



COMMONWEALTH of VIRGINIA  
*Office of the*  
SECRETARY of TRANSPORTATION

## Legislative Update

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# Key Legislation

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- **Regional Gas Tax ‘Price Floor’ (HB768/SB896)**
- **WMATA and Mass Transit Omnibus (HB1539/SB856)**
- **81 Corridor Study (SB971)**
- **Programming and Transparency (HB765)**

# Regional Gas Tax ‘Price Floor’

- **General Assembly passed HB768 (Jones) and SB896 (Wagner) by a vote of 65 to 27 and 28 to 11**
- **Establishes a ‘price floor’ for purposes of determining the amount of the regional 2.1% tax on fuel in NOVA and Hampton Roads**
  - **\$27.2M for the Northern Virginia Transportation Commission**
  - **\$22M for the Hampton Roads Transportation Accountability Commission**
  - **\$18M for the Potomac-Rappahannock Transportation Commission**

# **WMATA and Mass Transit (HB1539/SB856)**

- **General Assembly passed HB1539 (Hugo/Sullivan) and SB856 (Saslaw/Barker) by a vote of 96 to 1 and 25 to 15**
- **Provides WMATA with \$154M in dedicated, permanent funding**
- **Provides VRE with \$15M in dedicated, permanent funding**
- **Requires implementation of key reforms at WMATA**
- **Requires implementation of reforms for state transit program and certain transit agencies**

# **WMATA Capital Fund (HB1539/SB856)**

- **Establishes a special, non-reverting Fund**
- **Revenues deposited may only be used for capital projects at WMATA**
  - **Certification from the Northern Virginia Transportation Commission (NVTC) is required prior to the release of funds**
- **~80% of the revenues are bondable**
- **Provisions of the bill related to WMATA funding and reform are linked to DC and Maryland providing their share of the \$500M**

# WMATA Capital Fund (HB1539/SB856)

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## **\$154 million is deposited WMATA Capital Fund**

- **\$20M from existing state recordation taxes**
- **\$10M from existing 1% motor vehicle rental tax**
- **\$29.7M from 2% transient occupancy tax in NVTC**
- **\$44.9M from \$0.15 grantors tax in NVTC**
- **\$22.3M from NVTC gas tax 'price floor'**
- **\$27.1M from local jurisdictions paid out of 30% NVTA local funds**

# Regional Taxes (HB1539/SB856)

- **Repeals two of three Northern Virginia Transportation Authority taxes**
  - **2% Transient Occupancy Tax (\$31.7M)**
  - **\$0.15 per \$100 Grantor's Tax (\$52.7M)**
- **Imposes both taxes at the same rate in Prince William, Manassas and Manassas Park**
  - **\$1.7M from TOT for public transportation only**
  - **\$7.8M from Grantor's tax for transportation only**

# WMATA Reforms (HB1539/SB856)

- **Provides WMATA with a fixed percentage of state transit program – 53.5%**
  - Provides WMATA with certainty
  - Ensures WMATA cannot consume increasingly larger portions of state program
  - Amount is in line with current WMATA funding levels under program
- **NVTC has flexibility to use funds for operating and/or capital costs as they deem appropriate**



# WMATA Reforms (HB1539/SB856)

- **Caps Virginia operating assistance at 3% growth per year**
  - **Excludes increases related to (i) major capital projects, (ii) service, equipment, or facility required by law, and (iii) legal disputes or proceedings**
  - **35% of state funding to WMATA shall be withheld for non-compliance**
- **Prohibits alternate Board members from participating in Board meetings**
  - **20% of state funding to WMATA shall be withheld for non-compliance**

# WMATA Reforms (HB1539/SB856)

- **Requires NVTC to report annually on WMATA's performance and condition**
- **Report is modeled after LaHood Report**
  - **Safety and reliability**
  - **Financial performance of rail and bus systems – cost per hour of service, service per rider, etc**
  - **Strategies to reduce growth in such costs**
  - **Use of funds from the WMATA Capital Fund**
  - **Ridership of rail and bus systems**

# WMATA Reforms (HB1539/SB856)

- **Requires WMATA to annually adopt a 6-year capital improvement program**
- **Requires WMATA to adopt or update a strategic plan every 3 years**
  - **First plan must include strategies to address recommendations included in the LaHood Report**
- **WMATA must hold a public hearing in NOVA prior to adoption**
- **20% of state funds for WMATA shall be withheld for non-compliance**

# **WMATA Reforms (HB1539/SB856)**

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- **Requires that contracts for projects initiated after July 1, 2018 and solely located within Virginia not discriminate or encourage participation in project labor agreements**
- **Establishes a Metro Reform Commission, consisting of 4 members appointed by the General Assembly, to review WMATA**

# Virginia Railway Express (HB1539/SB856)

- **Established a special, non-reverting fund – the Commuter Rail Operating and Capital Fund**
- **May only be used for VRE**
  - Operating expenses
  - Rolling stock, track improvements, etc
- **\$15M in dedicated, permanent funding from NVTC and PRTC gas tax revenues**
- **VRE may sell bonds from fund; debt service is capped at 66% of anticipated revenues**

# Virginia Railway Express (HB1539/SB856)

- Funds are provided by each Commission based VRE subsidy formula
- Under current formula funding is provided as follows:
  - NVTC \$4.85M
  - PRTC \$10.15M
- PRTC has an additional \$7.85M from gas tax that flows back to local jurisdictions for transportation purposes

# Mass Transit (HB1539/SB856)

- **Does not include provisions to address ‘transit fiscal cliff’**
- **Requires implementation of statewide prioritization process**
  - **Must use for FY20-25 Six-Year Improvement Program update**
  - **Allows for separate process for (i) state of good repair and minor expansion, and (ii) major expansion projects**
- **Requires that starting in FY20 all state transit operating assistance be distributed based on TSDAC service delivery factors**
  - **Board is required to update no later than July 1, 2019**

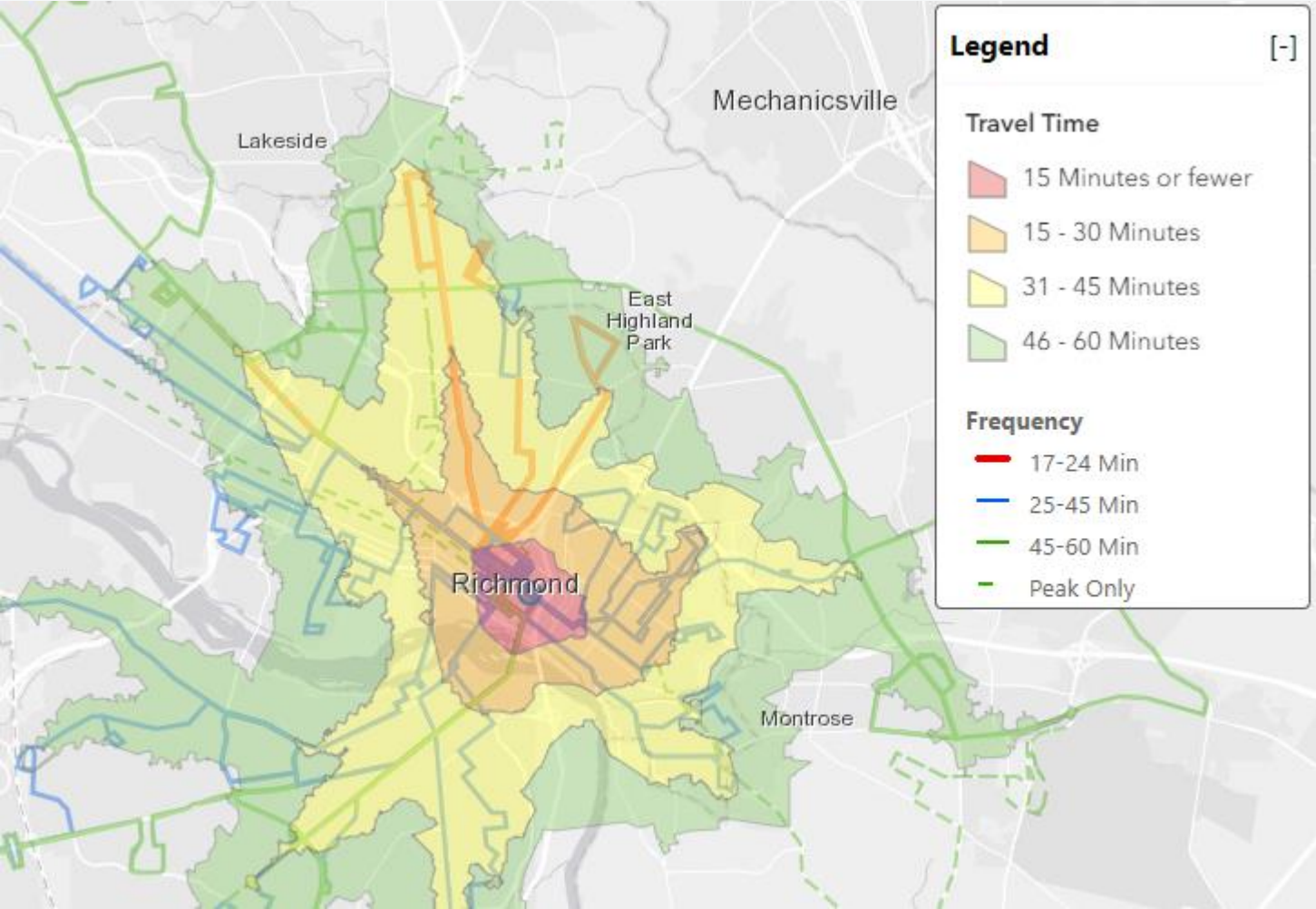
# Mass Transit (HB1539/SB856)

- **Requires larger urban transit agencies to develop strategic plans every 5 years**
- **DRPT to develop guidelines for Board's approval**
  - **Assessment of SGR needs**
  - **Review of performance of routes**
  - **Evaluation of opportunities to improve efficiency of transit network**
  - **Examination and identification of opportunities to share services where providers overlap**
  - **Examination of opportunities to improve service in underserved areas**



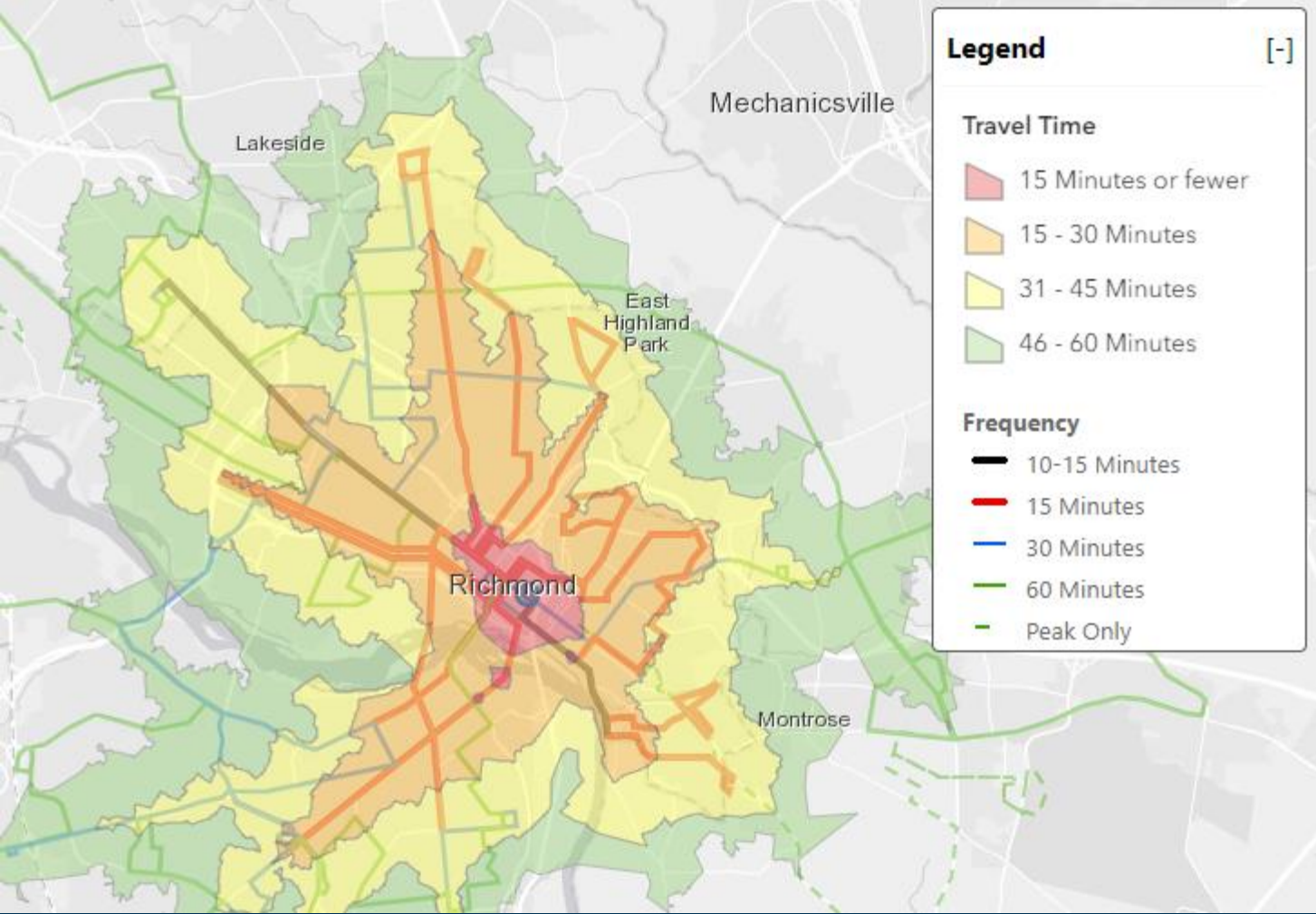
# Richmond Transit Network Plan

## Existing Network



# Richmond Transit Network Plan

## Revised Network



# 81 Corridor Improvement Plan

- **General Assembly passed SB971 (Obenshain/Carrico) by a vote of 92 to 3 and 40 to 0**
- **Requires Board, with assistance of Intermodal Office, to develop an Interstate 81 Corridor Improvement Plan**
  - **Identify segments of 81 and targeted improvements for each segment**
  - **Examine toll financing options for such improvements through truck-only tolls or HOT lanes; no commuter tolls**
  - **Examine impacts on diversion of truck traffic to local routes, and potential economic impacts**
  - **Identify options to minimize impacts on local trucks**

# Programming and Transparency

- **General Assembly passed HB765 (Jones) by a vote of 95 to 2 and 38 to 0**
- **SMART SCALE and SGR projects must be fully funded to be added to SYIP**
- **Provides \$100M or 7% of program for Revenue Sharing annually and limits jurisdictions to awards of \$5M/year Updates Board appointment requirements**
- **Adds new reporting requirements for Intermodal Office and updates VDOT requirements**
- **Clarifies responsibilities of the Intermodal Office**