

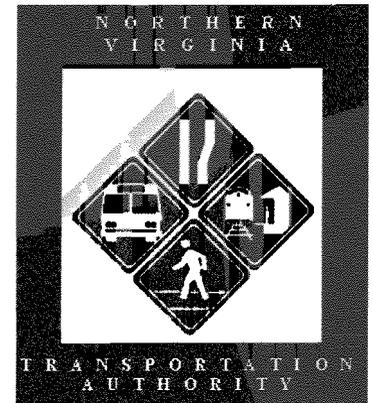
# Status of HB 3202 Implementation



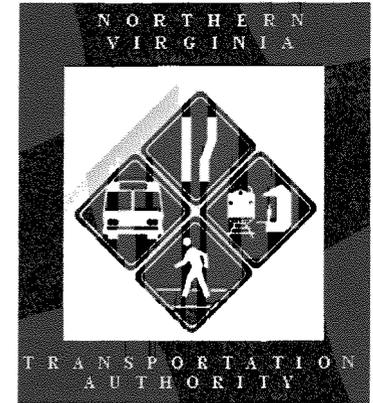
Alexandria City Council  
June 12, 2007

# Status of Implementation

## ***Background:***



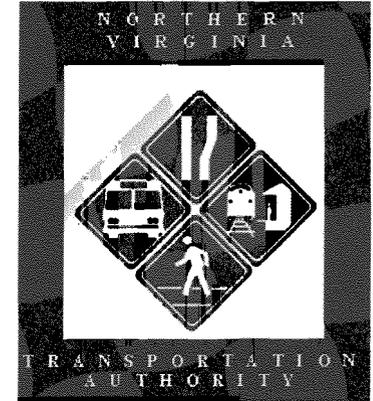
- General Assembly approved the Governor's Amendments to HB 3202 on April 4, 2007.
- The bill contains three major portions affecting Northern Virginia, Hampton Roads and the entire state. This presentation is primarily focused on Northern Virginia portion of the bill.
- The bill is effective on July 1, 2007.



# Authorized Taxes and Fees

## *Background (continued):*

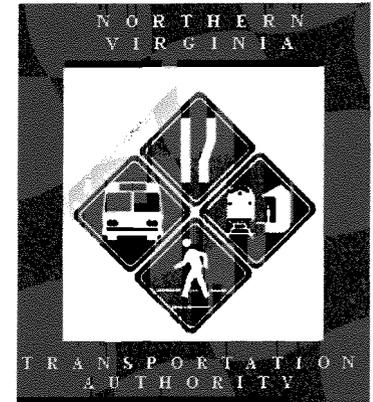
<u>Tax/Fee Authorized</u>	<u>Rate</u>
• Grantor's Tax	40¢/\$100 valuation
• Motor Vehicle Rental Tax	2% of total
• Transient Occupancy Tax	2% of total
• Safety Inspection Fee	\$10/year
• Sales Tax on Auto Repairs	5% of total
• Regional Registration Fee	\$10/year
• Initial Vehicle Registration Fee	1% of value



# Status of Implementation

## ***Background (continued):***

- The Hampton Roads area was permitted to establish its own transportation authority which may enact the same seven taxes and fees.
- In addition, HB 3202 allows Northern Virginia localities to enact a commercial real estate assessment and a local vehicle registration fee.
- Localities were also given impact fee authorities in certain circumstances.
- If NVTA adopts all of the taxes and fees, it could raise more than \$300 million annually for transportation projects.

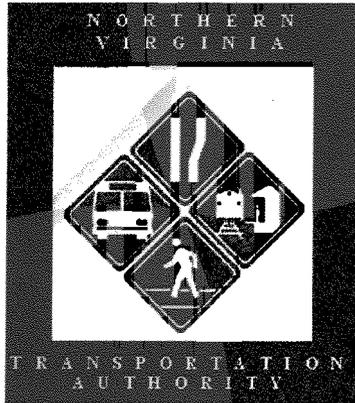


# Allocation of NVTA Funds

## ***Background (continued):***

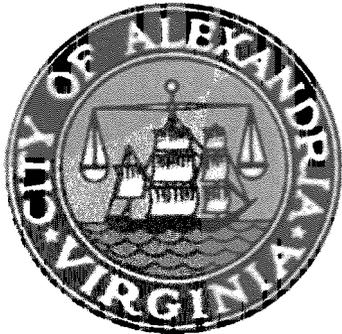
- 60% to NVTA.
  - Priorities:
    - debt service on any bonds issued;
    - \$50 M per year for Metro capital expenses;
    - \$25 M per year for VRE capital and operating expenses.
- 40% to localities in which funds are raised.
  - Priorities:
    - 50% on urban and secondary roads, except Alexandria, Arlington and Falls Church.
    - Remainder for projects in long range plan (TransAction 2030) or transit.
- Alexandria, Arlington and Falls Church can use all of their revenues for projects in the long range plan or transit.
- Overall, funds must generally be distributed to projects and services benefiting the localities proportionally, based on where the funds were raised.

# Revenue Options



- Grantor's Tax
- Motor Vehicle Rental Tax
- Transient Occupancy Tax
- Safety Inspection Fee
- Sales Tax on Auto Repairs
- Regional Registration Fee
- Initial Vehicle Registration Fee

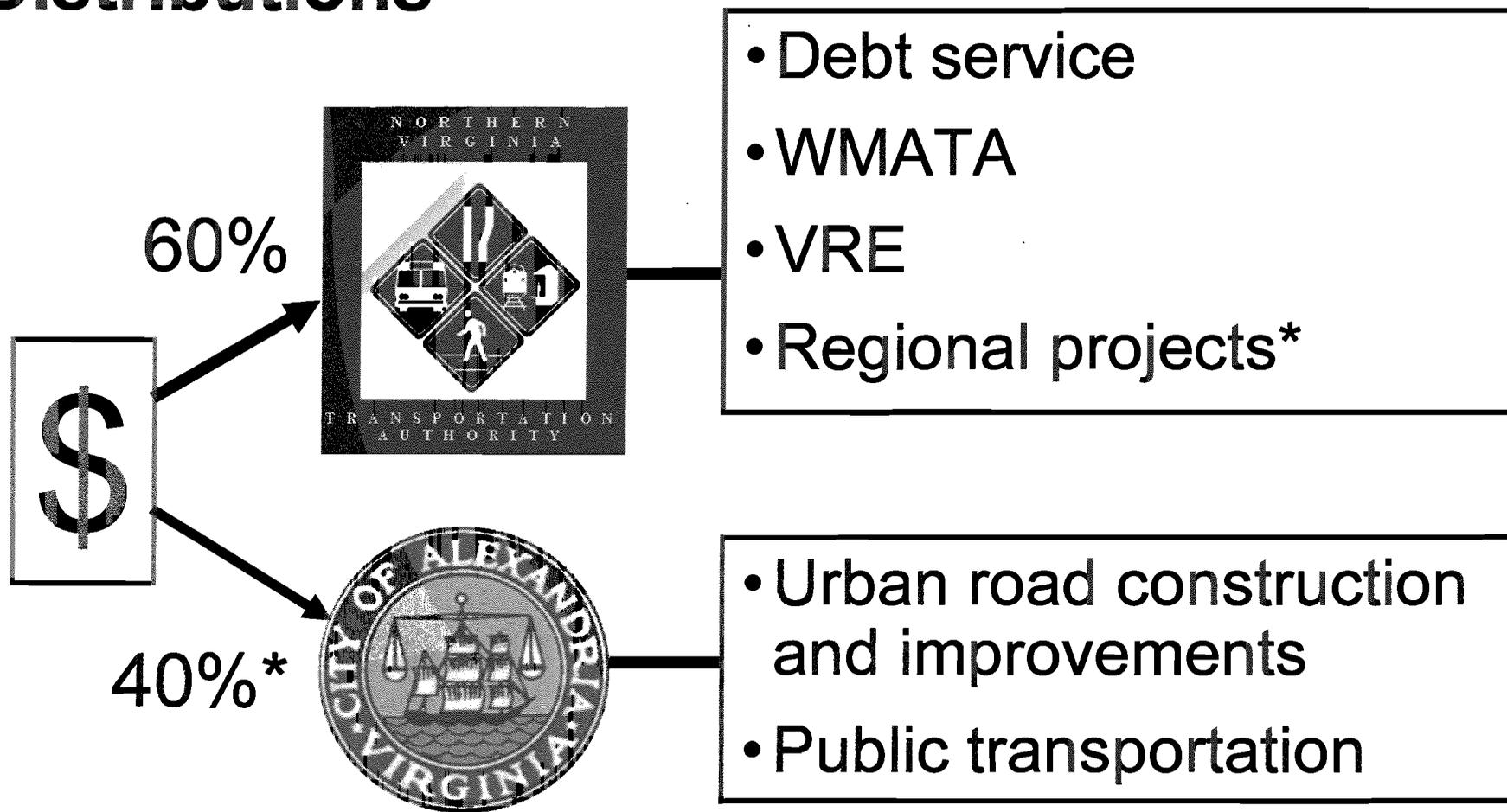
**\$300+ million**



- Motor Vehicle Registration Fee
- Commercial Real Estate Tax
- Commercial/Residential Impact Fees

**\$100+ million**

# Distributions



\* Revenues and project benefits return to each jurisdiction in proportion to revenues generated in the jurisdiction