1: 460 Upgrade, I-64 Peninsula Widening, I-64 Southside Widening, Midtown Tunnel/MLK Extension, Southeastern Parkway/Dominion Blvd, I-664 widening in Newport News, Southside and Monitor Merrimac Tunnel							
Phase 2: I-64 to the Intermodal Connector, I-564 to Monitor-Merrimac Tunnel, Craney Island Connector							
Sources: Data on commercial real estate assessment provided by Hampton Roads localities.							
Remaining sources estimated by Department of Taxation.							