

Transportation

The approved 2008-10 biennial budget provides a total of \$9.9 billion for Transportation agencies, which includes \$82.0 million GF and \$9.8 billion NGF. This represents a total increase of \$200.0 million NGF over the approved budget for the 2006-08 biennium.

Included in the nongeneral fund amount is authorization for the issuance of new Commonwealth Transportation Bonds of \$180.0 million in the second year to replace a portion of the \$500.0 million one-time supplement included as part of the 2007 Transportation Initiative and provided for in Chapter 847 of the 2007 Acts of Assembly (HB1650). The authorization for the debt issuance to the Department of Transportation in fiscal year 2010 is for the projects as approved in Chapter 847. \$180 million of the general fund appropriation in Chapter 847 is reverted and included as additions to the front page balances in FY 2009.

The majority of the nongeneral revenue adjustments reflect the appropriation of new transportation revenues provided in Chapter 896 of the 2007 Acts of Assembly (HB3202). Also included in VDOT is \$281.1 million NGF from the transfer of one-third of insurance premiums tax revenues to the Transportation Trust Fund. Combined with other forecast adjustments, the VDOT budget reflects a net increase of \$191.3 million over the 2006-08 base budget.

- **Secretary of Transportation**

- *Prohibit Supplanting of Local Option Revenues.* Language is included in the Secretary of Transportation which prohibits localities in Northern Virginia and Hampton Roads that impose local-option transportation funding authorized by the 2007 Session from supplanting existing transportation revenues if the newly authorized revenues are imposed.

- **Department of Aviation**

- *Enhance Airport IQ System.* Provides \$322,000 NGF the first year and \$20,000 NGF the second year for design of software that will further automate the Airport IQ system, which is used to manage the agency's financial assistance to airports programs and provide web-based functions to stakeholders.
- *Assume Funding for Civil Air Patrol.* Language authorizes the Department of Aviation to pay \$100,000 NGF each year from Aviation Special Funds to support Civil Air Patrol Operations. This activity was previously funded from the general fund through the Department of Emergency Management and a companion amendment strikes the authorizing language in VDEM.

- **Department of Motor Vehicles**

- *Alternative Service Delivery Mechanisms.* Two amendments direct the Department to report on the efficacy of alternative service delivery mechanisms to

address the provisions of the federal Real ID Act of 2005 in order to reduce the costs of in-person transactions. In addition, the Department is directed to report by December 1, 2008 and December 1, 2009 on the effect of the provisions of Chapter 866 of the 2008 Acts of Assembly (SB116) which authorizes the Department to extend the validity of drivers' licenses to eight years and institutes discounts for renewing vehicle registrations via internet and using multi-year registrations. The amendments also allow for the use of color or black and white photos for enhanced security purposes in accordance with the provisions of the Real ID Act of 2005.

- ***Retain Motor Vehicle Sales and Use Tax Revenue.*** Authorizes DMV to retain one-quarter of one percent of the gross collections of sales and use tax on motor vehicles (titling tax) in the first year to be used for ongoing operational expenses. It is projected that this will provide just under \$1.5 million NGF for DMV in the first year.
- ***Establish Appropriation for Cost Recovery from Regional Transportation Authorities.*** Appropriates \$3.3 million NGF each year to cover DMV administrative costs of revenue collections associated with Chapter 896 of the 2007 Acts of Assembly (HB3202). Of this amount, \$1.9 million is from activities related to Northern Virginia Transportation Authority and \$1.4 million from Hampton Roads Transportation Authority.
- ***Commercial Driver's License Test Sites.*** Provides \$1.2 million NGF the second year to support lease costs for commercial driver's license testing sites in the Roanoke, Portsmouth and Richmond districts to meet new federal requirements that must be implemented by 2010. The new requirements include backing maneuvers testing that can not be done at current CDL testing facilities.
- ***Establish New Department of Motor Vehicles Transfer Payments Item.*** Establishes a separate agency code for administering the collection and disbursement of local rental tax, mobile home tax and Highway Safety Funds. Includes \$73.1 million NGF each year, which is transferred from DMV to the new agency. DMV requested these activities be removed from their operating budget to more accurately reflect the costs of DMV operations.

- **Department of Rail and Public Transportation**

- ***Reduce Appropriation to Correct Revenue Forecast.*** Reduces the agency's appropriation by \$12.9 million NGF the first year and \$8.6 million NGF the second year to reflect the latest revenue estimates for the Transportation Trust Fund and federal funds and to reflect the November 2007 official revenue estimate inadvertently excluded from the budget as introduced.
- ***Funding for Project Management.*** Authorizes the use of existing public transit and rail funds for project development, management and compliance activities.

The use of funds is limited to no more than three percent of the total project cost and may be assessed only on a project-by-project basis after approval has been received by the Commonwealth Transportation Board.

- *Study of Intercity Passenger Rail Services.* Authorizes DRPT to use Rail Enhancement Funds to study the feasibility of contracting with Amtrak for new intercity passenger rail services between Richmond and Washington, D.C.
- *Statewide Rail Plan.* Directs the Department to include specific provisions within the Statewide Rail Plan for addressing heat restrictions and other factors impacting passenger rail service on the I-95 rail corridor. The Department is further directed to report on the collaborative efforts to improve freight and passenger rail on the corridor by December 15, 2008.
- *Dulles Access Toll Road.* Requires the Department to construct sound walls along the Dulles Access Toll Road at Route 123 in McLean in accordance with the provisions of the Memorandum of Agreement between the Commonwealth and the Metropolitan Washington Airports Authority.

- **Department of Transportation**

- *Replace Reverted General Funds with Commonwealth Transportation Debt.* Authorizes the Commonwealth Transportation Board to issue \$180.0 million in bonds to replace general funds that were appropriated for specific projects by the 2007 General Assembly. A separate amendment provides \$180.0 million NGF in the first year for these projects.
- *Transfer Insurance Premium Revenue.* Provides \$137.0 million NGF the first year and \$144.1 million NGF the second year representing one-third of the revenues from insurance premiums tax revenues that are dedicated to the Transportation Trust Fund pursuant to Chapter 896 of the 2007 Acts of Assembly (HB3202). A portion of these revenues had been transferred to VDOT as a general fund source in the prior biennium.
- *Appropriate Chapter 896 of the 2007 Acts of Assembly (HB3202) Revenues.* Provides an increase of \$197.0 million NGF the first year and \$202.5 million NGF the second year from the increased vehicle registration fee, the increased diesel fuel tax, the fees on abusive drivers, the portion of recordation tax dedicated to maintenance and overweight vehicles as provided by Chapter 896 of the 2007 Acts of Assembly (HB3202). A companion amendment directs VDOT to adjust the allocation of funds as necessary to reflect the repeal of the abusive driver fees.
- *Adjust Appropriation to Reflect November 2007 Revenue Forecast.* Approved amendments adjust the nongeneral fund allocations within VDOT to reflect both the 2006 official revenue estimate for the Transportation Trust Fund and federal funds, as well as the November 2007 revenue forecast revision. These changes

result in a net increase of \$7.1 million NGF in the first year and \$21.8 million NGF in the second year.

- ***Adjust Appropriations to Reflect the Repeal of Abusive Driver Fees.*** Directs the department to reduce programmatic allocations in the Six-Year Program by \$61.8 million NGF in the first year and \$65.4 million NGF in the second year to reflect the impact of the repeal of abusive driver fees included in Chapter 656 of the 2008 Acts of Assembly (SB1).
- ***Use Prior Year Balances for Highway Construction.*** Provides an appropriation of \$32.5 million NGF the first year and \$30.4 million NGF the second year to enable VDOT to spend prior year balances in dedicated funds for highway construction.
- ***Land Use Activities.*** Adds \$5.7 million NGF the first year and \$5.9 million NGF the second year for land use permitting activities performed by the agency.
- ***Reduce Maximum Employment Level.*** Reduces the agency's maximum authorized employment level by 323.0 FTE positions. These positions are unfilled and are no longer necessary.
- ***Transportation Partnership Opportunity Fund.*** Clarifies that projects being developed under local design-build provisions, as well as those developed under state design-build provisions, are eligible to receive grants from the Transportation Partnership Opportunity Fund (TPOF).
- ***Toll Facility Maintenance.*** Clarifies that no additional allocations shall be made from Commonwealth Transportation Funds for maintenance of the Chesapeake Bay Bridge Tunnel and authorizes VDOT to cease paying for maintenance on other non-state owned toll facilities.
- ***Speed Limits in School Zones.*** Requires that upon issuance of a resolution by a local governing body that a property has been designated for school construction and such construction is ready to commence, the department shall immediately reduce the speed limit on adjacent primary and secondary roadways to 35 miles per hour or less.

- **Virginia Port Authority**

- ***Provide Funding for Debt Service for Terminal Revenue Bonds.*** Provides \$6.2 million NGF each year for debt service on \$93.0 million in terminal revenue bonds issued by the Authority in FY 2008. A similar amendment reduces debt service payments by \$2.2 million NGF the first year and \$2.3 million NGF the second year based on the refunding of 1997 terminal revenue bonds.
- ***Provide Funding for Debt Service for Commonwealth Port Fund Bond for Craney Island.*** Provides \$11.3 million NGF the second year for debt service on Commonwealth Port Fund bonds for construction of the Craney Island Marine

Terminal. A companion amendment in Capital Outlay authorizes the issuance of \$155.0 million NGF in bonds to fund preliminary work on the proposed terminal.

- ***Short-Term Debt Service Program.*** Provides \$9.5 million NGF each year and language to allow the VPA to issue short-term debt on a revolving basis to provide interim financing for capital projects. The short term debt is not to exceed \$200.0 million at any time. This will allow the Port Authority to begin smaller projects instead of having to wait until a larger debt issuance is required.
- ***Master Equipment Lease Purchase Program (MELP).*** Provides \$5.2 million NGF each year for debt services payments supported by terminal revenues to acquire equipment for port operations through the MELP program.