



COMMONWEALTH *of* VIRGINIA  
Office of the  
SECRETARY *of* TRANSPORTATION

## **Legislative Update**

**Nick Donohue**  
**February 19, 2020**

# Overview of Administration Proposals

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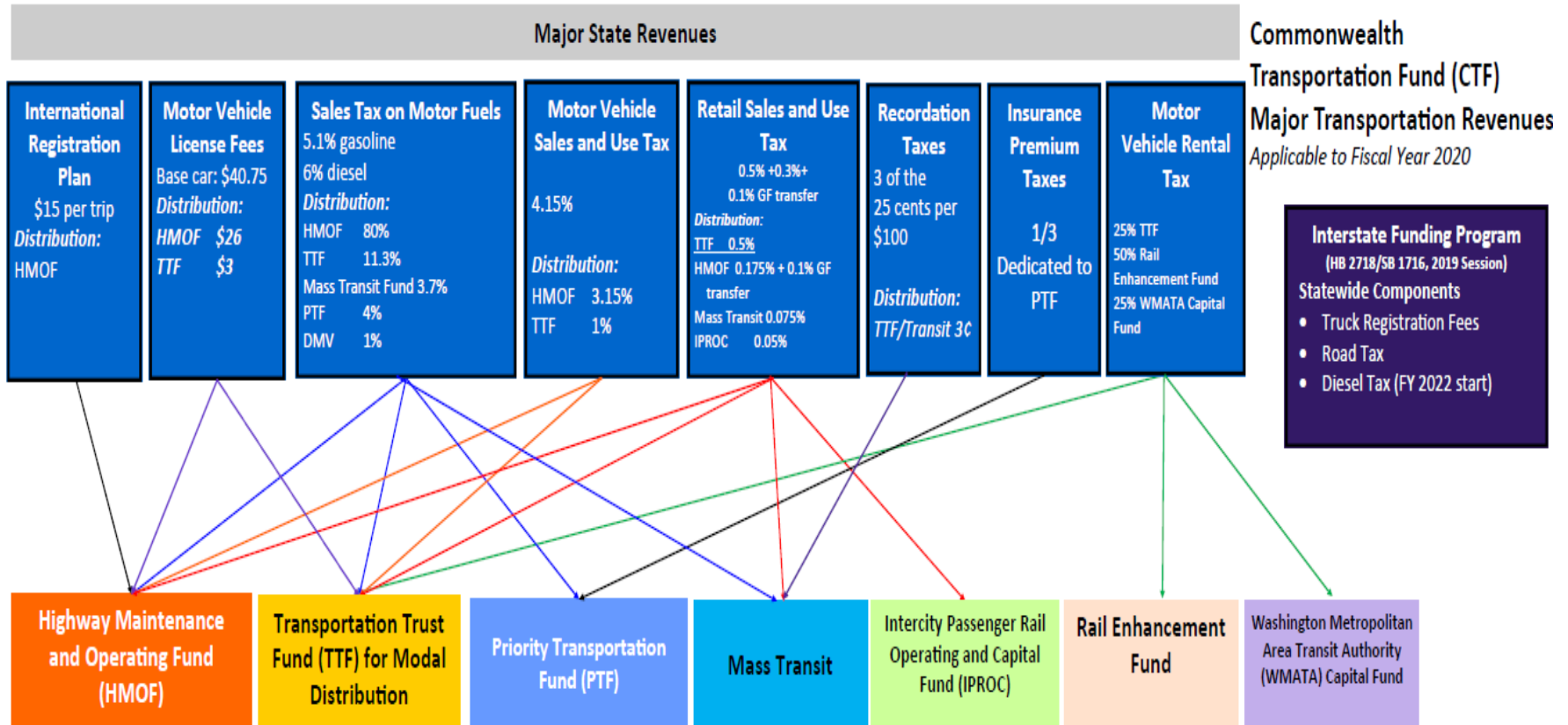
- Omnibus transportation package
  - HB1414 (Filler-Corn)
  - SB890 (Saslaw)
- Transportation Safety
  - HB1439 (Jones)
  - SB907 (Lucas)
- Hampton Roads Express Lanes Bonds Act
  - HB1438 (Jones)

# Governor's Transportation Package (HB1414 Filler-Corn / SB890 Saslaw)

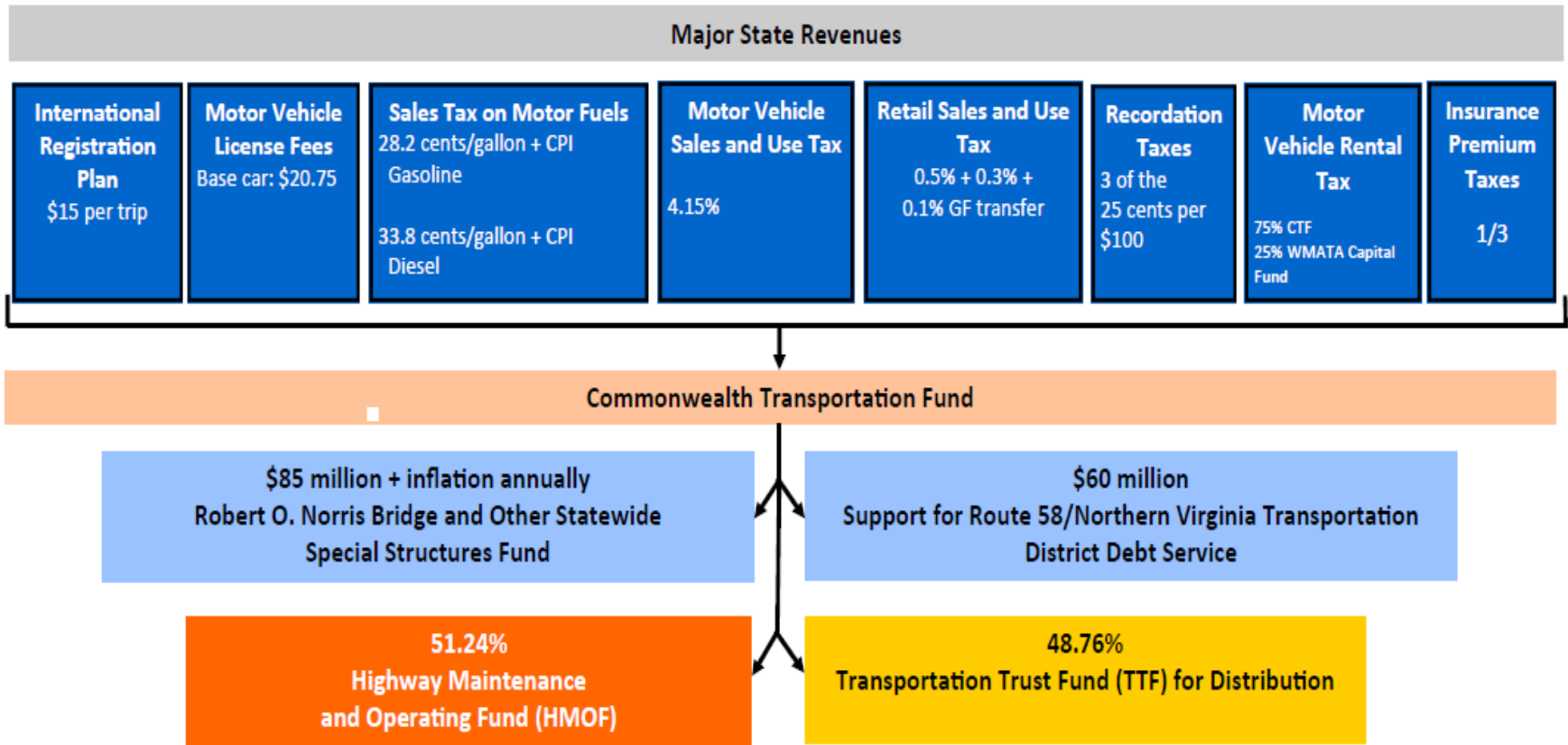
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- HB1414 passed the House 55 to 43
  - Referred to Senate Finance and Appropriations
- SB890 passed the Senate 23 to 17
  - Referred to House Finance

# Today's transportation funding allocation model: confusing and opaque



# New, streamlined allocation model



# HB1414 – Revenue Sources

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- Raise the gas tax by 4 cents a year for 3 years
- Index the gas and diesel tax to CPI instead of the sales price of fuel
- Create a new Highway Use Fee on fuel-efficient vehicles – a tiered fee based on fuel economy
- Cut most passenger vehicle registration fees by \$20 starting in FY2022

# HB1414 Funding

	FY21	FY22	FY23	FY24
Phase Gas Tax Increase	\$152.4	\$319.6	\$492.9	\$542.6
Highway Use Fee	\$38.0	\$46.7	\$55.9	\$58.8
Reg. Fee Reduction	-	(\$163.2)	(\$164.7)	(\$165.4)
<b>GROSS TOTAL</b>	<b>\$190.4</b>	<b>\$203.1</b>	<b>\$384.1</b>	<b>\$436.0</b>
Route 58/NVTD/Oak Grove	(\$61.0)	(\$61.0)	(\$60.0)	(\$60.0)
DMV	(\$5.0)	(\$5.0)	(\$5.0)	(\$5.0)
<b>NET TOTAL</b>	<b>\$124.4</b>	<b>\$137.1</b>	<b>\$319.1</b>	<b>\$371.0</b>

# SB890 – Revenue Sources

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- Raise the gas tax by 4 cents a year for 2 years
- Index the gas and diesel tax to CPI instead of the sales price of fuel
- Create a new Highway Use Fee on fuel-efficient vehicles – a tiered fee based on fuel economy
- Impose a regional fuels tax in all areas of the Commonwealth that currently do not have one



# SB890 Funding

	FY21	FY22	FY23	FY24
Phase Gas Tax Increase	\$152.4	\$319.6	\$359.2	\$386.1
Highway Use Fee	\$38.0	\$46.7	\$49.0	\$51.6
Regional Fuels Tax	\$81.1	\$88.5	\$88.1	\$87.5
<b>GROSS TOTAL</b>	<b>\$271.5</b>	<b>\$454.8</b>	<b>\$496.3</b>	<b>\$525.2</b>
Route 58/NVTD/Oak-Gro	(\$61.0)	(\$61.0)	(\$60.0)	(\$60.0)
<b>NET TOTAL</b>	<b>\$210.5</b>	<b>\$393.8</b>	<b>\$436.3</b>	<b>\$465.2</b>

# Address Key Transportation Needs (HB1414 and SB890)

- Increases SMART SCALE Round 4
- Restores funding to transit from the end of the CPR bonds in 2018
- Addresses Virginia's 25 Special Structures: Robert O. Norris Bridge and Statewide Special Structures Program
- Increases safety funding by 33%
- Improves long-term condition of interstates, secondary highways, and city streets
- Matches federal PRIIA funding for WMATA
- Creates Transit (Ridership) Incentive Program

# Transforming Rail in the Commonwealth (HB1414 and SB890)

- Establishes a Virginia Passenger Rail Authority
  - Will own and manage real estate and oversee and contract for passenger rail service
- Authorizes debt backed by I-66 Inside the Beltway toll revenues to support Long Bridge construction
  - Working in partnership with the Northern Virginia Transportation Commission
- Consolidates REF and IPROC into new Commonwealth Rail Fund

# Virginia Passenger Rail Authority

## (HB1414 and SB890)

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- DRPT will continue to
  - Develop rail plans and undertake rail planning
  - Administer grant programs
  - Retain 8.5% of the new Commonwealth Rail Fund
    - Up to \$4M of which may be used for the Shortline Rail Preservation and Development Fund

# Virginia Passenger Rail Authority

## (HB1414 and SB890)

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Board of Directors has 12 voting members and 3 other members:

- 3 from NVTC
- 3 from PRTC
- 2 from RMTA
- 2 from HRTAC
- 2 from Western Virginia
- Amtrak representative and VRE representative, ex-officio
- DRPT Director, who shall be chair and only vote in the event of a tie

# Virginia Passenger Rail Authority

## (HB1414 and SB890)

- Supermajority of 9 of 12 votes required for the issuance of bonds and sale of land
  - Bonds may only be used for capital projects approved by the CTB
  - Land sales with a value in excess of \$5M must be approved by the CTB
- Annual budget
  - Capital and operating budget is required by be submitted to CTB by March 1 each year
  - CTB has until May 30 to approve or reject

# Improving Safety on Virginia's Roadways



# Improving Safety on Virginia's Roadways (HB1414)

- Set of policies and investments that are anticipated to reduce fatalities by 15-20%, 120 to 160 people annually, when fully implemented
- Key policies
  - Making failure to wear a seat belt a primary offense;
  - Prohibiting the use of hand-held devices;
  - Prohibiting open alcohol containers in the passenger area of vehicles;
  - Enhanced speed enforcement in highway safety corridors; and
  - Authority for local governments to lower speed limits in business and residence districts.



# Improving Safety on Virginia's Roadways

- Three of the policies have a delayed effective date until July 1, 2021 (primary seat belt, hand-held ban, and open container)
- DMV Commissioner is required to:
  - Work with law enforcement, traffic safety organizations, and social equity organizations to develop training materials for law enforcement, and educational materials for the general public
  - Establish an advisory council to review materials, monitor the effectiveness of policies, and determine whether there is a disproportionate impact on certain communities

# Virginia Highway Safety Improvement Program (HB1414 and SB890)

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The bill establishes a Virginia Highway Safety Improvement Program:

- Investment in system infrastructure improvements and proven behavioral programs
- 5-year investment strategy adopted by the CTB
- Projects, strategies, and activities prioritized based on expected reduction in fatalities and serious injuries

# Interstate Operations and Enhancement Program (HB1414 and SB890)

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- Directs CTB to establish a program to govern the funds from the “81” bill last GA session
- CTB must establish a prioritization process for the use of funds
- Funds may only be used for a project or strategy that addresses a need in VTrans or a Board-adopted corridor plan

# Transit (Ridership) Incentive Program (HB1414 and SB890)

- Directs CTB to establish a program to promote increased ridership of large urban transit systems and to reduce the barriers to transit use for low-income individuals
- Funds are allocated by the Board to:
  - Establish routes of regional significance
  - Develop regional subsidy allocation models
  - Implement bus-only lanes and fare integration
- Up to 25% of funds may be used in any area to establish fare reduction programs and/or fare elimination

# Other Key Provisions of the Omnibus Transportation Package

- Restores \$30M/year in funding to the NVT A through grantor's tax and transient occupancy tax
- Authorizes debt for the Interstate 81 Corridor Improvement Program, as recommended by the Interstate 81 Committee and the CTB
- Restructures regional fuels tax in NOVA, Hampton Roads, and 81 Corridor to be indexed to CPI instead of the distributor price of fuel
- Provides funding to complete Corridor Q in Southwest Virginia

# Transportation Safety

## (HB1439 Jones and SB907 Lucas)

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- Set of policies and investments that are anticipated to reduce fatalities by 15%, 120 people annually, when fully implemented
- Reduces the required frequency of safety inspections to every 24 months from every 12 months
  - Only 2% of all crashes are caused by vehicle failure
  - Only 14 other states require safety inspections
  - Only 3 of the 10 safest states require safety inspections

# Improving Safety on Virginia's Roadways

- Key policies include:
  - Making failure to wear a seat belt a primary offense;
  - Prohibiting the use of hand-held devices;
  - Prohibiting open containers of alcohol in the passenger area of vehicles;
  - Enhanced speed enforcement in highway safety corridors (only HB1439); and
  - Authority for local governments to lower speed limits in business and residence districts.

# Hampton Roads Express Lanes Bond Act (HB1438 Jones)

- No longer includes any provisions related to Commonwealth debt
- Authorizes HRTAC to impose tolls on CTB-designated HOT lanes on Interstate 64 from Jefferson Avenue to Bower's Hill Interchange
- Requires HRTAC to enter into an agreement with CTB and VDOT
  - Standards for operations and toll collection
  - Use of toll revenues and reimbursement of CTB expenses
  - Other provisions to ensure safe and efficient operations



# Other Legislation of Interest

- HB1541 (McQuinn) – Establishes a Central Virginia Transportation Authority funded with a 0.7% sales tax and a regional fuels tax
  - Passed House 67 to 31
- HB1726 (Askew) and SB1038 (Lucas) – Establishes a Hampton Roads Regional Transit Program funded with \$0.15 Grantor's Tax and a 1% Hotel tax
  - HB1726 passed the House 60 to 37
    - Includes a re-enactment clause
  - SB1039 passed the Senate 22 to 18

# Other Legislation of Interest

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- HB729 (Watts) – Restores ~\$70M in funding to the Northern Virginia Transportation Authority
  - Grantor's Tax and Transient Occupancy Tax
  - State Recordation Taxes
  - Passed the House 55 to 45
- SB735 (Newman) – Authorizes peer-to-peer vehicle sharing and establishes rental tax rates
  - Passed the Senate 40 to 0

# Other Legislation of Interest

- HB1217 (Tran) – Directs VDOT to conduct a study of infrastructure at-risk of deterioration due to recurrent flooding in Planning District 8 and report back to the General Assembly on the first day of the 2022 session
  - Passed House 60 to 39
- SB437 (Surovell and Vogel) – Makes it a Class 1 misdemeanor to drive in a careless or distracted manner and cause serious bodily harm to a pedestrian, bicyclist, or other vulnerable road user
  - Passed Senate 25 to 15



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