

HBAV LEGISLATIVE BULLETIN

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HBAV URGES REJECTION OF GRANTORS INCREASE IN KAINE PLAN

“SPECIAL SESSION ON TRANSPORTATION SET FOR JUNE 23rd”

The HBAV Legislative Committee convened on May 21st to review the proposed transportation funding plan released by Governor Kaine in conjunction with his call for a June 23, 2008 Special Session on the Transportation Crisis.

Governor Kaine called for a four-part plan. Part One is designed to address the statewide highway maintenance deficit. It would increase the statewide motor vehicle sales tax from 3% to 4% and; increase the motor vehicle registration fee by \$10.00

Part Two would increase the sales tax in Northern Virginia by 1% to fund Northern Virginia regional transportation plans. The sales tax proceeds would be deposited in the Northern Virginia Regional Transportation Authority.

Part Three would increase the sales tax in Hampton Roads by 1% for seven regional transportation projects in that region of the Commonwealth. The proceeds from the tax would be deposited in a Sub-Fund of VDOT for those 7 specific transportation projects.

Part Four would increase the statewide grantor's tax paid by the sellers of real estate from 10 cents per \$100 of value to 35 cents per \$100 of value to fund investments in transit, rail and innovative solutions to reduce traffic congestion like teleworking and ridesharing.

LETTER TO STATE LEGISLATORS

After much discussion, the HBAV Legislative Committee directed that the following letter, that outlines the HBAV position on the Kaine Transportation Plan, be communicated to every member of the Virginia General Assembly:

On behalf of the Home Builders Association of Virginia (HBAV), please find the position of our statewide association on the Governor's Transportation Funding Plan, scheduled for consideration during the June 23, 2008 Special Session. As you may know, HBAV is a 6,400

member association of home builders and companies that provide products or services to the housing industry in Virginia.

First, while HBAV has supported an increase in the grantor's tax in the past for the appropriate use, including funding for transit, HBAV would express "OPPOSITION" to the Kaine proposed statewide 25 cent increase in the grantors tax to fund mass transit, teleworking, rail, aviation, ports and innovative highway investments. HBAV would urge you to "REJECT" the proposed increase in the grantor's tax in the Kaine proposal. It is an unacceptable and inappropriate use of a tax on all real estate transactions in the Commonwealth.

Second, HBAV did express the willingness of the housing industry to participate in an appropriate local public infrastructure (including transportation & transit) funding solution through the introduction of Senate Bill 768, by Senator John Watkins, in the 2008 Session of the Virginia General Assembly. As introduced, it included a modest local grantors tax increase that would stay local and the measure spread the burden of local public infrastructure (including transportation & transit) funding to all new development in a structured and appropriately capped manner. HBAV would urge, at the appropriate time, the "PASSAGE" of Senate Bill 768, as introduced. That measure was the HBAV way of saying the housing industry will participate in an appropriate local public infrastructure (transportation and transit) funding solution.

Third, HBAV would express its "SUPPORT" for the adoption of appropriate Supplemental Regional Transportation Funding Plans for Northern Virginia and Hampton Roads. It is clear to HBAV that the transportation system improvement needs of those two dynamic and growing regions of the Commonwealth far exceed the funding capacity of the state transportation funding formula. HBAV "SUPPORTS" the notion of regional self-help transportation system funding solutions.

In conclusion, as the representative organization of a large and important sector of the business community in Virginia, HBAV is monitoring the daily writings and comments on the transportation funding problem in Virginia. As additional funding plans are announced or submitted to the scheduled Special Session, we will provide timely comments from the perspective of the Virginia home building industry.

ACTION NEEDED

HBAV would urge every member to communicate to their area House Delegates and State Senators their STRONG OPPOSITION to the statewide increase in the Grantor's tax in the Kaine Plan to fund mass transit, rail, ports and teleworking. At the same time HBAV would urge you to communicate your STRONG SUPPORT for "appropriate" regional transportation funding solutions for Northern Virginia and Hampton Roads. As stated in the letter, the current transportation funding formula will not allow appropriate transportation funding for those 2 regions of the state without significantly funding cuts for every other region of the Commonwealth.

FINAL REMINDER

Members of the Virginia General Assembly will be meeting on Monday, June 23rd. It is important to contact your area House Delegates and State Senators **BEFORE** they leave home for Richmond. Make your calls **TODAY** or **BEFORE THE END OF THE WEEK**.

Following or Attached is the Contact information you need to contact your area state legislators.

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