



COMMONWEALTH of VIRGINIA

*Office of the*

SECRETARY of TRANSPORTATION

# Interstate 81 Corridor Improvement Fund and Program

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Virginia Department of Rail and Public Transportation



# Governor Northam's Amendments

- **Recommended 28 line amendments to both HB2718 (Landes and Austin) and SB1716 (Obenshain and Carrico)**
  - Increase in statewide truck registration fees
  - Impose a 2.1% regional fuels tax along 81 corridor
  - Increase in statewide diesel and road taxes
  - Technical amendments
  - “Kill switch” provision
  - NVTA Technical amendments

# Governor Northam's Amendments

- **Approved by House 58-39 and by Senate in two blocks**
  - 25-13 for the increase in truck registration fees
  - 22-14 for the remaining amendments
- **Governor Northam signed both bills April 3, 2019**
- **Amendments were supported by multiple organizations**
  - Virginia Trucking Association
  - Virginia Chamber of Commerce
  - Virginia FREE
  - Virginia Transportation Construction Alliance

# Overview of Amendments

- **Raises both statewide and regional revenues**
- **Statewide revenues are distributed based on of truck miles traveled on Interstate highways**
  - **41.0% to Interstate 81 corridor**
  - **17.9% to Interstate 95 corridor (outside NOVA)**
  - **12.6% to Interstate 64 corridor**
  - **9.1% to the Northern Virginia Transportation Authority**
  - **19.4% for other improvements to Interstate highway corridors**

# Revenue Estimates

	FY20	FY21	FY22	FY23	FY24	FY25
Truck Reg Fees	77.0	77.0	77.0	77.0	77.0	77.0
Diesel Tax	-	-	70.8	70.6	70.4	70.7
Road Tax *	23.8	73.4	73.4	73.4	73.4	73.4
Regional Fuels Tax	55.0	60.7	61.3	61.3	61.2	61.3

Figures in millions

\* New estimates are being developed based restructuring of tax

# Revenue Distribution

	FY20	FY21	FY22	FY23	FY24	FY25
Interstate 81 Corridor Imp Fund	96.4	122.4	152.1	152.0	151.8	152.1
Interstate 95 Corridor	18.0	26.9	39.5	39.5	39.5	39.5
Interstate 64 Corridor	12.7	18.9	27.8	27.8	27.8	27.8
NVTA Fund	9.2	13.7	20.2	20.1	20.1	20.1
Other Imp to Interstates	19.6	29.2	42.9	42.9	42.9	42.9
<b>TOTAL</b>	<b>155.8</b>	<b>211.1</b>	<b>282.5</b>	<b>282.3</b>	<b>282.0</b>	<b>282.4</b>

# Truck Registration Fees

(58.1-697.2)

- **Increases maintain Virginia's progressive fee structure**
- **Captures both in-state and interstate trucks through International Registration Plan**
- **Increases bring Virginia more in-line with other I-81 corridor states**
- **Fees for farm vehicles remain ½ of the fee for heavy trucks as of January 1, 2019**

# 2.1% Regional Fuels Tax

(58.1-2295.1)

- **Applies in Planning District Commissions in which Interstate 81 is located**
  - PDCs 3, 4, 5, 6, and 7
- **Functions the same as the regional fuels tax in Hampton Roads and Northern Virginia**
- **100% of revenues are deposited in Interstate 81 Corridor Improvement Fund**



# Road Tax

(58.1-2701)

- Road Tax is a surcharge on diesel fuel paid by trucks through International Fuels Tax Agreement that—
  - Have two axles and weight greater than 26,000 pounds
  - Have three or more axles
  - Are combination vehicles with a weight greater than 26,000 pounds
- Current rate is \$0.035 per gallon

# Road Tax

(58.1-2701)

- **Starting July 1, 2019 the rate will be \$0.01125 times the average fuel economy for heavy trucks**
  - Current average mpg is 6
  - $6 \times \$0.01125 = \$0.0675$  per gallon
  - An increase of \$0.0325 per gallon
- **Starting July 1, 2020, rate will be \$0.0225 x average mpg**
  - $6 \times \$0.0225 = \$0.135$  per gallon
  - An increase from current rates of \$0.10 per gallon

# Diesel Tax

(58.1-2217.1)

- **Amendments impose an additional diesel tax at the wholesale level of 2.03%**
  - Results in an \$0.068 increase in diesel tax rate
- **Starts July 1, 2021**
- **Includes the floor from HB2313 (2013)**

# Interstate 81 Corridor Improvement Fund and Program

(33.2-3601 and 33.2-3602)

- **Moneys may only be used for capital, operating and other improvement costs identified in an adopted Interstate 81 Corridor Improvement Plan**
- **Board must, starting July 1, 2020, annually update and adopt the 81 Corridor Improvement Program**
  - **Must consult with Interstate 81 Committee and review their recommendations**
  - **Must report on status and effectiveness of projects**

# Interstate 81 Corridor Report

(33.2-3602 D)

- **Board must report to the General Assembly by December 15 each year on—**
  - **Safety and performance of Interstate 81**
  - **Assessment of effectiveness of the operational strategies and capital projects implemented through the Program**
  - **Status of projects funded through the Program**
  - **Current and projected balances of the Fund**

# Interstate 81 Committee

(33.2-3603)

- **Board must establish Interstate 81 Committee**
- **15 voting members and two ex-officio**
  - 5 planning district commission chairs
  - 4 members of the House of Delegates
  - 3 members of the Senate
  - 3 CTB members from Bristol, Salem and Staunton
  - VDOT Commissioner and DRPT Director ex-officio
- **Required to hold 4 public meetings each year**

# Interstate 81 Committee

(33.2-3603)

- **Purpose is to provide advice and recommendations to the Board—**
  - **Development of the Program**
  - **Updates to the I-81 Corridor Improvement Plan**
- **Committee shall review the Interstate 81 Corridor Improvement Plan as it relates to project prioritization and funding options**
  - **Must report to the General Assembly and Governor by December 15, 2019 on recommendations**

# Interstate 81 Corridor Improvement Plan

## (33.2-3604)

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- **Requires the Board to regularly update the Plan and establishes requirements for such updates—**
  - Needs assessment
  - Solutions identification
  - Prioritization of potential solutions
  - Incident management and truck parking
- **Moneys in the Fund can only be used for items included in the Plan**



# Northern Virginia Transportation Authority

(Enactment Clauses 6 and 7)

- Revenues are deposited into the Northern Virginia Transportation Authority Fund and distributed
  - 30% to local governments
  - 70% to the Authority for regional projects
- Moneys for purposes of the benefits calculation and distribution to local governments are determined to be generated by locality in the same manner as the retail sales and use tax
- These revenues may not support debt

# Interstate Highway Corridors

- **~50% of statewide revenue increases**
- **Operational improvements and other enhancements to interstate corridors to improve**
  - **Safety**
  - **Reliability**
  - **Travel flow**
- **Any Interstate with 10%+ of Interstate truck traffic shall receive an amount approximately equal its percentage of Interstate truck traffic over time**

# Other Provisions

- Revenues raised by the legislation expire December 31 in any year the General Assembly uses the funds for a non-transportation purpose
- If any part of the legislation is found to be unconstitutional the remaining portions shall remain in effect
- Board and VDOT shall continue to undertake all work on I-81 that they undertook as of July 1, 2019