

# Capitol Contact

## Virginia General Assembly

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Thursday, January 16, 2020

## Governor proposes significant increase in motor fuels tax as part of major overhaul of transportation system funding



[HB 1414 \(Filler-Corn\)](#) and [SB 890 \(Saslaw\)](#) propose major changes to the funding and distribution of transportation resources in the Commonwealth. These Northham Administration supported bills, filed by the Speaker of the House and Majority Leader of the Senate, seek to generate additional revenues to be used for transportation needs and streamline how such funding is distributed. The proposed legislation also contains various proposals that strive to improve safety on Virginia's roadways.

The bills propose raising the existing gas tax by four cents a year for three years, resulting in a statewide tax of 28.2 cents per gallon by July 1, 2023. The bills also seek to raise the tax on diesel fuel to 27 cents per gallon by July 1, 2022. Both taxes will be adjusted annually based on the Consumer Price Index for all Urban Consumers (CPI-U), which is a measure of the average change over time in the prices paid by urban consumers for a market basket of consumer goods and services, published by the U.S. Bureau of Labor Statistics for the U.S. Department of Labor.

The bills also create a new highway use fee on fuel-efficient vehicles. This new fee would require fuel-efficient vehicles to pay 85% of the difference between the fuel tax paid by an average vehicle and what the fuel-efficient vehicle pays. The fee would be collected at the time of vehicle registration. The bills also would create a mileage-based user fee program to allow owners of fuel-efficient vehicles to voluntarily pay a mileage-based fee in lieu of the highway use fee. These fees are meant to provide equity in that fuel-efficient vehicles have the same impact on Virginia roadways as traditional vehicles but pay less into the maintenance of the system through reduced gasoline consumption. The bills also propose raising the Transient Occupancy Tax (TOT) in Northern Virginia from 2 percent to 3 percent, effective July 1, 2020.

In a [presentation](#) to the Senate Finance and Appropriations Committee's Transportation Subcommittee, Secretary of Transportation Shannon Valentine stated that these proposals seek to address decreases or declines in revenues collected from the existing gas tax even as the overall vehicle miles traveled (VMT) on Virginia roadways increases. Analysis contracted by the Virginia Department of Transportation forecasts that unless changes are made, gas tax collections are expected to be reduced by 31 percent by 2030. These reductions are primarily to be caused by the increased proliferation of electric and fuel-efficient vehicles. When including higher regional gas taxes paid by Northern Virginia and Hampton Roads, Virginia currently ranks as the state with the ninth lowest gas tax. Gas and Diesel taxes currently represent the third largest source of revenue into the Commonwealth Transportation Trust Fund after retail sales tax and motor vehicle sales tax.

The bills propose streamlining the existing [complicated](#) transportation funding system by diverting all existing and proposed revenues into a single [fund](#), with sets aside \$85 million and \$60 million for the Statewide Special Structures Fund and the Route 58/Northern Virginia Transportation District Debt Service respectively. The remaining funds would be split 51.24 percent and 48.76 percent between the Highway Maintenance and Operating Fund (HMOF) and the Transportation Trust Fund (TTF) for Distribution respectively.

VACo supports expedited action to address the causes for declining growth in transportation revenues and to develop recommendations to grow revenue over time to meet increasing demands for new construction and maintenance for existing transportation infrastructure.

The bills also halve the state's motor vehicle registration fees while maintaining existing local authority to levy fees up to the current rate of \$40.75 for vehicles weighing below 4,000 pounds. As previously [written](#), this is a win for local governments.

The bills create a new entity known as the Virginia Passenger Rail Authority, whose purpose is to develop, maintain, and improve passenger rail facilities and increase passenger rail capacity in the Commonwealth, among other duties. This proposed Authority would seem integral to the Governor Northam's recently announced \$3.7 billion [proposal](#) between the Commonwealth and CSX to build a new Long Bridge across the Potomac River to improve rail capacity at an existing freight and passenger choke point as well the acquisition of 350 miles of railroad right-of-way and 225 miles of track to expand rail service capacity across the state. The 10-person Board of Directors of the Authority would have regional members, a representative from Amtrak, and be chaired by the Director of the Department of Rail and Public Transportation. The Authority would be able to issue bonds and acquire rights-of-way, among other authorities.

In addition to these measures, the bills restore \$30 million in annual funding to the Northern Virginia Transportation Authority (NVTA) that had been previously been redirected to pay for Virginia's portion of the Washington Metropolitan Area Transit Authority (WMATA). NVTA funds are used solely for transportation purposes benefiting local member jurisdictions. VACo supports restoration of this funding.

The bills also provide for debt authorization for the Interstate 81 Corridor Improvement Program and index regional fuels taxes in Northern Virginia, Hampton Roads, and the I-81 Corridor to be indexed to CPI-U instead of the distributor price of fuel.

Lastly, the bills propose several safety measures aimed at reducing the number of crashes and fatalities on Virginia's roadways. Data from the Virginia Department of Motor Vehicles shows that 819 deaths occurred on Virginia's roadways in 2018. This represents an increase in fatalities even as the number of crashes decreases. The bills ban open containers of alcohol in motor vehicles, prohibit the use of handheld personal communication devices, require the use of seat belts, and enable localities to reduce the speed limit to less than 25 miles per hour on any highway within its boundaries that is located within a business or residential district.

The introduced legislation is comprehensive and complex. VACo will continue to monitor, engage, and report on these issues as the General Assembly session progresses.

**VACo Contact:** [Jeremy R. Bennett](#)

## **No-excuse absentee voting bill sails out of Senate Privileges and Elections**

[SB 111 \(Howell\)](#) is on the Senate floor after being reported from the [Senate Privileges and Elections Committee](#), 11-4, on Tuesday, January 14. The bill,

which incorporated four similar measures, eliminates the requirement for a voter to provide an excuse in order to vote by absentee ballot and requires that in-person no-excuse absentee voting be available from the 45<sup>th</sup> day before the election through the Saturday immediately preceding an election, with some flexibility for absentee voting to be made available “as soon as possible” in case of a special election. This bill expands the early voting legislation enacted in 2019, which allowed for in-person absentee voting with an excuse from 45 days in advance of the election until the second Saturday before the election; from that point through the Saturday preceding the election, no excuse would be required. The 2019 legislation had a delayed enactment clause providing that it would not take effect until the November 2020 general election.

[SB 617 \(Deeds\)](#) is the Northam Administration’s bill to address aspects of the implementation of early voting and reflects the report adopted by the State Board of Elections in November on implementation of the more limited 2019 no-excuse absentee voting legislation (VACo [reported on the Board’s discussion](#) in County Connections). The bill authorizes local governing bodies (rather than electoral boards) to establish satellite offices for in-person absentee voting by ordinance, similar to the current authority to establish polling places for regular Election Day voting, and requires public notice of the locations and hours of operation of satellite locations (via posting on the locality’s website and in the general registrar’s office, or via newspaper publication if the locality does not have a website). Although the bill requires the governing body to provide sufficient funds to enable the general registrar to provide “adequate facilities” at each satellite location, the bill does not mandate a specific number or ratio of satellite locations, an important element of local flexibility for which VACo had advocated during discussions with the Department of Elections last summer and fall.

There are many election-related proposals under consideration this session; expanding access to absentee voting is a top priority of the Administration and of the Democratic majority in the legislature. VACo has been working with partner organizations to advocate with the Administration and legislature for more assistance to localities with election administration, and will continue to work on this issue throughout the budget process. The Governor’s budget includes \$2.5 million in each year of the biennium to provide full reimbursement for general registrars’ salaries and compensation for electoral board members, which is a positive step, as state reimbursement had declined to 69 percent and 82 percent, respectively.

**VACo Contact:** [Katie Boyle](#)

# Key Dates for 2020 General Assembly Session

The House and Senate adopted the procedural resolution governing the schedule for the 2020 General Assembly session on January 10, 2020. Key dates for the 2020 Session are as follows:

- **January 8:** General Assembly convened at noon. Bills that were “prefiled” were due to be submitted by 10 a.m. Bills affecting the Virginia Retirement System or creating or continuing a study were required to be filed before adjournment of their respective chambers of introduction.
- **January 10:** Deadline for submission of budget amendments by 5 p.m.
- **January 17:** Deadline for remaining bills to be filed at 3 p.m. (there are some exceptions, such as when legislation is granted unanimous consent to be introduced after the deadline).
- **February 11:** “Crossover” deadline for each chamber to complete work on legislation originating in that chamber (except for the budget bill)
- **February 16:** House Appropriations and Senate Finance and Appropriations Committees report their respective budgets by midnight.
- **February 20:** Deadline for each chamber to complete work on its budget.
- **February 26:** Deadline for each chamber to complete work on the other chamber’s budget and appoint budget conferees; also the deadline for each chamber to act on revenue bills from the other chamber and appoint conferees.
- **March 2:** Deadline for committee action on bills at midnight.
- **March 7:** Scheduled adjournment *sine die*.
- **April 22:** Reconvened session to consider gubernatorial amendments and vetoes.

VACo Contact: [Katie Boyle](#)

## Advocate for your locality at the VACo Local Government Day | In Partnership with VML and VAPDC



**February 6, 2020 | Omni Richmond Hotel**

100 S 12th Street | Richmond, VA 23219

[Registration Form](#) | [Register Online](#) | [Omni Room Reservation Form](#)

Join us at the VACo/VML/VAPDC Local Government Day on Thursday, February 6! This is our day to advocate for localities at the 2020 General Assembly Session.

The event kicks off at noon. Governor Ralph Northam has been invited to speak. In addition, VACo and VML staff will provide legislative reports on the major issues facing Localities in the 2020 General Assembly Session. Attendees will spend the afternoon meeting and advocating their General Assembly representatives. There's a reception for VACo members and state legislators at 530pm.

- 930am** VACo Board of Directors' Meeting
- 11am** Registration
- 1130am** Box Lunch
- Noon** Governor Ralph Northam (Invited) | VACo and VML Staff Reports
- Afternoon** Visit Capitol and Lobby Legislators
- 530pm** Reception

For information on how to reach your representatives, see the [Virginia House of Delegates](#) and the [Senate of Virginia](#) member websites. Find information about VACo's positions in the [2020 Legislative Program](#). We will distribute the Local Government Day Bulletin at the event.

Local leaders will have the opportunity to advocate on behalf of localities throughout the day and network and share information at a reception in the evening. Be a part of the legislative process at the 2020 General Assembly Session.

Register for the event at [VACo Local Government Day Online](#) or fax the [Registration Form](#) to 804.788.0083. Also, here's how you can book a room at the [Omni Richmond Hotel](#). **Be sure to book your room soon as the deadline for this special rate is January 17, 2020.**

**VACo Contact:** [Valerie Russell](#)