

2000 SESSION

INTRODUCED

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HOUSE BILL NO. 1117

Offered January 24, 2000

A BILL to amend the Code of Virginia by adding a section numbered 58.1-3713.5, relating to license taxes on businesses severing gases from the earth.

Patrons—Stump; Senator: Puckett

Referred to Committee on Finance

Be it enacted by the General Assembly of Virginia:

1. That the Code of Virginia is amended by adding a section numbered 58.1-3713.5 as follows:

§ 58.1-3713.5. Additional two percent tax on gas.

Notwithstanding the rate limitations established in §§ 58.1-3712, 58.1-3713, and 58.1-3713.4, a county or city may levy an additional license tax on every person engaging in the business of severing gases from the earth. The license tax shall be at a rate not to exceed two percent of the gross receipts from the sale of gases severed within the county or city. The provisions of § 58.1-3712 as they relate to measurement of gross receipts, filing of reports and record keeping shall be applicable to the tax imposed under this section.

The moneys collected for each county or city from the tax imposed under the authority of this section shall be paid in a special fund of such county or city to be called the Water Projects Development Fund of such county or city and shall be used exclusively to fund the construction of new and improved water systems and lines in areas with natural water supplies that are insufficient from the standpoint of quality or quantity. The governing body of any county or city imposing the tax authorized by this section shall develop and adopt by resolution an annual plan for such water projects and an annual plan for the funding of such water projects in such areas. Plans shall establish a priority for funding water projects in such county or city and shall also encourage the development of regional water projects. "Regional water project" means a project involving two or more public water service providers located in the same or neighboring political subdivisions. In order to promote cost savings and economic development, funding may be provided for regional water projects as provided in this section. If a regional water project encompasses an area for which plans are developed by two or more local governing bodies, the project shall not be funded unless it is agreed to by all of the affected local governing bodies. A county or city shall not expend revenues from the tax authorized by this section in a manner that is inconsistent with the priority for funding set forth in an approved plan.

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