

**REPORT OF THE JOINT SUBCOMMITTEE TO  
STUDY GROWING TRANSIT NEEDS IN  
NORTHERN VIRGINIA**

**Joint Subcommittee to Study  
Growing Transit Needs in Northern  
Virginia 2025: Final Report  
(SJR 28, 2024)**

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



**SENATE DOCUMENT NO. 5**

**COMMONWEALTH OF VIRGINIA  
RICHMOND  
2026**





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Joint Subcommittee to Study the Growing Needs of Public  
Transit in Northern Virginia  
2025: Final Report

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The Joint Subcommittee to Study the Growing Needs of Public Transit in Northern Virginia (the Joint Subcommittee) met four times in 2025. Summaries of these meetings on April 22, June 23, October 21, and November 5 are provided in this report.

At its meeting on November 5, the Joint Subcommittee adopted a resolution containing recommendations, which is contained herein as the "Resolution of the Senate Joint Resolution 28 (SJ 28) Northern Virginia Growing Needs of Public Transit Joint Subcommittee," including "Attachment A", which provides definitions of revenue sources for consideration.

### Members

Senator Adam P. Ebbin  
Senator Scott A. Surovell  
Senator Jennifer B. Boysko  
Secretary W. Sheppard Miller III  
Kate Mattice  
Hon. Walter Alcorn

Delegate Mark D. Sickles  
Delegate Karrie K. Delaney  
Delegate Terry L. Austin  
Delegate Adele Y. McClure  
Hon. Paul C. Smedberg

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For more information, see the [Joint Subcommittee's website](#) or contact the Division of Legislative Services staff:

Nikhil Edward, Staff Attorney, DLS  
nedward@dls.virginia.gov  
804-698-1865

Stephen Kindermann, Lead Senior Attorney, DLS  
skindermann@dls.virginia.gov  
804-698-1880

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## Joint Subcommittee to Study the Growing Needs of Public Transit in Northern Virginia

April 22, 2025, at 2:00 p.m.

Northern Virginia Transportation Authority  
2600 Park Tower Drive, Suite 601, Vienna, Virginia

<https://studies.virginiageneralassembly.gov/studies/721>

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The Joint Subcommittee to Study the Growing Needs of Public Transit in Northern Virginia (the Joint Subcommittee) met in Vienna with Senator Adam P. Ebbin, chair, presiding.<sup>1</sup> The meeting began with opening remarks followed by presentations and discussion. Materials presented at the meeting are accessible through the [Joint Subcommittee's meetings webpage](#).

### Adoption of Policy on Electronic Meetings Participation and All-Virtual Meetings

The Joint Subcommittee adopted its Policy on Electronic Meetings Participation and All-Virtual Meetings for the 2025 interim period. The policy had no changes from the 2024 version.

### Report from the DMVMoves Task Force Co-Chair

*Paul Smedberg, Co-Chair, DMVMoves Task Force*

*Nick Donohue, Facilitator, DMVMoves Task Force*

Mr. Donohue provided an update on the [DMVMoves Task Force](#), including an overview of capital funding shortages, alternate funding concepts, reinvestment needs for sustaining system performance, and cost effectiveness and leveraging of existing systems for the Washington Metropolitan Area Transit Authority (WMATA). He also gave an overview of the work of the DMVMoves Task Force's working groups and discussed transparency and accountability regarding outcomes related to funding and goals, as well as the three percent subsidy cap on WMATA funding and potential unintended consequences from its imposition. He concluded with the planned approaches for local transit needs for both bus and commuter rail.

Mr. Smedberg provided additional comments on the automation of WMATA services, including a brief history of the automation of such services and current efforts to reintroduce it.

### Report from the Chair of the Technical Working Group

*Andrew D'huyvetter, Director of Programs and Policy, Northern Virginia Transportation Commission (NVTC)*

Mr. D'huyvetter offered a brief overview of the work of the technical working group, including the work of staff in preparing topic memoranda and revenue estimate reviews that will be discussed at a later meeting. He noted that, regarding the potential new revenue source of tolling inside the beltway on I-66 selected by the Joint Subcommittee in November 2024 for further

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<sup>1</sup> **Members Present:** Senator Adam P. Ebbin (chair), Delegate Mark D. Sickles (vice-chair), Senator Jennifer B. Boysko, Senator Scott A. Surovell, Delegate Karrie K. Delaney, Delegate Adele Y. McClure, Walter Alcorn, Kate Mattice, Tiffany Robinson, Paul C. Smedberg.

**Members Absent:** Delegate Terry L. Austin.

consideration, the Virginia Department of Transportation, which controls tolling on I-66 inside the beltway, has insufficient post-pandemic data to generate an accurate estimate of potential revenues.

Mr. D'huyvetter and Nate Macek, a consultant working with NVTC staff and the technical working group, gave the Joint Subcommittee members an overview of proposed qualitative evaluation criteria for potential revenue sources.

### **Presentation: Local Bus and Metrobus: A History of Funding and Service Decisions**

The Joint Subcommittee postponed this presentation to a later meeting due to time constraints.

### **Revenue Structure Discussion**

*Andrew D'huyvetter, Director of Programs and Policy, NVTC*

*Greg Potts, Virginia Government Relations Officer, WMATA*

*Mark Schofield, Chief Financial Officer, Virginia Railway Express (VRE)*

*Bob Schneider, Executive Director, Potomac and Rappahannock Transportation Commission (PRTC/OmniRide)*

*Josh Baker, Chief Executive Officer & General Manager, Alexandria Transit Company (DASH)*

Mr. D'huyvetter gave a brief overview of how current transit funding works and overarching transit funding issues. His introduction was followed by more detailed presentations by representatives of WMATA, VRE, PRTC/OmniRide, and DASH on transit funding issues for each respective agency.

Mr. Potts provided an overview of WMATA funding issues, including high fixed costs, the need for reliable and predictable funding, capital funding needs of \$500 to 600 million, additional regional operating funding, the three percent cap returning in FY 2027, and federal operating funding uncertainty.

Mr. Schofield provided an overview of VRE funding issues, including state assistance, long-term capital needs, current fixed revenues for the Commuter Rail Operating and Capital (CROC) Fund, pandemic funds set to be exhausted by FY 2028, new opportunities with the Virginia Passenger Rail Authority (VPRA) for the Manassas Line, and uncertainty related to capacity and willingness to support planned service expansion in local jurisdictions.

Mr. Schneider provided an overview of PRTC/OmniRide funding issues, including the single source of local funding (the regional motor fuels tax, which is imposed at localities' discretion), the need for new revenue to balance FY 2025, impacts on fleet replacement and maintenance funding affected by the Department of Rail and Public Transportation (DRPT) and the commuter choice program, lack of local fare, and the reduction in federal funding.

Mr. Baker provided an overview of DASH funding issues, including uncertainty in capital funding from federal discretionary sources, an anticipated decline in state operating and capital assistance, local funding issues from pressure on the City of Alexandria's general fund, potential impacts of inflation and tariffs on bus procurement, capital funding gaps, costs outpacing revenues (a 6.4 percent DASH expense increase versus a 0.9 percent increase in local revenue), and the challenges involved in growing demand for service with no ability to expand service.

Mr. D'huyvetter gave a summary of future funding considerations, including Virginia's funding gap, the bondability and growth potential of new revenue sources, an evaluation of the three percent cap, and how new revenue for transit should be structured.

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## Joint Subcommittee to Study the Growing Needs of Public Transit in Northern Virginia

June 23, 2025, at 2:00 p.m.

Northern Virginia Transportation Commission  
2300 Wilson Boulevard, Arlington

<https://studies.viriniageneralassembly.gov/studies/721>

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The Joint Subcommittee to Study the Growing Needs of Public Transit in Northern Virginia (the Joint Subcommittee) met in Arlington with Senator Adam P. Ebbin, chair, presiding.<sup>2</sup> The meeting began with opening remarks followed by presentations and discussion. Materials presented at the meeting are accessible through the [Joint Subcommittee's meetings webpage](#).

### Report from the DMVMoves Task Force Co-Chair

*Paul Smedberg, Co-Chair, DMVMoves Task Force*

*Nick Donohue, Facilitator, DMVMoves Task Force*

Mr. Smedberg and Mr. Donohue provided an update on the work of the [DMVMoves Task Force](#), including an overview of the Washington Metropolitan Area Transit Authority's (WMATA's) investment concept that provides for (i) investing \$450–500 million starting in FY 2028 and an additional three percent per year to modernize the transit system; (ii) increasing rail automation and its benefit to the safety, capacity, reliability, and efficiency of the transit system; (iii) investing in updating WMATA's signal system; (iv) addressing the structural funding issues and needs of the transit system; and (v) exploring potential funding mechanisms for reinvesting in and modernizing the Metro and bus transit systems. Their update also included approximations of the jurisdictional shares for D.C., Maryland, and Virginia. Mr. Donohue clarified that Virginia's \$150 million jurisdictional share would be in addition to the Commonwealth's current investment in WMATA. He also provided an overview of next steps for the DMVMoves Task Force, including its summer and fall plans.

Mr. Smedberg mentioned that most of the Metro system's lines were approved for expanded or additional automation and noted the increased efficiency of such automation. Mr. Donohue said that this automation would require less rail cars to provide the same level of service, lowering the price for service, and noted that the signal system needs to be replaced regardless of automation.

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<sup>2</sup> **Members Present:** Senator Adam P. Ebbin (chair), Delegate Mark D. Sickles (vice-chair), Senator Jennifer B. Boysko (virtual), Delegate Terry L. Austin (virtual), Delegate Karrie K. Delaney, Delegate Adele Y. McClure, Walter Alcorn, Kate Mattice, Tiffany Robinson, Paul C. Smedberg

**Members Absent:** Senator Scott A. Surovell

## **Report from the Chair of the Technical Working Group**

*Andrew D'huyvetter, Director of Programs and Policy, Northern Virginia Transportation Commission (NVTC)*

Mr. D'huyvetter offered a brief overview of the technical working group's latest meeting and its work with transit agencies in preparation for the September Joint Subcommittee meeting. He noted that additional information and memoranda are available to the Joint Subcommittee members and the public on the [Joint Subcommittee's meetings webpage](#).

## **Presentation: Revenue Estimates and Structure**

*Andrew D'huyvetter, Director of Programs and Policy, NVTC  
Nathan Macek, Infrastructure Finance Director, HDR*

Mr. D'huyvetter and Mr. Macek provided a detailed overview of the 10 revenue sources identified by the NVTC Metro Operating Funding and Reform Working Group and the additional five revenue sources selected by the Joint Subcommittee, including a description of the final destinations and transit agencies affected by the funding.

Mr. Macek discussed the current transportation revenue structure, including an overview of the Commonwealth Transportation Fund (CTF), which seven of the 15 revenue sources help fund. He also described a scenario in which revenues flow into the Commonwealth Mass Transit fund instead of the CTF and provided an overview of existing regional transit funding sources, a comparison of regional rates for such sources, and an overview of potential new transit funding sources. Mr. Macek also discussed which of the potential transit funding sources could encourage shifts in travel behavior, provided a breakdown of the impacts of potential new transit funding sources on low-income individuals, and explained which revenue sources reflect emerging trends in transportation. He also discussed how new revenues should be structured.

## **Public Comment and Discussion**

The Joint Subcommittee members heard public comment and briefly discussed several topics, including the goals of the Joint Subcommittee and the issues it is solving for, the feasibility of investing in WMATA's funding needs, and issues impacting low-income individuals.

## **Next Meeting**

The next meeting of the Joint Subcommittee will occur October 21st at 10:00AM on the first floor of the Washington Metro Area Transit Authority (WMATA) building, 2401 Mill Road, Alexandria.

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## Joint Subcommittee to Study the Growing Needs of Public Transit in Northern Virginia

October 21, 2025, at 10:00 a.m.

Washington Metropolitan Area Transportation Authority  
2401 Mill Road, Alexandria

<https://studies.virginiageneralassembly.gov/studies/721>

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The Joint Subcommittee to Study the Growing Needs of Public Transit in Northern Virginia (the Joint Subcommittee) met at the Washington Metropolitan Area Transit Authority's (WMATA) Eisenhower building in Alexandria with Senator Adam P. Ebbin, chair, presiding.<sup>3</sup> The meeting began with opening remarks followed by presentations and discussion. Materials presented at the meeting are accessible through the [Joint Subcommittee's meetings webpage](#).

### Report from the Chair of the Technical Working Group

*Andrew D'huyvetter, Director of Programs and Policy, Northern Virginia Transportation Commission (NVTC)*

Mr. D'huyvetter gave an overview of the June 23 meeting of the Joint Subcommittee and reported that technical working group staff has been working on updating estimates for revenues and other data.

### Presentation: WMATA Update

*Randy Clarke, General Manager and Chief Executive Officer, WMATA*

*Tom Webster, Acting Executive Vice President and CFO, WMATA*

Mr. Clarke updated the Joint Subcommittee members on the status of WMATA and its operations. He gave an overview of the FY 2026 budget, which totals \$5 billion, highlighting the 3% cap on capital investment. He also gave an overview of Metro's achievements and other data regarding its operations.

Mr. Webster gave a report on the rate of ridership, which reflects Virginians returning to metro use. He also reviewed FY 2025 year-end savings in the operational program, which have helped with reinvestment into the capital program, and the steps that WMATA has taken to achieve them. As part of that report, he highlighted rail automation expansion, the Better Bus Network, no fare changes and open payment, and other targeted cost reductions and efficiencies. He also previewed WMATA's FY 2027 operating budget framework and reviewed projected ridership levels. He described the funding issues regarding the capital program that are projected to cause issues starting in FY 2029.

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<sup>3</sup> **Members Present:** Senator Adam P. Ebbin (chair), Delegate Mark D. Sickles (vice-chair), Senator Jennifer B. Boysko, Senator Scott A. Surovell (virtual), Delegate Karrie K. Delaney, Delegate Adele Y. McClure, Walter Alcorn, Kate Mattice, Tiffany Robinson, Paul C. Smedberg

**Members Absent:** Delegate Terry L. Austin

## **Report from the DMVMoves Task Force Co-Chair**

*Paul Smedberg, Co-Chair, DMVMoves Task Force*

*Nick Donohue, Facilitator, DMVMoves Task Force*

Mr. Smedburg gave an overview of the work and structure of the [DMV MOVES Task Force](#). He emphasized the goal of addressing the need for bondable funding for transit.

Mr. Donahue began with an overview of the impact that a lack of short term funding would have on the WMATA capital program, as well as the impact on other investments, including rail modernization. He gave an overview of the improvements that the planned rail modernization would encompass. He emphasized the need for funding that keeps up with inflation, which would take at least 3% growth per year, and the need for funding to be bondable and have no restrictions or encumbrances. He addressed DMV MOVES recommendations, and also recommended updating the 3% operating budget cap to apply to unit costs of service instead of aggregate budget.

## **Presentation: Cost Containment Research**

*Andrew D'huyvetter, Director of Programs and Policy, NVTC*

*Nathan Macek, Infrastructure Finance Director, HDR*

Mr. D'huyvetter gave a brief introduction to the cost containment and cost efficiencies research.

Mr. Macek presented research on cost containment policy and legislation in other regions. The research found that no state legislation specifically mandates containment of cost growth, and rather usually focuses on governance, oversight, and reporting. He reported on WMATA's operations and requirements and compared them to those of other regions.

## **Presentation: Transit Agency Needs**

*Andrew D'huyvetter, Director of Programs and Policy, NVTC*

*Ann McGrane, Deputy Director of Programs and Policy, NVTC*

*Phillip Parella, Chief Financial Officer, OmniRide/PRTC*

*Mark Schofield, Chief Financial Officer, Virginia Railway Express*

Mr. D'huyvetter gave an introduction and high-level overview of transit agency needs, including a breakdown of the projected funding needs by agency. He then gave an overview of WMATA's funding needs, both operating and capital.

Ms. McGrane discussed NVTC local bus funding needs, covering the five local bus agencies, which will ultimately add up to approximately \$35 million beginning in FY 2028, as well as current issues and funding considerations.

Mr. Schofield provided an overview of the funding needs of the Virginia Railway Express (VRE), which will also amount to approximately \$35 million beginning in FY 2028, noting that another \$40 million will be needed after the completion of the Long Bridge project, as well as current issues and funding considerations. He emphasized that Commuter Rail and Operating Capital funding, due to its legal structure and framework, works well for VRE as a funding source.

Mr. Parella presented OmniRide/Potomac and Rappahannock Transportation Commission's funding needs, amounting to approximately \$22 million beginning in FY 2028, as well as current issues and funding considerations.

Mr. D'huyvetter concluded with a recap of immediate and long term funding needs and briefly addressed the presence of other needs of other transit agencies in other parts of the Commonwealth, suggesting looking into statewide solutions to benefit all regions in the Commonwealth in the future. He also went over future opportunities and policy considerations.

### Discussion

The Joint Subcommittee members discussed the two questions posed by Mr. D'huyvetter:

Does the Joint Subcommittee support meeting the needs as outlined today in a transit funding solution?

Does the Joint Subcommittee wish to solve for any needs beyond those identified (i.e., expansion and other policy considerations)?

The Joint Subcommittee voted to adopt the targeted funding needs as outlined on slide 66 of the presentation slides. Final recommendations made by the Joint Subcommittee will be directed at solving for those figures.

### Next Meeting

The next meeting of the Joint Subcommittee will be held November 5th at 2:00 p.m. on the first floor of the NVTC, 2300 Wilson Boulevard, Arlington.

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## Joint Subcommittee to Study the Growing Needs of Public Transit in Northern Virginia

November 5, 2025, at 2:00 p.m.

Arlington County Board Room  
2100 Clarendon Blvd. #300, Arlington

<https://studies.virginiageneralassembly.gov/studies/721>

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The Joint Subcommittee to Study the Growing Needs of Public Transit in Northern Virginia (the Joint Subcommittee) met in Arlington with Senator Adam P. Ebbin, chair, presiding.<sup>4</sup> The meeting began with opening remarks followed by public comment, presentations, and discussion. Materials presented at the meeting are accessible through the [Joint Subcommittee's webpage](#).

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<sup>4</sup> **Members Present:** Senator Adam P. Ebbin (chair), Delegate Mark D. Sickles (vice-chair), Senator Jennifer B. Boysko, Senator Scott A. Surovell, Delegate Karrie K. Delaney, Delegate Adele Y. McClure, Walter Alcorn, Kate Mattice, Tiffany Robinson, Paul C. Smedberg (virtual)  
**Members Absent:** Delegate Terry L. Austin

## **Public comment**

The Joint Subcommittee members heard public comment. Bill Pugh, representing the Coalition for Smarter Growth, spoke in favor of the Joint Subcommittee's work and the proposed recommendations.

## **Report from the DMVMoves Task Force Co-Chair**

*Paul Smedberg, Co-Chair, DMVMoves Task Force*

*Kate Mattice, Executive Director, Northern Virginia Transportation Commission*

*Tiffany Robinson, Director, Department of Rail and Public Transportation*

Ms. Mattice gave a brief overview of recent activities of the DMVMoves task force, including some of the details of the proposed DMVMoves plan that was approved by the task force on October 29, 2025.

Mr. Smedberg provided additional comments on DMVMoves activities, including recommendations and upcoming follow up meetings related to the recent work of the task force. He also indicated that Washington, D.C. and Maryland are working on reaching their targeted commitments for funding.

Ms. Robinson offered additional comments on questions that arose regarding the DMVMoves plan, including the implementation of a 3% per unit cap, and on some concerns of Washington, D.C. and Maryland.

## **Presentation and Discussion**

*Andrew D'huyvetter, Director of Programs and Policy, Northern Virginia Transportation Commission*

*Senator Adam P. Ebbin, Chair*

Mr. D'huyvetter gave an overview of the proposed recommendations for the Joint Subcommittee to consider, explaining details of the provisions and the overarching goals. He gave an overview of the immediate and long-term funding needs that the joint subcommittee voted to solve for at the October 2025 meeting and described the revenue sources that the Joint Subcommittee and technical working group evaluated, which were discussed at the June meeting. He then outlined the assumptions and considerations taken in assembling the proposed recommendations. He outlined the recommended funding needed for the \$153 million WMATA's operating needs, the recommended methods for using existing funding structures, and the recommended establishment of a Northern Virginia Transportation Commission regional transit fund and Potomac and Rappahannock Transportation Commission regional transit fund.

The joint subcommittee members discussed the potential for phasing in different parts of the plan at different times, in light of fiscal challenges.

Mr. D'huyvetter continued outlining the recommendations regarding cost efficiencies and accountability, other revenue sources for further study, and the overall framework for addressing transit needs.

Senator Ebbin provided an overview of the 11 recommendations encompassed by the resolution, allowing for questions and clarifications from the members.

The Joint Subcommittee members amended recommendation 7 to include "encourage transit use" in the list of characteristics of revenues that the General Assembly should consider. The members also amended recommendation 11 to include "assess opportunities to develop revenue from other sources including off-street parking" in the list of potential topics for further study.

### **Joint Subcommittee Recommendations**

The Joint Subcommittee members discussed and voted on the recommendations outlined in the proposed resolution document presented at the meeting. The Joint Subcommittee voted to adopt the resolution as amended.

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**Resolution of the Senate Joint Resolution 28 (SJ 28) Northern Virginia  
Growing Needs of Public Transit Joint Subcommittee**

- WHEREAS:** In 2024, the Virginia General Assembly established a Joint Subcommittee through Senate Joint Resolution 28 (SJ 28) to study long-term, sustainable funding sources and cost-containment strategies for public transit agencies in Northern Virginia, including the Washington Metropolitan Area Transit Authority (WMATA), the Virginia Railway Express (VRE), and the bus systems that serve the Northern Virginia Transportation Commission (NVTC) and Potomac and Rappahannock Transportation Commission (PRTC) transportation districts;
- WHEREAS:** NVTC appoints the Virginia members of the WMATA Board of Directors, is charged with the funding and stewardship of WMATA, jointly operates the VRE commuter rail service with PRTC, and serves as the official financial manager for state and regional funding to support NVTC jurisdictional payments to WMATA, state and regional funding for VRE, and state capital and operating funding to local public transit systems in the Northern Virginia Transportation District;
- WHEREAS:** PRTC jointly operates OmniRide local, microtransit, paratransit, and commuter bus services that serve Prince William County, the City of Manassas, the City of Manassas Park, and along the I-95 and I-66 travel corridors, manages Northern Virginia's regional vanpool and carpool program, and jointly operates the VRE commuter rail service with NVTC;
- WHEREAS:** Transit agencies across the United States, including those in Northern Virginia, have faced both short-term fiscal pressures from the COVID-19 pandemic and its impacts on ridership and fare revenue and longer-term structural challenges such as rising costs, inflation, limited flexibility in revenue sources, and revenue sources at fixed amounts that have not kept pace with system needs;
- WHEREAS:** Since 2018, the Commonwealth of Virginia has allocated a fixed amount of \$154.5 million annually in dedicated capital funding to WMATA and \$15 million annually to VRE for the Commuter Rail Operating and Capital Fund (CROC), generated primarily from regional and local revenues collected in the NVTC District (and PRTC District for CROC) and not indexed for inflation;
- WHEREAS:** The establishment of the SJ 28 Joint Subcommittee (“Joint Subcommittee”) represents Virginia’s deliberate and proactive approach to these nationwide challenges in developing a sustainable, dedicated funding framework that ensures the long-term stability of Northern Virginia transit systems while promoting fiscal accountability;
- WHEREAS:** The Metropolitan Washington Council of Governments and WMATA established the DMVMoves Task Force, developed regional consensus on addressing WMATA’s long-term capital needs, and established a regional, collaborative approach to implementing bus priority infrastructure and strategies in regional priority corridors that encourages jurisdictions to pursue implementation of those regional bus priority corridors collaboratively with WMATA, and other transit agencies, and transportation partners;
- WHEREAS:** The Joint Subcommittee reviewed Virginia’s portion of WMATA capital funding needs as defined through DMVMoves, recognizing that current governance frameworks and funding policies, including the Commonwealth’s three percent cap on annual operating assistance and the absence of inflation indexing for regional dedicated capital contributions, created structural imbalances that should be addressed to maintain fiscal accountability and long-term system viability;

- WHEREAS:** The Joint Subcommittee recognized that while implementation of the three percent cap on the growth of WMATA operating subsidies included in the 2018 WMATA Dedicated Capital Fund legislation was a useful tool to manage cost controls, it had unintended consequences that disconnected the relationship between Virginia’s subsidy and the level of WMATA service;
- WHEREAS:** Upon examination, the Joint Subcommittee identified the need for approximately \$400 million in additional revenues to address the expiration of one-time funding actions to support WMATA operating subsidies in FY 2025 and FY 2026, establish sustainable funding for WMATA capital needs, provide near and long-term support for VRE to sustain and expand service to leverage the Transforming Rail in Virginia (TRV) initiative, and provide predictable funding for NVTC and PRTC bus systems;
- WHEREAS:** The Virginia Transit Association identifies that transit agencies outside of NVTC and PRTC have an estimated annual capital and operating funding need of approximately \$75 to \$100 million;
- WHEREAS:** The Joint Subcommittee examined 15 potential revenue options, building upon prior NVTC analyses, and qualitatively evaluated them to determine their impact on types of taxpayers (residents, business, and travelers) and low-income individuals and if they were bondable, regionally appropriate, encouraged transit use, and sufficient to meet long-term needs;
- WHEREAS:** The Joint Legislative Audit & Review Commission in JLARC Report 556 recommended the General Assembly establish regional surcharges for the highway use fee and mileage-based user fee to supplement the regional motor vehicle fuels sales tax which is currently used in NVTC and PRTC to support transit and transportation needs;
- WHEREAS:** Providing dedicated and unencumbered revenues for capital purposes is necessary to ensure the bondability of funds;
- WHEREAS:** Historically, Virginia’s financial support to WMATA is equally shared between NVTC jurisdictions and the Commonwealth of Virginia, reflecting the use of the WMATA network by those who live outside of the NVTC transit district and the economic value of the WMATA network to the entire Commonwealth of Virginia;
- WHEREAS:** The Joint Subcommittee recognizes the General Assembly may explore other tax policy reforms that may provide additional revenue options or approaches; and
- WHEREAS:** Addressing these challenges is essential to sustaining the Commonwealth’s economy and mobility, as Northern Virginia’s transit network moves more than two million riders each week, generates \$28 billion in annual economic activity, and contributes \$1.5 billion each year in income and sales tax revenue to the Commonwealth’s general fund, while leveraging major state investments such as the TRV program, the Long Bridge expansion, and the I-66 and I-395/95 high-occupancy toll lanes to enhance statewide connectivity, reduce congestion, and strengthen Virginia’s long-term economic competitiveness.

**NOW, THEREFORE, BE IT RESOLVED** that the SJ 28 Joint Subcommittee hereby transmits the following recommendations to the Virginia General Assembly:

- 1. The General Assembly should prioritize sustainable and growing revenues to immediately meet Virginia’s \$153 million WMATA operating subsidy need starting in FY 2027.**

**2. The General Assembly should accept the JLARC Study recommendation to establish regional surcharges on the highway use fee and mileage-based user fee for the NVTC and PRTC Districts.**

- The General Assembly could also consider how the establishment of regional surcharges in other parts of the Commonwealth could benefit transit needs in those districts.

**3. The General Assembly should fund the proposed \$400 million/year and growing FY 2028 need for WMATA, VRE, and the NVTC and PRTC bus systems using existing state transit funding structures and create new NVTC and PRTC regional funds (as described in recommendations 4 and 5).**

- For WMATA, the Joint Subcommittee recommends the General Assembly identify funding levels that support the continued 50/50 share of funding between Commonwealth and local/regional sources. This split could be solved by finding statewide revenues to cover the \$153 million WMATA operating subsidy need and by establishing a new NVTC regional fund to cover the up to \$150 million/year in WMATA capital needs which grows 3 percent annually, which is bondable by WMATA.
- For VRE, the Joint Subcommittee recommends authorizing additional new funding for the existing Commuter Rail Operating and Capital Fund (CROC), as it has the flexibility to be used for operating and capital expenses and is bondable for VRE.
- For all statewide funding solutions, the Joint Subcommittee recommends authorizing additional revenues to the Commonwealth Transportation Fund (CTF) and/or Commonwealth Mass Transit Fund (CMTF), which would provide additional statewide funding not only for the transit agencies identified in this study but would also benefit all public transit agencies in the Commonwealth.

**4. The General Assembly should establish a new regional fund at NVTC derived from new or additional revenue sources generated in the Northern Virginia Transportation District for support of WMATA, VRE, and NVTC local bus systems.**

- The NVTC regional fund should be structured in this order to convey:
  1. Virginia's share of additional capital funding growing at 3 percent annually to WMATA,
  2. NVTC's share of additional funding to the existing CROC fund for VRE,
  3. Funding to localities for use in paying their WMATA and/or VRE operating and capital subsidies and/or for NVTC local transit agencies, and
  4. Up to two percent of the funds to NVTC to provide regional transit technical assistance and coordination, including regional transit technology, staff support, and planning and design studies that advance regional bus priority projects and infrastructure efforts.

**5. The General Assembly should establish a new regional fund at PRTC derived from new or additional revenue sources generated in the Potomac and Rappahannock District for support of VRE and the PRTC/OmniRide bus system.**

- The PRTC regional fund can be structured in this order to convey:

1. PRTC's share of additional funding to the existing CROC fund for VRE, and
2. Funding to PRTC for OmniRide and/or VRE.

**6. The General Assembly should consider the impact of any major tax policy reforms on the overall transit funding need** and adjust proposed statewide and/or regional solutions to ensure that needs for WMATA, VRE, and NVTC and PRTC bus systems are met.

**7. Of the 15 revenue sources estimated by the Joint Subcommittee, the General Assembly should consider revenues that:**

- are provided through net new revenues,
- do not reduce funding to or uses of existing sources of transportation,
- include a combination of sustainable, broad-based revenue sources,
- capture revenues from visitors and non-residents of the area,
- encourage transit use,
- minimize impacts on low-income individuals, and
- combine statewide and regional revenue sources.

In addition, the Joint Subcommittee recommends that the General Assembly should consider combinations of the highway use fee (HUF), retail delivery fee, Transportation Network Companies sales tax, commercial parking sales tax, and/or retail sales and use tax. Any additional regional retail sales and use tax should exclude food and personal hygiene products. Additional sources to consider include the motor vehicle sales tax, taxes on motor fuels, and transient occupancy tax.

- For the Northern Virginia Transportation District, the Joint Subcommittee recommends a regional retail sales and use tax combined with other funding sources that can help minimize the effective sales tax rate needed.
- For the Potomac and Rappahannock Transportation Commission, the Joint Subcommittee recommends that the General Assembly identify revenues that best work for the unique needs of the PRTC District.
- For statewide transit funding, the Joint Subcommittee recommends considering the retail delivery fee and a transportation network companies sales tax. The motor vehicle sales tax and taxes on motor fuels currently go into the CTF and could be increased to generate more revenue for statewide sources.

**8. The General Assembly should support the WMATA accountability and transparency measures adopted by DMVMoves**, which require WMATA to produce and make public:

- a) a 20-year, conceptual capital plan every five years, which will include an analysis of capital investments and other opportunities to be more cost efficient,
- b) a funding/financial plan for major projects with a capital cost greater than \$300 million (adjusted for inflation), and

- c) an annual report on the performance of WMATA and its capital program, actual prior-year and anticipated next-year cost savings and cost efficiency efforts, and the use and outcomes of additional dedicated funding.

**9. The General Assembly should reform Virginia’s legislated three percent operating assistance growth cap to encourage WMATA to continue cost containment efforts** while ensuring a cap does not negatively impact service improvements, funding transparency, accountability, and the application of WMATA’s subsidy allocation formulas.

**10. The General Assembly should require the Department of Rail and Public Transportation to report the total of all revenues generated and interest earned in the WMATA Capital Fund (§ 33.2-3401)** to the Commonwealth Transportation Board and Northern Virginia Transportation Commission with the understanding that the existing revenue sources may yield funding beyond the \$154.5 million/year.

**11. The General Assembly may wish to fund and direct state and/or regional agencies to conduct studies that:**

- a) explore, evaluate, and compare the cost of service delivery for Metrobus and local bus providers;
- b) identify accountability metrics and evaluate operating cost efficiencies for VRE and/or local bus systems;
- c) assess opportunities for expanded tolling of the I-66 Inside the Beltway facility beyond peak period, peak direction;
- d) assess opportunities to develop revenue from other sources including off-street parking; and
- e) evaluate the necessary infrastructure, policy, and other improvements necessary to operate bidirectional commuter rail between Northern Virginia and Maryland.

## *Attachment A: Definitions of Revenue Sources for Consideration*

### **Revenue Source Definitions**

The SJ 28 Technical Working Group provided the Joint Subcommittee with [revenue estimates for 14 sources](#). As part of that estimation process, the Technical Working Group made assumptions and definitions for revenue sources. These definitions should be considered a reference point for the General Assembly, which will ultimately define these sources.

#### **Retail Sales and Use Tax**

A tax collected on most retail purchases of goods and certain services. It applies to transactions such as clothing, electronics, and household goods, with exemptions for groceries and some essentials. Virginia already levies both state, regional, and local sales taxes; the local portion equals one percent.

#### **Highway Use Fee (HUF)**

An annual fee charged to owners of fuel-efficient or electric vehicles to ensure that all drivers contribute to transportation funding, even if they buy little or no gasoline. Virginia already has a statewide HUF, but no regional supplement has yet been authorized.

#### **Retail Delivery Fee (RDF)**

A small per-delivery fee on retail goods delivered by motor vehicle, including online and app-based purchases. This captures revenue from growing e-commerce activity. Colorado and Minnesota have already adopted an RDF.

#### **Transportation Network Company (TNC) Sales Tax**

A tax on ride-hailing services such as Uber and Lyft, applied as a percentage of each trip's fare. It allows the Commonwealth to collect revenue from app-based transportation services.

#### **Commercial Parking Sales Tax**

A tax on paid parking in private or commercial lots and garages (excluding residential), generally applied as a percentage of the parking charge. It can capture revenue from commuters and visitors who drive and park. It does not include metered parking or Metro parking lots.

#### **Motor Vehicle Sales Tax**

A tax collected on the sale price of new or used vehicles purchased through dealerships. Virginia currently applies this tax at 4.15 percent, collected through dealerships and administered by DMV.

#### **Taxes on Motor Fuels**

Taxes on motor fuels include the motor vehicle fuels sales tax which is a regional tax currently levied at 9.3 cents per gallon for gasoline and applies to every region and locality in the Commonwealth, and the motor fuels tax which is a statewide tax currently levied at 31.7 cents per gallon for gasoline. The motor vehicle fuels sales tax is provided to the appropriate transportation commission, or to the Virginia Department of Transportation which allocates the revenue to the appropriate highway construction district. The motor fuels tax is deposited into the Commonwealth Transportation fund. These two taxes are long-standing sources of transportation funding at the state and regional levels, with a combined rate currently at 41.0 cents per gallon for gasoline.

**Transient Occupancy Tax (TOT)**

A tax on hotel rooms, inns, and short-term rentals such as Airbnb. It is typically paid by visitors rather than residents and supports local and regional transportation or tourism programs. It already exists locally in Virginia with rates between 7 and 11 percent.

