



Roanoke Valley Transportation PLANNING ORGANIZATION

A Program of the
REGIONALcommission

313 Luck Avenue, SW | Roanoke, Virginia 24016 P: (540)343.4417 | F: (540)343.4416

MEMORANDUM

To: RVTPO Policy Board
From: Staff
Date: January 26, 2024
Subject: Overview of 2024 General Assembly - Transportation

The 2024 General Assembly, which convened on January 10, 2024, is a 60-day ‘long’ session. Legislators will consider the 2024-26 biennial budget introduced by Governor Youngkin on December 20, 2023.

Key Dates:

- January 19 – Last day to file legislation
- February 13 – Crossover deadline
- February 18 – House and Senate budget release
- March 9 – Scheduled adjournment
- April 17 – Reconvened Session

Transportation Issues for 2024 Session:

In his Introduced budget, Governor Youngkin proposes one-time \$70M General Fund (GF) to accelerate the Northbound Lane Widening Project (mile markers 116-128) on I-81. The introduced budget also includes \$20M GF in FY25 to the [Transportation Opportunity Fund](#) (TPOF). Language also directs the Commonwealth Transportation Board to provide at least \$200M to the TPOF out of the revenue of the Commonwealth Transportation Fund in the Six-Year Plan.

The Introduced budget proposes numerous tax policy changes:

(\$ in millions)	FY 2025	FY 2026
Individual Rate Reduction (12% decrease - TY 2025)	(\$1,118.9)	(\$2,339.8)
Increase Sales & Use Tax (90 Basis Points – TY 2025)	520.1	1,299.3
Expand Sales & Use Tax to New Economy (TY 2025)	203.4	510.7
Increase Nonrefundable Earned Income Tax Credit (From 20% to 25% of federal credit – TY 2025)	0.0	(29.0)
Increase Annual Cap on Education Improvement Scholarships Tax Credits Program (FY 2025)	(5.0)	(5.0)
Double the Dealer Discount Reimbursement for Sales Tax Collection (January 2025)	(10.1)	(25.2)
TOTAL	(\$410.5)	(\$589.0)

Source: HAC Presentation, January 15, 2024, Available [here](#)



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In addition to these policy changes, the introduced budget proposes an expansion of the tax base by imposing the sales and use tax on digital personal property (downloads) and taxable services (website hosting and design, data storage, streaming services, etc.). Additional revenue generated would be dedicated through the following formula:

- 1) 50% to the TPOF
- 2) **50% to the Interstate 81 Corridor Improvement Fund** until June 30, 2031, or a total of \$400M deposited.

The Governor has also proposed creation of a \$2B entertainment district in Alexandria that would host two professional sports teams. This project would require \$150M to \$200M in transportation funds to meet projected mobility needs, including upgrades to Metro. Additional details on the transportation plan for this project have not yet been disclosed. The Northern Virginia delegation is also pushing additional funding for Metro beyond the maximum 3% cap on increases (see budget amendment link below). Metro is currently facing a \$750M budget gap due to flat fares and decreasing ridership. In response to the Governor's proposal, the chair of the Senate Finance Committee, Louise Lucas, indicated she could support the sports and entertainment complex if toll relief for her constituents in Hampton Roads is included as part of a final budget deal. The Speaker of the House, Don Scott (Portsmouth), indicates support for the Lucas proposal. We will monitor these moving parts carefully to assess potential impacts on our regional priorities.

Transportation related legislation and budget amendments will be tracked on the RVARC's website available [here](#), including:

- A) Outline of transportation related items in the Introduced budget;
- B) Summary of transportation related House and Senate amendments to the Introduced budget
- C) Overview of transportation related legislation

We will continue to provide updates on legislation and the budget process throughout the 2024 session.

If you have any questions, please contact Tori Williams at 343 4417 (ext. 306) or twilliams@rvarc.org