VIRGINIA SENATE BILL 890

A case study by the American Road and Transportation Builder's Transportation Investment Advocacy Center™.

TIAC staff researches and prepares detailed case studies on recent successful, and unsuccessful, state and local legislative and ballot initiative campaigns aimed at increasing transportation infrastructure investment. Each study examines the politics, issues, media, and key players involved in the effort.

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About the Transportation Investment Advocacy Center

The Transportation Investment Advocacy Center ™ (TIAC) is a first-of-its kind, dynamic education program and Internet-based information resource designed to help private citizens, legislators, organizations and businesses successfully grow transportation investment at the state and local levels through the legislative and ballot initiative processes.

The TIAC website, www.transportationinvestment.org, helps transportation investment advocates to mount successful campaigns. It exists to put in one place—and promote the sharing of—strategies… sample political and communications tools… legislative and ballot initiative language… and information on where to obtain professional campaign advice, research and help. TIAC staff produces regular research reports and analyses, hosts an annual workshop in Washington, D.C., and holds ongoing webinars for transportation investment advocates featuring case studies, best practices, and the latest in political and media strategies.

State and local chamber of commerce executives, state legislators, state and local transportation officials, "Better Roads & Transportation" group members, industry and labor executives, and leaders of state and local chapters of national organizations who have an interest in transportation development programs are welcomed to participate.

The Center's program of work is also guided by a Transportation Investment Advocates Council, a national network of business professionals and public officials who share a common interest in building support for transportation infrastructure investments in their state or local community— roads, bridges, public transit, pedestrian walkways and cycling paths, airports, waterways, ports and rail facilities.

TIAC is a project of the American Road and Transportation Builders Association's "Transportation Makes America Work!"™ and supported through voluntary contributions and sponsorships. To become a sponsor or to make a contribution, contact TIAC Director Carolyn Kramer. Also contact Ms. Kramer or Mr. McClellan if you have questions or comments about any reports or case studies published through TIAC or would like more information on the program and the Council.

Significant contributions were made by Virginia Transportation Construction Alliance Executive Vice President Jeff Southard.

INTRODUCTION

TITLE OF LEGISLATION

Senate Bill 890 - Transportation; amends numerous laws related to funds, safety programs, revenue sources, etc.

RESULT

Enacted April 22, 2020.

Virginia Senate Bill 890			
	Date Approved	Yes Votes	No Votes
House[1]	2/26/2020	52	44
Senate[2]	2/11/2020	23	17

PURPOSE OF LEGISLATION

Senate Bill 890 (SB 890) amends numerous laws related to transportation funds, safety programs, and revenue sources. The bill also implements multiple structural changes to the transportation funding system in the Commonwealth. Most transportation revenues are directed to a new Commonwealth Transportation Fund and the existing Highway Maintenance and Operating Fund, from where funds are disbursed to subfunds to meet varying transportation needs.

In summary, SB 890 enacts them following adjustments:

- Increases the gas tax by 10 cents per gallon. The new rate of 26.2 cents per gallon of gasoline will be phased in over two years, and then indexed every year thereafter. This tax rate shall be adjusted annually based on the greater of the change in the United States Average Consumer Price Index for all items, all urban consumers (CPI-U), for the previous year or zero.
- The regional gas tax will be converted to a rate of 7.6 cents per gallon of gasoline and 7.7 cents per gallon of diesel and will be imposed everywhere in the Commonwealth that a regional gas tax is not already imposed. These tax rates shall be adjusted annually based on the greater of the change CPI-U for the previous year or zero.
- A new regional congestion fee is imposed at a rate of 10 cents per $100 for the recordation of conveyance of a deed.
- The regional transient occupancy tax is raised from two percent to three percent.
- Registration fees for motor vehicles will be lowered.
- In Northern Virginia, the regional transportation improvement fee, used to support the Washington Metropolitan Area Transit Authority, is lowered to 10 cents per $100 for the recordation of conveyance of a deed.
- The bill authorizes the use of transportation bonds to complete the final section of Corridor Q of the Appalachian Development Highway System and authorizes a bond issuance for improvements in the Interstate 81 and Interstate 66 corridors.

- The bill establishes a new Virginia Passenger Rail Authority to manage the purchase and ownership of rail tracks and oversee passenger service contracts.
- The bill creates numerous new transportation safety programs, including an Interstate Operations and Enhancement Program, a Virginia Highway Safety Improvement Program, the Statewide Special Structures Program, and a Transit Incentive Program.
- The Department of Motor Vehicles will implement a Highway Use Fee for alternative fuel and fuel-efficient vehicles. Alternatively, a person whose vehicles would be subject to this new fee may elect to instead enroll in a mileage-based user fee program to be developed by the Department.
- The bill eliminates the $5 walk-in fee for conducting certain transactions in person at the Department of Motor Vehicles and prohibits a person from being issued a citation for both an expired motor vehicle inspection sticker and faulty equipment.[3]

Other transportation-related measures include a ban on cellphone use while driving, more severe penalties for reckless driving, allowing the use of speed cameras on some state roadways, and other safety policies.

TABLE OF CONTENTS

HOW SB 890 PASSED

LEAD UP TO SB 890

The success of SB 890 can be traced back to 2013 when House Bill 2313 (HB 2313) passed as the first significant transportation funding bill in 25 years. HB 2313 had many facets, but most notably implemented the following policies:

- Eliminated the $0.175 per gallon tax on motor fuels and replaced it with a percentage-based tax of 3.5 percent for gasoline and 6 percent for diesel fuel.
- Raised the state sales and use tax across the Commonwealth from 4 percent to 4.3 percent and designated the increased revenues to transportation purposes.
- Raised the tax on the sale of motor vehicles (the vehicle titling tax) from 3 percent to 4.15 percent.
- Established the Northern Virginia Transportation Authority Fund and the Hampton Roads Construction Fund. Each fund would collect additional taxes and fees within the Northern Virginia Planning District and the Hampton Roads Planning District, respectively. Collected revenue would be reserved for regional transportation purposes. [4]

HB 2313 signaled a reduced reliance on the state gas tax in favor of the sales tax, vehicle titling tax, and new regional transportation authorities. This bill reconfigured Virginia's transportation funding sources so that the sales tax contributed roughly 30 percent of the revenue, the vehicle funding tax contributed 27 percent, and the gas tax provided 25 percent. This transition was built and launched upon the belief that the price of gas would only increase, allowing the state to generate proportional revenue. The gas tax was also seen as a losing long-term policy, but one that would be sufficient when paired with other measures until a vehicle miles traveled (VMT) tax could be implemented in the future. HB 2313 founded many successful polices, but despite its passage Virginians were still paying for years of underfunding transportation. Gas prices fluctuated contrary to predictions from the legislature, and more revenue was needed for secondary road construction, highway corridors, transit or rail initiatives, bridge construction, or improvements to expand ports and airports.[5]

In 2019, another regional funding plan for the Interstate-81 corridor passed, which was modeled off of the transportation authorities established by HB 2313. This provided more money and a more reliable revenue stream to the region but didn't address the larger efficacy problems of gas tax outside of regional transportation authority districts. Also, in 2019, a resolution passed mandating that the Virginia Department of Transportation (VDOT), the Secretary of Transportation, and the Commonwealth Transportation Board compose a funding sustainability study on the gas tax with recommendations from the agencies. This study would prove crucial in evaluating the efficacy of the gas tax and the sustainability of Virginia's transportation funding model.

Following these events in 2013 and 2019, in 2020 the funding sustainability study from the Commonwealth Transportation Board showed that the sales tax and vehicle titling tax were generating the anticipated revenue, however gas tax revenue continued to decline. Despite multiple supplemental regional transportation funding and a percentage gas tax that equated to 16.2 cents per gallon, which was among the lowest rates in the country, the gas tax lost considerable effectiveness in the face more increased fuel efficiency, electric vehicles, lower gas prices, and other factors causing a recent decline in gas tax revenue.[6] It was still believed that Virginia would eventually implement a VMT tax, but insufficient gas tax revenues demanded immediate policy reform to keep pace with transportation needs. In January 2020 Sen. Richard L. Saslaw (D – 35) introduced SB 890.

SB 890 is a compromise between the House and Senate on a broad transportation bill proposed by Gov. Ralph Northam (D). The 10-cent gas tax increase splits the difference between a eight cents increase over two years proposed by the Senate and a 12 cent over three years proposed by the House. The agreement among Virginia House and Senate negotiators came in the final days of the legislative session.[7] Northam supported the general principles of the plan, and his administration was involved in negotiations. Northam's proposal included bond authorizations for I-81 corridor improvements and major rail upgrades along I-95.[8]

On April 22, 2020 the Virginia General Assembly approved Northam's amendments to the bill, which would delay the implementation of a diesel tax increase but keep the gasoline tax increase as planned.[9] The bill was enacted the same day.

American Road & Transportation Builders Association

SUPPRORT FOR SB 890

SB 890 received a great deal of support from within and outside the Virginia government which contributed to its eventual success. Gov. Northam and the Democratic Virginia General Assembly worked to pass a bill addressing issues highlighted by the Virginia Transportation Construction Alliance.

SUPPORT FROM THE GOVERNOR AND GENERAL ASSEMBLY

On January 27, 2020, Northam and legislative leaders announced their support for a comprehensive transportation package to improve safety and modernize funding for multimodal transportation.[10] House Speaker Eileen Filler-Corn (D – 41) and Senate Majority Leader Dick Saslaw (D – 35) joined in this announcement and would carry the legislation on behalf of Northam in the General Assembly.[11] Both chambers of the General Assembly held a Democratic majority; an opportunity Northam and legislators leveraged to their advantage. This political alignment facilitated cooperation, coordination, and compromise between all bodies involved in writing the bill.

Northam would continue to publicly champion this transportation package throughout its various stages, often highlighting its emphasis on reducing congestion, transporting transit and rail services, supporting economic growth, and reducing fatal accidents.[12]

SUPPORT FROM INDUSTRY

Well before SB 890 the Virginia Transportation Construction Alliance (VTCA) and its public education and outreach program, Virginians for Better Transportation (VBT), have continuously advocated for sustainable transportation funding that meets Virginia's needs.

As the story of SB 890's success is traced to 2013, so are VTCA's advocacy efforts. In 2013, VTCA advocated for the regional transportation authorities established by HB 2313 in the hopes that the same policy could lay a groundwork and serve as a template other congested region could utilize in the future. In 2019, VTCA proposed the I-81 corridor funding plan which raises $385 million annually for the region, and in 2020, Delegate Delores McQuinn's (D – 70) House Bill 1541 created the Central Regional Transportation Authority.[13] Both of these plans drew from the policy templates displayed in Hampton Roads and Northern Virginia, capitalizing on the groundwork VTCA laid. VTCA also successfully advocated for a lockbox provision to prevent revenue from being diverted from the regional transportation authorities that generate it. It should be noted that in relation to HB 2313 VTCA also VTCA Executive Vice President Jeff Southard successfully advocated for a floor on the HB 2313 gas tax as a kind of insurance against a decline in gas prices.

Despite providing more funding and a more reliable revenue stream, VTCA recognized that HB 2313 and the state gas tax did not sufficiently meet Virginia's transportation needs. Anticipating traditional resistance to raising the gas tax, VTCA advocated for a 2019 resolution mandating VDOT, the Secretary of Transportation, and the Commonwealth Transportation Board compose a funding sustainability study on the gas tax and related recommendations. With the study completed, VTCA and VBT had the data to show legislators how unsustainable the gas tax was and the associated implications.

Prepared with supporting evidence from the funding sustainability study, VTCA strategically developed the argument that while a VMT tax will eventually be implemented, Virginia could not afford to ignore its insufficient gas tax. In 2019 and 2020 VTCA worked with Gov. Northam and the legislature to propose a sustainable stopgap measure that would raise the gas tax, provide bonding authority for the I-81 corridor, and settle Virginia's transportation funding until a VMT is necessary.

From HB 2313 onward, VTCA began its advocacy for each bill with a strategic plan supported with a combination of polling, economic impact studies, external data, and outreach from Virginians for Better Transportation. All of these components helped inform the strategy Jeff Southard and the VTCA lobbyist and business teams would compose and implement.

After SB 890 was introduced to the legislature, VBT praised Northam's proposal saying, "This plan will raise millions for transportation by increasing Virginia's gas tax by a few cents a year for three years—this will only cost the average driver a mere few dollars per month. Virginia's gas tax is currently well below the national average and would remain that way even with this proposed increase. VBT continued by dubbing the plan "a fair funding solution that drives progress by fixing roads, improving safety and setting Virginia up to prosper in the next century."[14]

ARGUMENTS SUPPORTING SB 890

Those in support of a new transportation package argued that while HB 2313 was a step in the right direction, it had not adequate compensated for years of transportation neglect prior to 2013.

The main arguments supporting a new transportation package stated:

- The Commonwealth is still in need of a long-term, sustainable transportation funding source.
    - There is little state money for secondary road construction, highway corridors, transit or rail initiatives or improvements to expand ports and airports.
    - The majority of needed transportation projects recently identified in the SMART SCALE project prioritization process will go unfunded.
- 650 Virginia bridges are structurally deficient and over a third of secondary roads are in poor or mediocre condition.
    - These deficiencies post a safety threat, leading to increased crashes, fatalities, and congestion costing Virginia drivers billions in lost time and car repairs each year.[15]
- It is economically imperative to maintain a robust and modernized transportation system.
- Many other states have adopted similar strategies to help offset the steady decline in gas tax revenues.[16]

OPPOSITION TO SB 890

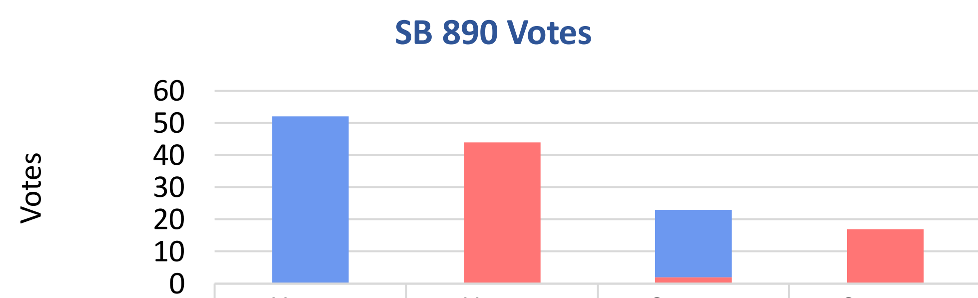
Raising the Virginia gas tax is often met with strong resistance primarily from anti-tax groups along with republican and conservative state legislators. The most common arguments opposing SB 890 contend:

- New tax increases are unnecessary at a time when state revenues are already at record levels. Increasing transportation funding is a matter of reorganizing priorities, not increasing taxes.
    - House Minority Leader Todd Gilbert (R – 15) noted his concern that a permanently-climbing gas tax increase and the new local taxes will collectively "slow our economy and make life more expensive for everyday Virginians."[17]
- New taxes are excessive and will be damaging to lower income families and small businesses.
- Virginians should be especially wary of plans to invest in high-speed rail; projects which they say often become money pits for other states.
- Transportation revenue should not be spent on subsidies for the Mid-Atlantic Regional Spaceport on Wallops Island.[18]
- In addition, SB 890 was passed during the 2020 COVID-19 epidemic which brought a host of economic pressures. Imposing new tax increases at a time when many Virginia's are financially and economically disadvantaged also drew criticism from opponents.

LEGISLATIVE DETAILS

SB 890 is identical to House Bill 1414, which incorporates HB 16 and HB 1538.[19] Gov. Ralph Northam (D) signed the bill on April 22, 2020. At the time SB 890 was enacted Democrats held a slim majority in both chambers of the Virginia General Assembly.

- Of 140 legislators, 53.6 percent voted to pass the bill, while 43.6 voted against it. Four delegates did not vote, two of which intended to support the bill.[20]
- The primary sponsor for SB 890 was Sen. Richard L. Saslaw (D -35). Other sponsors include Sen. Jennifer B. Boysko (D – 33), Sen. Barbara A. Favola (D – 31), and Sen. Emmett W. Hanger (R – 24).[21]



	House Yes	House No	Senate Yes	Senate No
Democratic	52	0	21	0
Republican	0	44	2	17

FINANCIAL EFFECTS OF SB 890

SB 890 CHANGES TO ANTICIPATED REVENUE

Future Virginia transportation revenue is estimated to increase due to the following SB 890 policies:

- SB 890 reduces the prior **standard vehicle registration fee** of $40.75 per year to $30.75 per year, primarily by reducing the amount dedicated to the HMOF.
- SB 890 applies a new **highway use fee** to electric vehicles, alternate fuel vehicles, and fuel-efficient vehicles charged by the DMV at the time of the vehicle's annual registration. The highway use fee is calculated using the gas tax, meaning the amount paid annually would increase along with the phased-in gas tax increases proposed by SB 890. This would replace the existing $64 vehicle license tax for electric vehicles.
    - Electric vehicle owners will pay an annual fee equal to 85 percent of the amount of gas tax that would be paid on an equivalent amount of fuel.
    - Alternate fuel vehicle or fuel-efficient vehicle owners will pay a fee equal to 85 percent of the difference of gas tax that would be paid on the amount of fuel.
- SB 890 converts the gas tax from a percentage of the wholesale price of gasoline and diesel fuel (equating to a rate of $0.162 per gallon of gasoline), to a cents-per-gallon **motor fuels tax** of $0.262 per gallon of gasoline to be phased in over two years.

Timetable of Scheduled Excise Fuel Tax Increases (measured in cents per gallon)[22]

Date of excise tax increase	Gasoline and gasohol	Diesel fuel
July 1, 2020 - July 1, 2021	21.2	20.2
July 1, 2021 - July 1, 2022	26.2	27
July 1, 2022 and onward	Indexed to the CPI-U	Indexed to the CPI-U

- SB 890 imposes a regional **motor vehicle fuels sales tax** of 7.6 cents per gallon of gasoline and 7.7 cents per gallon of diesel fuel in any county or city outside of the Northern Virginia or Hampton Roads regions or the Interstate 81 Corridor, where such a tax is already imposed. The existing regional motor vehicle fuels sales tax will be converted to this same per gallon rate. These rates will be indexed each year beginning starting FY 2022.[23]

The table below contains revenue estimations for these taxes and fees over the next six years. An expanded table of estimated revenue can be found in Appendix B.

Revenue Estimates 2021 – 2026: Registration Fee Change, Highway Use Fee, Motor Fuels Tax, and Regional Motor Fuel Tax (in millions) [24]

Fiscal Year	Registration Fee Change HMOF Revenue Impact	Highway Use Fee Revenue Impact	Net New Motor Fuels Tax Revenue Estimate	Estimated Regional Motor Fuels Tax Revenue**
2021	($80.7)	$39.9	$200.7	$106.3
2022	($81.4)	$49.3	$400.5	$115.4
2023	($81.8)	$51.8	$445.3*	$117.0
2024	($81.7)	$54.4	$481.6*	$118.8
2025	($81.7)	$57.1	$517.7*	$120.8
2026	($81.7)	$60.0	$554.2*	$123.1
Total	**($489.0)**	**$312.5**	**$2,600.0**	**$701.4**

* Tax rates indexed to inflation.
** These figures show the total estimated revenues statewide in localities outside of the Northern Virginia, Hampton Roads, Richmond regions, or the I-81 Corridor. based on information from the Department of Taxation.

SB 890 CHANGES TO FUND CENTRALIZATION

SB 890 renames the Commonwealth Transportation Trust Fund the **Commonwealth Transportation Fund** (CTF) and restructures Virginia's transportation funding model. The CTF will now serve as the fund in which all transportation revenues are deposited and then distributed to programs or other funds. The revenues now deposited into the CTF include:

- Motor vehicles fuels taxes and road taxes for diesel fuel.
- Vehicle registration fees.
- Highway use fee.
- 0.5 percent statewide sales and use tax.
- 0.3 percent statewide sale and use tax for transportation.
- 4.15 percent motor vehicles sales and use tax.
- Motor Vehicle Rental Tax
- $0.03 of the $0.25 per $100 of assessed value of the statewide recordation tax.
- Toll revenue and concession payments to the Commonwealth.
- Transportation Act of 1995
- Tax on liquid alternative fuel, set at the rate for gasoline.
- International Registration Plan fees.
- 1/3 of the revenue from insurance premium taxes.
- Interest, dividends, and appreciation accrued by the Transportation Trust Fund (TTF) established by SB 890 or the Highway Maintenance and Operating Fund (HMOF) also would be allocated to the CTF.[25]

SB 890 CHANGES TO FUND DISTRIBUTION

Prior to SB 890, the various transportation revenues were allocated in across multiple transportation agencies, authorities, and funds. Now all will be directed to the CTF for further distribution.

SB 890 required that the CTF distribute the following funding:

- $40 million annually is to be deposited into the Route 58 Corridor Development Fund.
- $40 million annually is to be deposited into the Northern Virginia Transportation District Fund.
- $10 million in FY 2021, $30 million in FY 2022, and $80 million annually thereafter (adjusted by the CPI-U) is to be deposited into the Special Structure Fund.
- Toll revenue and concession payments to the Commonwealth under the Public-Private Transportation Act of 1995 would be allocated to the TTF
- Interest, dividends, and appreciation accrued to the TTF or the HMOF also would be distributed two-thirds to the Virginia Transportation Infrastructure Bank and one-third to the Transportation Partnership Opportunity Fund.
- The remaining funding in the CTF would be allocated between the HMOF and the TTF.[26]

Of the amounts allocated to the **Transportation Trust Fund** from the CTF, SB 890 provides for further distribution to specific programs and subfunds. The table below summarizes the distribution of funds from the TTF.

Transportation Trust Fund Distribution[27]

	FY 2021 & beyond
Construction Programs	53.00%
Commonwealth Mass Transit Fund	23.00%
Commonwealth Rail Fund	7.50%
Commonwealth Port Fund	2.50%
Commonwealth Aviation Fund	1.50%
Commonwealth Space Flight Fund	1.00%
Priority Transportation Fund	10.50%
Department of Motor Vehicles Fund	1.00%

SB 890 changes distributions within VDOT's **construction programs** and create two new programs. These distributions are separate from the distribution of the statewide regional fuels tax. Similarly, distributions from the **Commonwealth Mass Transit Fund** are also adjusted. Beginning in FY 2022, up to $50 million in funding is to be allocated to the Washington Metropolitan Area Transit Authority (WMATA) as matching funds to federal and other funds provided by the Federal Transit Administration, the District of Columbia, and the State of Maryland. The table below shows the proposed percentage allocations of funding among the construction programs and the Commonwealth Mass Transit Fund.[28]

Construction and Mass Transit Distributions[29]

Construction programs	Prior to SB 890	FY 2021 & beyond
State of good repair	45.00%	30.00%
High-priority projects program	27.50%	20.00%
Highway construction district grant programs	27.50%	20.00%
Interstate Operations and Enhancement Program	-	20.00%
Virginia Highway Safety Improvement Program	-	10.00%
Commonwealth Mass Transit Fund		
Operating costs of transit providers (non-WMATA)	31.00%	27.00%
Capital purposes for transit providers (non-WMATA)	12.50%	18.00%
WMATA for capital purposes and operating assistance	53.50%	47.00%
Special programs	3.00%	2.00%
Transit Ridership Incentive Program	-	6.00%

PREVIOUS REVENUE FORCASTS

The six-year financial plan (SYFP) forecast made in January 2019 identifies the planned funding for allocation to highways, transit, ports and aviation. The Preliminary Fiscal Years 2020 – 2025 SYFP allocates $37.2 billion in total. This forecast expected federal revenue growth of 1.7 percent and a significant Federal Highway Trust Fund cash leading to an estimated 51 percent drop in highway obligations from the year before, or from $46.9 billion to $23 billion, and a zeroing out of obligations from the Mass Transit Account in 2021 and 2022.[30]

Commonwealth Transportation Fund Preliminary Fiscal Years 2020 – 2025 Financial Plan Estimated Revenues (in millions)[31]

	FY 2020	FY 2021	FY 2022	FY 2023	FY 2024	FY 2025	Total	FY 2019-2024	Difference
State Transportation Revenues HMO	2,065.6	2,099.6	2,125.1	2,140.8	2,159.1	2,188.3	12,778.4	12,741.7	36.7
TTF net interest	1,271.3	1,315.5	1,340.4	1,362.3	1,384.9	1,406.5	8,080.9	7,943.9	137.0
PTF (From TTF)	216.3	236.1	236.5	245.6	254.5	254.5	1,443.5	1,392.5	51.0
Local & Regional Project Participation	368.5	416.2	205.8	163.2	163.3	163.3	1,480.4	1,645.1	-164.7
Other Revenue	241.2	223.3	232.1	230.8	249.5	224.3	1,401.3	1,410.6	-9.3
Total	**$4,162.9**	**$4,290.7**	**$4,139.9**	**$4,142.8**	**$4,211.3**	**$4,236.8**	**$25,184.4**	**$25,133.7**	**$50.8**
Federal Revenues	**1,092.8**	**1,109.7**	**1,127.7**	**1,146.1**	**1,164.8**	**1,183.8**	**6,825.0**	**6,756.1**	**68.9**
Total Revenues	**$5,255.8**	**$5,400.3**	**$5,267.7**	**$5,288.9**	**$5,376.1**	**$5,420.7**	**$32,009.4**	**$31,889.8**	**$119.7**
Other Financing Sources									
GARVEE Bonds	101.2	98.0	76.3	100.0	125.0	134.0	634.5	586.2	48.3
Capital Improvement Bonds	50.0	50.0	-	-	-	100.0	161.6	-61.6	
Route 58	150.9	249.1	-	195.7	-	-	595.7	595.7	-
Total	**$302.1**	**$397.1**	**$76.3**	**$295.7**	**$125.0**	**$134.0**	**$1,330.2**	**$1,343.5**	**-$13.3**
Total Operating Revenues and Other Financing Sources	**$5,557.9**	**$5,797.4**	**$5,344.0**	**$5,584.6**	**$5,501.1**	**$5,554.7**	**$33,339.6**	**$33,233.3**	**$106.3**
Pass Through Revenues									
Regional Transportation Funds	**475.7**	**489.1**	**499.6**	**509.8**	**519.7**	**530.6**	**3,024.5**	**2,901.2**	**123.3**
WMATA Capital Fund Revenue	**133.6**	**134.4**	**135.1**	**135.6**	**136.3**	**136.3**	**811.1**	**818.1**	**-7.0**
Grand Total	**$6,167.2**	**$6,420.9**	**$5,978.6**	**$6,230.0**	**$6,157.1**	**$6,221.5**	**$37,175.3**	**$36,952.6**	**$222.7**

Commonwealth Transportation Fund Preliminary Fiscal Years 2020 – 2025 Financial Plan Estimated Allocations (in millions of dollars)[32]

	FY 2020	FY 2021	FY 2022	FY 2023	FY 2024	FY 2025	Total	2019-2024 SYFP	Difference
Debt Service	384.6	394.5	406.4	424.8	444.1	510.1	2,564.4	2,485.6	78.9
Other Agencies & Transfers	51.7	50.3	50.6	51.8	52.0	53.3	309.8	308.2	1.6
Maintenance & Operations	2,189.6	2,209.1	2,240.0	2,290.4	2,339.9	2,388.2	13,657.2	13,469.4	187.9
Administration & Other Programs	467.9	518.8	507.5	489.5	499.1	511.1	2,993.9	2,851.8	142.1
Toll Programs	88.1	90.1	93.6	99.7	102.3	102.3	576.1	551.5	24.6
Rail and Public Transportation	560.6	576.3	560.1	567.2	589.4	538.1	3,391.8	3,652.2	-260.5
Public Transportation	-	-	-	-	-	-	-	-	-
Rail Assistance	-	-	-	-	-	-	-	-	-
Other Programs and Administration	-	-	-	-	-	-	-	-	-
Port Trust Fund	43.2	44.6	45.3	46.1	46.9	47.6	273.7	268.4	5.3
Airport Trust Fund	24.6	25.5	25.8	26.3	26.7	27.2	156.1	153.1	3.0
Commonwealth Space Flight Fund	15.8	15.8	15.8	15.8	15.8	-	79.0	94.8	-15.8
Construction	1,711.7	1,852.4	1,378.8	1,553.2	1,364.8	1,356.7	9,217.6	9,278.4	-60.8
Total Operating Programs	**$5,537.9**	**$5,777.4**	**$5,324.0**	**$5,564.6**	**$5,481.1**	**$5,534.7**	**$33,219.6**	**$33,113.3**	**$106.3**
				Pass Through Programs					
WMATA Capital Fund	153.6	154.4	155.1	155.6	156.3	156.3	931.1	938.1	-7.0
Northern Virginia Transportation Authority Fund	274.0	282.3	288.9	295.5	302.0	308.9	1,751.6	1,703.2	48.4
Hampton Roads Transportation Fund	201.7	206.8	210.7	214.3	217.7	221.7	1,272.9	1,198.0	74.9
Subtotal	**$629.3**	**$643.5**	**$654.7**	**$665.4**	**$676.0**	**$686.9**	**$3,955.6**	**$3,839.3**	**$116.3**
Total	**$6,167.2**	**$6,420.9**	**$5,978.6**	**$6,230.0**	**$6,157.1**	**$6,221.5**	**$37,175.3**	**$36,952.6**	**$222.7**

ANALYSIS

Despite passing a gas tax increase in 2013, the boost in funding could not compensate for years of funding neglect. This increase and other HB 2313 policies have lost considerable effectiveness in the face more increased fuel efficiency, electric vehicles, increased volume, changing needs, and other factors. The passage of SB 890 is unique because it shows an effort to address these issues shortly after the previous gas tax increase was passed.

Prior to SB 890, Virginia Transportation Construction Alliance (VTCA) recognized that the gas tax was significantly underperforming compared to other funding measures and could not meet Virginia's transportation needs. In preparation for the difficult task ahead, VTCA developed a strategic plan that would prove crucial when making its case to the General Assembly. Armed with data driven evidence from a funding sustainability study and other resources, VTCA and is outreach branch, Virginians for Better Transportation (VBT), successfully advocated for a gas tax increase and policies to address other critical issues. This significantly bolstered political support for a long-term multimodal transportation funding solution until a VMT tax could be implemented.

Once VTCA brought Virginia's funding needs to center stage, the passage of SB 890 can largely be attributed to the complementary political makeup of the Virginia state government at the time. A trifecta of support from a Democratic governor, a Democratic majority in the House of Delegates, and a Democratic majority in the Senate offered a unique opportunity to pass significant transportation reform. Gov. Northam's efforts to champion the bill provide the necessary political leadership to draw support from the Democratic legislative body. In this instance, the majority of legislators shared common transportation goals, which facilitated coordination and compromise when writing the bill.

SB 890 is a momentous leap toward a sustainable longer-term Virginia transportation system. This bill provides a multi-pronged approach to address increasing congestion, safety concerns, insufficient funding, and the need to modernize transportation systems and policies. SB 890 provides over $1.533 billion in total revenue commitments provided from 2021 to 2024 and adds Virginia to the dozens of states that have raised the fuel tax in recent years to make up for revenue losses as the nature of modern transportation changes and adapts. This is crucial for Virginia's economy as nearly two million Virginia jobs are dependent on the Commonwealth's transportation infrastructure and trucks carry 80 percent of the goods shipped annually from sites in Virginia.[33] A strong system will create a safer and more economically secure Commonwealth.

APPENDIX A: DETAILED LEGISLATIVE VOTES

Note that the list below only represents Virginia state legislators that held office while SB 890 was voted on and held office at the time this report was published (May 2020).

HOUSE OF DELEGATES

“Yes” votes
Del. Dawn Adams (D – 68)
Del. Alex Askew (D – 85)
Del. Hala Ayala (D – 51)
Del. Lamont Bagby (D – 74)
Del. Jeff Bourne (D – 71)
Del. David Bulova (D – 37)
Del. Lee Carter (D – 50)
Del. Kelly Convirs-Fowler (D – 21)
Del. Karrie Delaney (D – 67)
Del. Eileen Filler-Corn (D – 41)
Del. Jennifer Foy (D – 2)
Del. Wendy Gooditis (D – 10)
Del. Nancy Guy (D – 83)
Del. Elizabeth Guzman (D – 31)
Del. Cliff Hayes (D – 77)
Del. Dan Helmer (D – 40)
Del. Steve Heretick (D – 79)
Del. Charniele Herring (D – 46)
Del. Patrick Hope (D – 47)
Del. Sally Hudson (D – 57)
Del. Chris Hurst (D – 12)
Del. Clinton Jenkins (D – 76)
Del. Jerrauld Jones (D – 89)
Del. Mark Keam (D – 35)
Del. Kaye Kory (D – 38)
Del. Paul Krizek (D – 44)
Del. Mark Levine (D – 45)
Del. Joseph Lindsey (D – 90)
Del. Alfonso Lopez (D – 49)
Del. Delores McQuinn (D – 70)
Del. Martha Mugler (D – 91)
Del. Michael Mullin (D – 93)
Del. Kathleen Murphy (D – 34)
Del. Ken Plum (D – 36)
Del. Marcia Price (D – 95)
Del. Sam Rasoul (D – 11)
Del. David Reid (D – 32)
Del. Danica Roem (D – 13)
Del. Ibraheem Samirah (D – 86)
Del. Don Scott (D – 80)
Del. Mark Sickles (D – 43)
Del. Marcus Simon (D – 53)
Del. Shelly Simonds (D – 94)
Del. Suhas Subramanyam (D – 87)
Del. Rip Sullivan, Jr. (D – 48)
Del. Luke Torian (D – 52)
Del. Kathy Tran (D – 42)
Del. Roz Tyler (D – 75)
Del. Schuyler VanValkenburg (D – 72)
Del. Jeion Ward (D – 92)
Del. Vivian Watts (D – 39)
Del. Rodney Willett (D – 73)

“No” votes
Del. Les Adams (R – 16)
Del. John Avoli (R – 20)
Del. Amanda Batten (R – 96)
Del. Robert Bloxom (R – 100)
Del. Emily Brewer (R – 64)
Del. Kathy Byron (R – 22)
Del. Jeffrey Campbell (R – 6)
Del. Ronnie Campbell (R – 24)
Del. Mark Cole (R – 88)
Del. Chris Collins (R – 29)
Del. Kirk Cox (R – 66)
Del. Carrie Coyner (R – 62)
Del. Glenn Davis (R – 84)
Del. James Edmunds II (R – 60)
Del. Matt Fariss (R – 59)
Del. Buddy Fowler (R – 55)
Del. Nick Freitas (R – 30)
Del. Todd Gilbert (R – 15)

Del. Chris Head (R – 17)
Del. Keith Hodges (R – 98)
Del. Terry Kilgore (R – 1)
Del. Barry Knight (R – 81)
Del. Dave LaRock (R – 33)
Del. Jay Leftwich (R – 78)
Del. Danny Marshall (R – 14)
Del. John McGuire (R – 56)
Del. Joseph McNamara (R – 8)
Del. Jason Miyares (R – 82)
Del. James Morefield (R – 3)
Del. Israel O'Quinn (R – 5)
Del. Bobby Orrock (R – 54)
Del. Charles Poindexter (R – 9)
Del. Margaret Ransone (R – 99)
Del. Roxann Robinson (R – 27)
Del. Chris Runion (R – 25)
Del. Larry Rush (R – 7)
Del. Wendell Walker (R – 23)
Del. William Wampler III (R – 4)
Del. Lee Ware (R – 65)
Del. Michael Webert (R – 18)
Del. Tony Wilt (R – 26)
Del. Tommy Wright (R – 61)
Del. Scott Wyatt (R – 97)

Did not vote
Del. Lashrecse Aird (D – 63)
Del. Terry Austin (R – 19)
Del. Rob Bell (R – 58)
Del. Betsy Carr (D – 69)
Del. Joshua Cole (D – 28)

SENATE

“Yes” votes
Sen. George Barker (D – 39)
Sen. John Bell (D – 13)
Sen. Jennifer Boysko (D – 33)
Sen. John Chapman Petersen (D – 34)
Sen. Creigh Deeds (D – 25)
Sen. Adam Ebbin (D – 30)
Sen. John Edwards (D – 21)
Sen. Barbara Favola (D – 31)
Sen. Emmett Hanger (R – 24)
Sen. Ghazala Hashmi (D – 10)
Sen. Janet Howell (D – 32)
Sen. Lynwood Lewis (D – 6)
Sen. Mamie Locke (D – 2)
Sen. Louise Lucas (D – 18)
Sen. Dave Marsden (D – 37)
Sen. Jenn McClellan (D – 9)
Sen. Jeremy McPike (D – 29)
Sen. T. Monty Mason (D – 1)
Sen. Joseph Morrissey (D – 16)
Sen. Thomas Norment Jr. (R – 3)
Sen. Dick Saslaw (D – 35)
Sen. Lionell Spruill (D – 5)
Sen. Scott Surovell (D – 36)

“No” votes
Sen. A. Benton Chafin (R – 38)
Sen. Amanda Chase (R – 11)
Sen. John Cosgrove (R – 14)
Sen. Bill DeSteph Jr. (R – 8)
Sen. Siobhan Dunnavant (R – 12)
Sen. Jennifer Kiggans (R – 7)
Sen. Ryan McDougle (R – 4)
Sen. Stephen Newman (R – 23)
Sen. Mark Obenshain (R – 26)
Sen. Mark Peake (R – 22)
Sen. Todd Pillion (R – 40)
Sen. Bryce Reeves (R – 17)
Sen. Frank Ruff (R – 15)
Sen. Bill Stanley (R – 20)
Sen. Richard Stuart (R – 28)
Sen. David Suetterlein (R – 19)
Sen. Jill Vogel (R – 27)

APPENDIX B: REVENUE AND DISTRIBUTION CONTINUED

Summary of Net Revenue and Distribution of the Commonwealth Transportation Fund as proposed by SB 890[xxxiv]

	FY 2021	FY 2022	FY 2023	FY 2024
Revenue and Commitments Provided in SB 890				
Highway Use Fee	$39,900,000	$49,300,000	$51,800,000	$54,400,000
Reduce Registration Fees	($80,700,000)	($81,400,000)	($81,800,000)	($81,700,000)
Increase Motor Fuels Taxes	$200,700,000	$400,500,000	$445,300,000	$481,600,000
Regional Fuels Taxes	$106,300,000	$115,400,000	$117,000,000	$118,800,000
Total Revenue Impact	**$266,200,000**	**$483,800,000**	**$532,300,000**	**$573,100,000**
CTF Direct Allocations				
Route 58/NVTD/Oak Grove	($81,000,000)	($81,000,000)	($80,000,000)	($80,000,000)
Net Revenue Impact	**$185,200,000**	**$402,800,000**	**$452,300,000**	**$493,100,000**
Expenditure and Distribution Impact				
Statewide Special Structures	**$10,000,000**	**$30,000,000**	**$80,000,000**	**$82,080,000**
Highway Maintenance and Operating Fund	**($116,133,161)**	**$14,724,840**	**$21,926,588**	**$48,457,790**
Transportation Trust Fund				
Construction Programs				
State of good repair	$12,628,577	$12,334,839	$1l,105,883	$13,999,459
High-priority projects program	$58,419,051	$8,223,226	$7,403,922	$9,332,973
Highway construction district grant programs	$114,719,051	$123,623,226	$124,403,922	$128,132,973
Interstate Operations and Enhancement Program	$8,419,051	$8,223,226	$7,403,922	$9,332,973
Virginia Highway Safety Improvement Program	$4,209,526	$4,111,613	$3,701,961	$4,666,486
Total Construction Programs	**$148,395,257**	**$156,516,130**	**$154,019,161**	**$165,464,863**
Mass Transit Fund				
Transit Authority matching allocation	$0	$50,000,000	$50,000,000	$50,000,000
Operating costs of transit providers (non-WMATA)	$28,577,60l	$24,226,194	$24,627,161	$25,710,551
providers (non-WMATA)	$19,051,734	$16,150,796	$16,418,107	$17,140,367
WMATA capital and operating assistance	$49,216,980	$41,722,890	$42,413,444	$44,279,282
Special programs	$2,646,074	$2,243,166	$2,280,293	$2,380,607
Transit Incentive Program	$6,350,578	$5,383,599	$5,472,702	$5,713,456
Total Mass Transit Fund	**$105,842,967**	**$139,726,645**	**$141,211,707**	**$145,224,262**
Commonwealth Rail Fund				
Virginia Passenger Rail Authority allocation	$44,437,815	$53,746,296	$52,976,368	$53,596,624
DRPT allocation	$3,344,782	$4,045,420	$3,987,469	$4,034,154
Total Commonwealth Rail Fund	**$47,782,597**	**$57,791,716**	**$56,963,837**	**$57,630,778**
Total Commonwealth Port Fund	**$2,326,752**	**$5,375,602**	**$5,204,933**	**$5,350,953**
Total Commonwealth Aviation Fund	**$2,715,481**	**$4,564,711**	**$4,482,560**	**$4,589,492**
Total Commonwealth Space Flight Fund	**$3,602,721**	**$5,101,141**	**$5,316,373**	**$5,645,261**
Priority Transportation Fund	**($29,771,434)**	**($22,938,024)**	**($28,978,082)**	**($33,824,758)**
Total Department of Motor Vehicles	**$10,438,821**	**$11,937,241**	**$12,152,473**	**$12,481,361**
Total Transportation Trust Fund	**$291,333,162**	**$358,075,162**	**$350,373,412**	**$362,562,212**
Total Expenditure and Distribution Impact	**$185,200,000**	**$402,800,000**	**$452,300,000**	**$493,100,000**

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