

2009 Virginia General Assembly Session Legislative Report – February 22, 2009

The Budget

Moving into the final week of the General Assembly Session, speculation regarding whether the House and Senate will meet their scheduled February 28th adjournment date continue as the conferees for the House and Senate begin trying to reconcile each chamber's budget document.

Budget negotiations will take place in the midst of increasingly bleak state revenue forecast. Governor Kaine announced that Virginia's budget shortfall has grown more than 25% since December, adding an additional \$821 million to the budget shortfall, which brings the gap between revenue and spending to more than \$3.7 billion over the biennium.

Despite the widening budget shortfall, Governor Kaine and the House and Senate budget negotiators expect to offset the additional \$800 million shortfall for the two-year \$77 billion spending plan by utilizing revenues from the recently passed federal stimulus package. Approximately \$1 billion of the total \$4 billion the Commonwealth is expected to receive from the stimulus package will be utilized to close the Commonwealth's budget gap. The majority of the \$1 billion includes \$800 million for Medicaid and \$200 million in discretionary spending.

From a structural perspective, the two budgets have a number of significant differences. One of the most glaring is the fact that the Senate budget, which was passed a week after the House budget, incorporates the federal stimulus funds. Consequently, the Senate budget reverses many of the proposed cuts to education, public safety and Medicaid. This week, the House and Senate conferees must determine how the federal stimulus money should be programmed into the budget. House negotiators have already taken issue with the Senate's approach with the federal money, which they claim represents a front loading of a majority of the stimulus money to FY 10 (beginning July 1), leaving little or no consideration for the shortfalls that will almost certainly continue into FY 11. The House appears to be arguing for the federal stimulus money to be split over the two years of the biennium. The Senate conferees have taken issue with the House's decision to "raid" the Water Quality Improvement Fund of \$150 million dollars (the House supplants the cash in the fund with debt and uses the revenues for Medicaid related purposes).

There will be a host of different spending priorities that will need to be reconciled (including everything from funding for drug courts to additional mental retardation waivers), but one of the overarching philosophical differences between the two chambers could pit the House's desire for a substantial reserve fund to cushion the blow for future anticipated revenue shortfalls versus the Senate's desire to ease, to the greatest extent possible, current cuts in core services.

It appears that both the House and Senate conferees agree that it would not be prudent to feed long-term spending priorities with one-time revenues from the federal stimulus. Senate and House conferees also agree on the need to utilize the stimulus funding in place of general fund dollars for public schools, healthcare, public safety, and higher education. Again, the disagreements will center on the dollar amounts to these priorities.

Since the Obama Administration has not written regulations needed to determine how much money Virginia will receive or exactly how it must be spent on priorities such as education and transportation, it is possible that the General Assembly might have to extend the Spring Veto Session to finalize these lingering budget questions. This situation may require the General Assembly to adjourn on February 28 and immediately call a Special Session to resolve the final budget details. This scenario may require an extension of the Spring Veto Session to finalize the budget.

Federal Stimulus Package and Transportation

While there are still a number of details to be considered regarding the anticipated \$700 million that will be available for road projects as a result of the federal stimulus package, some details have emerged regarding the use of those funds.

\$210 million of the federal money will be distributed to metropolitan planning organizations across the state, which in turn will determine the projects that will receive funding.

The remaining \$490 million would be allocated by the CTB. Federal regulations indicate that priority should be given to projects that are contained within "economically distressed" areas. However, there appears to be no requirement that would enforce these criteria (the economically distressed designation gave legislators in Northern Virginia grave concern that their region would be ineligible for these funds, but it appears that the Secretary of Transportation and the CTB have no intention of limiting these funds on that basis).

The Commonwealth is required to obligate half of their money to projects within 120 days, and the balance of the money must be obligated within a year.

VDOT Cuts

During a meeting of the CTB last week, VDOT outlined some of the reductions it was preparing to make over the next 18 months in terms of both its staff and its operations. The reorganization, called "The Blueprint for the Future", includes laying-off 450 part-time workers across the state next month and nearly 1,000 full-time employees over the next year and a half. These reductions will result in the largest involuntary layoff in the Department's history. The Department estimates it will have 7,500 employees total by July 1, 2010.

Operationally, VDOT intends to close more than half of the state's 41 highway rest stops; reduce spending by 50% on both safety service patrols as well as roadside mowing; and closing local residency offices and 36 equipment shops statewide. The Department will concentrate its efforts on highway safety, emergency response, and the maintenance and operation of Virginia's roads and bridges

The Department's actions are in response to the \$2.6 billion reduction in state transportation revenues that are projected over the next six years. The federal stimulus package will pump approximately \$694 million into the Department's operations.

Transportation Funding

The only revenue generating bill that had been under consideration by the General Assembly, HB 1579, sponsored by Delegate Glen Oder (R-Newport News), which would have earmarked future revenue growth at various facilities within the Commonwealth as well as future income and sales tax growth in Northern Virginia, was defeated on a 7-9 vote in the Senate Finance Committee. The relatively close vote came as somewhat of a surprise, since a similar bill was defeated by a larger margin during the transportation special session last year. This time, the measure picked up some Democratic support. Senator Roscoe Reynolds (D-Martinsville) and Senator Louise Lucas (D-Portsmouth) both voted in favor of the bill. The amendments to the bill offered in the House to include Route 58 obviously helped to gain the support of Senator Reynolds, while the idea of utilizing port revenues for upgrading infrastructure in Hampton Roads obviously appealed to Senator Lucas. Only one Republican on the Committee voted against the measure, Senator

William Wampler (R-Bristol), who thought the bill did nothing for statewide transportation infrastructure needs, including the Southwest portions of the state.

Restrictions on Text Messaging

The Senate Transportation Committee offered a strong endorsement of HB 1876, which makes sending and reading text messages while driving a secondary offense punishable by a \$20 fine. The bill, sponsored by Delegate John Cosgrove (R-Chesapeake), was amended in the Senate Transportation Committee and passed out on a vote of 12-3. The full Senate will consider the measure this week.

Bridge Replacement

SB 1550, which would allow the City of Chesapeake to provide for the emergency replacement of the Jordan Bridge, flew through the House Transportation Committee unanimously, on its way to passage on the House floor this week. The bill, sponsored by Senator Harry Blevins (R-Chesapeake), will allow a private construction group to build, maintain, and operate the tolling facility.

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Composite view with notes

Bills	Committee	Last action	Date
HB 1579 - Oder - Transportation funding, etc; certain revenues attributable to economic growth in Hampton Roads, etc.	(H) Committee on Appropriations <hr/> (S) Committee on Finance	(S) Failed to report (defeated) in Finance (7-Y 9-N)	02/18/09
HB 1580 - Oder - Hampton Roads Transportation Authority; abolished, disposition of revenues, etc.	(H) Committee on Transportation <hr/> (S) Committee on Transportation	(S) Committee substitute printed 093652668-S1	02/19/09
HB 1628 - Cole - Contractor performance bonds; amount for locally administered transportation improvement projects.	(H) Committee on Transportation <hr/> (S) Committee on Transportation	(S) Reported from Transportation (15-Y 0-N)	02/19/09

HB 1633 - Saxman - Offshore drilling; apportions royalties that State receives to certain funds and programs.	(H) Committee on Appropriations <hr/> (S) Committee on Finance	(S) Passed by indefinitely in Finance (9-Y 5-N 2-A)	02/17/09
HB 1645 - Marshall, D.W. - Highway system construction, urban; not more than 1/3 of funds to be used to reimburse locality.	(H) Committee on Appropriations <hr/> (S) Committee on Transportation	(S) Signed by President	02/18/09
HB 1648 - Ware, R.L. - Virginia byways; requires every agency, etc. to consider impact of its' plans on roads designated.	(H) Committee on Transportation <hr/> (S) Committee on Transportation	(S) Failed to report (defeated) in Transportation (3-Y 9-N)	02/19/09
HB 1659 - Howell, A.T. - Wireless telecommunications devices; prohibits use of while driving except in an emergency.	(H) Committee on Militia, Police and Public Safety	(H) Left in Militia, Police and Public Safety	02/10/09
HB 1661 - Scott, J.M. - Motor fuels tax; converts rates to percentage that shall be calculated by DMV Commissioner.	(H) Committee on Finance	(H) Left in Finance	02/10/09
HB 1677 - Orrock - Contractor performance bonds; amount for locally administered transportation improvement projects.	(H) Committee on Transportation	(H) Incorporated by Transportation (HB1628-Cole)	01/29/09
HB 1694 - Albo - Parking; allows certain counties and towns to prohibit parking of certain vehicles on streets.	(H) Committee on Transportation <hr/> (S) Committee on Transportation	(S) Reported from Transportation with amendments (15-Y 0-N)	02/19/09
HB 1710 - Oder - Contracts; certain indemnification provisions in construction contracts declared void.	(H) Committee on General Laws	(H) Left in General Laws	02/10/09
HB 1723 - Albo - Highway Maintenance and Operating Fund; provides a formula for allocating proceeds.	(H) Committee on Appropriations	(H) Left in Appropriations	02/10/09
HB 1728 - Cole - Road impact fees; allows localities to reduce or exempt fee for commercial development.	(H) Committee on Counties, Cities and Towns	(H) Left in Counties, Cities and Towns	02/10/09
HB 1752 - Carrico - Weight limits for gravel trucks; extends sunset provision thereon.	(H) Committee on Transportation <hr/> (S) Committee on Transportation	(S) Committee substitute printed 093651460-S1	02/19/09
HB 1759 - Marshall, R.G. - Transportation Capital Projects Bond Act of 2009; created.	(H) Committee on Appropriations	(H) Left in Appropriations	02/10/09
HB 1769 - Dance - Mobile telephone and other wireless electronic devices; use of	(H) Committee on Militia, Police and Public Safety	(H) Left in Militia, Police and Public Safety	02/10/09

hands-free accessory while driving.			
HB 1839 - Albo - Commercial real estate tax; used for local projects and construct new roads.	(H) Committee on Finance	(H) Left in Finance	02/10/09
HB 1848 - Lingamfelter - Transportation; Auditor of Public Accounts to administer operational performance audit.	(H) Committee on Appropriations	(H) Tabled in Appropriations	02/02/09
HB 1993 - Bulova - Highway maintenance funds; requirements for Commonwealth Transportation Board in allocating.	(H) Committee on Appropriations	(H) Left in Appropriations	02/10/09
HB 1995 - Bulova - Northern Virginia Transportation Authority; adds Cities of Alexandria, etc., to use % of revenues.	(H) Committee on Transportation <hr/> (S) Committee on Local Government	(S) Passed by for the day	02/20/09
HB 2019 - Rust - Transportation corridors; Transportation Board to establish connection with Transportation Plan .	(H) Committee on Transportation <hr/> (S) Committee on Transportation	(S) Reported from Transportation with amendments (15-Y 0-N)	02/19/09
HB 2020 - Rust - Highway maintenance funds; provides method Transportation Board is to allocate additional funds.	(H) Committee on Transportation	(H) Tabled in Transportation	01/29/09
HB 2066 - Hamilton - Public-Private Transportation Act of 1995; establishes provisions that apply.	(H) Committee on Transportation <hr/> (S) Committee on Transportation	(S) Referred to Committee on Transportation	02/11/09
HB 2073 - Scott, E.T. - Weight limit extension; vehicles using an auxiliary power unit or idle reduction technology.	(H) Committee on Transportation <hr/> (S) Committee on Transportation	(S) Signed by President	02/18/09
HB 2075 - Scott, E.T. - Overweight/oversize vehicle permits; violation of terms and conditions thereof does not invalidate.	(H) Committee on Transportation <hr/> (S) Committee on Transportation	(S) Reported from Transportation (15-Y 0-N)	02/19/09
HB 2076 - Oder - Tolls; prohibits imposition & collection of tolls for use of portions of I-64 & I-664.	(H) Committee on Transportation	(H) Left in Transportation	02/10/09
HB 2079 - Oder - Hampton Roads Bridge-Tunnel; VDOT to accept unsolicited proposals to add capacity thereto.	(H) Committee on Transportation <hr/> (S) Committee on Transportation	(S) Reported from Transportation (9-Y 6-N)	02/19/09
HB 2099 - Orrock - George Washington Toll Road Authority; created, encompasses	(H) Committee on Counties, Cities and	(S) Reported from Finance with substitute (16-Y 0-N)	02/19/09

City of Fredericksburg, etc.	Towns		
	(S) Committee on Finance		
HB 2117 - Nichols - HOT lanes; prohibits on any portion of I-95 between Potomac River and City of Fredericksburg.	(H) Committee on Transportation	(H) Tabled in Transportation (14-Y 8-N)	01/29/09
HB 2118 - Nichols - Secondary highway system construction allocations; allocates among counties on basis of population.	(H) Committee on Appropriations	(H) Left in Appropriations	02/10/09
HB 2121 - Nichols - Public Procurement Act; verification of legal presence of contractors for employment.	(H) Committee for Courts of Justice	(H) Left in Courts of Justice	02/10/09
HB 2130 - Miller, J.H. - Supplemental Highway Construction Fund; established.	(H) Committee on Appropriations	(H) Left in Appropriations	02/10/09
HB 2185 - Phillips - Weight limits for gravel trucks; extends sunset provision on.	(H) Committee on Transportation	(H) Incorporated by Transportation (HB1752-Carrico)	01/29/09
HB 2194 - Watts - Motor fuels tax; rate increase used for transportation purposes.	(H) Committee on Finance	(H) Left in Finance	02/10/09
HB 2202 - Vanderhye - Greenhouse gas emissions; State Air Pollution Control Board to adopt regulation requiring reporting.	(H) Committee on Agriculture, Chesapeake and Natural Resources	(H) Tabled in Agriculture, Chesapeake and Natural Resources	02/04/09
HB 2206 - Frederick - Budget Bill; Governor to include funding for transportation in biennium equal to at least 10%.	(H) Committee on Appropriations	(H) Left in Appropriations	02/10/09
HB 2230 - Marsden - Highway construction allocations; Transportation Board allocate projects in Northern Virginia, etc.	(H) Committee on Appropriations	(H) Left in Appropriations	02/10/09
HB 2231 - Marsden - Parking; adds pickup and panel trucks to list of vehicles that Fairfax, etc. may prohibit therefrom.	(H) Committee on Transportation	(H) Tabled in Transportation (9-Y 6-N)	02/03/09
HB 2232 - Marsden - Crashes on HOT lanes under construction; if no apparent bodily injuries, drivers must move vehicles.	(H) Committee on Transportation	(H) VOTE: --- ENGROSSMENT (42-Y 52-N)	02/06/09
HB 2319 - Marshall, R.G. - Overload and overweight permits; revises fees.	(H) Committee on Transportation	(H) Passed by in Transportation with letter	02/05/09
HB 2380 - Scott, J.M. - Wireless telecommunications devices; prohibits use of text messaging while driving certain vehicles.	(H) Committee on Transportation	(H) Incorporated by Transportation (HB1876-Cosgrove)	02/05/09
HB 2425 - May - Highways, primary and secondary; transfer roads, bridges, etc., therefrom to local system of roads.	(H) Committee on Transportation	(S) Reported from Transportation (13-Y 1-N 1-A)	02/19/09
	(S) Committee on Transportation		

HB 2470 - Hugo - Northern Virginia Transportation District Fund; dedication of state matching funds.	(H) Committee on Finance	(H) Left in Finance	02/10/09
HB 2480 - Hugo - Real property tax; commercial property in Northern Virginia and Hampton Roads.	(H) Committee on Finance <hr/> (S) Committee on Finance	(S) Passed by for the day	02/20/09
HB 2485 - Nichols - Vehicle safety inspections; codifies exceptions thereto set forth in proclamation of July 2006.	(H) Committee on Transportation <hr/> (S) Committee on Transportation	(S) Signed by President	02/18/09
HB 2563 - Cole - Street construction; allows locality to withhold acceptance of plat approval if street not complete.	(H) Committee on Counties, Cities and Towns	(H) Left in Counties, Cities and Towns	02/10/09
HB 2577 - May - Highway noise abatement; Transportation Board or VDOT to plan therefor when constructing.	(H) Committee on Transportation <hr/> (S) Committee on Transportation	(S) Signed by President	02/18/09
HB 2622 - Marshall, D.W. - Salem Highway Construction District Transportation Revenue Fund; established.	(H) Committee on Appropriations	(H) Incorporated by Appropriations (HB1579-Oder)	02/06/09
HJ 620 - Oder - Constitutional amendment; Transportation Fund, Highway Maintenance and Operating Fund, etc.	(H) Committee on Privileges and Elections <hr/> (S) Committee on Privileges and Elections	(S) Agreed to by Senate with substitute (33-Y 7-N)	02/20/09
HJ 626 - Poisson - Motor fuel tax; joint subcommittee to study replacement with mileage-based fee.	(H) Committee on Rules	(H) Left in Rules	02/10/09
HJ 687 - Rust - Highways; Joint Commission on Transportation Accountability to develop plan to toll certain.	(H) Committee on Rules	(H) Left in Rules	02/10/09
HJ 711 - Jones - Transportation Network of Hampton Roads, Joint Subcommittee studying; continued.	(H) Committee on Rules <hr/> (S) Committee on Rules	(S) Reported from Rules	02/20/09
HJ 720 - Marshall, R.G. - Constitutional amendment; Transportation Fund, Highway Maintenance and Operating Fund, etc.	(H) Committee on Privileges and Elections	(H) Incorporated by Privileges and Elections (HJ620-Oder)	02/06/09
HJ 770 - May - Virginia's Transportation Needs, Commission on; created, report.	(H) Committee on Rules	(H) Left in Rules	02/10/09
SB 834 - Locke - Public Procurement Act; procurement of architectural & professional	(H) Committee on General Laws	(H) Reported from General Laws (21-Y 0-N)	02/19/09

engineering service for project.	(S) Committee on General Laws and Technology		
SB 874 - Ticer - Mobile telephone and other wireless electronic devices; use of hands-free accessory while driving.	(S) Committee for Courts of Justice	(S) Failed to report (defeated) in Courts of Justice (6-Y 7-N 2-A)	02/04/09
SB 900 - McDougle - Contractor performance bonds; amount for locally administered transportation improvement projects.	(S) Committee on Transportation	(S) Left in Transportation	02/10/09
SB 966 - Blevins - Wireless telecommunications devices; prohibits use of while driving except in an emergency.	(S) Committee on Transportation	(S) Incorporated by Transportation (SB874-Ticer) (14-Y 0-N)	01/22/09
SB 995 - Miller, J.C. - Hampton Roads Transportation Authority; abolished, makes several technical changes.	(S) Committee on Finance	(S) Passed by indefinitely in Finance (16-Y 0-N)	02/11/09
SB 1018 - Miller, J.C. - Hampton Roads Transportation Authority; taxes, fees, etc. dedicated to financing its operation.	(H) Committee on Transportation (S) Committee on Transportation	(H) Read second time	02/20/09
SB 1041 - Hanger - Fuels taxes; annually adjusted.	(S) Committee on Finance	(S) Left in Finance	02/11/09
SB 1048 - Miller, Y.B. - Temporary vehicle registrations and overload and overweight permits; revises fees.	(S) Committee on Transportation	(S) Pursuant to Senate Rule 20 (L)	01/29/09
SB 1101 - Herring - Racing Commission; authorizes wagering on historical horse racing.	(S) Committee on General Laws and Technology	(S) Stricken at request of Patron in General Laws and Technology (15-Y 0-N)	01/28/09
SB 1137 - Petersen - Northern Virginia Transportation Authority; adds Cities of Alexandria, etc., to use % of revenues.	(H) Committee on Transportation (S) Committee on Local Government	(H) Passed by for the day	02/20/09
SB 1138 - Petersen - Parking on public highways; allows counties and towns, by ordinance, to regulate.	(H) Committee on Transportation (S) Committee on Transportation	(H) Read second time	02/20/09
SB 1203 - Puckett - Public Procurement Act; prequalification for certain transportation contracts.	(H) Committee on General Laws (S) Committee on General Laws and Technology	(H) Reported from General Laws (21-Y 0-N)	02/19/09
SB 1283 - Newman - Motor fuels tax; change in tax basis.	(S) Committee on Finance	(S) Stricken at request of Patron in Finance (16-Y 0-N)	02/03/09

SB 1368 - Barker - Highway systems; allocation of maintenance funds.	(H) Committee on Appropriations <hr/> (S) Committee on Transportation	(H) Referred to Committee on Appropriations	02/19/09
SB 1397 - Norment - Racing Commission; allocations from simulcast horse racing.	(S) Committee on General Laws and Technology	(S) Stricken at request of Patron in General Laws and Technology (15-Y 0-N)	01/28/09
SB 1398 - Norment - Statewide Transportation Plan; requires all plans of counties, cities, and towns be based thereon.	(H) Committee on Transportation <hr/> (S) Committee on Transportation	(H) Read second time	02/20/09
SB 1438 - Miller, Y.B. - Urban highway system construction funds; 2/3 portion of a city's funds can be used to service debt.	(H) Committee on Appropriations <hr/> (S) Committee on Transportation	(H) Read second time	02/20/09
SB 1444 - Martin - Wireless telecommunications devices; prohibits use of while operating commercial motor vehicles.	(S) Committee on Transportation	(S) Passed by indefinitely in Transportation (14-Y 0-N)	01/22/09
SB 1464 - McDougle - Chief Executive Officer for Transportation; abolished Commonwealth Transportation Commissioner.	(S) Committee on Transportation	(S) Subject matter referred by letter to the Comm. on Trans Account. pursuant to Senate Rule 20 (L)	02/09/09
SB 1482 - Hanger - Transportation Capital Projects Bond Act of 2007; repeals Act.	(S) Committee on Finance	(S) Left in Finance	02/11/09
SB 1498 - Barker - Motor fuels tax; converts rates to percentage that shall be calculated by DMV Commissioner.	(S) Committee on Finance	(S) Left in Finance	02/11/09
SB 1500 - Barker - Overload and overweight permits; to establish a new schedule of fees.	(S) Committee on Transportation	(S) Pursuant to Senate Rule 20 (L)	01/29/09
SB 1530 - Norment - Subdivision streets; acceptance into state secondary highway system.	(H) Committee on Transportation <hr/> (S) Committee on Transportation	(H) Passed by for the day	02/20/09
SB 1534 - Watkins - Central Virginia Regional Transportation Authority; created.	(H) Committee on Counties, Cities and Towns <hr/> (S) Committee on Local Government	(H) Reported from Counties, Cities and Towns with amendments (18-Y 3-N)	02/20/09
SJ 323 - Martin - Constitutional amendment (first resolution); Transportation Funds.	(S) Committee on Privileges and Elections	(S) Failed to report (defeated) in Privileges and Elections (3-Y 10-N 1-A)	02/03/09

[SJ 361](#) - [Norment](#) - Constitutional amendment; Transportation Funds (first reference).

[\(H\) Committee on Privileges and Elections](#)

[\(S\) Committee on Privileges and Elections](#)

(H) Committee substitute printed 095630568-H1

02/20/09