



# NVTC

Northern Virginia Transportation Commission

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## MEMORANDUM

**TO:** Members, Northern Virginia Delegation to the Virginia General Assembly

**FROM:** Paul Ferguson, Chairman and Gerald Connolly, Vice-Chairman

**DATE:** February 4, 2005

**SUBJECT:** NVTC Position on HB 2771 Relating to Insurance License Tax Revenues for Transportation Projects

At the Commission meeting of February 3, 2005 in Richmond, NVTC board members discussed the status of current transportation legislation in the Virginia General Assembly and expressed appreciation for your work towards enhancing transportation funding for Northern Virginia with particular attention to adequate funding for transit projects, programs, and services in Northern Virginia.

### Recommendation

The Commission urges that as you consider HB2771 and other similar legislation, you strongly support all efforts to restore equity in the allocation of these funds including ensuring that designated funding for transit is provided in the legislation. Specifically, the Commission strongly recommends that funds in HB2771 be allocated through the Transportation Trust Fund (TTF) formula. We also urge you to ensure that the earmarked funds in Governor Warner's budget—such as the \$40 million for Metrorail cars and \$20 million for VRE cars—are preserved during the budget process.

## Background

At its February 3<sup>rd</sup> meeting the Commission voted to express its concern that HB2771 (Callahan) as approved by the House Appropriations Committee (HAC) allocates funds generated from insurance license tax revenues solely on the basis of the highway allocation formula and does not provide funding for transit. Delegate Callahan's substitute that would have allocated funds based on population and result in relatively more funds for Northern Virginia was defeated in HAC on February 2<sup>nd</sup>. As you know, this legislation was originally introduced by Delegate Hugo as HB2099 and proposed allocating the funds on the basis of population. HB2099 was then changed to allocate funds based on the highway allocation formula and was then "rolled" into HB2771 (Callahan). Since HB2099 was changed significantly, earlier support expressed by local elected bodies no longer applies.

In neither version of those bills would there be a specific portion set aside for transit as occurs when funds are allocated through the Transportation Trust Fund (TTF). When funds are provided to the TTF, 14.7 percent goes to the transit fund of which NVTC receives up to 75 percent. Northern Virginia receives more highway and transit funding combined using this approach than it does if only the highway formula is used.

Thank you for your continuing support and please feel free to contact us if we can be of further assistance or provide you any additional information.