

PRESS RELEASE



VACo supports additional funding for transportation

RICHMOND (Jan. 24, 2013)—The Virginia Association of Counties applauds the efforts of Gov. Bob McDonnell and state legislators seeking to remedy our Commonwealth's transportation problems. VACo supports many initiatives in the governor's transportation plan that provides an additional \$3.1 billion over a five-year period.

"Our transportation system is in dire need of funding for maintenance and construction. Projects that have been on our local six-year transportation plan may never be funded unless we overhaul our underfunded system," VACo President Jack Miller said.

Miller emphasizes that the governor's Transportation Plan is not perfect but it does raise substantial revenues to address Virginia's current and short-term road and transit needs.

The new revenues include a \$15 increase in the vehicle registration fee and a \$100 annual fee on alternative fuel vehicles.

Gov. McDonnell's Transportation Plan replaces the regressive 17.5 cent gas tax and provides for a 0.8 percent increase in sales tax (which raises the rate to 5.8 percent) of which 0.8 percent is dedicated for transportation. This increase in sales tax is used to grow the state General Fund and provides a dedicated progressive revenue stream for transportation projects.

Additional revenue of \$1.1 billion over a five-year period will be dedicated for transportation with the passage of the federal legislation called "Market Place Equity." If the federal legislation is passed, it will dedicate the bulk of internet sales tax collections to transportation.

VACo is concerned about the use of state General Funds for transportation. The governor's plan dedicates existing sales tax for transportation from current 0.5 percent to 0.75 percent by 2018.

VACo urges Gov. McDonnell and the 2013 General Assembly to mitigate the impact this proposal has on core programs funded in part from the state General Fund. Local governments rely on state general funding to provide core services, which include public education, health and human services and fire and police services.

VACo exists to support county officials and to effectively represent, promote and protect the interests of counties to better serve the people of Virginia.

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