

DRAFT - Legislative Overview- 2018

Virginia General Assembly Priorities

- **Support addressing the transit capital funding gap associated with the end of transportation revenue bonds (CPR) bonds authorized in 2007 and meet statewide capital needs.**

Raise awareness of key issues and support the organization and administration of statewide capital and operating programs that are robust, balanced, and equitable.

Delegate Chris Peace introduced HB 1359 in 2016 that created the Transit Capital Project Revenue Advisory Board. VTA supported the work of the TCPRAB as it worked in 2016/2017 to address the capital funding gap. Highlights of the Board's findings include the following:

- *The replacement of state bond funding would only maintain historical levels of investment.*
 - *Bond funding that was approved in 2007, used primarily for transit state of good repair, will begin declining July 1, 2018 and will be exhausted at the end of FY 2020 resulting in a 44% drop in revenue.*
 - ***Virginia's economy would lose \$410 million annually in direct transit industry economic activity if this funding is not replaced.*** *These losses are just related to lost capital investments – there would be additional economic losses across Virginia as daily transit operations are impacted.*
 - ***With the end of this funding, there is a projected revenue shortfall within the Commonwealth averaging \$130 million annually over the next ten years starting in FY 2019.***
 - *80% of funds are typically used to meet basic state of good repair, like purchasing replacement buses, and the remaining 20% for minor enhancements and some expansion.*
 - *Virginia needs steady and reliable revenues dedicated to the statewide transit state of good repair program.*
 - *A combination of statewide and regional sources could be considered; however, use of any regional funds should only be for transit needs that improve service across the region, as determined at the regional level.*
- **Support the establishment of a floor on regional gas tax revenues.**

The revenues collected via the regional gas tax are significantly lower due to the drop in fuel prices. (40%+) VTA supports an amendment to Virginia Code Section §58.1-2295 which would establish a protective floor price for the 2.1% regional gas tax, much as was done for the statewide fuels tax in Section §58.1-2217 (HB2313 in 2013). Such a floor concept is essential to provide a more stable, dedicated revenue source needed for long-term financing of regional projects.

At a 40% reduction in the sales tax of fuel, Hampton Roads would realize an additional \$19.9 million this year in tax revenue, PRTC = \$14.7, and NVTC= \$16.9 million with the 2.1% floor. VTA supports enactment of a regional fuel tax floor equitable to the state floor to ensure protections for a minimum level of revenue and reliability.

(Affected localities are within or adjoining the Northern Virginia Transportation District including: Counties of: Arlington, Fairfax, Loudoun, Prince William, Spotsylvania, Stafford; Cities of: Alexandria, Fairfax, Falls Church, Manassas, Manassas Park, Fredericksburg; Towns of: Dumfries, Herndon, Leesburg, Purcellville, Vienna and all localities in the Hampton Roads Planning District - Counties of: Gloucester, Isle of Wight, James City, Southampton, Surry, York; Cities of: Chesapeake, Franklin, Hampton, Poquoson, Williamsburg, Newport News, Norfolk, Portsmouth, Suffolk, Virginia Beach)

VTA Support of Local/Regional Transit Positions

- **Provide Virginia's share of funding for WMATA necessary to ensure a safe, reliable and affordable Metro system.**

WMATA estimates that \$15.5 billion over 10 years is needed for critical capital projects. WMATA recommends the establishment of a multi-year, stable revenue source generating \$500 million per year for a new Capital Trust Fund (shared among Virginia, Maryland, and the District of Columbia).

- **Continue to provide Virginia's annual match to federal funding for WMATA safety and state of good repair improvements.**

As part of the federal Passenger Rail Investment and Improvement Act (PRIIA) of 2008, WMATA received a 10-year, \$1.5 billion federal authorization to address urgent capital needs. The region matches these federal funds with \$50 million each annually from the District of Columbia, Maryland, and Virginia. The capital funding for WMATA is used to support areas such as: meeting safety requirements of the NTSB, repairing aging rail track, investing in new rail cars, fixing broken escalators and elevators, rehabilitating decaying rail stations and platforms, modernizing the bus fleet, and improving bus facilities. The last year of the federal authorization for PRIIA is federal fiscal 2019.

- **Support dedicated regional funding for public transit in Hampton Roads.**

Approximately \$45 million annually is needed for Hampton Roads to achieve and maintain a state of good repair for the region's core bus fleet and implement a reliable core system of inter-jurisdictional bus service provided by Hampton Roads Transit (across Chesapeake, Hampton, Newport News, Norfolk, Portsmouth, and Virginia Beach). Any funds generated outside of the service area of Hampton Roads Transit would benefit other transit agencies (Suffolk Transit, Williamsburg Area Transit Authority).

- **Support additional VRE Capital and Operating Funding**

VRE's 2040 System Plan identifies capital and operating requirement needs totaling \$45 million annually just to sustain VRE's current service levels. Without additional resources to cover operating costs, VRE service levels will have to be cut leading to a "death spiral" that will mean cessation of service by 2033.

Long-term, dependable funding sources for both existing and future commuter rail operations and capital costs are needed in order to avoid a reduction and eventual termination of commuter rail service in the I-95 and I-66 corridors of statewide significance.

U.S. Congressional Priorities

- **Strengthen Federal Surface Transportation Programs**

In anticipation of the next authorization and during annual appropriations activity, VTA supports Congressional actions that:

- *Identify new and enhanced revenues to increase the level of federal investment in the nation's transportation infrastructure;*
- *Ensure that funding structures support all modes of public transportation and the use of innovative funding techniques;*
- *Affirm that all interstate toll revenues can be used for transit capital and operations;*
- *Appropriate annual funding for the FTA's Capital Investment Grants program (New Starts, Small Starts, and Core Capacity), especially critical in smaller cities and rural areas that are more reliant on federal investment than their larger urban counterparts, consistent with the authorized levels of the FAST Act;*
- *Provide annual funding for the Transportation Improvements Generating Economic Recovery (TIGER) discretionary grant and the Federal Highway Administration's FASTLANE program;*
- *Simplify the distribution of federal flex funding through programs like STP and CMAQ to provide greater authority to local government and regional agencies to determine how the funding is spent.*

- **Support Increased Funding for Federal Bus and Bus Facilities Program**

Recognizing that buses are the backbone of transit service, there is need for \$2.85 billion additional investment to the FTA Bus and Bus Facilities program.

- *Under MAP-21, bus funding was reduced by 57 percent. Overall, bus and bus facilities moved from 21 percent to just 9 percent of the federal transit program, even though buses carry more than 50 percent of all transit riders in America.*
- *The FAST Act included some increased bus and bus facilities funding; however, by 2020 authorized funding for bus transit programs will still be 15 percent lower than it was in 2011 and will represent only 14 percent of total federal funding for transit.*
- *Cuts to this program between 2009 and 2015 have resulted in an almost 40 percent increase in the number of transit buses nationwide operating past their useful life.*

- **Continue Dedicated Federal Funding for WMATA**

- *VTA supports the renewal of dedicated federal funding for WMATA to support critical safety and state of good repair projects.*
- *The last year of the PRIIA authorization is federal fiscal year 2019. While WMATA has made great strides in rehabilitating its systems, capital asset needs continue and would benefit from federal funding that matches or exceeds the PRIIA funding level.*

- **Maintain Federal Funding for the Virginia Railway Express (VRE)**

VTA supports legislation that increases the commuter rail service's ability to meet natural demand growth in Northern Virginia and ensures its long-term viability.

- **Continue Commuter Tax Benefits**

VTA supports continuation of legislation for transit commuter benefits, providing key incentives for commuters to use transit and vanpools, that are equivalent to the tax incentive provided for parking.

- **Enable In-State Collection of Online Retail Sales Tax**

VTA supports passage of legislation such as the Marketplace Fairness Act of 2015 to allow the Commonwealth of Virginia to collect sales tax on purchases made through online retailers. If Marketplace Fairness is enacted, Virginia Code (HB2313) includes a provision that will ensure the Commonwealth will spend a portion of the collected funds on transit projects.

- **Natural Disaster Community Protection**

Senators Cornyn's and Kaine's (S.1664) and Rep. Weber's (H.R. 3452) legislation protect communities against the loss of critical federal urbanized area transit funds due to a drop in population as a direct result of a major disaster. Currently there are several "urbanized areas" (UZAs) in Virginia that receive FTA transit funds that could be vulnerable to a loss of federal transit funds should they experience a presidentially declared major disaster prior to the 2020 US Decennial Census. These bills would allow localities a recovery period until the next Decennial census which should be sufficient to avoid the loss of critically needed transit funds.