

**METROPOLITAN WASHINGTON COUNCIL OF GOVERNMENTS
LEGISLATIVE COMMUNIQUE**

(Report to the Board, February 8, 2006)

METRO DEDICATED FUNDING

This is a status report on a number of legislative initiatives which address the need for dedicated funding for capital maintenance. Although there was activity in all three jurisdictions last year, the intensity of legislative effort this year, to some extent, is in response to and reflects the provisions of HR 3496, Rep. Tom Davis' (R-VA) bill authorizing \$1.5 Billion federal contribution for capital and preventive maintenance projects for WMATA in increments over 10 years. HR 3496 specifies that this federal contribution is contingent upon the District of Columbia and the state of Maryland and Virginia also creating dedicated funding sources for this purpose in approximate like amount.

The following presents a brief overview and status of legislation pending before the District of Columbia Council and the Legislatures of Maryland and Virginia which directly respond to the need for WMATA dedicated funding or, which by simple amendment, could address this need.

DISTRICT OF COLUMBIA: One Bill.

- **Bill 16-569:** Introduced by Cropp, Evans, Graham, and Schwartz, co-sponsored by Ambrose, Barry, Brown, Catania, Fenty, Gray, and Mendelson, in Committee of the Whole on December 20, 2005. Creates a segregated fund within D.C.'s General Fund, to hold mandatory deposits of 100% of 1/2 % of the retail sales tax collections of the District for the capital and preventive maintenance requirements of WMATA. Conditioned upon like adoption by Maryland and Virginia and Federal passage of HR 3496. Referred to Finance which held hearings on January 23, 2006. Chair Jay Fisetto presented testimony in support on behalf of COG. Mr. Fisetto suggested that the District's response be conditioned on Maryland and Virginia adoption, but not on Federal passage, recognizing that dedicated funding is required whether or not there is a federal match.

MARYLAND: Six Bills, Numbers and text for five unavailable as of 1/7/06. No action scheduled for any of these bills as yet.

Senate:

- Sen. Kramer (D, Mont.): Bill to earmark ¼ cent of existing sales tax to a transit dedicated account within the State Transportation Trust. Expected to generate approximately \$175 Million per year statewide. To comport with requirements of HR 3496, would require subsequent specification of about \$50 Million to WMATA.

- **SB 763**, Sen. Garagiola (D, Mont): Driver Responsibility and First Responder Act, increasing penalties for certain traffic offenses and earmarking accounts where penalties are deposited; transportation-related depositories possible. First reading, Budget and Taxation Committee.

House:

- Del. Hixom (D, Mont.): Matching bill to Sen. Kramer's, above.
- Del. Barkley (D, Mont.): Similar bill to Sen. Kramer's, above, except amount earmarked is ½ cent of existing sales tax.
- Del. Kaiser (D, Mont.): Similar bill to Del. Barkley's, above.
- Del. Bronrot (D, Mont.): Similar to S 763, above.

VIRGINIA: Five Bills.

Senate:

- **SB 267**, Sen. Whipple (D, Arlington): Retail Sales and Use Tax; Increase in Certain Localities, imposing an additional 0.25% sales and use tax in Arlington County, Fairfax County, the City of Alexandria, the City of Fairfax, and the City of Falls Church if approved by ordinance by the governing bodies of those localities whose population comprise at least 90% of the population in all of such localities. The bill is effective the first day of the month following 60 days from the date of such approval. The revenue is to be used solely for each locality's financial obligations to the Washington Metropolitan Area Transit Authority. This bill would satisfy Virginia's obligation for a dedicated source of revenue for Metro as required by HR 3496. Does not currently have a requirement for parallel passage by Maryland and DC. Referred to Senate Finance Committee. No action scheduled.
- **SB 701**, Sen. Davis (R, Fairfax): Transportation funding; Northern Virginia, providing new funding for transportation in the Cities of Alexandria, Fairfax, Falls Church, Manassas, and Manassas Park and the Counties of Arlington, Fairfax, Loudoun, and Prince William. The sources of the new funds are: (i) civil penalties for certain offenses relating to the operation of a motor vehicle by persons residing in any of the localities; (ii) additional motor vehicle registration fees for trailers, semi-trailers, and trucks with a gross weight over 12,000 pounds registered in any of the localities; (iii) an additional fee on the rental of motor vehicles in the localities; (iv) a transportation impact fee on the sale of real property in any of the localities; (v) dedication of current sales and use tax on motor vehicle repair parts and accessories sold in any of the localities; and (vi) a transient occupancy tax on rooms in the localities. The funds provided by this bill would go to the Northern Virginia Transportation Authority for project or recipient determination. To comport with HR 3496, approximately \$50 Million would have to be earmarked off the top for Metro capital and preventive maintenance. Referred to Senate Finance Committee. No action scheduled.

House:

- **HB 1082**, Del. Scott (D, Fairfax), and **HB 1003**, Del. Ebbin (D, Arlington): Matching bills to SB 267, above. Referred to House Finance Committee. Scheduled before Subcommittee 1 on February 8, 2006.
- **HB 1555**, Del. Rust (R, Fairfax): Matching bill to SB 701, above. Referred to House Transportation Committee. No action scheduled.