



Report of the Subcommittee on
Transportation

Senate Finance &
Appropriations Committee
Virginia General Assembly

February 20, 2022



SENATE OF VIRGINIA

Senate Finance & Appropriations Committee

**2022 Report of the Transportation Subcommittee
The Honorable George L. Barker, Chair
February 20, 2022**

Madam Chair and Members of the Committee,

Your Transportation Subcommittee has reviewed the Governor's introduced budget for the Office of Transportation. In recognition of the robust revenue growth in FY 2021, which has continued into FY 2022, we recommend allocating a total of \$305.8 million in general fund revenues for identified transportation priorities in FY 2022, with an additional \$25.0 million in general funds to expand on those initiatives in FY 2023. Our proposed amendments build on the investments identified in last year's transportation initiative and provide funding for several of the Commonwealth's high priority, but still unfunded, transportation needs, including:

- \$190.0 million for widening nine miles of I-64 in both directions between Exit 234 and mile marker 223 (James City to New Kent County line);
- \$50.0 million to establish a State Trails Office within the Virginia Department of Transportation and enhance our existing network of state and local multi-use bicycle and pedestrian facilities;
- \$45.0 million for improvements to the Mid-Atlantic Regional Spaceport (MEI-approved economic development incentive);
- \$30.0 million in additional funding for city street maintenance payments;
- \$10.0 million for distance-based commuter bus service in the Transit Ridership Incentive Fund;

- \$5.0 million for projects to remediate the loss of wildlife habitat impacted by the construction of the Hampton Roads Bridge Tunnel; and
- \$796,000 for customer service enhancements and automation at the Department of Motor Vehicles.

With historic levels of general fund revenues, and significant increases in federal formula funding available through the Infrastructure Investment and Jobs Act, the Subcommittee does not recommend any actions, at this time, to backfill any revenues forgone from our decision to repeal the state-imposed tax on food for human consumption. While this may seem to be a step backwards for long-term transportation funding, the decision to eliminate the state share of sales tax on food is a good choice for the citizens of Virginia. In recognition of the policy decision, the Subcommittee recommends reducing anticipated Commonwealth Transportation Fund revenues by \$190.1 million over the next biennium.

Madam Chair, this completes the report of your Transportation Subcommittee. I hope it will be the pleasure of the Committee to adopt our amendments.

Respectfully Submitted,

The Honorable George L. Barker, Chair

The Honorable Richard L. Saslaw

The Honorable Emmett W. Hanger, Jr.

The Honorable Stephen D. Newman

The Honorable R. Creigh Deeds

The Honorable David W. Marsden

The Honorable Jennifer L. McClellan

Report of the Subcommittee on Transportation
 (Recommended Amendments to SB 29 and SB 30, As Introduced)

(General Fund unless otherwise indicated)

Amendment	SB 29	SB 30		
	FY 2022	FY 2023	FY 2024	Biennium
1	Transportation			
2	Department of Motor Vehicles			
3	Bus Dealer License Requirements	<i>Language</i>	<i>Language</i>	
4	Department of Transportation			
5	Transportation Initiatives	\$ 190,000,000	\$ (182,204,000)	\$ -
6	Repeal Sales Tax on Food (NGF)		\$ (54,800,000)	\$ (135,300,000)
7	Mobility Talks International		<i>Language</i>	
8	City Street Maintenance Evaluation	<i>Language</i>	<i>Language</i>	
9	Virginia Port Authority			
10	Waterway Maintenance (NGF)		\$ 2,500,000	\$ 2,500,000
11	Part 3 Transfers			
12	3-1.01 Waterway Maintenance Fund Transfer		<i>Language</i>	

Item 451 #1s

Mobility Talks International

Transportation

Department of Transportation

Language

Language:

Page 471, line 31, after "needs." insert:

"Included in the amounts in this Item, \$50,000 the first year from the allocations to the Office of Intermodal Planning and Investment is provided for sponsorship support of the annual Mobility Talks International (MTI) Conference in January, 2023. The Director of the Office of Innovation shall actively identify and engage connected and autonomous vehicle stakeholders in the Commonwealth in order to most effectively maximize the return on investment from participation in the MTI Conference for the operation of unmanned systems throughout Virginia."

Explanation:

(This amendment continues support for Virginia's participation in the annual Mobility Talks International Conference.)

Item 452 #2s

Reflect Elimination of Sales Tax on Food

Transportation

FY22-23

FY23-24

Department of Transportation

(\$54,800,000)

(\$135,300,000) NGF

Language:

Page 472, line 2, strike "\$4,575,045,286" and insert "\$4,520,245,286".

Page 472, line 2, strike "\$4,595,073,941" and insert "\$4,459,773,941".

Explanation:

(This amendment reduces Commonwealth Transportation Fund revenues by \$190.1 million NGF over the biennium to reflect the elimination of the state portion of sales tax levied on food for human consumption and personal hygiene products. While the general fund forecast was adjusted for this proposed policy change, the introduced budget did not make an explicit downward adjustment to Commonwealth Transportation Fund revenues. Agency and modal allocations for the foregone revenue will be reflected in enrolling.)

Item 456 #1s

Evaluation of City Street Maintenance

Transportation

Department of Transportation

Language

Language:

Page 475, line 33, after "December 1, 2023." insert "All costs for conducting the evaluation shall be borne by the Department and under no circumstance shall funds appropriated for Financial Assistance for City Road Maintenance (60701) be reduced related to the costs of conducting the evaluation."

Explanation:

(This amendment requires the Department of Transportation to absorb the cost of conducting the proposed evaluation of the conditions of city streets and prohibits the payments made to cities from being reduced to cover the costs of conducting the evaluation.)

Item 465 #1s

Waterway Maintenance Fund

Transportation

FY22-23

FY23-24

Virginia Port Authority

\$2,500,000

\$2,500,000

NGF

Language:

Page 483, line 38, strike "\$11,112,325" and insert "\$13,612,325".

Page 483, line 38, strike "\$11,112,325" and insert "\$13,612,325".

Page 484, line 1, strike "\$1,500,000 the first year and \$1,500,000 the second year" and insert "\$4,000,000 the first year and \$4,000,000 the second year".

Explanation:

(This amendment increases the transfer of general fund revenues to the Waterway Maintenance Fund by \$2.5 million in each year to increase the availability of funds to support shallow-draft dredging projects and to support local municipal dredging to ensure Virginia’s waterways remain safe and navigable to support the continued sustainability and growth of Virginia’s seafood and the commercial waterman who contribute to the economies of coastal Virginia. In the first two years of the grant program, more than \$50 million for dredging design, implementation and funding have been identified compared to the existing programmatic funding level of \$1.5 million annually. A companion amendment to Part 3 increases the

authorized transfer.)
