

012875732

HOUSE BILL NO. 2776

Offered January 19, 2001

A BILL to amend and reenact § 58.1-611 of the Code of Virginia and to amend the Code of Virginia by adding in Chapter 17 of Title 58.1 an article numbered 7, consisting of sections numbered 58.1-1731 through 58.1-1735, relating to special local sales and use taxes.

Patrons—Dillard, Amundson, Darner, Hull, Plum, Van Landingham and Watts; Senators: Puller and Ticer

Referred to Committee on Finance

Be it enacted by the General Assembly of Virginia:

1. That the Code of Virginia is amended by adding in Chapter 17 of Title 58.1 an article numbered 7, consisting of sections numbered 58.1-1731 through 58.1-1735 as follows:

Article 7.

§ 58.1-1731. Levy of special sales and use taxes.

A. Subject to the provisions of § 58.1-1732, in addition to all other sales and use taxes imposed or authorized by Chapter 6 of this Title, any county having a population of more than 500,000 persons, any city or county adjacent to such a county, and any city contiguous to such an adjacent county or city is hereby authorized to levy special sales and use taxes in accordance with this article on all sales and uses subject to taxation pursuant to §§ 58.1-605 and 58.1-606 at a rate of one percent in order to provide revenues to the locality imposing such taxes for transportation and public education purposes in equal amounts.

B. Such special sales and use taxes shall be added to the rate of those sales and use taxes imposed by §§ 58.1-603 and 58.1-604 and those sales and use taxes authorized by §§ 58.1-605 and 58.1-606, and such taxes shall be collected and paid by the dealer to the Tax Commissioner. Such taxes shall be subject to all provisions of Chapter 6 of this Title and to the regulations published with respect thereto and this article except (i) such taxes shall not be imposed on food for human consumption as defined in § 58.1-611.1 and (ii) no discount under § 58.1-622 shall be allowed on the collection of any such taxes.

§ 58.1-1732. Referendum requirement.

A. The authority to impose special sales and use taxes described in § 58.1-1731 may be exercised by the governing body of a county or city eligible to impose such taxes only if the imposition of such taxes is approved by the voters of that locality at the general election, to be conducted on November 6, 2001, in accordance with subsection B. If a majority of the voters voting in such election approve the authority of the local governing body to levy special local sales and use taxes, such taxes may be imposed by the adoption of an ordinance by the local governing body of the county or city prior to May 6, 2002. If a locality has not adopted such ordinance prior to May 6, 2002, then that locality may not thereafter adopt such ordinance.

B. The officers in the localities described in § 58.1-1731 conducting the election directed by law to be held on November 6, 2001, at the places appointed for holding the same, shall open a poll and take the sense of the qualified voters upon the ratification or rejection of the special tax permitted by this article. The ballot used at such election shall contain the following question:

"Shall the governing body of (...name of county or city...) have the authority to levy special local sales and use taxes at a rate of one percent to be used in equal amounts for public education and transportation purposes in accordance with § 58.1-1731 of the Code of Virginia?"

The ballots shall be prepared and voted, the referendum shall be conducted, and the results shall be ascertained and certified as provided in Chapter 6 (§ 24.2-600 et seq.) of Title 24.2.

C. Prior to September 1, 2001, the governing body of each locality described in § 58.1-1731 shall cause to be published a description of the public education and transportation purposes that the governing body of each such locality plans to fund with the additional revenues created by the proposed tax. Such description shall be prepared and published and made available at registration and polling sites in accordance with § 24.2-687.

§ 58.1-1733. Effective date of special local sales and use taxes; repeal of such taxes; and expiration of authority to levy tax.

Any tax imposed by the governing body of a county or city pursuant to this article shall become effective on January 1 of the year following the calendar year in which the ordinance levying the special local sales and use taxes was adopted. Any repeal of special local sales and use taxes by the governing body of a county or city authorized to impose such a tax shall become effective on January 1

INTRODUCED

HB2776

58 of the year following the calendar year in which the ordinance levying the tax was repealed. The
59 governing body of any county or city imposing, modifying, or repealing any such special local sales and
60 use taxes shall cause a certified copy of the ordinance levying, modifying or repealing such taxes to be
61 sent to the Tax Commissioner no later than thirty calendar days after its adoption and at least thirty
62 days prior to the effective date of the tax.

63 § 58.1-1734. Rules and regulations.

64 The Tax Commissioner shall promulgate rules and regulations for the administration, collection, and
65 distribution of the revenues received from any special local sales and use taxes that have been imposed
66 by a county or city pursuant to this article.

67 § 58.1-1735. Disposition of special local sales and use tax revenues.

68 All special local sales and use taxes paid to the Tax Commissioner pursuant to this article, after
69 subtraction of the direct costs of administration by the Department, shall be paid into the state treasury
70 to the credit of a special fund that is hereby created on the Comptroller's books under the name
71 "Collections of Special Local Sales and Use Taxes." Such special local sales and use taxes shall be
72 credited to the account of each particular county or city levying special local sales and use taxes
73 pursuant to this article. The basis for such credit for any special local sales tax shall be the county or
74 city in which the sale was made in accordance with § 58.1-605. The basis for such credit for any
75 special local use tax shall be to the county or city for which the use tax was collected in accordance
76 with § 58.1-606.

77 All special local sales and use tax revenues collected in the special fund pursuant to this section
78 shall be distributed by the Comptroller, as soon as practicable after the last day of each calendar
79 quarter, to each county or city that has levied such taxes. The governing body of such county or city
80 receiving the distribution of special local sales and use taxes shall apply those revenues in equal shares
81 for transportation and public education purposes. For the purposes of this article, the term
82 "transportation purposes" includes the operation, construction, improvement, or financing of all
83 transportation-related facilities or of any authority, regional or otherwise, created by state law to
84 facilitate, manage, or fund transportation projects, including, but not limited to, all highway systems,
85 public transportation or mass transit systems, as defined in § 33.1-12, and airports as defined in § 5.1-1.
86 For the purposes of this article, the term "public education purposes" includes the operation,
87 construction, improvement, or financing of public school facilities. The terms "transportation purposes"
88 and "public education purposes" shall be liberally construed to facilitate the operation and improvement
89 of these vital services. Provided, however, if any county imposes special local sales and use taxes in
90 accordance with this article, and if there is any town within that county that is eligible to receive a
91 portion of the county sales and use tax revenues pursuant to §§ 58.1-605 and 58.1-606, then that county
92 shall distribute a portion of the special local sales and use taxes to any such town in the amounts
93 described in §§ 58.1-605 and 58.1-606, and the governing body of any such town shall be authorized to
94 expend those revenues for any lawful purpose.

95 All revenues derived from any county or city imposing special local sales and use taxes pursuant to
96 this article shall be in addition to those funds allocated to that county or city from state transportation
97 and education funds, and such state allocations shall not be reduced or diminished in any way as a
98 result of the imposition of any special local sales and use taxes imposed pursuant to this article. If any
99 revenues distributed to a county or city pursuant to this section are applied or expended for any
100 transportation facilities under the control or jurisdiction of any state agency, board, commission, or
101 authority, such transportation facilities shall be constructed, operated, administered, improved, and
102 maintained in accordance with the laws, rules, regulations, policies, and procedures governing said
103 state agency. However, these revenues, or any portion thereof, also may be expended by a county in
104 accordance with the provisions of § 33.1-75.3.