

**House Bill 1541 (McQuinn) – 2/21/20 10:06 a.m. SUBSTITUTE**  
**Central Virginia Transportation Authority**  
**Frequently Asked Questions**

Q. What taxes are increased by this legislation?

A. The bill proposes to increase the sales tax in the region from 5.3% to 6% and to add a 7.6 cents per gallon gas tax. The sales tax increase is identical to that which exists in Hampton Roads and Northern Virginia. The fuel tax increase is structurally identical to the position taken by the Senate in SB 890 related to regional fuel taxes for NVTA, HRTAC, and the I-81 corridor.

The bill does NOT include a grantors tax, a commercial and industrial property tax, or a transient occupancy tax as exists for other regional transportation authorities.

Q. Which localities will see the new taxes created by this bill?

A. The City of Richmond, the town of Ashland, and the counties of Goochland, Chesterfield, Powhatan, Henrico, Charles City, Hanover, and New Kent.

Q. How is the money raised by the taxes allocated?

A. 50% of the funds are returned to the locality proportional to the amount of sales and fuel taxes generated within that locality. 15% is allocated to the Greater Richmond Transit Company to increase mobility and transit in the region – a commitment to transit that did not even exist in the original Hampton Roads or Northern Virginia regional authority enabling legislation. It is also a dedicated funding resource for transit instead of relying on changing local contributions. The remaining 35% is retained by the Authority to use on projects of regional significance.

Q. Which projects will this funding support?

A. The Authority, the localities, and GRTC will all be guided by the long-range transportation plan adopted by the Richmond Regional Transportation Planning Organization which found \$2.2 billion in unmet needs.

Q. Why didn't the Richmond region get a transportation authority in 2013 at the same time as Hampton Roads and Northern Virginia?

A. There was not the consensus at that time among the stakeholders for an authority. The enabling legislation in 2013 also created various thresholds regarding population and traffic that the Richmond area will not meet until sometime after 2050. To stay ahead of economic growth, the time to act is now, not when we are in the middle of a congestion crisis.

Q. Will the public have a chance to comment on which projects get funded?

A. Yes. Not only is the public involved with developing the region's long range transportation plan, but the legislation specifically requires the Authority to make its project funding proposal available to the public and afford an opportunity for a public hearing. Funds allocated to the localities will also be subject to a public hearing as part of the normal annual budget process.

Q. What assurances are there that the money raised by these taxes will not be spent on non-transportation projects?

A. There are several checks and balances within the bill that eliminate the ability to divert the funds to non-transportation uses. First, if it is determined that any of the entities receiving money use it for non-transportation purposes, the entire tax mechanism is terminated. Further, each locality and the GRTC must certify to the Authority that it is spending money in alignment with local and regional transportation plans. Finally, the funds sent to localities must be deposited in a separate fund and only used for transportation.

Q. How does this bill differ from the statutes for the Northern Virginia and Hampton Roads regional transportation authorities?

A. On all major points, they are identical. In addition to the types of taxes and voting structure differences outlined above, there are small differences with regard to the composition of the Board which are specific to the structure needed to make this effort work for the Richmond region.

Q. Why is the Authority given the power to levy tolls? We already have enough tolls in the Richmond area.

A. This is a power also given to the Hampton Roads and Northern Virginia regional authorities and is there in case there is a project of such significance (in both cost and impact) that would require funding beyond what the new taxes and

existing funding can provide. Public hearings and comment would precede any action taken to add a toll road to the project plan.

Q. Will the money for projects be available “pay as you go” or can bonds be issued to front-end load projects?

A. The new Authority, similar to the power given to both authorities in Northern Virginia and Hampton Roads, can issue bonds to accelerate project development. No decision has been made at this time whether to proceed with a bond issue.

Q. Will the fact that we are raising our own funds for transportation diminish what VDOT now does in the region?

A. No. Just the opposite. Not only is there a provision of the bill which requires VDOT to maintain existing funding levels, but the current VDOT funding formula, known as SMART Scale, specifically awards more money to regions that have their own transportation funding.

Q. Will the new monies flowing to the localities reduce education funding available under the Standards of Quality (SOQ) or the Local Composite Index (LCI)?

A. No. Again, the legislation prohibits any entity to use the additional funds generated by this bill to in any way diminish the allocation of education or other funds determined by state formulas.

Q. Will funding now provided by the localities to GRTC be reduced?

A. No. Not only does the bill provide significant new money to GRTC, it requires Henrico and Richmond, which now provide support to GRTC, to maintain at least 50% of the funding they gave GRTC prior to the creation of the Authority.

Q. What process must GRTC follow related to how money it is allocated is used?

A: Like the each of the localities, GRTC must put the money it receives from this legislation into a special account. The Authority must approve projects on which GRTC will use the funds, and those projects will be guided by a regional transit plan developed in cooperation with the Richmond TPO.

Q. Are we just creating more bureaucracy for transportation?

A. The evidence from the Northern Virginia and Hampton Roads authorities is that staffing is minimal as much of the work is done in concert with VDOT or through private entities.