

# SURFACE TRANSPORTATION

## *Transportation Infrastructure and Funding, 2021*

### RECOMMENDATIONS

**Mileage-based user fees for in-state miles driven** ► The General Assembly may wish to consider amending § 46.2-773 of the Code of Virginia to clarify that program fees can be charged for all miles driven by participants or for only miles driven in Virginia, and that both options can be made available to participants. (Recommendation 2)

**Funding bridge rehabilitations** ► The General Assembly may wish to consider amending § 33.2-369 of the Code of Virginia to improve bridge safety and reduce long-term costs by allowing the State of Good Repair program to fund bridges that are in fair condition, specifically those that have a general condition rating less than or equal to 5.0. (Recommendation 4)

**Ensuring State of Good Repair program funds greatest needs** ► The General Assembly may wish to consider amending § 33.2-369 of the Code of Virginia to allow the State of Good Repair (SGR) program to fund more of the estimated bridge and pavement repair needs in construction districts by (i) eliminating the 17.5 percent cap and 5.5 percent floor on the proportion of SGR funding that a district can be allocated or (ii) raising the cap on the proportion of SGR funding that a district can be allocated to 20 percent but maintaining the 5.5 percent floor. (Recommendation 5)

**Codifying Hampton Roads Transportation Fund project criteria** ► The General Assembly may wish to consider amending § 33.2-2600 of the Code of Virginia to require that projects considered for funding through the Hampton Roads Transportation Fund be evaluated and prioritized based on objective and quantifiable benefits and costs. (Recommendation 9)

### POLICY OPTIONS TO CONSIDER

*Staff typically propose policy options rather than make recommendations when (i) the action is a policy judgment best made by elected officials—especially the General Assembly, (ii) evidence suggests action could potentially be beneficial, or (iii) a report finding could be addressed in multiple ways.*

**Regional surcharges for highway use and mileage-based user fees** ► The General Assembly could establish regional surcharges in the Code of Virginia for the highway use fee and mileage-based user fee. (Option 1)

**Highway use fee for heavy, fuel-efficient vehicles ►** The General Assembly could amend § 46.2-772 et seq. and § 58.1-2701 of the Code of Virginia to assess a highway use fee on (i) fuel efficient and electric vehicles weighing from 10,000 pounds to 26,000 pounds, and (ii) electric vehicles over 26,000 pounds. Fees could be scaled to vehicle weight. (Option 2)

**Distribution of maintenance program funds ►** The General Assembly could consider amending § 33.2-319 of the Code of Virginia to modify how maintenance payment program funds are distributed to cities and towns by (i) eliminating the current funding formula and directing the CTB to develop and approve a new formula that better accounts for the different drivers of maintenance costs; (ii) eliminating the current funding formula and directing the CTB to award funds based on an assessment of pavement and bridge conditions in each locality; or (iii) directing the CTB to develop an approach for directing additional funding to localities that have a high proportion of pavements and bridges in poor condition and have relatively high indicators of fiscal stress. (Option 3)

**Additional funding for revenue sharing program ►** The General Assembly could appropriate an additional \$100 million per year in revenue sharing program funds in the FY23–24 Appropriation Act. The appropriation for FY23 could be made contingent on a FY22 surplus. (Option 5)