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JOHN WATKINS AND TRANSPORTATION

Here at the end of the sixth week at the General Assembly, the primary topic of conversation is obviously transportation. The issue is complex, and it is very difficult to establish a single answer. This week I put forward a proposal to enhance the needs of transportation, particularly at the local level. Many times we hear the rhetoric about tying certain transportation issues to the land use changes that have caused the transportation issues. In my proposal I have attempted to provide a mechanism for local governments to, in fact, deal with some of those issues.

My proposal tracked very closely the legislation that had been requested by Northern Virginia legislators and Hampton Roads legislators. Most of these proposals involved offering local governments the ability to impose licensing fees, local sales and use tax, rental vehicle fees, as well as grantor's taxes and commercial real estate tax additions. My legislation went a step further and provided an option to local governments outside of Northern Virginia and Hampton Roads the ability to create regional transportation authorities. The legislation provides local governments and those authorities the statutory ability to impose an additional local sales and use tax and transient occupancy tax, those funds being used only to enhance road needs at the local or regional level.

Additionally I provided local governments the same option that had been proposed for Northern Virginia and Hampton Roads--the ability to impose a local grantor's tax of 10¢ per \$100 directly to development. Those funds would be utilized for transportation needs in the locality of origin. The only other item that was in my proposal that differed from the House transportation legislation was the imposition of a registration fee of \$150 on vehicles of a value over \$2500. This registration fee would be imposed upon new registrations of individuals moving into Virginia for the first time and on new and used vehicle purchases.

The primary purpose for my legislation was to avoid or minimize the use of General Fund dollars going to transportation. I have no problem with General Fund dollars being used when there is a surplus or specific needs that are budgeted on an as-needed basis. But I feel it is entirely inappropriate to raise the expectations of the citizens of Virginia to think that we are going to solve the transportation problem on an ongoing

basis, when we fully know that we are going to have downturns in the economy and we are going to have times when available General Fund appropriations would be more prudently spent on health, safety and welfare issues. Transportation facilities should be paid for by the people that use them. I am very concerned about the future ability of the needs of education and health care to compete with specific road building needs. I would speculate that the ultimate outcome would be a lessening of the percentage of state dollars going to education and a corresponding rise in local real estate taxes to maintain the quality of education in the public school system and that is something I don't want to see happen.

Most of the other components of the transportation plan are maintained in my proposal to include the Priority Transportation Fund and the utilization of upward to \$2.0 Billion in bonded indebtedness to build major road projects.

As we enter this last week in the legislature, I feel certain that we will come to some agreement about the transportation needs in Virginia.

As always, if you ever have any questions, comments, suggestions or concerns, I would like to hear from you. Please contact me or my staff if you have questions or suggestions about any of the issues that come before the General Assembly.

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