

# Overview of Proposed Substitute for HB 1248

Transportation Subcommittee of House Appropriations  
February 6, 2012

# Overview of Proposal

- Dedicate portion of general fund revenue growth to transportation in years of high revenue growth and increase portion of year-end surpluses dedicated to transportation
- Improve linkages between local and state land use and transportation planning and provide disincentive for project scope creep
- Authorize private naming rights of highways
- Amend provisions relating to CTB tolling authority
- Widen uses of revenue-sharing program to include maintenance
- Authorize set-aside of funding off-the-top of highway allocations to support high priority items, including:
  - ✓ Bridge reconstruction/rehabilitation & Interstate & primary reconstruction
  - ✓ Projects of regional or statewide significance
  - ✓ Unpaved roads
  - ✓ PPTA projects
  - ✓ Smart roadway technology
- Dedicate an additional 0.25% of the sales tax to transportation
  - ✓ Would be deposited to HMOF
  - ✓ Phased-in over 8 years

# General Fund Growth and Surpluses

- Adds a new section, §2.2-1509.4, that directs the Governor, in years in which general fund revenue growth is anticipated to exceed 8%, to appropriate 1% of the general fund to the Transportation Trust Fund
  - ✓ Based on current GF forecast, 1% is about \$165 million
  - ✓ Supports policy adopted in 2002 (as set out in §2.2-1509.1) that in years in which revenue growth exceeds 8% funding is directed to nonrecurring activities to ensure that ongoing programs are not expanded at unsustainable levels
  - ✓ GF revenue growth has exceeded 8% in 11 of the last 25 years
- Amends the provisions of §2.2-1514 to increase the share of any year-end surplus and balance dedicated to transportation from 66% to 75%
  - ✓ In FY 2011 this would have increased the amount for transportation from \$67.2 million to \$76.3 million
  - ✓ Does not impact any of the other provisions relating to deposits to the Rainy Day Fund or the Water Quality Improvement Fund

# Linking Local and State Transportation Plans

- Amends the provisions of §15.2-2223 relating to local comprehensive plans to ensure greater consistency between local transportation plans and VDOT's statewide transportation plan
  - ✓ Requires each locality, the next time it makes its scheduled update to its comprehensive plan, to ensure that it conforms to VDOT's plans as outlined in the Six Year Program
  - ✓ Limits the required linkages to reflect changes in the Six Year Program that are significant new, expanded or relocated routes so as not to impose an administrative burden on localities
  - ✓ Provides that each locality's schedule for comprehensive plan updates is transmitted to VDOT to ensure they can work together to achieve consistency
- Amends §33.1-12 by adding a new section 9 (f) which states that if VDOT finds a local comprehensive plan is in conflict with VDOT's planned transportation improvement in a locality or MPO the two entities shall work together to reach agreement and if such agreement still cannot be reached, provides that the CTB may withhold funding associated with the project in contention
- Language in this paragraph also provides that the CTB may require a locality or MPO to repay VDOT if the locality or MPO terminates a project or requests project alterations that exceed 10% of a project's costs

# Additional Provisions

## Naming Rights:

- Amends provisions of §33.1-12 (f) to authorize the naming of transportation facilities for private entities provided such entities pay an annual fee as established by the Commonwealth Transportation Board
  - ✓ Includes provisions identical to those governing license plates to ensure that all such naming is appropriate
  - ✓ Language prohibits the granting of naming rights to a facility that has been previously named unless the naming incorporates that name

## Revenue Sharing Program:

- Amends provisions of §33.1-23.05 relating to the VDOT revenue sharing program to allow the funds to be used for maintenance as well as construction projects
- Language provides that first priority goes to allocations accelerating projects in the Six Year Program and then to maintenance

# Tolling Authority

- Amends existing provisions of §33.1-23.03:10 to address the Commonwealth Transportation Board's authority to construct toll roads and impose tolls
- Adds language expanding the applicability of the section from Interstate roadways to also include newly constructed or substantially expanded primary roads
- In the case of primary routes, provides that no project shall begin until the next time the General Assembly adjourns sine die following the initial announcement of such project
  - ✓ This provides the opportunity for the General Assembly to play a greater role in the consideration of these types of projects
  - ✓ No approval would be required but the intervening period would allow time for negotiation, and also provide the General Assembly the ability to prohibit any specific project which it does not wish to see move forward

# Focusing Construction Funds on High Priority Projects

- Amends §33.1-23.1 to set aside an amount not to exceed \$500 million from the highway portion of the Transportation Trust Fund to be allocated as follows:
  - ✓ 25% to bridge reconstruction and rehabilitation
  - ✓ 25% to high priority regional and statewide projects
  - ✓ 15% to PPTA projects
  - ✓ 5% to unpaved roads carrying at least 200 vehicles per day
  - ✓ 5% to Smart road technology
- These provisions would expire July 1, 2020
- Intent is to ensure that already limited funds do not have to be allocated in such small increments as to be inefficient and ineffective at addressing the Commonwealth's construction needs

# Increase Share of Sales Tax Dedicated to Transportation

- Since 1987, 0.5% of the general sales and use tax has been dedicated to transportation
- This bill amends provisions of §58.1-638 to migrate an additional 0.25% to transportation over the next eight years, as follows:
  - ✓ 0.05% additional in FY 2013 and FY 2014
  - ✓ 0.10% additional in FY 2015 and FY 2016
  - ✓ 0.15% additional in FY 2017 and FY 2018
  - ✓ 0.20% additional in FY 2019
  - ✓ 0.25% additional in FY 2020
- These amounts would be deposited into the Highway Maintenance and Operating Fund (HMOF) to help address the maintenance shortfall
- Governor recognized the general fund revenue reduction in HB 30
- As drafted in the substitute, this would increase transportation funding by \$46.5 million in FY 2013 and \$48.1 million in FY 2014
- Based on current dollars, when fully implemented this would generate an additional \$240 million in maintenance funding each year