

**FINAL REPORT OF THE**

**COMMISSION ON THE FUTURE  
OF TRANSPORTATION  
IN VIRGINIA**

**TO THE GOVERNOR AND  
THE GENERAL ASSEMBLY OF VIRGINIA**



**HOUSE DOCUMENT NO. 30**

**COMMONWEALTH OF VIRGINIA  
RICHMOND  
1998**



## Final Report

# Commission on the Future of Transportation in Virginia

### Members:

Delegate William P. Robinson, Jr., Chairman  
Senator Stanley C. Walker, Vice-Chairman

#### Delegates

Thomas W. Moss, Jr.  
V. Earl Dickinson  
David G. Brickley  
Marian Van Landingham  
Whittington W. Clement  
Anne G. Rhodes

#### Senators

Charles L. Waddell  
Kevin G. Miller  
William C. Wampler  
Martin E. Williams

#### Citizens:

Alson H. Smith  
John G. Milliken  
Vincent J. Mastracco, Jr.  
Ray D. Pethtel

#### Citizens:

Frank B. Bradley  
Timothy Hugo  
Pablo Cuevas  
James C. Bishop

#### State Transportation Officials

Robert E. Martinez, Secretary of Transportation  
Leo J. Bevon, Director, Dept. of Rail and Public Transportation  
J. Robert Bray, Executive Director, Virginia Port Authority  
David R. Gehr, Commissioner, Department of Transportation  
Kenneth F. Wiegand, Director, Department of Aviation





# Commonwealth of Virginia

GENERAL ASSEMBLY  
RICHMOND

December 20, 1997

## Final Report

### Commission on the Future of Transportation in Virginia

The Honorable George F. Allen  
Governor  
Commonwealth of Virginia

The Honorable Members  
Virginia General Assembly

Dear Governor Allen and Members of the General Assembly:

After nine meetings spread over the last 15 months, the Commission on the Future of Transportation is pleased to present this final report on its findings, with the qualification that substantial work remains to be done.

The Commission was created by House Joint Resolution 160 / Senate Joint Resolution 110 in the 1996 General Assembly Session. House Joint Resolution 519 of the 1997 Session continued the Commission. HJR 519 called for an interim report, and, by December 20, a final report.

The Commission's major findings are found in House Document 12, the interim report issued in early November. The Executive Summary for HD 12 is part of this final report.

An Advisory Committee on Transportation Needs provided valuable assistance to the Commission in the development of HD 12, and a listing of the members of the advisory committee is included in this report. In addition, the Secretary of Transportation and the staff of the transportation agencies provided on-going assistance and consultation, and the Commission acknowledges their many contributions.

We would like to emphasize in this letter of transmittal our strong belief that transportation revenues generated for the construction and maintenance of transportation projects should not be redirected for nontransportation purposes.

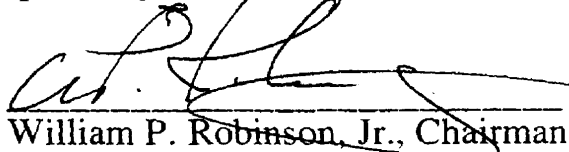
With this final report, the Commission is recommending a series of legislative proposals for consideration in the 1998 session of the General Assembly, and drafts of most proposals are included at the end of the report.

Among our legislative recommendations is a joint resolution (yet to be drafted) that would continue the Commission's work for another year.

A continuation of our review is recommended because many highly complex transportation issues remain "on the table," among them:

- **Needs and Revenues.** While the commission finds that there is a significant projected gap between future transportation needs and future revenues, further study and analysis of the needs and the alternative financing methods for meeting the needs is required. The issue of dedicating a source of revenue for on-going rail needs should be examined.
- **Sharing Costs.** The "cost responsibility" of each type of vehicle to help finance highways has not been reviewed for many years.
- **High Cost Projects.** There are many high cost transportation projects of \$500 million and more under active consideration by the Commonwealth Transportation Board, and there are other high cost projects -- particularly rail projects -- that should be actively pursued. There are no clear answers to the financing problems these major projects present.
- **Land Use and Transportation.** Questions have been raised about the lack of a state policy to integrate transportation planning and land use planning. Experts advised the commission that many transportation needs are created by poor land use decisions that result in urban sprawl and jobs being located long distances from where the workers live. How Virginia might proceed to integrate transportation and land use planning will require extensive study.

The final report of the Commission on the Future of Transportation in Virginia is hereby respectfully submitted:

  
William P. Robinson, Jr., Chairman

# Executive Summary

## Interim Report of the Commission on the Future of Transportation in Virginia (House Document 12)

- State agencies representing the transportation modes estimate that the needs projected by the commission for the 20-year period 1998-2017 would cost \$68.4 billion not including inflation, and \$88.8 billion including inflation.
- Federal and state revenues projected to be available will not be sufficient to finance these needs through the year 2017. The apparent revenue shortfall is \$44.3 billion with costs not inflated, and \$64.7 billion including inflation.
- On an annualized basis, the revenue shortfall with costs not inflated is about \$2.3 billion. With costs inflated, the shortfall totals \$2.3 billion in the first year and increases steadily to \$4.1 billion in 2017.
- For Highways alone, needs through 2017 are projected to cost \$57.8 billion, without inflation. Revenues of \$20.8 billion are estimated, leaving a revenue shortfall of \$37.0 billion. With inflation, needs are projected to cost \$74.6 billion, and with \$20.8 billion in revenues the shortfall is \$53.8 billion.
- The annualized revenue shortfall for Highways is \$1.9 billion with costs not inflated. With costs inflated, the shortfall in the first year is \$1.9 billion and the shortfall steadily increases to \$3.6 billion in 2017.
- Of the \$19.5 billion in highway projects currently listed in the Six-Year Transportation Program for feasibility studies, projects totaling \$5.2 billion would be funded by 2011 with available revenues, and another \$7.3 billion would be funded by 2023; however, funding would not be available from existing revenues for \$7.0 billion in projects until after 2023, according to the Virginia Department of Transportation.
- The commission should continue to review the needs list to better understand priorities and to review alternative financing mechanisms.

- Growth in maintenance costs is outstripping the growth in revenues dedicated to maintenance.
- Maintenance costs currently are projected to exceed revenues dedicated for maintenance within four years, at which time funds dedicated for construction will need to be transferred to maintenance.
- A reliable, long-term source of revenue to finance maintenance should be pursued.
- State funds dedicated by law for transportation maintenance and construction projects should not be diverted to finance other programs.
- If feasible, public transportation services should be significantly expanded and the state should play an increasingly greater role. Subject to feasibility, the commission supports an active approach to public transit that is estimated to cost \$9.5 billion (with costs inflated) over 20 years.
- A carefully thought out performance-based methodology for state assistance to public transit remains a priority for the near term.
- Needs of the Ports and Airports total \$2.2 billion not including inflation and \$3.2 billion with inflation. The combined revenue shortfalls for these modes is \$1.1 billion without inflation, and \$2.0 billion including inflation.
- The financing of major, high cost projects -- particularly rail projects -- remains a vexing issue for further analysis and study.
- Virginia should consider refinements to state transportation planning, and should explore growth management policies that reduce transportation needs.
- Needs of Virginians who cannot drive are significant and complex, and a major, well coordinated executive branch study is required to better define the issues.



# Advisory Committee on Transportation Needs

## Co-Chairmen

Dwight Farmer  
Director of Transportation  
Hampton Roads PDC

Larry Land  
Virginia Association of Counties

## Other Members

Dale L. Cobb  
Community Development Director  
Augusta County

Pierce Homer  
Assistant County Executive  
Prince William County

David Whitlow  
County Administrator  
King William County

John McCracken  
Transportation Director  
Chesterfield County

Eric B. Millirons  
Transportation Development Engineer  
Henrico County

W.A. Dennison  
Asst. City Manager  
City of Bristol

Richard L. Turner  
Asst. City Manager  
City of Danville

Viktoria W. Badger  
Principal Transportation Planner  
City of Richmond

Wayne Strickland  
Executive Director  
Fifth PDC  
Roanoke

Nancy O'Brien  
Executive Director  
Thomas Jefferson PDC

Wayne Sutherland  
Wytheville Town Manager

Jayne B. Whitney  
Project Manager Director  
Tidewater Transportation District Commission

Ronald F. Kirby  
Director of Transportation Planning  
Metropolitan Washington Council  
of Governments

Shiva K. Pant  
Transportation Director  
Fairfax County

Memory Porter  
Asst. to the Board  
Loudoun County Government Center

Mary Burcham Bunting  
Asst. City Manager  
Hampton

Janet Areson  
Virginia Municipal League

# 1998 Legislative Proposals

## Final Report of the Commission on the Future of Transportation in Virginia

### **Housekeeping**

1. Clarifying in the Code of Virginia the terms “Highway Construction” and “Highway Maintenance.”
2. Specifying and defining in the Code of Virginia the purposes of the primary subfunds within the Commonwealth Transportation Fund (the Transportation Trust Fund and its purposes and the Highway Maintenance and Operation Fund and its purposes).

### **Substantive**

1. Continuing the Commission for another year.
2. Requiring in the Code of Virginia a state transportation planning process, spelling out its objectives and purposes, and including in the planning process a review by the Secretary every four years of priority needs in transportation compared to projected revenues.
3. Providing state aid to public transit with a larger percentage of the Transportation Trust Fund, decreasing the percentage for Highways accordingly, and ending the annual transfers from the Highway Maintenance and Operating Fund for State aid to public transit and for the Department of Rail and Public Transportation’s administrative costs. The current shares of the TTF are 8.4 % for Transit and 85 % for Highways. The shares would become 15.7 % and 77.7%.
4. Authorizing localities to use their local share of highway funds to support public transit operating costs in addition to capital costs.
5. Through a budget amendment, calling for a study of the needs of Virginians who cannot drive.

## Note on Bill Drafts

The bill drafts that follow are hand numbered to tie back to the descriptions of the bills on the previous page.

For example, bill draft (H) (1) is #1 under "Housekeeping" on the previous page; and bill draft (S) (2) is #2 under "Substantive" on the previous page.

Most of the drafts are less than three pages long; however, (S) (3 & 4) is 10 pages long. (S) (1) has yet to be drafted.

Underlined language is new language; words that are lined through would be stricken from the code.

The last item on the previous page refers to a budget amendment. This amendment is in development and will not be available until after the start of the 1998 Session of the General Assembly. The Commission endorses the concept of a study to find alternative transportation solutions for handicapped and aging Virginians who cannot drive.

(H) (T)

98 - 6179432

12/02/97 10:43 AM

Alan Wambold

SENATE BILL NO. \_\_\_\_\_ HOUSE BILL NO. \_\_\_\_\_

1 A BILL to amend and reenact § 33.1-23.02 of the Code of Virginia, relating to the Department  
2 of Transportation and Department's maintenance activities and construction projects.

3 **Be it enacted by the General Assembly of Virginia:**

4 **1. That § 33.1-23.02 of the Code of Virginia is amended and reenacted as follows:**

5 § 33.1-23.02. Definitions of the terms "maintenance" and "construction."

6 For the purpose of this title, ~~unless otherwise explicitly provided, the term~~  
7 ~~"maintenance"~~ maintenance's purpose shall be to manage the assets of the highway  
8 transportation system. Asset management shall include ordinary maintenance, maintenance  
9 replacement, and any other categories of maintenance which may be designated by the  
10 Commissioner that do not result in additional highway lane miles. Other categories of  
11 maintenance include but shall not be limited to traffic management systems, asset operations  
12 and monitoring, and payments to localities as provided in § 33.1-41.1. "Construction" means  
13 construction of additional lane miles of highway and all other forms of highway improvement  
14 not embraced by maintenance's purpose.

15 All definitions in this section are intended to provide guidance to the Department in the  
16 determination of project designation and are not intended to impact or limit the designation of  
17 funds for various purposes as provided in § 33.1-23.01:1 and by federal authorizations.

(H) (2)

98 - 6178432

12/02/97 7:45 AM

Alan Wambold

SENATE BILL NO. \_\_\_\_\_ HOUSE BILL NO. \_\_\_\_\_

1 A BILL to amend and reenact §§ 33.1-23.03:1, 33.1-183.1, and 58.1-2706 of the Code of  
2 Virginia and to amend the Code of Virginia by adding a section numbered 33.1-  
3 23.03:1.1, relating to the Transportation Trust Fund, the Highway Maintenance and  
4 Operating Fund, and the Highway Maintenance and Construction Fund.

5 **Be it enacted by the General Assembly of Virginia:**

6 **1. That §§ 33.1-23.03:1, 33.1-183.1, and 58.1-2706 of the Code of Virginia are amended**  
7 **and reenacted and that the Code of Virginia is amended by adding a section numbered**  
8 **33.1-23.03:1.1 as follows:**

9 § 33.1-23.03:1. Transportation Trust Fund.

10 There is hereby created in the Department of the Treasury a special nonreverting fund  
11 to be known as the Transportation Trust Fund, consisting of:

12 1. Funds remaining for highway construction purposes, among the several highway  
13 systems pursuant to § 33.1-23.1.

14 2. [Repealed.]

15 3. The additional revenues generated by enactments of Chapters 11, 12 and 15 of the  
16 Acts of Assembly, 1986 Special Session, and designated for this fund.

17 4. Tolls and other revenues derived from the projects financed or refinanced pursuant  
18 to this title which are payable into the state treasury and tolls and other revenues derived from  
19 other transportation projects, which may include upon the request of the applicable appointed  
20 governing body, as soon as their obligations have been satisfied, such tolls and revenue  
21 derived for transportation projects pursuant to § 33.1-253 (Chesapeake Bay Bridge and  
22 Tunnel District) and § 33.1-320 (Richmond Metropolitan Authority) or if the appointed  
23 governing body requests refunding or advanced refunding by the Board and such refunding or  
24 advanced refunding is approved by the General Assembly. Such funds shall be held in

separate subaccounts of the Transportation Trust Fund to the extent required by law or the Board.

5. Tolls and other revenues derived from the Richmond-Petersburg Turnpike, provided that such funds shall be held in a separate subaccount of the Transportation Trust Fund and allocated as set forth in Chapter 574 of the Acts of Assembly of 1983 until expiration of that Act.

6. Such other funds as may be appropriated by the General Assembly from time to time, and designated for this fund.

7. All interest, dividends and appreciation which may accrue to the Transportation Trust Fund and the Highway Maintenance and ~~Construction~~ Operating Fund, except that interest on funds becoming part of the Transportation Trust Fund under subdivision 1 and the Highway Maintenance and ~~Construction~~ Operating Fund shall not become part of the Transportation Trust Fund until July 1, 1988.

8. All amounts required by contract to be paid over to the Transportation Trust Fund.

§ 33.1-23.03:1.1. Highway Maintenance and Operating Fund.

There is hereby created in the state treasury a special nonreverting fund to be known as the Highway Maintenance and Operating Fund, hereafter referred to as "the Fund." The Fund shall be established on the books of the Comptroller. All moneys required by law to be deposited into or designated by law as parts or components of the Fund shall be paid into the state treasury and credited to the Fund. Moneys remaining in the Fund, including interest thereon at the end of each fiscal year, shall not revert to the general fund. Moneys in the Fund shall be used, expended and disbursed solely for the maintenance and operation of public highways in the Commonwealth, the operation of the Department of Transportation, and such other purposes as provided by law.

§ 33.1-183.1. Authority to lease or convey airspace; terms of lease or conveyance; advertisement and bids; disposition of compensation for lease or conveyance.

1           The Board may lease or sell and convey the airspace superjacent or subjacent to an  
2 highway in this Commonwealth which is within its jurisdiction and in which the Commonwealth  
3 owns fee simple title after satisfying itself that use of the airspace will not impair the full use  
4 and safety of the highway or otherwise interfere with the free flow of traffic thereon and it  
5 cannot be reasonably foreseen as needed in the future for highway and other transit uses and  
6 purposes. It may provide in such leases and conveyances of airspace for columns of support,  
7 in fee or otherwise, ingress, egress and utilities.

8           No lease or conveyance shall be entered into by the Board until after the time the  
9 county, city or town, by action of its governing body by majority recorded vote, approves the  
10 projected use and has zoned the airspace in question or has otherwise taken such steps as it  
11 deems proper to regulate the type and use of the improvements to be erected in such  
12 airspace.

13           All leases and conveyances shall contain those terms deemed necessary by the Board  
14 to protect the interests of the Commonwealth and the public and shall not be entered into until  
15 after public advertising for bids for such airspace. The Board shall advertise for bids at least  
16 fourteen days prior to the execution of a lease or a conveyance. The advertisement shall state  
17 the place where bidders may examine a map of the airspace, the general terms of the lease or  
18 conveyance and the time and place when bids will be opened by the Board. The highest bid  
19 from a responsible bidder, in the sole discretion of the Board, shall be accepted; however, the  
20 Board may reject all bids and advertise the property again.

21           Compensation paid for such leases and conveyances shall be credited to the ~~fund for~~  
22 ~~highway maintenance~~ Highway Maintenance and construction Operating Fund.

23           § 58.1-2706. Credit for payment of motor fuel, diesel fuel or liquefied gases tax.

24           A. Every motor carrier subject to the road tax shall be entitled to a credit on such tax  
25 equivalent to sixteen cents per gallon on all motor fuel or diesel fuel or ten cents per gallon on  
26 liquefied gases purchased by such carrier within the Commonwealth for use in its operations  
27 either within or without the Commonwealth and upon which the motor fuel, diesel fuel or



liquefied gases tax imposed by the laws of the Commonwealth has been paid by such carrier.  
2 Evidence of the payment of such tax in such form as may be required by, or is satisfactory to,  
3 the Department shall be furnished by each carrier claiming the credit herein allowed.

4 B. When the amount of the credit to which any motor carrier is entitled for any quarter  
5 exceeds the amount of the tax for which such carrier is liable for the same quarter, the excess  
6 may: (i) be allowed as a credit on the tax for which such carrier would be otherwise liable for  
7 any of the eight succeeding quarters or (ii) be refunded, upon application, duly verified and  
8 presented and supported by such evidence as may be satisfactory to the Department.

9 C. The Department may allow a refund upon receipt of proper application and review. It  
10 shall be at the discretion of the Department to determine whether an audit is required.

11 D. The refund may be allowed without a formal hearing if the amount of refund is  
12 agreed to by the applicant. Otherwise, a formal hearing on the application shall be held by the  
13 Department after notice of not less than ten days to the applicant and the Attorney General.

14 E. Whenever any refund is ordered it shall be paid out of the ~~Highway Maintenance and~~  
15 ~~Construction Fund~~ taxes collected under this chapter.

16 F. Whenever a person operating under lease to a motor carrier to perform transport  
17 services on behalf of the carrier purchases motor fuel, diesel fuel or liquefied gases relating to  
18 such services, such payments or purchases may, at the discretion of the Department, be  
19 considered payment or purchases by the carrier.

20 #

5 2

98 - 6177432

12/02/97 2:05 PM

Alan Wambold

SENATE BILL NO. \_\_\_\_\_ HOUSE BILL NO. \_\_\_\_\_

A BILL to amend and reenact §§ 2.1-51.42 and 33.1-13 the Code of Virginia and to repeal § 33.1-23.03 of the Code of Virginia, relating to the powers and duties of the Secretary of Transportation, the powers of the Commonwealth Transportation Commissioner, and the periodic review of highway construction needs in Virginia.

**Be it enacted by the General Assembly of Virginia:**

**1. That §§ 2.1-51.42 and 33.1-13 of the Code of Virginia are amended and reenacted as follows:**

§ 2.1-51.42. Subject to supervision by Governor; powers and duties.

A. The Secretary of Transportation shall be subject to direction and supervision by the Governor. The agencies assigned to the Secretary shall:

1. Exercise their respective powers and duties in accordance with the general policy established by the Governor or by the Secretary acting on behalf of the Governor;
2. Provide such assistance to the Governor or the Secretary as may be required; and
3. Forward all reports to the Governor through the Secretary.

B. Unless the Governor expressly reserves such power to himself, the Secretary is empowered to:

1. Resolve administrative, jurisdictional, operational, program, or policy conflicts between agencies or officials assigned;
2. Direct the formulation of a comprehensive program budget for the functional area identified in § 2.1-398 encompassing the services of agencies assigned for consideration by the Governor;
3. Hold agency heads accountable for their administrative, fiscal and program actions in the conduct of the respective powers and duties of the agencies;

1 4. Direct the development of goals, objectives, policies and plans that are necessary to  
2 the effective and efficient operation of government;

3 5. Sign documents on behalf of the Governor which originate with agencies assigned to  
4 the Secretary; and

5 6. Employ such personnel and contract for such consulting services as may be required  
6 to perform the powers and duties conferred upon the Secretary by statute or executive order.

7 C. The Secretary shall coordinate a continuing, comprehensive, and intermodal  
8 statewide transportation planning process, including the development of a statewide  
9 transportation plan. Such plan shall clearly state the Commonwealth's transportation goals  
10 and objectives and their integration with land use planning. Broad indications for carrying out  
11 the goals and objectives shall be portrayed on a map of Virginia and made a part of the  
12 statewide plan. The plan shall also include an analysis of the Commonwealth's priority  
13 transportation needs, both for each mode (ports, airports, public transit, rail and highways) and  
14 for a total transportation system. The priority needs shall be projected for the next six years,  
15 twelve years, and eighteen years and shall take into account the priority needs as specified by  
16 Metropolitan Planning Organizations. Each projection of priority needs shall be compared to  
17 revenues projected by the Department of Motor Vehicles to finance the priority needs, with  
18 costs and revenues equalized as to dollar value. The Secretary shall define for each mode  
19 what a "priority need" means. Upon review and adoption by the Commonwealth  
20 Transportation Board, the plan shall be made available to the governor and the General  
21 Assembly every four years. The first such plan shall be presented no later than November 1,  
22 2000. Each such plan shall be summarized in a popular document and made available to the  
23 general public upon presentation to the Governor and General Assembly.

24 § 33.1-13. General powers of Commissioner.

25 Except such powers as are conferred by law upon the Commonwealth Transportation  
Board, the Commonwealth Transportation Commissioner shall have the power to do all acts  
27 necessary or convenient for constructing, improving and maintaining the roads embraced in

(S)

(3 & 4)

98 - 6176432

12/12/97 8:57 AM

Alan Wambold

SENATE BILL NO. \_\_\_\_\_ HOUSE BILL NO. \_\_\_\_\_

1 A BILL to amend and reenact §§ 33.1-23.03:2, 33.1-46.1, 58.1-638, and 58.1-2425 of the  
2 Code of Virginia, relating to the Transportation Trust Fund, the Commonwealth Mass  
3 Transit Fund, and highway aid to mass transit.

4 **Be it enacted by the General Assembly of Virginia:**

5 **1. That §§ 33.1-23.03:2, 33.1-46.1, 58.1-638, and 58.1-2425 of the Code of Virginia are**  
6 **amended and reenacted as follows:**

7 § 33.1-23.03:2. Commonwealth Port Fund, Commonwealth Airport Fund and  
8 Commonwealth Mass Transit Fund.

9 Of the funds becoming part of the Transportation Trust Fund pursuant to subdivision 3  
0 of § 33.1-23.03:1, an aggregate of 4.2 percent shall be set aside as the Commonwealth Port  
1 Fund; an aggregate of 2.4 percent shall be set aside as the Commonwealth Airport Fund; and  
2 an aggregate of ~~8.4~~ 15.7 percent shall be set aside as the Commonwealth Mass Transit Fund.

3 The remaining ~~eighty-five~~ 77.7 percent of the funds deposited into or held in the  
4 Transportation Trust Fund pursuant to subdivision 3 of § 33.1-23.03:1, together with funds  
5 deposited pursuant to subdivisions 1 and 6 of § 33.1-23.03:1, shall be expended for capital  
6 improvements including construction, reconstruction, maintenance, and improvements of  
7 highways according to the provisions of § 33.1-23.1 B or to secure bonds issued for such  
8 purposes, as provided by the Board and the General Assembly.

9 § 33.1-46.1. Highway aid to mass transit.

0 In allocating highway funds ~~in urban corridors~~ the Commonwealth Transportation Board  
1 may use such funds for highway aid to mass transit facilities when such use will best  
2 accomplish the purpose of serving the transportation needs of the greatest number of people.

1 Highway aid to mass transit may be accomplished (i) by using highway funds to aid in  
2 paying transit operating costs borne by localities and/or (ii) by acquisition or construction of  
3 transit-related highway facilities such as exclusive bus lanes, bus turn-outs, bus passenger  
4 shelters, fringe parking facilities, including necessary access roads, to promote transit use and  
5 relieve highway congestion, off-street parking facilities to permit exclusive use of curb lane by  
6 buses, and by permitting mass transit facilities to occupy highway median strips without the  
7 reimbursement required by § 33.1-97, all to the end that highway traffic may be relieved  
8 through the development of more efficient mass transit.

9 Expenditures of funds under the authority of this section shall be made from funds  
10 available for the construction of state highways within the construction district in which the  
11 transit facilities are wholly or partly located.

12 The Board may at its discretion contract with the governing bodies comprising a  
transportation district, or in its discretion, other local governing bodies, for the accomplishment  
14 of a project to which funds have been allocated under the provisions of this section. Whenever  
15 such projects are being financed by advance annual allocation of funds, the Board may make  
16 such funds available to the contracting governing bodies in annual increments which may be  
17 used for other transit purposes until needed for the project for which allocated; however, the  
18 Board may require bond or other satisfactory assurance of final completion of the contract.

19 The Board may also, at the request of local governing bodies, use funds allocated for  
20 urban highways or secondary roads within their jurisdiction ~~to aid the transportation district of~~  
21 ~~which it is a unit in the purchase of buses and ancillary facilities for public transit systems or to~~  
22 ~~aid local governing bodies in the purchase of equipment and facilities to be used in public~~  
23 ~~mass transit; however, the Board shall make no allocation of such funds to a governing body~~  
24 ~~which has withdrawn from a transportation district of which it was a member for a period of~~  
25 ~~three years after such withdrawal has taken place~~ to accomplish the purposes of this section.

1 The General Assembly may, through the general appropriations act, (i) provide for limits  
2 on the amounts or purposes of allocations made under this section; and (ii) provide for the  
3 transfer of allocations from one eligible recipient to another.

4 § 58.1-638. Disposition of state sales and use tax revenue; localities' share.

5 A. The Comptroller shall designate a specific revenue code number for all the state  
6 sales and use tax revenue collected under the preceding sections of this chapter.

7 1. The sales and use tax revenue generated by the one-half percent sales and use tax  
8 increase enacted by the 1986 Special Session of the General Assembly shall be paid, in the  
9 manner hereinafter provided in this section, to the Transportation Trust Fund as defined in §  
10 33.1-23.03:1. Of the funds paid to the Transportation Trust Fund, an aggregate of 4.2 percent  
11 shall be set aside as the Commonwealth Port Fund as hereinafter provided; an aggregate of  
12 2.4 percent shall be set aside as the Commonwealth Airport Fund as hereinafter provided; and  
13 an aggregate of ~~8.4~~ 15.7 percent shall be set aside as the Commonwealth Mass Transit Fund  
14 as hereinafter provided. The Fund's share of such net revenue shall be computed as an  
15 estimate of the net revenue to be received into the state treasury each month, and such  
16 estimated payment shall be adjusted for the actual net revenue received in the preceding  
17 month. All payments shall be made to the Fund on the last day of each month.

18 2. There is hereby created in the Department of the Treasury a special nonreverting  
19 fund which shall be a part of the Transportation Trust Fund and which shall be known as the  
20 Commonwealth Port Fund.

21 a. The Commonwealth Port Fund shall be established on the books of the Comptroller  
22 and the funds remaining in such Fund at the end of a biennium shall not revert to the general  
23 fund but shall remain in the Fund. Interest earned on such funds shall remain in the Fund and  
24 be credited to it. Funds may be paid to any authority, locality or commission for the purposes  
25 hereinafter specified.

26 b. The amounts allocated pursuant to this section shall be allocated by the  
27 Commonwealth Transportation Board to the Board of Commissioners of the Virginia Port

Authority to be used to support port capital needs and the preservation of existing capital  
2 needs of all ocean, river, or tributary ports within the Commonwealth.

3 c. Commonwealth Port Fund revenue shall be allocated by the Board of Commissioners  
4 to the Virginia Port Authority in order to foster and stimulate the flow of maritime commerce  
5 through the ports of Virginia, including but not limited to the ports of Richmond, Hopewell and  
6 Alexandria.

7 3. There is hereby created in the Department of the Treasury a special nonreverting  
8 fund which shall be part of the Transportation Trust Fund and which shall be known as the  
9 Commonwealth Airport Fund. The Commonwealth Airport Fund shall be established on the  
0 books of the Comptroller and any funds remaining in such Fund at the end of a biennium shall  
1 not revert to the general fund but shall remain in the Fund. Interest earned on the funds shall  
2 be credited to the Fund. The funds so allocated shall be allocated by the Commonwealth  
3 Transportation Fund to the Virginia Aviation Board. The funds shall be allocated by the Virginia  
4 Aviation Board to any Virginia airport which is owned by the Commonwealth, a governmental  
5 subdivision thereof, or a private entity to which the public has access for the purposes  
6 enumerated in § 5.1-2.16, or is owned or leased by the Metropolitan Washington Airports  
7 Authority (MWAA), as follows:

8 From July 1, 1995, through June 30, 2000, any new funds in excess of \$12.1 million  
9 which are available for allocation by the Virginia Aviation Board from the Commonwealth  
0 Transportation Fund, shall be allocated as follows: sixty percent to MWAA, up to a maximum  
1 annual amount of two million dollars, and forty percent to air carrier airports as provided in  
2 subdivision A 3 a. Except for adjustments due to changes in enplaned passengers, no air  
3 carrier airport sponsor, excluding MWAA, shall receive less funds identified under subdivision  
4 A 3 a than it received in fiscal year 1994-95.

5 Of the remaining amount:

6 a. Forty percent of the funds shall be allocated to air carrier airports, except airports  
7 owned or leased by MWAA, based upon the percentage of enplanements for each airport to

1 total enplanements at all air carrier airports, except airports owned or leased by MWWA. No air  
2 carrier airport sponsor, however, shall receive less than \$50,000 nor more than \$2 million per  
3 year from this provision.

4 b. Forty percent of the funds shall be allocated by the Aviation Board for air carrier and  
5 reliever airports on a discretionary basis, except airports owned or leased by MWWA.

6 c. Twenty percent of the funds shall be allocated by the Aviation Board for general  
7 aviation airports on a discretionary basis.

8 4. There is hereby created in the Department of the Treasury a special nonreverting  
9 fund which shall be a part of the Transportation Trust Fund and which shall be known as the  
10 Commonwealth Mass Transit Fund.

11 a. The Commonwealth Mass Transit Fund shall be established on the books of the  
12 Comptroller and any funds remaining in such Fund at the end of the biennium shall not revert  
13 to the general fund but shall remain in the Fund. Interest earned on such funds shall be  
14 credited to the Fund. Funds may be paid to any local governing body, transportation district  
15 commission, or public service corporation for the purposes hereinafter specified.

16 b. The amounts allocated pursuant to this section may be used to support a maximum  
17 of fifty percent of the public transportation administrative costs and up to eighty percent of the  
18 costs of ridesharing programs borne by the locality. These amounts may be used to support  
19 up to ninety-five percent of the local or nonfederal share of capital project costs for public  
20 transportation and ridesharing equipment, facilities, and associated costs. Capital costs may  
21 include debt service payments on local or agency transit bonds. Further, these amounts may  
22 be used to support a maximum of ninety-five percent of the costs borne by the locality for the  
23 purchase of fuels, lubricants, tires and maintenance parts and supplies for public  
24 transportation. The term "borne by the locality" shall mean the local share eligible for state  
25 assistance consisting of costs in excess of the sum of fares and other operating revenues plus  
26 federal assistance received by the locality.



c. Commonwealth Mass Transit Fund revenue shall be allocated by the Commonwealth

2 Transportation Board as follows:

3 (1) Funds to support the administrative and operating expenses of the Department of  
4 Rail and Public Transportation.

5 (2) Funds for special programs, which shall include ridesharing, experimental transit,  
6 and technical assistance, shall not exceed 1.5 percent of the Fund remaining after deducting  
7 payments for support of the expenses of the Department of Rail and Public Transportation.

8 (2\_3) The Board may allocate these funds to any locality or planning district commission  
9 to finance up to eighty percent of the local share of all costs associated with the development,  
10 implementation, and continuation of ridesharing programs.

11 (3\_4) Funds allocated for experimental transit projects may be paid to any local  
12 governing body, transportation district commission, or public corporation or may be used  
directly by the Department of Rail and Public Transportation for the following purposes:

14 (a) To finance up to ninety-five percent of the capital costs related to the development,  
15 implementation and promotion of experimental public transportation and ridesharing projects  
16 approved by the Board.

17 (b) To finance up to ninety-five percent of the operating costs of experimental mass  
18 transportation and ridesharing projects approved by the Board for a period of time not to  
19 exceed twelve months.

20 (c) To finance up to ninety-five percent of the cost of the development and  
21 implementation of any other project designated by the Board where the purpose of such  
22 project is to enhance the provision and use of public transportation services.

23 d. Funds allocated for public transportation promotion and operation studies may be  
24 paid to any local governing body, planning district commission, transportation district  
25 commission, or public transit corporation, or may be used directly by the Department of Rail  
and Public Transportation for the following purposes and aid of public transportation services:

1 (1) At the approval of the Board to finance a program administered by the Department  
2 of Rail and Public Transportation designed to promote the use of public transportation and  
3 ridesharing throughout Virginia.

4 (2) To finance up to fifty percent of the local share of public transportation operations  
5 planning and technical study projects approved by the Board.

6 e. At least 73.5 percent of the Fund remaining after deducting payments for support of  
7 the expenses of the Department of Rail and Public Transportation shall be distributed to each  
8 transit property in the same proportion as its operating expenses bear to the total statewide  
9 operating expenses and shall be spent for the purposes specified in subdivision 4 b.

10 f. The ~~remaining twenty-five percent~~ balance of the Fund shall be distributed for capital  
11 purposes on the basis of ninety-five percent of the nonfederal share for federal projects and  
12 ninety-five percent of the total costs for nonfederal projects. In the event that total capital funds  
13 available under this paragraph are insufficient to fund the complete list of eligible projects, the  
14 funds shall be distributed to each transit property in the same proportion that such capital  
15 expenditure bears to the statewide total of capital projects.

16 5. Funds for Metro shall be paid by the Northern Virginia Transportation Commission to  
17 the Washington Metropolitan Area Transit Authority (WMATA) and be a credit to the Counties  
18 of Arlington and Fairfax and the Cities of Alexandria, Falls Church and Fairfax in the following  
19 manner:

20 a. Local payments of WMATA rail transit bonds shall be paid first and apportioned to  
21 each locality using the WMATA capital formula.

22 b. The remaining funds shall be apportioned by calculating twenty-five percent of the  
23 capital and operating costs and seventy-five percent of the capital and operating subsidies  
24 applied to each locality. Capital costs may include twenty percent of annual local bus capital  
25 expenses.

26 Appropriations from the Commonwealth Mass Transit Fund are intended to provide a  
27 stable and reliable source of revenue as defined by Public Law 96-184.

1 B. The sales and use tax revenue generated by a one percent sales and use tax shall  
2 be distributed among the counties and cities of this Commonwealth in the manner hereafter in  
3 this section provided.

4 C. The localities' share of the net revenue distributable under this section among the  
5 counties and cities shall be apportioned by the Comptroller and distributed among them by  
6 warrants of the Comptroller drawn on the Treasurer of Virginia as soon as practicable after the  
7 close of each month during which the net revenue was received into the state treasury. The  
8 distribution of the localities' share of such net revenue shall be computed with respect to the  
9 net revenue received into the state treasury during each month, and such distribution shall be  
10 made as soon as practicable after the close of each such month.

11 D. The net revenue so distributable among the counties and cities shall be apportioned  
12 and distributed upon the basis as certified to the Comptroller by the Department of Education,  
13 of the number of children in each county and city according to the most recent statewide  
14 census of school population taken by the Department of Education pursuant to § 22.1-284, as  
15 adjusted in the manner hereinafter provided. No special school population census, other than  
16 a statewide census, shall be used as the basis of apportionment and distribution except that in  
17 any calendar year in which a statewide census is not reported, the Department of Education  
18 shall adjust such school population figures by the same percent of annual change in total  
19 population estimated for each locality by The Center for Public Service. The revenue so  
20 apportionable and distributable is hereby appropriated to the several counties and cities for  
21 maintenance, operation, capital outlays, debt and interest payments, or other expenses  
22 incurred in the operation of the public schools, which shall be considered as funds raised from  
23 local resources. In any county, however, wherein is situated any incorporated town  
24 constituting a school division, the county treasurer shall pay into the town treasury for  
25 maintenance, operation, capital outlays, debt and interest payments, or other expenses  
26 incurred in the operation of the public schools, the proper proportionate amount received by  
27 him in the ratio that the school population of such town bears to the school population of the

1 entire county. If the school population of any city or of any town constituting a school division  
2 is increased by the annexation of territory since the last preceding school population census,  
3 such increase shall, for the purposes of this section, be added to the school population of such  
4 city or town as shown by the last such census and a proper reduction made in the school  
5 population of the county or counties from which the annexed territory was acquired.

6 E. If errors are made in any distribution, or adjustments are otherwise necessary, the  
7 errors shall be corrected and adjustments made in the distribution for the next quarter or for  
8 subsequent quarters.

9 F. The term "net revenue," as used in this section, means the gross revenue received  
10 into the general fund or the Transportation Trust Fund of the state treasury under the  
11 preceding sections of this chapter, less refunds to taxpayers.

12 § 58.1-2425. Disposition of revenues.

13 A. All funds collected hereunder by the Commissioner shall be forthwith paid into the  
14 state treasury. Except as otherwise provided in this section, these funds shall constitute  
15 special funds within the Commonwealth Transportation Fund. Any balances remaining in  
16 these funds at the end of the year shall be available for use in subsequent years for the  
17 purposes set forth in this chapter, and any interest income on such funds shall accrue to these  
18 funds. The revenue so derived, after refunds have been deducted, is hereby allocated for the  
19 construction, reconstruction and maintenance of highways and the regulation of traffic thereon  
20 and for no other purpose. However, (i) all funds collected pursuant to the provisions of this  
21 chapter from mobile homes, as defined in § 46.2-100, shall be distributed to the city, town, or  
22 county wherein such mobile home is to be situated as a dwelling, (ii) all funds collected from  
23 the additional tax imposed by subdivision A 4 of § 58.1-2402 on the rental of daily rental  
24 vehicles shall be distributed quarterly to the city, town, or county wherein such vehicle was  
25 delivered to the rentee, and (iii) effective January 1, 1987, an amount equivalent to the net  
26 additional revenues generated by enactments of the 1986 Special Session of the Virginia  
27 General Assembly which amended §§ 46.2-694, 46.2-697, 58.1-2401, 58.1-2402 and this

1 section shall be distributed to and paid into the Transportation Trust Fund, a special fund  
2 within the Commonwealth Transportation Fund, and are hereby appropriated to the  
3 Commonwealth Transportation Board for transportation needs, and (iv) except as otherwise  
4 provided in clause (iii) of this sentence, all moneys collected from the tax on the gross  
5 proceeds from the rental in Virginia of any motor vehicle pursuant to subdivision A 3 of § 58.1-  
6 2402 at the tax rate in effect on December 31, 1986, shall be paid by the Commissioner into  
7 the state treasury and shall be set aside in a special fund within the Commonwealth  
8 Transportation Fund to be used to meet the expenses of the Department of Motor Vehicles.

9 B. As provided in subsection A of § 58.1-638, of the funds becoming part of the  
10 Transportation Trust Fund pursuant to clause (iii) of subsection A of this section, an aggregate  
11 of 4.2 percent shall be set aside as the Commonwealth Port Fund; an aggregate of 2.4  
12 percent shall be set aside as the Commonwealth Airport Fund; and an aggregate of ~~8.4~~ 15.7  
percent shall be set aside as the Commonwealth Mass Transit Fund.

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## SUMMARY

**State aid to mass transit.** Allows all localities to use their local share of highway funds to support mass transit operating costs and increases the Commonwealth Mass Transit Fund's share of the Transportation Trust Fund from 8.4 percent to 15.7 percent.



