

Legislative Update

Omnibus Transportation Bill



By

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Governor's Transportation Package

HB1414 Filler-Corn / SB890 Saslaw

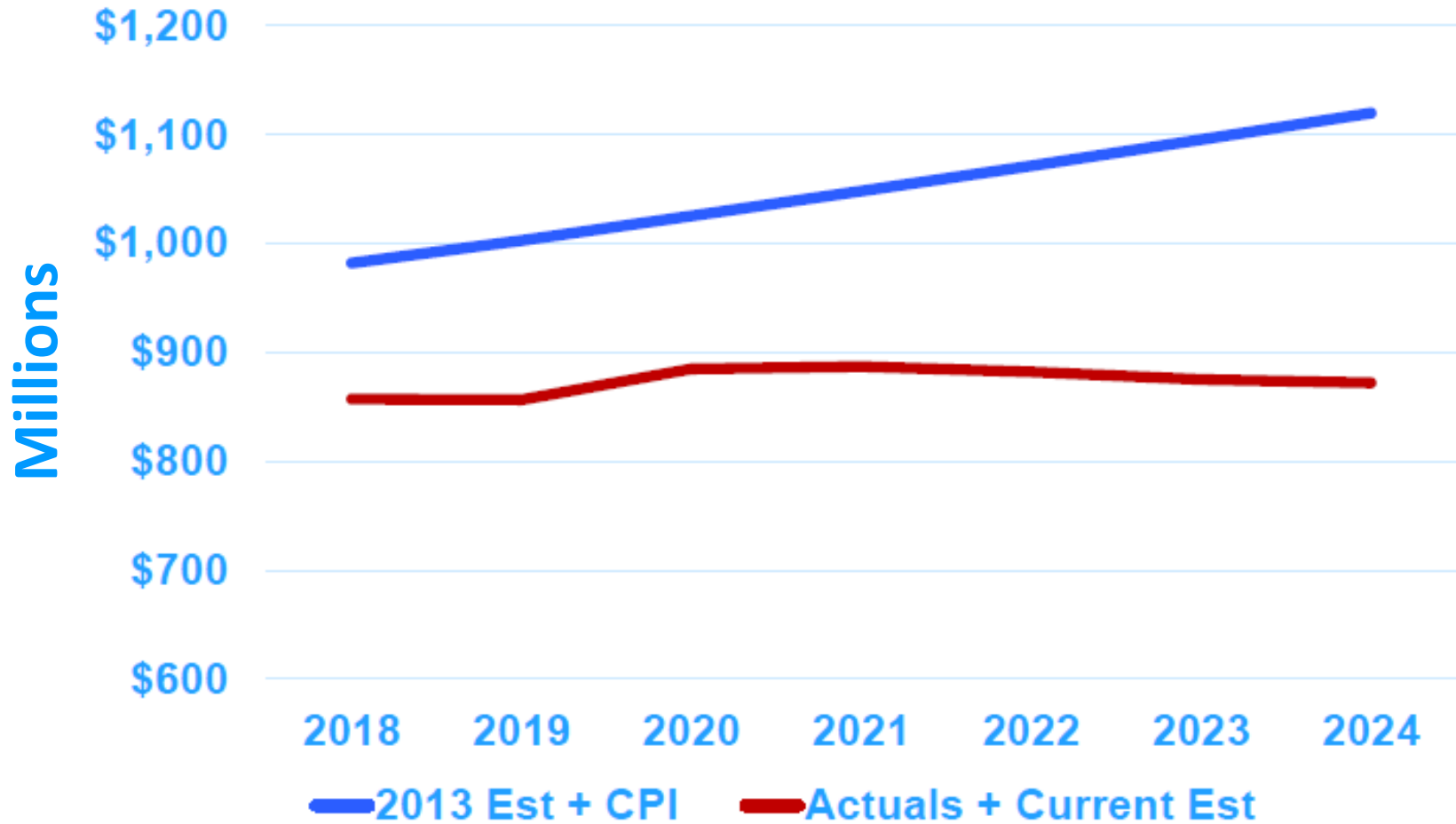
- *Restructures Virginia's transportation funding model*
- *Transforms rail in the Commonwealth*
- *Reduces fatalities and injuries on Virginia's highways*

Current Funding Model is Unsustainable

Three key reasons:

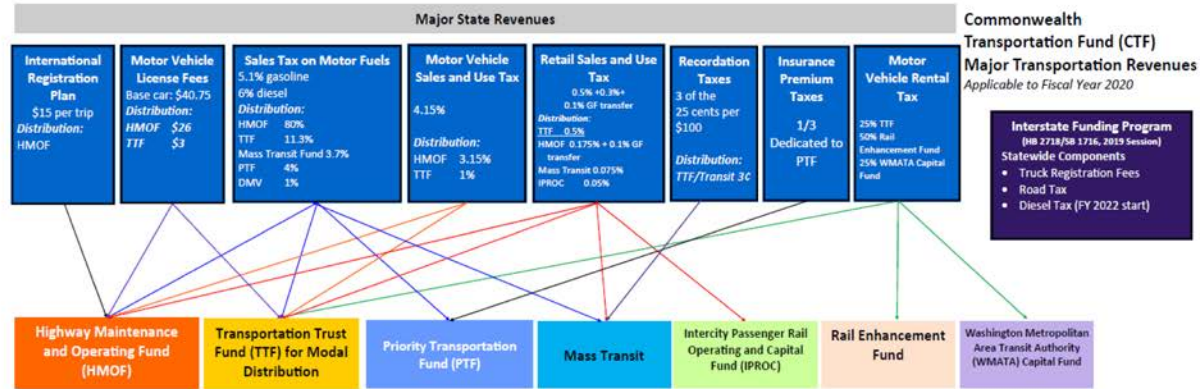
- *Increased fuel efficiency*
- *Structure of HB2313 motor fuels tax (tied to sales price of gas)*
- *Significant reliance on regressive fees paid exclusively by Virginians*

HB2313: Expectations versus Reality

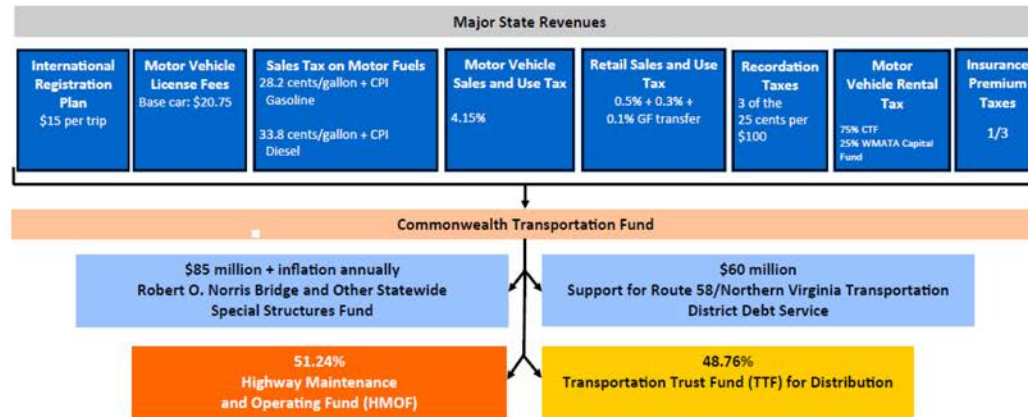


Current Model versus Proposed Model

Today's transportation funding allocation model: confusing and opaque



New, streamlined allocation model



Restructuring Transportation Funding Model

- *Raise gas tax by 4 cents per year for 3 years*
- *Index gas and diesel tax to CPI instead of sales price of fuel*
- *Create new Highway Use Fee on fuel-efficient vehicles*
- *Cut passenger vehicle registration fees by \$20 starting in FY22*

Highway Use Fee

- *Ensures equitable contributions from users of transportation system*
- *Fuel-efficient vehicle would pay 85% of the difference between fuel tax paid by average vehicle versus what the fuel-efficient vehicle pays*
- *Example: If an average car pays \$100 in gas tax and the fuel-efficient vehicle pays \$80 in gas tax, the fee would be:*
$$\$100 - \$80 = \$20 \times 85\% = \$17$$
- *The fuel-efficient vehicle would save \approx \$215 in gas costs (@ \$2.20/gallon)*

Addresses Key Transportation Needs

- *Increases SMART SCALE Round 4 by \$200 million*
- *Restores funding to transit from the end of the CPR bonds in 2018*
- *Addresses the 25 Special Structures included in the 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*
- *Creates Transit Incentive Program*

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