

*Report of the
House Appropriations
Subcommittee*

on

Transportation



House Bill 1650

February 4, 2007

REPORT OF THE SUBCOMMITTEE

on

TRANSPORTATION

Mr. Chairman and Members of the Committee:

Again this year transportation has been at the forefront of our deliberations. I want to thank you for the leadership you have provided and congratulate you for ensuring that a broad-based transportation package was thoroughly vetted in this committee with input from members of both parties and from all regions of the state.

Mr. Chairman, I am extremely pleased to report that the Subcommittee recommendations for transportation commit an additional \$566.0 million from the general fund for transportation infrastructure improvements across the Commonwealth. This amount includes two primary components.

First, the recommendations before you allocate \$339.0 million from the general fund that were dedicated to transportation last Session but not allocated at that time. Consistent with the provisions of House Bill 3202, the omnibus transportation funding and reform legislation adopted by the Committee earlier this week, these funds will be deposited to the Transportation Partnership Opportunity Fund, or TPOF, where they will be used to provide state support to public-private partnership projects and move design-build projects forward.

These funds will be used – at the Commonwealth Transportation Board’s selection – to jumpstart projects like the Beltway HOT lanes in Northern Virginia, the I-64/264 interchange and Route 164 rail relocation in Hampton Roads, and the Hillsville Bypass in Western Virginia, to name just a few. Also included is language authorizing the Commonwealth Transportation Board to transfer up to \$65.0 million to the rail enhancement fund to address rail improvements in the I-95 and I-81 corridors and \$15.0 million to the Commonwealth

Port Fund to support the design and engineering requirements of the Craney Island expansion.

Second, the subcommittee recommends appropriating \$227 million from the general fund to support other transportation initiatives. This amount equals 50 percent of the additional general fund revenues available as a result of the Governor's revisions to the general fund revenue forecast since we adopted Chapter 3 late last spring. These funds will be dedicated to two purposes.

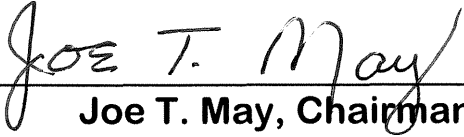
First, \$163.0 million will be deposited into the Commonwealth Transportation Capital Projects Debt Service Fund established pursuant to House Bill 3202 and Chairman Callahan's House Bill 1712. These amounts will, in essence, be used as a reserve account to support debt service requirements of the \$2.0 billion in bonds this committee has recommended for transportation. In conjunction with the dedication of any portion of the one-third of insurance premium license tax revenues not needed to support FRAN debt service, this will fully cover the debt service requirements over the life of the bonds. As FRAN debt is retired beginning in 2010 sufficient revenue will be available to pay a larger share of the debt service after the reserve funds have been used.

The remaining \$64.0 million general fund appropriation will be distributed among the modes of transportation and among the highway systems according to the existing formula provisions, providing modest increases in funding for airports, ports, and transit, as well for all categories of Virginia's roads.

Mr. Chairman, our strong commitment to investments in core infrastructure across the Commonwealth is evidenced both in the budget and other legislation this committee has adopted in this and previous Sessions.

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 I hope it will be the Committee's pleasure to adopt the report.


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



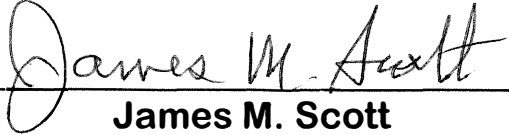
Joe T. May, Chairman




Clarence E. Phillips



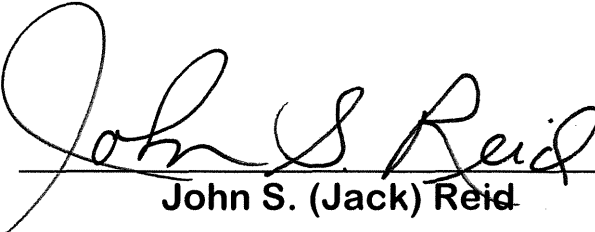
Beverly J. Sherwood



James M. Scott



Leo C. Wardrup, Jr.



John S. (Jack) Reid

HB 3202 Statewide Transportation Funding Package

(\$ in millions)							
Proposed Sources	Proposed Amount	FY08	FY09	FY10	FY11	FY12	FY13
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	FY13
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.							

HB 3202: Northern Virginia Regional Package

(\$ in millions)							
Proposed Sources	Proposed 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	\$ 408.2	\$ 408.2	\$ 408.2	\$ 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 50% Secondary and Urban Local Projects in long-range plan		28.4	135.5	135.5	135.5	135.5	135.5
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	\$ 408.2	\$ 408.2	\$ 408.2	\$ 408.2

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

HB 3202: Hampton Roads Regional Package

(\$ in millions)							
Proposed Sources	Proposed Amount	FY08	FY09	FY10	FY11	FY12	FY13
Local Rental Car Impact Fee	2%	1.4	3.3	3.3	3.3	3.3	3.3
Commercial Real Estate Assessment	\$0.20/\$100	16.9	40.6	40.6	40.6	40.6	40.6
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:		\$ 78.5	\$ 188.5	\$ 188.5	\$ 188.5	\$ 188.5	\$ 188.5
Proposed Uses		FY08	FY09	FY10	FY11	FY12	FY13
Funding Dedicated to Identified Regional Projects - 2030 Plan		\$ 78.5	\$ 188.5	\$ 188.5	\$ 188.5	\$ 188.5	\$ 188.5
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.							

Education: Higher Education

Old Dominion University

Language

Language:

Page 202, strike lines 38 through 56 and insert:

"the optimization of highway and rail freight movements to and from the Port of Virginia and the APM Terminals in South Hampton Roads. In conducting the study, the VMASC shall consider current and projected freight movements, impacts on surrounding communities and the supporting highway and rail networks, energy consumption, and economic costs and benefits to the entire Commonwealth. The VMASC shall coordinate the studies through the Secretary of Transportation and with the Metropolitan Planning Commission and the ongoing Virginia statewide freight study. VMASC shall provide interim reports to the Chairmen of House and Senate Transportation Committees no later than November 1, 2007, and a final report no later than November 1, 2008."

Page 203, strike lines 1 through 4.

Explanation:

(This amendment directs VMASC to study the optimization of freight movement through the Port of Virginia and the APM Terminals in Hampton Roads and report no later than November 1, 2008, on the results of such effort. VMASC was previously charged with studying traffic movement through Chapter 3 of the Acts of Assembly of 2006.)

Transportation

Department Of Aviation

Language

Language:

Page 456, line 27, strike "a" and insert:

"one or more".

Explanation:

(This amendment is a technical change to allow for the purchase of more than one replacement state aircraft if that is the most cost-effective method to update the fleet.)

Transportation

Department Of Motor Vehicles

Language

Language:

Page 458, line 3, after "2005", strike "." and insert:

", including the expansion, where additional efficiencies can be achieved, of the Department's existing program with motor vehicle dealers for the remote electronic filing of documentation necessary to obtain a certificate of title or registration for the purchaser of a motor vehicle at no cost to the department. As part of its efforts to reduce volumes at its customer service centers, the department shall not implement any policies or procedures that shift electronic licensing done at no cost to the department to alternate delivery methods for which the department pays a commission or other fee to the filer."

Explanation:

(This amendment is intended to ensure that in its effort to reduce volumes at customer service centers the DMV does not shift business currently undertaken at no cost to the Department to license agents or other methods for which it pays a fee.)

Transportation

Department Of Motor Vehicles

Language

Language:

Page 458, after line 26, insert:

"D. The Department is authorized to secure a treasury loan of up to \$2,500,000 to be repaid from the anticipation of revenues from the federal government's establishment of Uniform Carrier Registration."

Explanation:

(This amendment authorizes DMV to obtain a treasury loan of up to \$2.5 million to address a temporary shortfall in funding due to federal changes in the program governing for-hire interstate motor carriers.)

Item 436 #1g

Transportation

Department Of Rail And Public
Transportation

Language

Language:

Page 461, line 39, strike "\$238,500" and insert "\$261,200".

Explanation:

(This amendment updates funding paid to the Washington Metropolitan Area Transit Commission in the second year from the Commonwealth Transportation Fund. This is a technical correction proposed by the Governor.)

Transportation Subcommittee

Item 437 #1g

Transportation

Department Of Rail And Public
Transportation

Language

Language:

Page 462, line 30, strike "\$34,526,289" and insert "\$33,526,289".

Explanation:

(This amendment corrects the estimated allocation to statewide Capital Assistance from the Commonwealth Mass Transit Fund in the second year. This is a technical correction proposed by the Governor.)

Transportation Subcommittee

Item 437 #3h

Transportation

Department Of Rail And Public
Transportation

Language

Language:

Page 463, strike lines 36 through 42 and insert:

"E. The unutilized appropriation of \$10,000,000 from the general fund in Item 482 B.1. of Chapter 951 of the Acts of Assembly of 2005 for a bus rapid transit system in Virginia Beach shall be used for capital improvements related to the light rail project being undertaken by Hampton Roads Transit and for the purchase by Hampton

Roads Transit of hybrid-electric buses to serve the City of Norfolk. Of the amount provided, up to \$3,100,000 shall be used for the purchase of hybrid-electric buses and the remainder to support the light rail project."

Explanation:

(This amendment provides that the \$10.0 million from the general fund provided for a transit project in Hampton Roads be authorized for expenditure on different transit projects in the same region because the previously authorized project did not move forward.)

Transportation Subcommittee

Item 439 #1h

Transportation

Department Of Rail And Public
Transportation

Language

Language:

Page 464, strike line 49 through line 56.

Page 464, strike line 1 through line 5 and insert:

"Pursuant to the provisions of the Memorandum of Agreement between the Commonwealth of Virginia Department of Transportation and the Metropolitan Washington Airports Authority, in conjunction with the construction of rail mass transit in the right of way of the Dulles Access/Toll Road connector (DATRC), sound walls shall be constructed along residential properties from the beginning of the DATRC to Route 123."

Explanation:

(This amendment directs that as part of the Dulles Corridor Rail Project sound walls shall be constructed in accordance with the provisions of the Memorandum of Agreement signed by VDOT and the Metropolitan Washington Airports Authority.)

Transportation Subcommittee

Item 442 #2h

Transportation

Department Of Transportation

Language

Language:

Page 467, after line 17, insert:

"C. From funding appropriated in this item for the Virginia Transportation Research

Council (VTRC), the VTRC, in conjunction with the Virginia Tech Transportation Institute, shall design and implement a highway noise reduction experiment at the Virginia Tech Transportation Institute facilities in Blacksburg which utilizes dense conifers as the noise barrier and privacy screen portion of the experiment. Additionally, a short section of test roadway will be paved with new reduced noise asphalt to determine its efficacy and utility in reducing roadway noise. The Virginia Tech Forestry and Engineering Departments will provide assistance where appropriate."

Explanation:

(This amendment directs the Virginia Transportation Research Council to undertake a study of the efficacy of dense trees as an alternative to reduce roadway noise.)

Transportation Subcommittee

Item 443 #3h

Transportation

Department Of Transportation

Language

Language:

Page 468, after line 55, insert:

"I. Out of the amounts provided for Highway System Acquisition and Construction in the second year such amounts as may be required to match all federally-designated funding available for Interstate Route 73 shall be provided from Commonwealth Transportation Funds."

Explanation:

(This amendment directs the Commonwealth Transportation Board to utilize existing funds to match federal funding available for the proposed Interstate 73 in Henry County. The federal highway authorization bill, SAFETEA-LU, includes earmarks of \$7.6 million for this project and requires a 20 percent nonfederal match.)

Transportation Subcommittee

Item 446 #1h

Transportation

Department Of Transportation

Language

Language:

Page 472, line 21, strike "B." and insert "B.1."

Page 472, after line 29, insert:

"2. Out of the amounts for Financial Assistance for Planning, Access Road and Special Projects, \$99,930.23 the second year from the Commonwealth Transportation Fund shall be provided to Floyd County to refund to the county one-half of the amounts it reimbursed the Department for access to the Floyd County Regional Commerce Park."

Explanation:

(This amendment directs the Department of Transportation to refund Floyd County \$99,930.23 from its appropriation for the industrial access program. This allocation would reimburse Floyd County the amount it had to repay VDOT because of the delayed occupancy of an industrial park in the county. Legislation was adopted by the 2006 Session to change eligibility rules under this program but the legislation was not enacted until months after Floyd County's qualifying period expired.)

Transportation Subcommittee

Item 449.10 #19h

Transportation

Department Of Transportation

FY 06-07

\$66,000,000

FY 07-08

\$0 GF

Language:

Page 478, line 33, strike "\$500,000,000" and insert "\$566,000,000".

Page 478, line 36, strike "\$500,000,000" and insert "\$566,000,000".

Page 478, strike lines 43 through 54 and insert:

"A. Included in this item is \$566,000,000 the first year from the general fund to be used to implement the following transportation initiatives:

1. \$339,000,000 shall be transferred to the Transportation Partnership Opportunity Fund to advance the construction of critical highway, rail, and port projects. Notwithstanding the limitations of subsections A and E of § 33.1-221.1:8, Code of Virginia, the Governor shall provide sufficient grants and loans to advance critical highway, rail, and port projects constructed pursuant to § 33.1-12, Chapter 22 (§ 56-556 et seq.) of Title 55.6, or § 62.1-132.6, Code of Virginia. At the discretion of the Governor, up to \$65,000,000 may be transferred from the Transportation Partnership Opportunity Fund to the Rail Enhancement Fund and \$15,000,000 from the Transportation Partnership Opportunity Fund to the Commonwealth Port Fund, provided that the Governor notifies the Chairmen of the Senate Finance and House Appropriations Committees in writing at least 30 days in advance of the transfer.

2. \$227,000,000 in the first year from the general fund, representing a portion of the revenues in excess of the official revenue forecast in the appropriation act enacted by the 2006 Special Session I of the General Assembly, shall be dedicated to transportation as follows:

a.) \$64,000,000 shall be deposited into the Transportation Trust Fund, and distributed pursuant to the provisions of § 33.1-23.03:2, Code of Virginia, and

b.) \$163,000,000 shall be deposited into the Commonwealth Transportation Capital Projects Debt Service Fund established under § 58.1-2532, Code of Virginia, which shall be used to pay a portion of the debt services costs attributable to any notes issued by the Commonwealth Transportation Board pursuant to legislation adopted by the 2007 Session of the General Assembly.

B. Notwithstanding the provisions of § 4-1.03 of this act, the Director, Department of Planning and Budget, is authorized and directed to increase the nongeneral fund appropriations for the agencies within the Transportation Secretariat to allow for the expenditure of amounts dedicated to the respective transportation agencies under provisions of any legislation adopted by the 2007 Session of General Assembly. Such amounts shall be distributed in accordance with the provisions of Title 33.1, Code of Virginia, in such amounts so established to support highway construction, mass transit, airport and port improvements."

Page 479, strike lines 1 through line 31.

Explanation:

(This amendment appropriates \$566.0 million from the general fund for transportation in the first year and authorizes the Director of the Department of Planning and Budget to increase the nongeneral fund appropriations of the transportation agencies to allow for the expenditure of any other funds provided to the transportation agencies pursuant to legislation adopted by the 2007 General Assembly.)

Transportation Subcommittee

Item 454 #2h

Transportation

Virginia Port Authority

Language

Language:

Page 483, line 16, after "funds" insert:

"shall be transferred to Item 444 for distribution for roadway maintenance activities in the jurisdictions hosting Virginia Port Authority facilities by the Commonwealth Transportation Board and".

Page 483, line 19, after "Virginia.", insert:

"These funds shall be treated as other payments by the Commonwealth Transportation Board to cities and towns for highway maintenance activities and shall not be used for other activities nor shall they be used to supplant other local government expenditures for roadway maintenance."

Explanation:

(This amendment clarifies that the \$1.0 million general fund appropriation to the cities in the Commonwealth that host Virginia Port Authority cities included in House Bill 1650 as introduced is to be used solely for roadway maintenance to repair damages caused by the heavy truck traffic attracted by the presence of the port facilities.)
