

# HB 2313

## TRANSPORTATION FUNDING PACKAGE



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# HB 2313 OVERVIEW

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General Assembly approved a comprehensive long-term transportation funding and reform package for Virginia, slated to be signed into law by Governor Bob McDonnell.

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The first comprehensive overhaul of the way Virginia pays for its transportation system that the legislature has approved since 1986.

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Will generate approximately \$880 million annually statewide, or approximately \$3.5 billion over the next 5 years.

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Includes regional components that will raise approximately \$300-350 million each year for Northern Virginia, and \$175-\$200 million each year for Hampton Roads.

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# LONG-TERM TRANSPORTATION FUNDING – STATEWIDE

## Additional Statewide Funding from HB2313\* (Millions \$)

Key Components	FY 2014	FY 2015	FY 2016	FY 2017	FY 2018	5 - Year
Eliminates the 17.5 cents per gallon motor fuels tax	\$ (871.1)	\$ (889.3)	\$ (907.4)	\$ (922.6)	\$ (938.2)	\$ (4,528.6)
Implements 3.5% tax on the wholesale price of gasoline	\$ 412.0	\$ 470.1	\$ 482.0	\$ 493.2	\$ 501.6	\$ 2,358.7
Implements 6% tax on the wholesale price of diesel	\$ 214.3	\$ 252.9	\$ 267.6	\$ 285.3	\$ 303.1	\$ 1,323.2
Implements \$100 registration fee for alternative fuel vehicles	\$ 10.2	\$ 11.4	\$ 13.0	\$ 15.0	\$ 17.0	\$ 66.6
Increases motor vehicle sales tax to 4.3% (phased in 1%, 0.1%, 0.1%, 0.1%)	\$ 184.0	\$ 223.9	\$ 248.8	\$ 278.5	\$ 278.6	\$ 1,213.7
Increases statewide sales & use tax by 0.3% from 5.0% to 5.3%	\$ 265.8	\$ 301.2	\$ 313.2	\$ 325.2	\$ 336.3	\$ 1,541.7
Marketplace Equity Act (MEA) transportation share	\$ 144.6	\$ 164.1	\$ 170.8	\$ 177.5	\$ 183.6	\$ 840.6
Increase transportation share of existing sales and use tax from 0.5% to 0.675%	\$ 49.0	\$ 101.7	\$ 158.4	\$ 191.8	\$ 198.2	\$ 699.1
<b>Totals</b>	<b>\$ 408.7</b>	<b>\$ 635.9</b>	<b>\$ 746.3</b>	<b>\$ 843.8</b>	<b>\$ 880.2</b>	<b>\$ 3,514.9</b>

\*Source: Summary materials provided by Senate Finance.

# LONG-TERM TRANSPORTATION FUNDING – REGIONAL

## Estimated Revenue Generated in Hampton Roads - Statewide Components of HB2313 (Millions \$)

Key Components	FY 2014	FY 2015	FY 2016	FY 2017	FY 2018	5 - Year
Eliminates the 17.5 cents per gallon motor fuels tax <sup>1</sup>	\$ (176.5)	\$ (177.6)	\$ (178.6)	\$ (179.7)	\$ (180.8)	\$ (893.2)
Implements 3.5% tax on the wholesale price of gasoline <sup>2</sup>	\$ 83.1	\$ 94.4	\$ 96.4	\$ 98.2	\$ 99.4	\$ 471.5
Implements 6% tax on the wholesale price of diesel <sup>2</sup>	\$ 43.2	\$ 50.8	\$ 53.5	\$ 56.8	\$ 60.1	\$ 264.4
Implements \$100 registration fee for alternative fuel vehicles <sup>2</sup>	\$ 2.1	\$ 2.3	\$ 2.6	\$ 3.0	\$ 3.4	\$ 13.4
Increases motor vehicle sales tax to 4.3% (phased in 1%, 0.1%, 0.1%, 0.1%) <sup>3</sup>	\$ 34.9	\$ 42.4	\$ 47.2	\$ 52.8	\$ 52.8	\$ 230.1
Increases statewide sales & use tax by 0.3% from 5.0% to 5.3% <sup>4</sup>	\$ 52.6	\$ 54.2	\$ 55.8	\$ 57.4	\$ 59.2	\$ 279.2
Marketplace Equity Act (MEA) transportation share <sup>2</sup>	\$ 29.4	\$ 33.3	\$ 34.5	\$ 35.6	\$ 36.7	\$ 169.5
Increase transportation share of existing sales and use tax from 0.5% to 0.675% <sup>4</sup>	\$ 8.8	\$ 18.1	\$ 27.9	\$ 33.5	\$ 34.5	\$ 122.8
<b>Totals</b>	<b>\$ 77.6</b>	<b>\$ 117.9</b>	<b>\$ 139.3</b>	<b>\$ 157.6</b>	<b>\$ 165.3</b>	<b>\$ 657.7</b>

<sup>1</sup>Estimate assumes statewide average motor fuels consumption of 601 gallons per capita.

<sup>2</sup>Estimate based on statewide revenues provided by Senate Finance, prorated according to projected population.

<sup>3</sup>Estimate based on regional proportion of motor vehicle sales taxes generated in FY12, assuming a constant proportion of state-wide revenues.

<sup>4</sup>Estimate based on regional local option sales tax revenues. This includes the 1% local option.

## Revenue Generated in Hampton Roads - Regional Components of HB2313 (Millions \$)

Key Components	FY 2014	FY 2015	FY 2016	FY 2017	FY 2018	5 - Year
Increases regional sales tax by an additional 0.7% to a total of 6% <sup>1</sup>	\$ 122.7	\$ 126.4	\$ 130.1	\$ 134.0	\$ 138.1	\$ 651.3
Implements 2.1% regional tax on the wholesale price of gasoline <sup>2</sup>	\$ 49.9	\$ 56.6	\$ 57.8	\$ 58.9	\$ 59.6	\$ 282.8
<b>Totals</b>	<b>\$ 172.6</b>	<b>\$ 183.0</b>	<b>\$ 187.9</b>	<b>\$ 192.9</b>	<b>\$ 197.7</b>	<b>\$ 934.1</b>

<sup>1</sup>Estimate based on regional local option sales tax revenues.

<sup>2</sup>Estimate based on statewide revenues provided by Senate Finance, prorated according to projected population.

# PROGRAM MANAGEMENT

**HRTPO staff to request the State (CTB and VDOT) prepare and provide the HRTPO with Quarterly Reports on:**

- **Revenue receipts**
- **Interest earned**
- **Allocations of funds per HRTPO project priorities**
- **Obligations by project phase\* and fund source**
- **Expenditures by project phase**
- **Progress report on project phase schedule and implementation**

\* Project phases include Preliminary Engineering, Right-of-Way, and Construction.

# PROGRAM MANAGEMENT

**HRTPO staff will endeavor to ensure the State (CTB and VDOT) is:**

## Regional Component

- **Moving in the directions approved by the HRTPO Board**
- **Advancing regional projects in a timely manner**
- **Expending regional funds appropriately and in a cost effective manner**
- **Accounting for all revenue due under the Regional component as approved by the General Assembly**

## Statewide Component

- **Allocating Hampton Roads “fair share” of the Statewide funds**