



Virginia Department of Rail and Public Transportation

HB 1359 – Transit Capital Project Revenue Advisory Board

Status Update

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Director

Revenue Advisory Board



- Created by HB 1359 to:
 - Develop a proposal for new revenues to replace expiring CPR bonds
 - Develop a project-based prioritization strategy for transit capital projects
 - State of Good Repair
 - Expansion projects (using same factor areas as Smart Scale)
- Also addressed in Budget Item 448 E.1

Existing Transit Capital Revenue Sources

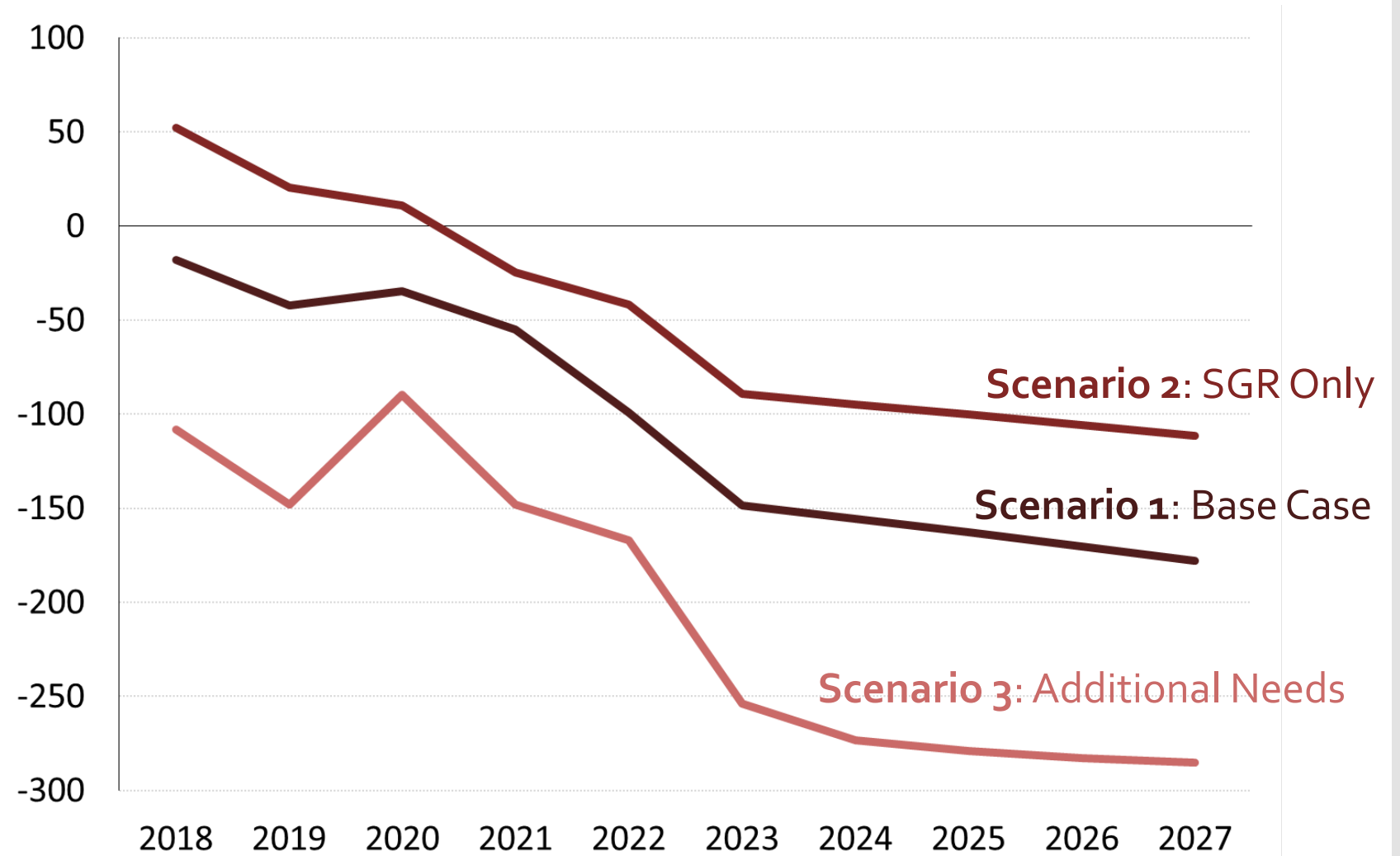


- Transportation Trust Fund – 1986 Session
 - 25% allocated to Transit Capital ~ \$37 M annually
- Recordation Taxes
 - \$0.01/\$100 ~ \$15 M annually
- Retail Sales and Use Tax
 - 25% allocated to Transit Capital ~ \$20 M annually
- Sales Tax on Fuel
 - 5.1% tax; 3.11% of revenue dedicated to transit capital ~ \$28 M annually
- CPR Bonds – 20% minimum; \$110 M annually
 - Actual allocations have exceeded 40%
- Federal Transit Administration ~ \$41 M annually

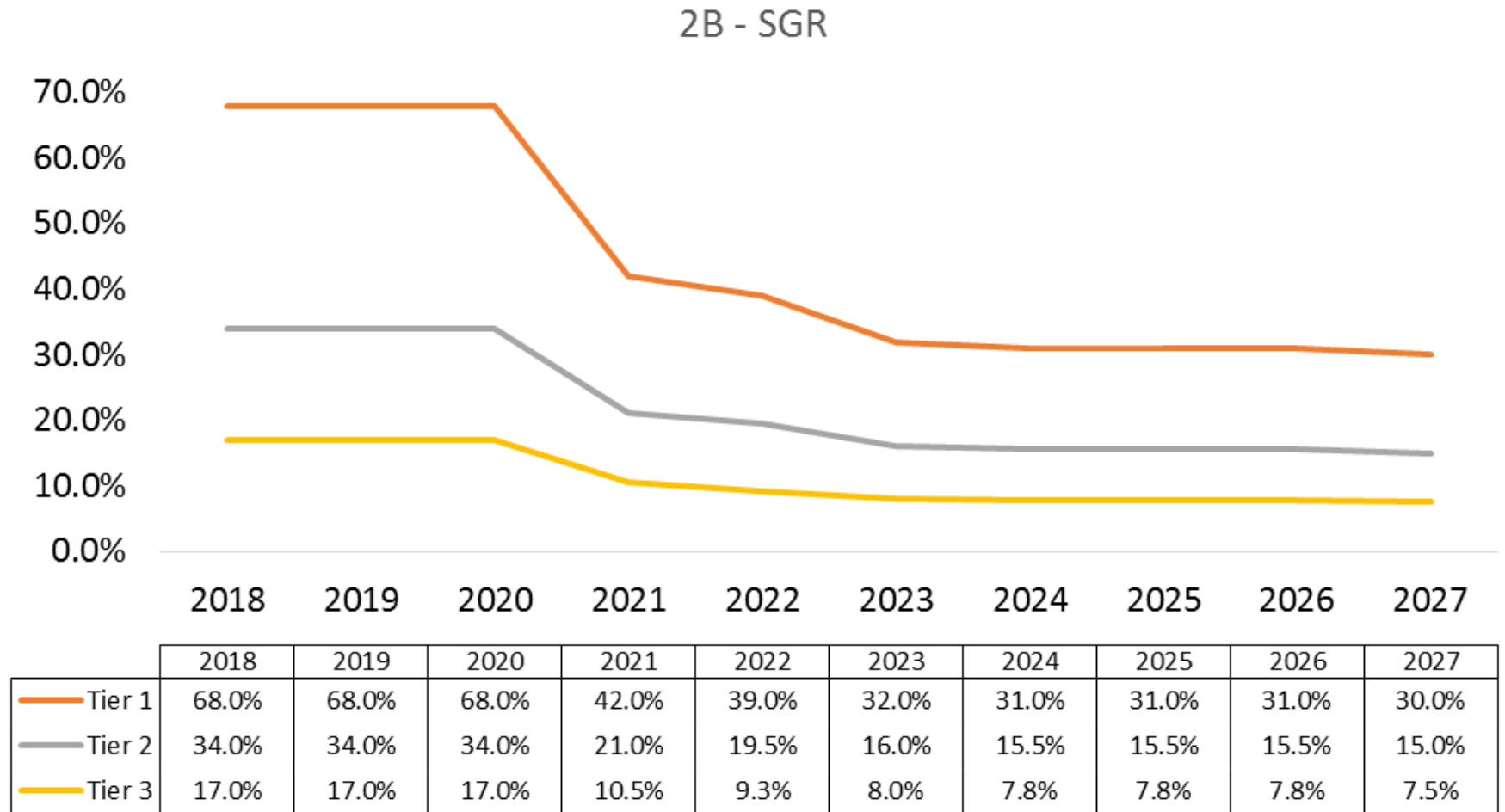
	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>	<u>Total</u>
1986 Special Session (14.7%)	\$ 36.0	\$ 37.3	\$ 37.9	\$ 38.5	\$ 38.9	\$ 39.6	228.2
Retail Sales and Use Tax	19.3	20.3	20.6	21.0	22.4	22.8	126.4
Sales Tax on Fuel	27.2	27.4	27.6	27.9	28.2	28.5	166.8
Recordation Tax	15.6	15.3	14.4	14.4	14.4	14.4	88.5
Transportation CPR Bonds	110.0	77.3	50.0	-	-	-	237.3
Federal Transit Administration	41.0	41.0	41.0	41.0	41.0	41.0	246.0
Total	<u>\$ 249.1</u>	<u>\$ 218.6</u>	<u>\$ 191.5</u>	<u>\$ 142.8</u>	<u>\$ 144.9</u>	<u>\$ 146.3</u>	<u>\$ 1,093.2</u>

- Loss of bond funds will result in a 44% decrease in transit capital funding

Annual Projected State Transit Capital Deficit by Scenario (FY18 – FY27)



Funding Scenario: SGR Only w/Tiers



Potential Revenue Strategies

- **Transit Capital funding needs may be met through a number of approaches:**
 - Increasing existing state rates
 - Increasing both state and regional rates
- **Regional revenue sources can be sized to specific needs, such as WMATA in NoVA**
- **Adding a floor to the regional Fuel Sales Tax could contribute to fund higher transit needs**

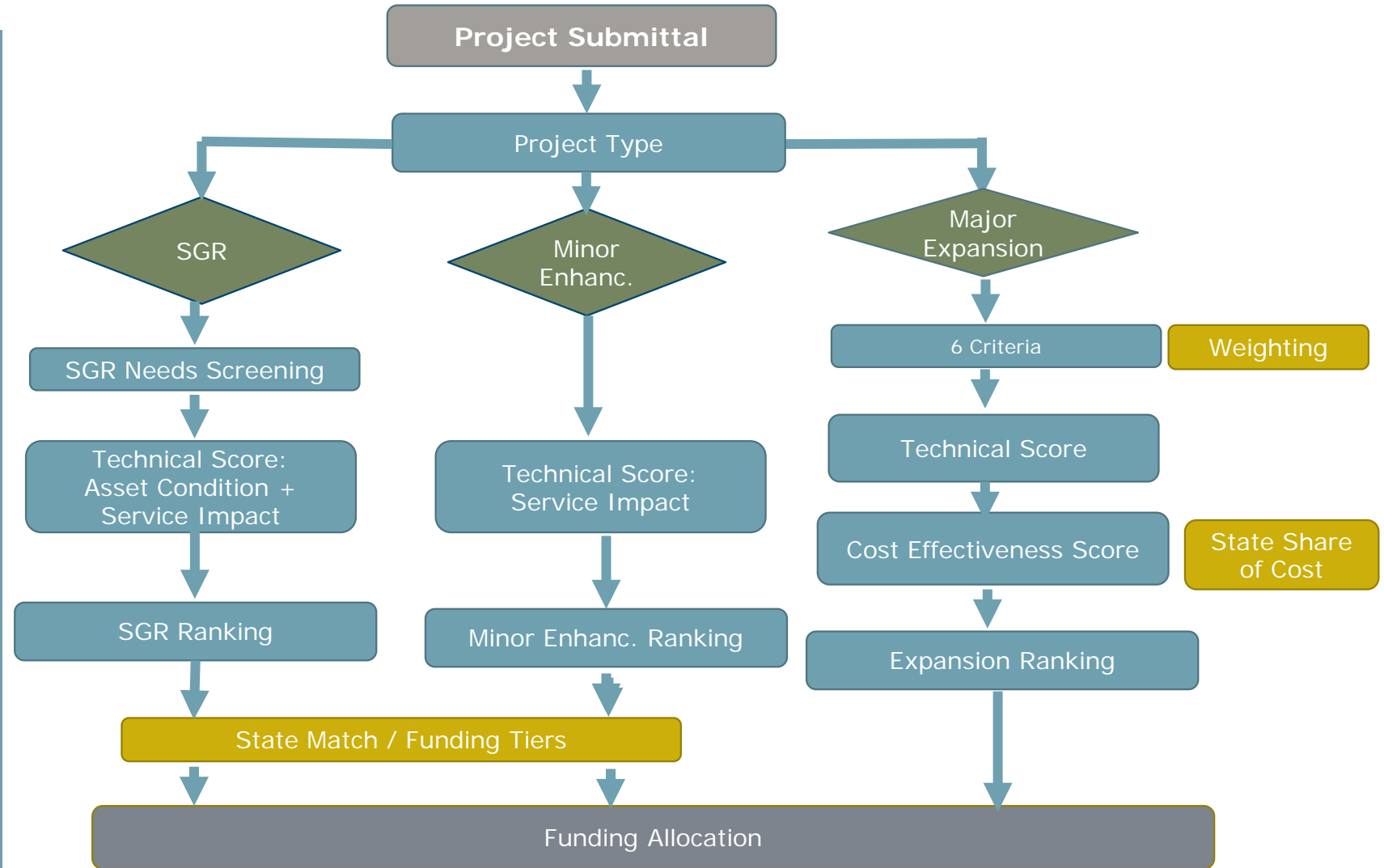


Illustrative Prioritization Process



- Major shift from current policy in which all eligible projects receive some funding
- Ties State of Good Repair prioritization to existing asset management reporting/practices (state and federal)
- Smart Scale factors for expansion projects
- Intended to provide multi-year predictability
- Allocation process to support prioritization

Illustrative Structure for Capital Program Prioritization



Next Steps

- May – Economic impact, refined revenue packages
- June – Policy principles, draft report, brief CTB
- July – CTB endorsement of recommendation, final report (due by August 1st)
- Future:
 - Development and implementation of CTB policy on transit capital prioritization

