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**HOUSE BILL NO. 1295**

Offered January 18, 2002

*A BILL to amend and reenact §§ 33.1-221.1:3, 33.1-268, 33.1-269, 33.1-277, 58.1-603, 58.1-604, 58.1-611.1, 58.1-614, 58.1-627, 58.1-628, 58.1-638, and 58.1-815.1 of the Code of Virginia; to amend and reenact § 2 of Chapter 391 of the Acts of Assembly of 1993, as amended by Chapters 470 and 597 of the Acts of Assembly of 1994, Chapters 740 and 761 of the Acts of Assembly of 1998, and Chapter 538 of the Acts of Assembly of 1999; to amend the Code of Virginia by adding sections numbered 33.1-221.1:7 and 58.1-638.1; and to repeal Article 22 (§§ 58.1-540 through 58.1-549) of Chapter 3 of Title 58.1, relating to sales and use taxes in Arlington County, Fairfax County, Loudoun County, Prince William County, the City of Alexandria, the City of Fairfax, the City of Falls Church, the City of Manassas, the City of Manassas Park, Isle of Wight County, James City County, York County, the City of Chesapeake, the City of Hampton, the City of Newport News, the City of Norfolk, the City of Poquoson, the City of Portsmouth, the City of Suffolk, the City of Virginia Beach, and the City of Williamsburg and dedicating revenues from such taxes for transportation projects for such counties and cities.*

Patrons—Rollison and Albo

Referred to Committee on Finance

**Be it enacted by the General Assembly of Virginia:**

**1. That §§ 33.1-221.1:3, 33.1-268, 33.1-269, 33.1-277, 58.1-603, 58.1-604, 58.1-611.1, 58.1-614, 58.1-627, 58.1-628, 58.1-638, and 58.1-815.1 of the Code of Virginia are amended and reenacted and that the Code of Virginia is amended by adding sections numbered 33.1-221.1:7 and 58.1-638.1 as follows:**

§ 33.1-221.1:3. Northern Virginia Transportation District Program.

A. The General Assembly declares it to be in the public interest that the economic development needs and economic growth potential of Northern Virginia be addressed by a special transportation program to provide for the costs of providing an adequate, modern, safe and efficient transportation network in Northern Virginia which shall be known as the Northern Virginia Transportation District Program (the Program), including, without limitation, environmental and engineering studies, rights-of-way acquisition, construction, improvements to all modes of transportation, and financing costs. The Program consists of the following projects: the Fairfax County Parkway, Route 234 Bypass/Route 659 Relocated, Metro Capital Improvements, including the Franconia-Springfield Metrorail Station and new rail car purchases, Route 7 improvements in Loudoun County and Fairfax County, the Route 50/Courthouse Road interchange improvements in Arlington County, the Route 28/Route 625 interchange improvements in Loudoun County, Metrorail capital improvements attributable to the City of Alexandria including the King Street Metrorail Station access, Metrorail capital improvements attributable to Arlington County, including Ballston Station improvements, Route 15 safety improvements in Loudoun County, Route 1/Route 123 interchange improvements in Prince William County, Lee Highway improvements in the City of Fairfax, Route 123 improvements in Fairfax County, Telegraph Road improvements in Fairfax County, Route 1/Route 234 interchange improvements in Prince William County, Potomac-Rappahannock Transportation Commission bus replacement program, and Dulles Corridor ~~Enhanced Transit~~

~~program~~ Program (locality share), I-66 improvements and rail extension, I-95/I-395 improvements and transit improvements, Route 1 improvements, I-495 improvements and transit improvements, Tri-County/Loudoun Parkway, Metrorail infrastructure replacement program, urban system improvements, secondary system improvements (including unpaved roads), Columbia Pike/Route 7 Transit improvements, rail safety improvements, and VRE new railcar purchase.

B. Allocations to this Program from the Northern Virginia Transportation District Fund established by § 58.1-815.1 shall be made annually by the Commonwealth Transportation Board for the creation and enhancement of a safe, efficient transportation system connecting the communities, businesses, places of employment, and residences of the Commonwealth, thereby enhancing the economic development potential, employment opportunities, mobility and quality of life in Virginia.

C. Except in the event that the Northern Virginia Transportation District Fund is insufficient to pay for the costs of the Program, allocations to the Program shall not diminish or replace allocations made from other sources or diminish allocations to which any district, system, or locality would be entitled under other provisions of this title, but shall be supplemental to other allocations to the end that transportation improvements in the Northern Virginia Transportation District may be accelerated and

INTRODUCED

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59 augmented. Allocations under this subsection shall be limited to projects specified in *subdivision (2) (s)*  
60 *of § 33.1-268 (2) (s)*.

61 D. The Commonwealth Transportation Board may expend such funds from all sources as may be  
62 lawfully available to initiate the Program and to support bonds and other obligations referenced in  
63 subsection E of this section.

64 E. The Commonwealth Transportation Board is authorized to receive, dedicate or use first from (i)  
65 revenues received from the Northern Virginia Transportation District Fund, (ii) to the extent required,  
66 funds appropriated and allocated, pursuant to the highway allocation formula as provided by law, to the  
67 highway construction district in which the project or projects to be financed are located or to the city or  
68 county in which the project or projects to be financed are located, (iii) to the extent required, legally  
69 available revenues of the Transportation Trust Fund, and (iv) such other funds which may be  
70 appropriated by the General Assembly for the payment of bonds or other obligations, including interest  
71 thereon, issued in furtherance of the Program. No such bond or other obligations shall pledge the full  
72 faith and credit of the Commonwealth.

73 § 33.1-221.1:7. *Hampton Roads Transportation District Program.*

74 A. *For purposes of this section, unless the context requires a different meaning:*

75 *"Hampton Roads Transportation District" means the region constituted by the geographical*  
76 *boundaries of the Counties of Isle of Wight, James City, and York and the Cities of Chesapeake,*  
77 *Hampton, Newport News, Norfolk, Poquoson, Portsmouth, Suffolk, Virginia Beach, and Williamsburg.*

78 B. *The General Assembly declares it to be in the public interest that the economic development needs*  
79 *and economic growth potential of Hampton Roads be addressed by a special transportation program to*  
80 *provide for the costs of providing an adequate, modern, safe and efficient transportation network in*  
81 *Hampton Roads, which shall be known as the Hampton Roads Transportation District Program (the*  
82 *Program), including, without limitation, environmental and engineering studies, rights-of-way*  
83 *acquisition, construction, improvements to all modes of transportation, and financing costs. The*  
84 *Program consists of the following projects: Hampton Roads Third Crossing ((i) from I-664/I-64*  
85 *Interchange (Peninsula) to Bowers Hill (I-664, I-64, I-264 Interchange), (ii) I-664 to I-564 Connector,*  
86 *and (iii) Craney Island to the Western Freeway (Route 164)); U.S. Route 460 (from Bowers Hill (I-664,*  
87 *I-64, I-264 Interchange) to Southampton/Surry County lines); I-64 widening (from Bland Boulevard*  
88 *Interchange to James City/New Kent County lines); Southeastern Parkway and Greenbelt (from Great*  
89 *Bridge Bypass to I-264); Midtown Tunnel/Martin Luther King Freeway extension ((i) parallel Midtown*  
90 *Tunnel and (ii) Martin Luther King Freeway extension to I-264); and Passenger Rail/Magnetic*  
91 *Levitation Service and Support Bus Services in the Hampton Roads Transportation District.*

92 C. *Allocations to this Program from the Hampton Roads Transportation District Fund established by*  
93 *§ 58.1-638.1 shall be made by the Commonwealth Transportation Board for the creation and*  
94 *enhancement of a safe, efficient transportation system connecting the communities, businesses, places of*  
95 *employment and residences of the Commonwealth, thereby enhancing the economic development*  
96 *potential, employment opportunities, mobility and quality of life in Virginia.*

97 D. *Except in the event that the Hampton Roads Transportation District Fund is insufficient to pay for*  
98 *the costs of the Program, allocations to the Program shall not diminish or replace allocations made*  
99 *from other sources or diminish allocations to which any district, system, or locality would be entitled*  
100 *under other provisions of this title, but shall be supplemental to other allocations to the end that*  
101 *transportation improvements in the Hampton Roads Transportation District may be accelerated and*  
102 *augmented. Allocations under this subsection shall be limited to projects specified in subdivision (2) (v)*  
103 *of § 33.1-268.*

104 E. The Commonwealth Transportation Board may expend such funds from all sources as may be  
105 lawfully available to initiate the Program and to support bonds and other obligations referenced in  
106 subsection F.

107 F. The Commonwealth Transportation Board is authorized to receive, dedicate or use first from (i)  
108 revenues received from the Hampton Roads Transportation District Fund, (ii) to the extent required,  
109 funds appropriated and allocated, pursuant to the highway allocation formula as provided by law, to the  
110 highway construction district in which the project or projects to be financed are located or to the city  
111 or county in which the project or projects to be financed are located, (iii) to the extent required, legally  
112 available revenues of the Transportation Trust Fund, and (iv) such other funds that may be appropriated  
113 by the General Assembly for the payment of bonds or other obligations, including interest thereon,  
114 issued in furtherance of the Program. No such bond or other obligations shall pledge the full faith and  
115 credit of the Commonwealth.

116 § 33.1-268. Definitions.

117 As used in this article, the following words and terms shall have the following meanings:

118 (1) The word "Board" means the Commonwealth Transportation Board, or if the Commonwealth  
119 Transportation Board is abolished, any board, commission or officer succeeding to the principal  
120 functions thereof or upon whom the powers given by this article to the Board shall be given by law.

- (2) The word "project" or "projects" means any one or more of the following:
- (a) York River Bridges, extending from a point within the Town of Yorktown in York County, or within York County across the York River to Gloucester Point or some point in Gloucester County.
  - (b) Rappahannock River Bridge, extending from Greys Point, or its vicinity, in Middlesex County, across the Rappahannock River to a point in the vicinity of White Stone, in Lancaster County, or at some other feasible point in the general vicinity of the two respective points.
  - (c), (d) [Reserved.]
  - (e) James River Bridge, from a point at or near Jamestown, in James City County, across the James River to a point in Surry County.
  - (f), (g) [Reserved.]
  - (h) James River, Chuckatuck and Nansemond River Bridges, together with necessary connecting roads, in the Cities of Newport News and Suffolk and the County of Isle of Wight.
  - (i) [Reserved.]
  - (j) Hampton Roads Bridge, Tunnel, or Bridge and Tunnel System, extending from a point or points in the Cities of Newport News and Hampton on the northwest shore of Hampton Roads across Hampton Roads to a point or points in the City of Norfolk or Suffolk on the southeast shore of Hampton Roads.
  - (k) The Norfolk-Virginia Beach Highway, extending from a point in the vicinity of the intersection of Interstate Route 64 and Primary Route 58 at Norfolk to some feasible point between London Bridge and Primary Route 60.
  - (l) The Henrico-James River Bridge, extending from a point on the eastern shore of the James River in Henrico County to a point on the western shore, between Falling Creek and Bells Road interchanges of the Richmond-Petersburg Turnpike; however, the project shall be deemed to include all property, rights, easements and franchises relating to any of the foregoing projects and deemed necessary or convenient for the operation thereof and to include approaches thereto.
  - (m) The limited access highway between the Patrick Henry Airport area and the Newport News downtown area which generally runs parallel to tracks of the Chesapeake and Ohio Railroad.
  - (n) Dulles Access Road outer roadways, extending from a point on Route 7 in Loudoun County in an easterly direction to a point east of Route 123 on the Dulles Access Road in Fairfax County. These roadways are to be two or three lanes in each direction constructed adjacent to, and parallel to or extending west from, the Dulles Access Road.
  - (o), (p) [Repealed.]
  - (q) Subject to the limitations and approvals of § 33.1-279.1, any other highway for a primary highway transportation improvement district or transportation service district which the Board has agreed to finance under a contract with any such district or any other alternative mechanism for generation of local revenues for specific funding of a project satisfactory to the Commonwealth Transportation Board, the financing for which is to be secured by Transportation Trust Fund revenues under any appropriation made by the General Assembly for that purpose and payable first from revenues received under such contract or other local funding source, second, to the extent required, from funds appropriated and allocated, pursuant to the highway allocation formula as provided by law, to the highway construction district in which the project is located or to the county or counties in which the project is located and third, to the extent required from other legally available revenues of the Trust Fund and from any other available source of funds.
  - (r) U.S. 58 Corridor Development Program projects as defined in §§ 33.1-221.1:2 and 58.1-815.
  - (s) The Northern Virginia Transportation District Program as defined in § 33.1-221.1:3.
  - (t) Any program for highways or mass transit or transportation facilities, endorsed by the local jurisdiction or jurisdictions affected, which agree that certain distributions of state recordation taxes will be dedicated and used for the payment of any bonds or other obligations, including interest thereon, the proceeds of which were used to pay the cost of the program. Any such program shall be referred to as a "Transportation Improvement Program."
  - (u) Any project designated from time to time by the General Assembly financed in whole or part through the issuance of Commonwealth of Virginia Federal Highway Reimbursement Anticipation Notes.
  - (v) *The Hampton Roads Transportation District Program as defined in § 33.1-221.1:7.*
- (3) The word "undertaking" means all of the projects authorized to be acquired or constructed under this article.
- (4) The word "improvements" means such repairs, replacements, additions and betterments of and to a project acquired by purchase or by condemnation as are deemed necessary to place it in a safe and efficient condition for the use of the public, if such repairs, replacements, additions and betterments are ordered prior to the sale of any bonds for the acquisition of such project.
- (5) The term "cost of project" as applied to a project to be acquired by purchase or by condemnation, includes the purchase price or the amount of the award, cost of improvements, financing charges, interest during any period of disuse before completion of improvements, cost of traffic

estimates and of engineering and legal expenses, plans, specifications and surveys, estimates of cost and of revenues, other expenses necessary or incident to determining the feasibility or practicability of the enterprises, administrative expenses and such other expenses as may be necessary or incident to the financing herein authorized and the acquisition of the project and the placing of the project in operation.

(6) The term "cost of project" as applied to a project to be constructed, embraces the cost of construction, the cost of all lands, properties, rights, easements and franchises acquired which are deemed necessary for such construction, the cost of acquiring by purchase or condemnation any ferry which is deemed by the Board to be competitive with any bridge to be constructed, the cost of all machinery and equipment, financing charges, interest prior to and during construction and for one year after completion of construction, cost of traffic estimates and of engineering data, engineering and legal expenses, cost of plans, specifications and surveys, estimates of cost and of revenues, other expenses necessary or incident to determining the feasibility or practicability of the enterprise, administrative expense and such other expenses as may be necessary or incident to the financing herein authorized, the construction of the project, the placing of the project in operation and the condemnation of property necessary for such construction and operation.

(7) The word "owner" includes all individuals, incorporated companies, copartnerships, societies or associations having any title or interest in any property rights, easements or franchises authorized to be acquired by this article.

(8) [Repealed.]

(9) The words "revenue" and "revenues" include tolls and any other moneys received or pledged by the Board pursuant to this article, including, without limitation, legally available Transportation Trust Fund revenues and any federal highway reimbursements and any other federal highway assistance received from time to time by the Commonwealth.

(10) The terms "toll project" and "toll projects" mean projects financed in whole or in part through the issuance of revenue bonds which are secured by toll revenues generated by such project or projects.

§ 33.1-269. General powers of Board.

The Commonwealth Transportation Board may, subject to the provisions of this article:

1. Acquire by purchase or by condemnation, construct, improve, operate and maintain any one or more of the projects mentioned and included in the undertaking defined in this article;

2. Issue revenue bonds of the Commonwealth, to be known and designated as "Commonwealth of Virginia Toll Revenue Bonds," payable from earnings and from any other available sources of funds, to pay the cost of such projects;

3. Subject to the limitations and approvals of § 33.1-279.1, issue revenue bonds of the Commonwealth to be known and designated as "Commonwealth of Virginia Transportation Contract Revenue Bonds," secured by Transportation Trust Fund revenues under a payment agreement between the Board and the Treasury Board, subject to their appropriation by the General Assembly and payable first from revenues received pursuant to contracts with a primary highway transportation improvement district or transportation service district or other local revenue sources for which specific funding of any such bonds may be authorized by law; second, to the extent required, from funds appropriated and allocated, pursuant to the highway allocation formula as provided by law, to the highway construction district in which the project or projects to be financed are located or to the county or counties in which the project or projects to be financed are located; and third, to the extent required, from other legally available revenues of the Trust Fund and from any other available source of funds;

4. Issue revenue bonds of the Commonwealth to be known and designated as "Commonwealth of Virginia Transportation Revenue Bonds," secured (i) by revenues received from the U.S. Route 58 Corridor Development Fund, subject to their appropriation by the General Assembly, (ii) to the extent required, from revenues legally available from the Transportation Trust Fund and (iii) to the extent required, from any other legally available funds which have been appropriated by the General Assembly;

4a. Issue revenue bonds of the Commonwealth to be known and designated as "Commonwealth of Virginia Transportation Revenue Bonds," secured, subject to their appropriation by the General Assembly, first from (i) revenues received from the Northern Virginia Transportation District Fund, (ii) to the extent required, funds appropriated and allocated, pursuant to the highway allocation formula as provided by law, to the highway construction district in which the project or projects to be financed are located or to the city or county in which the project or projects to be financed are located, (iii) to the extent required, legally available revenues of the Transportation Trust Fund, and (iv) such other funds which may be appropriated by the General Assembly;

4b. Issue revenue bonds of the Commonwealth to be known and designated as "Commonwealth of Virginia Transportation Program Revenue Bonds" secured, subject to their appropriation by the General Assembly, first from (i) any revenues received from any Set-aside Fund established by the General Assembly pursuant to § 58.1-816.1, (ii) to the extent required, revenues received pursuant to any contract with a local jurisdiction or any alternative mechanism for generation of local revenues for specific funding of a project satisfactory to the Commonwealth Transportation Board, (iii) to the extent

required, funds appropriated and allocated, pursuant to the highway allocation formula as provided by law, to the highway construction district in which the project or projects to be financed are located or to the city or county in which the project or projects to be financed are located, (iv) to the extent required, legally available revenues of the Transportation Trust Fund, and (v) such other funds which may be appropriated by the General Assembly. No bonds for any project or projects shall be issued under the authority of this subsection unless such project or projects are specifically included in a bill or resolution passed by the General Assembly;

4c. Issue revenue bonds of the Commonwealth to be known and designated as "Commonwealth of Virginia Transportation Program Revenue Bonds" secured, subject to their appropriation by the General Assembly, first from (i) any revenues received from the Commonwealth Transit Capital Fund established by the General Assembly pursuant to subdivision A 4 g of § 58.1-638, (ii) to the extent required, legally available revenues of the Transportation Trust Fund, and (iii) such other funds which may be appropriated by the General Assembly. No bonds for any project or projects shall be issued under the authority of this subsection unless such project or projects are specifically included in a bill or resolution passed by the General Assembly;

4d. Issue revenue bonds of the Commonwealth from time to time to be known and designated as "Commonwealth of Virginia Federal Highway Reimbursement Anticipation Notes" secured, subject to their appropriation by the General Assembly, (i) first from any federal highway reimbursements and any other federal highway assistance received from time to time by the Commonwealth, (ii) then, at the discretion of the Board, to the extent required, from legally available revenues of the Transportation Trust Fund, and (iii) then from such other funds, if any, which are designated by the General Assembly for such purpose;

*4e. Issue revenue bonds of the Commonwealth to be known and designated as "Commonwealth of Virginia Transportation Revenue Bonds," secured, subject to their appropriation by the General Assembly, first from (i) revenues received from the Hampton Roads Transportation District Fund, (ii) to the extent required, funds appropriated and allocated, pursuant to the highway allocation formula as provided by law, to the highway construction district in which the project or projects to be financed are located or to the city or county in which the project or projects to be financed are located, (iii) to the extent required, legally available revenues of the Transportation Trust Fund, and (iv) such other funds that may be appropriated by the General Assembly;*

5. Fix and collect tolls and other charges for the use of such projects or to refinance the cost of such projects;

6. Construct grade separations at intersections of any projects with public highways, streets or other public ways or places and change and adjust the lines and grades thereof so as to accommodate the same to the design of such grade separations, the cost of such grade separations and any damage incurred in changing and adjusting the lines and grades of such highways, streets, ways and places to be ascertained and paid by the Board as a part of the cost of the project;

7. Vacate or change the location of any portion of any public highway, street or other public way or place and reconstruct the same at such new location as the Board deems most favorable for the project and of substantially the same type and in as good condition as the original highway, streets, way or place, the cost of such reconstruction and any damage incurred in vacating or changing the location thereof to be ascertained and paid by the Board as a part of the cost of the project. Any public highway, street or other public way or place vacated or relocated by the Board shall be vacated or relocated in the manner provided by law for the vacation or relocation of public roads and any damages awarded on account thereof may be paid by the Board as a part of the cost of the project;

8. Make reasonable regulations for the installation, construction, maintenance, repair, renewal and relocation of pipes, mains, sewers, conduits, cables, wires, towers, poles and other equipment and appliances herein called "public utility facilities," of the Commonwealth and of any municipality, county, or other political subdivision, public utility or public service corporation owning or operating the same in, on, along, over or under the project. Whenever the Board determines that it is necessary that any such public utility facilities should be relocated or removed, the Commonwealth or such municipality, county, political subdivision, public utility or public service corporation shall relocate or remove the same in accordance with the order of the Board. The cost and expense of such relocation or removal, including the cost of installing such public utility facilities in a new location or locations, and the cost of any lands or any rights or interests in lands, and any other rights acquired to accomplish such relocation or removal shall be ascertained by the Board.

On any toll project, the Board shall pay the cost and expense of relocation or removal as a part of the cost of the project for those public utility facilities owned or operated by the Commonwealth or such municipality, county, political subdivision, public utility or public service corporation. On all other projects, under this article, the Board shall pay the cost and expense of relocation or removal as a part of the cost of the project for those public utility facilities owned or operated by the Commonwealth or

305 such municipality, county, or political subdivision. The Commonwealth or such municipality, county,  
306 political subdivision, public utility or public service corporation may maintain and operate such public  
307 utility facilities with the necessary appurtenances, in the new location or locations, for as long a period  
308 and upon the same terms and conditions as it had the right to maintain and operate such public utility  
309 facilities in their former location or locations;

310 9. Acquire by the exercise of the power of eminent domain any lands, property, rights, rights-of-way,  
311 franchises, easements and other property, including public lands, parks, playgrounds, reservations,  
312 highways or parkways, or parts thereof or rights therein, of any municipality, county or other political  
313 subdivision, deemed necessary or convenient for the construction or the efficient operation of the project  
314 or necessary in the restoration, replacement or relocation of public or private property damaged or  
315 destroyed.

316 The cost of such projects shall be paid solely from the proceeds of Commonwealth of Virginia Toll  
317 or Transportation Contract Revenue Bonds or a combination thereof or from such proceeds and from  
318 any grant or contribution which may be made thereto pursuant to the provisions of this article; and

319 10. Notwithstanding any provision of this article to the contrary, the Board shall be authorized to  
320 exercise the powers conferred herein, in addition to its general powers to acquire rights-of-way and to  
321 construct, operate and maintain state highways, with respect to any project which the General Assembly  
322 has authorized or may hereafter authorize to be financed in whole or in part through the issuance of  
323 bonds of the Commonwealth pursuant to the provisions of Section 9 (c) of Article X of the Constitution  
324 of Virginia.

325 § 33.1-277. Credit of Commonwealth not pledged.

326 A. Commonwealth of Virginia Toll Revenue Bonds issued under the provisions of this article shall  
327 not be deemed to constitute a debt of the Commonwealth of Virginia or a pledge of the faith and credit  
328 of the Commonwealth, but such bonds shall be payable solely from the funds herein provided therefor  
329 from tolls and revenues, from bond proceeds or earnings thereon and from any other available sources  
330 of funds. All such bonds shall state on their face that the Commonwealth of Virginia is not obligated to  
331 pay the same or the interest thereon except from the special fund provided therefor from tolls and  
332 revenues under this article, from bond proceeds or earnings thereon and from any other available sources  
333 of funds and that the faith and credit of the Commonwealth are not pledged to the payment of the  
334 principal or interest of such bonds. The issuance of such revenue bonds under the provisions of this  
335 article shall not directly or indirectly or contingently obligate the Commonwealth to levy or to pledge  
336 any form of taxation whatever therefor or to make any appropriation for their payment, other than  
337 appropriate available funds derived as revenues from tolls and charges under this article or derived from  
338 bond proceeds or earnings thereon and from any other available sources of funds.

339 B. Commonwealth of Virginia Transportation Contract Revenue Bonds issued under the provisions of  
340 this article shall not be deemed to constitute a debt of the Commonwealth of Virginia or a pledge of the  
341 faith and credit of the Commonwealth, but such bonds shall be payable solely from the funds herein  
342 provided therefor (i) from revenues received pursuant to contracts with a primary highway transportation  
343 district or transportation service district or any other alternative mechanism for generation of local  
344 revenues for specific funding of a project satisfactory to the Commonwealth Transportation Board, (ii) to  
345 the extent required, from funds appropriated and allocated, pursuant to the highway allocation formula as  
346 provided by law, to the highway construction district in which the project or projects to be financed are  
347 located or to the county or counties in which such project or projects are located, (iii) from bond  
348 proceeds or earnings thereon, (iv) to the extent required, from other legally available revenues of the  
349 Trust Fund, and (v) from any other available source of funds. All such bonds shall state on their face  
350 that the Commonwealth of Virginia is not obligated to pay the same or the interest thereon except from  
351 revenues in clauses (i) and (iii) hereof and that the faith and credit of the Commonwealth are not  
352 pledged to the payment of the principal and interest of such bonds. The issuance of such revenue bonds  
353 under the provisions of this article shall not directly or indirectly or contingently obligate the  
354 Commonwealth to levy or to pledge any form of taxation whatever or to make any appropriation for  
355 their payment, other than to appropriate available funds derived as revenues under this article from the  
356 sources set forth in clauses (i) and (iii) hereof. Nothing in this article shall be construed to obligate the  
357 General Assembly to make any appropriation of the funds set forth in clause (ii) or (iv) hereof for  
358 payment of such bonds.

359 C. Commonwealth of Virginia Transportation Revenue Bonds issued under the provisions of this  
360 article shall not be deemed to constitute a debt of the Commonwealth of Virginia or a pledge of the full  
361 faith and credit of the Commonwealth, but such bonds shall be payable solely from the funds herein  
362 provided therefor (i) from revenues received from the U.S. Route 58 Corridor Development Fund,  
363 subject to their appropriation by the General Assembly, (ii) to the extent required, from revenues legally  
364 available from the Transportation Trust Fund and (iii) to the extent required, from any other legally  
365 available funds which shall have been appropriated by the General Assembly.

366 D. Commonwealth of Virginia Transportation Revenue Bonds issued under this article for Category 1

projects as provided in subdivision (2) (s) of § 33.1-268 shall not be deemed to constitute a debt of the Commonwealth of Virginia or a pledge of the faith and credit of the Commonwealth. Such bonds shall be payable solely, subject to their appropriation by the General Assembly, first from (i) revenues received from the Northern Virginia Transportation District Fund, (ii) to the extent required, funds appropriated and allocated, pursuant to the highway allocation formula as provided by law, to the highway construction district in which the project or projects to be financed are located or to the city or county in which the project or projects to be financed are located, (iii) to the extent required, legally available revenues of the Transportation Trust Fund, and (iv) such other funds which may be appropriated by the General Assembly.

E. Commonwealth of Virginia Transportation Program Revenue Bonds issued under this article for projects defined in subdivision (2) (t) of § 33.1-268 shall not be deemed to constitute a debt of the Commonwealth or a pledge of the faith and credit of the Commonwealth. Such bonds shall be payable solely, subject to their appropriation by the General Assembly, first from (i) any revenues received from any Set-aside Fund established by the General Assembly pursuant to § 58.1-816.1, (ii) to the extent required, revenues received pursuant to any contract with a local jurisdiction or any alternative mechanism for generation of local revenues for specific funding of a project satisfactory to the Commonwealth Transportation Board, (iii) to the extent required, funds appropriated and allocated, pursuant to the highway allocation formula as provided by law, to the highway construction district in which the project or projects to be financed are located or to the city or county in which the project or projects to be financed are located, (iv) to the extent required, legally available revenues from the Transportation Trust Fund, and (v) such other funds which may be appropriated by the General Assembly.

F. Commonwealth of Virginia Federal Highway Reimbursement Anticipation Notes issued under this article shall not be deemed to constitute a debt of the Commonwealth of Virginia or a pledge of the full faith and credit of the Commonwealth, but such obligations shall be payable solely, subject to appropriation by the General Assembly, (i) first from any federal highway reimbursements and any other federal highway assistance received from time to time by the Commonwealth, (ii) then, at the discretion of the Board, to the extent required, from legally available revenues of the Transportation Trust Fund, and (iii) then, from such other funds, if any, which are designated by the General Assembly for such purpose.

*G. Commonwealth of Virginia Transportation Revenue Bonds issued under this article as provided in subdivision (2) (v) of § 33.1-268 shall not be deemed to constitute a debt of the Commonwealth of Virginia or a pledge of the faith and credit of the Commonwealth. Such bonds shall be payable solely, subject to their appropriation by the General Assembly, first from (i) revenues received from the Hampton Roads Transportation District Fund, (ii) to the extent required, funds appropriated and allocated, pursuant to the highway allocation formula as provided by law, to the highway construction district in which the project or projects to be financed are located or to the city or county in which the project or projects to be financed are located, (iii) to the extent required, legally available revenues of the Transportation Trust Fund, and (iv) such other funds that may be appropriated by the General Assembly.*

§ 58.1-603. Imposition of sales tax.

A. There is hereby levied and imposed, in addition to all other taxes and fees of every kind now imposed by law, a license or privilege tax upon every person who engages in the business of selling at retail or distributing tangible personal property in this Commonwealth, or who rents or furnishes any of the things or services taxable under this chapter, or who stores for use or consumption in this Commonwealth any item or article of tangible personal property as defined in this chapter, or who leases or rents such property within this Commonwealth, in the amount of three and one-half percent:

1. Of the gross sales price of each item or article of tangible personal property when sold at retail or distributed in this Commonwealth.

2. Of the gross proceeds derived from the lease or rental of tangible personal property, where the lease or rental of such property is an established business, or part of an established business, or the same is incidental or germane to such business.

3. Of the cost price of each item or article of tangible personal property stored in this Commonwealth for use or consumption in this Commonwealth.

4. Of the gross proceeds derived from the sale or charges for rooms, lodgings or accommodations furnished to transients as set out in the definition of "retail sale" in § 58.1-602.

5. Of the gross sales of any services which are expressly stated as taxable within this chapter.

*B. Beginning July 1, 2003, and ending July 1, 2043, an additional sales tax of one percent is hereby levied and imposed in Arlington County, Fairfax County, Loudoun County, Prince William County, the City of Alexandria, the City of Fairfax, the City of Falls Church, the City of Manassas, and the City of Manassas Park. All revenues collected pursuant to this subsection shall be distributed and used as set*

428 forth in subsection G of § 58.1-638.

429 C. Beginning July 1, 2003, an additional sales tax of one percent is hereby levied and imposed in  
430 Isle of Wight County, James City County, York County, the City of Chesapeake, the City of Hampton,  
431 the City of Newport News, the City of Norfolk, the City of Poquoson, the City of Portsmouth, the City of  
432 Suffolk, the City of Virginia Beach, and the City of Williamsburg. All revenues collected pursuant to this  
433 subsection shall be distributed and used as set forth in subsection H of § 58.1-638.

434 § 58.1-604. Imposition of use tax.

435 A. There is hereby levied and imposed, in addition to all other taxes and fees now imposed by law, a  
436 tax upon the use or consumption of tangible personal property in this Commonwealth, or the storage of  
437 such property outside the Commonwealth for use or consumption in this Commonwealth, in the amount  
438 of three and one-half percent:

439 1. Of the cost price of each item or article of tangible personal property used or consumed in this  
440 Commonwealth. Tangible personal property which has been acquired for use outside this Commonwealth  
441 and subsequently becomes subject to the tax imposed hereunder shall be taxed on the basis of its cost  
442 price if such property is brought within this Commonwealth for use within six months of its acquisition;  
443 but if so brought within this Commonwealth six months or more after its acquisition, such property shall  
444 be taxed on the basis of the current market value (but not in excess of its cost price) of such property at  
445 the time of its first use within this Commonwealth. Such tax shall be based on such proportion of the  
446 cost price or current market value as the duration of time of use within this Commonwealth bears to the  
447 total useful life of such property (but it shall be presumed in all cases that such property will remain  
448 within this Commonwealth for the remainder of its useful life unless convincing evidence is provided to  
449 the contrary).

450 2. Of the cost price of each item or article of tangible personal property stored outside this  
451 Commonwealth for use or consumption in this Commonwealth.

452 3. A transaction taxed under § 58.1-603 shall not also be taxed under this section, nor shall the same  
453 transaction be taxed more than once under either section.

454 4. The use tax shall not apply with respect to the use of any article of tangible personal property  
455 brought into this Commonwealth by a nonresident individual, visiting in Virginia, for his personal use,  
456 while within this Commonwealth.

457 5. The use tax shall not apply to out-of-state mail order catalog purchases totaling \$100 or less  
458 during any calendar year.

459 B. Beginning July 1, 2003, and ending July 1, 2043, an additional use tax of one percent is hereby  
460 levied and imposed in Arlington County, Fairfax County, Loudoun County, Prince William County, the  
461 City of Alexandria, the City of Fairfax, the City of Falls Church, the City of Manassas, and the City of  
462 Manassas Park. All revenues collected pursuant to this subsection shall be distributed and used as set  
463 forth in subsection G of § 58.1-638.

464 C. Beginning July 1, 2003, an additional use tax of one percent is hereby levied and imposed in Isle  
465 of Wight County, James City County, York County, the City of Chesapeake, the City of Hampton, the  
466 City of Newport News, the City of Norfolk, the City of Poquoson, the City of Portsmouth, the City of  
467 Suffolk, the City of Virginia Beach, and the City of Williamsburg. All revenues collected pursuant to this  
468 subsection shall be distributed and used as set forth in subsection H of § 58.1-638.

469 § 58.1-611.1. Rate of tax on sales of food purchased for human consumption; Food Tax Reduction  
470 Program.

471 A. Subject to the conditions of subsections D and E, the tax imposed by §§ subsection A of §  
472 58.1-603 and subsection A of § 58.1-604 on food purchased for human consumption shall be levied and  
473 distributed as follows:

474 1. From January 1, 2000, through March 31, 2001, the tax rate on such food shall be three percent  
475 of the gross sales price. The revenue from the tax shall be distributed as follows: (i) the revenue from  
476 the tax at the rate of one-half percent shall be distributed as provided in subsection A of § 58.1-638, (ii)  
477 the revenue from the tax at the rate of one percent shall be distributed as provided in subsections B, C  
478 and D of § 58.1-638, and (iii) the revenue from the tax at the rate of one and one-half percent shall be  
479 used for general fund purposes.

480 2. From April 1, 2001, through March 31, 2002, the tax rate on such food shall be two and one-half  
481 percent of the gross sales price. The revenue from the tax shall be distributed as follows: (i) the revenue  
482 from the tax at the rate of one-half percent shall be distributed as provided in subsection A of  
483 § 58.1-638, (ii) the revenue from the tax at the rate of one percent shall be distributed as provided in  
484 subsections B, C and D of § 58.1-638, and (iii) the revenue from the tax at the rate of one percent shall  
485 be used for general fund purposes.

486 3. From April 1, 2002, through March 31, 2003, the tax rate on such food shall be two percent of  
487 the gross sales price. The revenue from the tax shall be distributed as follows: (i) the revenue from the  
488 tax at the rate of one-half percent shall be distributed as provided in subsection A of § 58.1-638, (ii) the  
489 revenue from the tax at the rate of one percent shall be distributed as provided in subsections B, C and



D of § 58.1-638, and (iii) the revenue from the tax at the rate of one-half percent shall be used for general fund purposes.

4. On and after April 1, 2003, the tax rate on such food shall be one and one-half percent of the gross sales price. The revenue from the tax shall be distributed as follows: (i) the revenue from the tax at the rate of one-half percent shall be distributed as provided in subsection A of § 58.1-638 and (ii) the revenue from the tax at the rate of one percent shall be distributed as provided in subsections B, C and D of § 58.1-638.

B. The provisions of this section shall not affect the imposition of tax on food purchased for human consumption pursuant to §§ 58.1-605 and 58.1-606.

C. As used in this section, "food purchased for human consumption" has the same meaning as "food" defined in the Food Stamp Act of 1977, 7 U.S.C. § 2012, as amended, and federal regulations adopted pursuant to that Act, except it shall not include seeds and plants which produce food for human consumption.

D. Notwithstanding the tax rates set forth in subsection A, the rate of tax on sales of food purchased for human consumption for any twelve-month period beginning on or after April 1, 2001, shall not be reduced below the rate then in effect for the Commonwealth's current fiscal year if:

1. Actual general fund revenues for the fiscal year preceding a fiscal year in which a rate reduction is contemplated in subsection A do not exceed the official general fund revenue estimates for such preceding fiscal year, as estimated in the most recently enacted and approved general appropriation act, by at least one percent; or

2. Any of the events listed in subsection C of § 58.1-3524 or subsection B of § 58.1-3536 have occurred during the then current fiscal year.

E. If the tax rate on food purchased for human consumption remains the same for the period January 1, 2000, through March 31, 2001, and the subsequent twelve-month period beginning on April 1, 2001, or with respect to any consecutive twelve-month periods beginning on and after April 1, 2001, the tax rate on such food shall remain the same unless none of the conditions described in subsection D have occurred, in which event the tax rate on food purchased for human consumption for the immediately following twelve-month period shall be equal to the next lowest tax rate listed in subsection A.

F. There is hereby created on the books of the Comptroller a nonreverting fund entitled the Food Tax Reserve Fund which shall be used solely for the statutory purposes of the Food Tax Reduction Program as established by this section, and as may be provided for in the general appropriation act. For the purpose of the Comptroller's preliminary and final annual reports required by § 2.1-207, all balances remaining in the Fund on June 30 of each year shall be considered a portion of the fund balance of the general fund of the state treasury.

*G. The tax imposed by subsections B and C of § 58.1-603 and by subsections B and C of § 58.1-604 shall not apply to food purchased for human consumption.*

§ 58.1-614. Vending machine sales.

A. Notwithstanding the provisions of §§ 58.1-603 and 58.1-604, whenever a dealer makes sales of tangible personal property through vending machines, or in any other manner making collection of the tax impractical, as determined by the Tax Commissioner, such dealer shall be required to report his wholesale purchases for sale at retail from vending machines and shall be required to remit an amount based on four and one-half percent of such wholesale purchases, *except that such wholesale purchases shall be taxed at a rate of five and one-half percent in the localities set forth in subsections B and C of § 58.1-603.*

B. Notwithstanding the provisions of §§ 58.1-605 and 58.1-606, dealers making sales of tangible personal property through vending machines shall report and remit the one percent local sales and use tax computed as provided in subsection A of this section.

C. The provisions of subsections A and B of this section shall not be applicable to vending machine operators all of whose machines are under contract to nonprofit organizations. Such operators shall report only the gross receipts from machines selling items for more than ten cents and shall be required to remit an amount based on a percentage of their remaining gross sales established by the Tax Commissioner to take into account the inclusion of sales tax.

D. Notwithstanding any other provisions in this section or § 58.1-628, when the Tax Commissioner determines that it is impractical to collect the tax in the manner provided by those sections, such dealer shall be required to remit an amount based on a percentage of gross receipts which takes into account the inclusion of the sales tax.

E. The provisions of this section shall not be applicable to any dealer who fails to maintain records satisfactory to the Tax Commissioner. A dealer making sales of tangible personal property through vending machines shall obtain a certificate of registration under § 58.1-613 in relevant form for each county or city in which he has machines.

§ 58.1-627. Bracket system for tax at rate of three and one-half percent.

551 The Tax Commissioner following shall develop brackets of prices that shall be used for the collection  
 552 of the tax imposed by this chapter: on sales of less than five dollars.

553	\$0.00	to	\$0.14	no tax
554	.15	to	.42	1¢ tax
555	.43	to	.71	2¢ tax
556	.72	to	.99	3¢ tax
557	1.00	to	1.28	4¢ tax
558	1.29	to	1.57	5¢ tax
559	1.58	to	1.85	6¢ tax
560	1.86	to	2.14	7¢ tax
561	2.15	to	2.42	8¢ tax
562	2.43	to	2.71	9¢ tax
563	2.72	to	2.99	10¢ tax
564	3.00	to	3.28	11¢ tax
565	3.29	to	3.57	12¢ tax
566	3.58	to	3.85	13¢ tax
567	3.86	to	4.14	14¢ tax
568	4.15	to	4.42	15¢ tax
569	4.43	to	4.71	16¢ tax
570	4.72	to	5.00	17¢ tax

571  
 572 Except in the localities set forth in subsections B and C of § 58.1-603, on transactions over  
 573 greater than five dollars, the tax shall be computed at three and one-half percent, one-half cent or more  
 574 being treated as one cent. In the localities set forth in subsections B and C of § 58.1-603, on  
 575 transactions greater than five dollars, the tax shall be computed at four and one-half percent, one-half  
 576 cent or more being treated as one cent. If a dealer can show to the satisfaction of the Tax  
 577 Commissioner that more than eighty-five percent of the total dollar volume of his gross taxable sales  
 578 during the taxable month was from individual sales at prices of ten cents or less each, and that he was  
 579 unable to adjust his prices in such manner as to prevent the economic incidence of the sales tax from  
 580 falling on him, the Tax Commissioner shall determine the proper tax liability of the dealer based on that  
 581 portion of the dealer's gross taxable sales which was from sales at prices of eleven cents or more.

582 § 58.1-628. Bracket system for combined state and local tax.

583 The Tax Commissioner shall develop following brackets of prices that shall be used for the collection  
 584 of the combined state and local tax: on sales less than five dollars.

585	\$0.00	to	\$0.11	no tax
586	.12	to	.33	1¢ tax
587	.34	to	.55	2¢ tax
588	.56	to	.77	3¢ tax
589	.78	to	.99	4¢ tax
590	1.00	to	1.22	5¢ tax
591	1.23	to	1.44	6¢ tax
592	1.45	to	1.66	7¢ tax
593	1.67	to	1.88	8¢ tax
594	1.89	to	2.11	9¢ tax
595	2.12	to	2.33	10¢ tax
596	2.34	to	2.55	11¢ tax
597	2.56	to	2.77	12¢ tax
598	2.78	to	2.99	13¢ tax
599	3.00	to	3.22	14¢ tax
600	3.23	to	3.44	15¢ tax
601	3.45	to	3.66	16¢ tax
602	3.67	to	3.88	17¢ tax
603	3.89	to	4.11	18¢ tax
604	4.12	to	4.33	19¢ tax
605	4.34	to	4.55	20¢ tax
606	4.56	to	4.77	21¢ tax
607	4.78	to	5.00	22¢ tax

608

Except in the localities set forth in subsections B and C of § 58.1-603, ~~On~~ on transactions ~~over~~ greater than five dollars, the tax shall be computed at four and one-half percent, one half cent or more being treated as one cent. *In the localities set forth in subsections B and C of § 58.1-603, on transactions greater than five dollars, the tax shall be computed at five and one-half percent, one-half cent or more being treated as one cent.* The foregoing bracket system shall not relieve the dealer from the duty and liability to remit an amount equal to ~~four and one-half percent~~ the applicable percentage of his gross taxable sales as provided in this chapter. If the dealer, however, can show to the satisfaction of the Tax Commissioner that more than eighty-five percent of the total dollar volume of his gross taxable sales during the taxable month was from individual sales at prices of ten cents or less each and that he was unable to adjust his prices in such manner as to prevent the economic incidence of the sales tax from falling on him, the Tax Commissioner shall determine the proper tax liability of the dealer based on that portion of the dealer's gross taxable sales which was from sales at prices of eleven cents or more.

§ 58.1-638. Disposition of state sales and use tax revenue; Transportation Trust Fund; localities' share; Game Protection Fund.

A. The Comptroller shall designate a specific revenue code number for all the state sales and use tax revenue collected under the preceding sections of this chapter.

1. The sales and use tax revenue generated by the one-half percent sales and use tax increase enacted by the 1986 Special Session of the General Assembly shall be paid, in the manner hereinafter provided in this section, to the Transportation Trust Fund as defined in § 33.1-23.03:1. Of the funds paid to the Transportation Trust Fund, an aggregate of 4.2 percent shall be set aside as the Commonwealth Port Fund as provided in this section; an aggregate of 2.4 percent shall be set aside as the Commonwealth Airport Fund as provided in this section; and an aggregate of 14.5 percent in fiscal year 1998-1999 and 14.7 percent in fiscal year 1999-2000 and thereafter shall be set aside as the Commonwealth Mass Transit Fund as provided in this section. The Fund's share of such net revenue shall be computed as an estimate of the net revenue to be received into the state treasury each month, and such estimated payment shall be adjusted for the actual net revenue received in the preceding month. All payments shall be made to the Fund on the last day of each month.

2. There is hereby created in the Department of the Treasury a special nonreverting fund which shall be a part of the Transportation Trust Fund and which shall be known as the Commonwealth Port Fund.

a. The Commonwealth Port Fund shall be established on the books of the Comptroller and the funds remaining in such Fund at the end of a biennium shall not revert to the general fund but shall remain in the Fund. Interest earned on such funds shall remain in the Fund and be credited to it. Funds may be paid to any authority, locality or commission for the purposes hereinafter specified.

b. The amounts allocated pursuant to this section shall be allocated by the Commonwealth Transportation Board to the Board of Commissioners of the Virginia Port Authority to be used to support port capital needs and the preservation of existing capital needs of all ocean, river, or tributary ports within the Commonwealth.

c. Commonwealth Port Fund revenue shall be allocated by the Board of Commissioners to the Virginia Port Authority in order to foster and stimulate the flow of maritime commerce through the ports of Virginia, including but not limited to the ports of Richmond, Hopewell and Alexandria.

3. There is hereby created in the Department of the Treasury a special nonreverting fund which shall be part of the Transportation Trust Fund and which shall be known as the Commonwealth Airport Fund. The Commonwealth Airport Fund shall be established on the books of the Comptroller and any funds remaining in such Fund at the end of a biennium shall not revert to the general fund but shall remain in the Fund. Interest earned on the funds shall be credited to the Fund. The funds so allocated shall be allocated by the Commonwealth Transportation Board to the Virginia Aviation Board. The funds shall be allocated by the Virginia Aviation Board to any Virginia airport which is owned by the Commonwealth, a governmental subdivision thereof, or a private entity to which the public has access for the purposes enumerated in § 5.1-2.16, or is owned or leased by the Metropolitan Washington Airports Authority (MWAA), as follows:

Any new funds in excess of \$12.1 million which are available for allocation by the Virginia Aviation Board from the Commonwealth Transportation Fund, shall be allocated as follows: sixty percent to MWAA, up to a maximum annual amount of two million dollars, and forty percent to air carrier airports as provided in subdivision A 3 a. Except for adjustments due to changes in enplaned passengers, no air carrier airport sponsor, excluding MWAA, shall receive less funds identified under subdivision A 3 a than it received in fiscal year 1994-1995.

Of the remaining amount:

a. Forty percent of the funds shall be allocated to air carrier airports, except airports owned or leased by MWAA, based upon the percentage of enplanements for each airport to total enplanements at all air carrier airports, except airports owned or leased by MWAA. No air carrier airport sponsor, however,

670 shall receive less than \$50,000 nor more than \$2 million per year from this provision.

671 b. Forty percent of the funds shall be allocated by the Aviation Board for air carrier and reliever  
672 airports on a discretionary basis, except airports owned or leased by MWAA.

673 c. Twenty percent of the funds shall be allocated by the Aviation Board for general aviation airports  
674 on a discretionary basis.

675 4. There is hereby created in the Department of the Treasury a special nonreverting fund which shall  
676 be a part of the Transportation Trust Fund and which shall be known as the Commonwealth Mass  
677 Transit Fund.

678 a. The Commonwealth Mass Transit Fund shall be established on the books of the Comptroller and  
679 any funds remaining in such Fund at the end of the biennium shall not revert to the general fund but  
680 shall remain in the Fund. Interest earned on such funds shall be credited to the Fund. Funds may be  
681 paid to any local governing body, transportation district commission, or public service corporation for  
682 the purposes hereinafter specified.

683 b. The amounts allocated pursuant to this section shall be used to support the public transportation  
684 administrative costs and the costs borne by the locality for the purchase of fuels, lubricants, tires and  
685 maintenance parts and supplies for public transportation at a state share of eighty percent in 2002 and  
686 ninety-five percent in 2003 and succeeding years. These amounts may be used to support up to  
687 ninety-five percent of the local or nonfederal share of capital project costs for public transportation and  
688 ridesharing equipment, facilities, and associated costs. Capital costs may include debt service payments  
689 on local or agency transit bonds. The term "borne by the locality" means the local share eligible for  
690 state assistance consisting of costs in excess of the sum of fares and other operating revenues plus  
691 federal assistance received by the locality.

692 c. Commonwealth Mass Transit Fund revenue shall be allocated by the Commonwealth  
693 Transportation Board as follows:

694 (1) Funds for special programs, which shall include ridesharing, experimental transit, and technical  
695 assistance, shall not exceed 1.5 percent of the Fund.

696 (2) The Board may allocate these funds to any locality or planning district commission to finance up  
697 to eighty percent of the local share of all costs associated with the development, implementation, and  
698 continuation of ridesharing programs.

699 (3) Funds allocated for experimental transit projects may be paid to any local governing body,  
700 transportation district commission, or public corporation or may be used directly by the Department of  
701 Rail and Public Transportation for the following purposes:

702 (a) To finance up to ninety-five percent of the capital costs related to the development,  
703 implementation and promotion of experimental public transportation and ridesharing projects approved  
704 by the Board.

705 (b) To finance up to ninety-five percent of the operating costs of experimental mass transportation  
706 and ridesharing projects approved by the Board for a period of time not to exceed twelve months.

707 (c) To finance up to ninety-five percent of the cost of the development and implementation of any  
708 other project designated by the Board where the purpose of such project is to enhance the provision and  
709 use of public transportation services.

710 d. Funds allocated for public transportation promotion and operation studies may be paid to any local  
711 governing body, planning district commission, transportation district commission, or public transit  
712 corporation, or may be used directly by the Department of Rail and Public Transportation for the  
713 following purposes and aid of public transportation services:

714 (1) At the approval of the Board to finance a program administered by the Department of Rail and  
715 Public Transportation designed to promote the use of public transportation and ridesharing throughout  
716 Virginia.

717 (2) To finance up to fifty percent of the local share of public transportation operations planning and  
718 technical study projects approved by the Board.

719 e. At least 73.5 percent of the Fund shall be distributed to each transit property in the same  
720 proportion as its operating expenses bear to the total statewide operating expenses and shall be spent for  
721 the purposes specified in subdivision 4 b.

722 f. The remaining twenty-five percent shall be distributed for capital purposes on the basis of  
723 ninety-five percent of the nonfederal share for federal projects and ninety-five percent of the total costs  
724 for nonfederal projects. In the event that total capital funds available under this subdivision are  
725 insufficient to fund the complete list of eligible projects, the funds shall be distributed to each transit  
726 property in the same proportion that such capital expenditure bears to the statewide total of capital  
727 projects.

728 g. There is hereby created in the Department of the Treasury a special nonreverting fund known as  
729 the Commonwealth Transit Capital Fund. The Commonwealth Transit Capital Fund shall be part of the  
730 Commonwealth Mass Transit Fund. The Commonwealth Transit Capital Fund subaccount shall be  
731 established on the books of the Comptroller and consist of such moneys as are appropriated to it by the

General Assembly and of all donations, gifts, bequests, grants, endowments, and other moneys given, bequeathed, granted, or otherwise made available to the Commonwealth Transit Capital Fund. Any funds remaining in the Commonwealth Transit Capital Fund at the end of the biennium shall not revert to the general fund, but shall remain in the Commonwealth Transit Capital Fund. Interest earned on funds within the Commonwealth Transit Capital Fund shall remain in and be credited to the Commonwealth Transit Capital Fund. Proceeds of the Commonwealth Transit Capital Fund may be paid to any political subdivision, another public entity created by an act of the General Assembly, or a private entity as defined in § 56-557 and for purposes as enumerated in subdivision 4c of § 33.1-269 or expended by the Department of Rail and Public Transportation for the purposes specified in this subdivision. Revenues of the Commonwealth Transit Capital Fund shall be used to support capital expenditures involving the establishment, improvement, or expansion of public transportation services through specific projects approved by the Commonwealth Transportation Board. Projects financed by the Commonwealth Transit Capital Fund shall receive local, regional or private funding for at least twenty percent of the nonfederal share of the total project cost.

5. Funds for Metro shall be paid by the Northern Virginia Transportation Commission (NVTC) to the Washington Metropolitan Area Transit Authority (WMATA) and be a credit to the Counties of Arlington and Fairfax and the Cities of Alexandria, Falls Church and Fairfax in the following manner:

a. Local obligations for debt service for WMATA rail transit bonds apportioned to each locality using WMATA's capital formula shall be paid first by NVTC. NVTC shall use ninety-five percent state aid for these payments.

b. The remaining funds shall be apportioned to reflect WMATA's allocation formulas by using the related WMATA-allocated subsidies and relative shares of local transit subsidies. Capital costs shall include twenty percent of annual local bus capital expenses. Hold harmless protections and obligations for NVTC's jurisdictions agreed to by NVTC on November 5, 1998, shall remain in effect.

Appropriations from the Commonwealth Mass Transit Fund are intended to provide a stable and reliable source of revenue as defined by Public Law 96-184.

B. The sales and use tax revenue generated by a one percent sales and use tax shall be distributed among the counties and cities of this Commonwealth in the manner provided in subsections C and D.

C. The localities' share of the net revenue distributable under this section among the counties and cities shall be apportioned by the Comptroller and distributed among them by warrants of the Comptroller drawn on the Treasurer of Virginia as soon as practicable after the close of each month during which the net revenue was received into the state treasury. The distribution of the localities' share of such net revenue shall be computed with respect to the net revenue received into the state treasury during each month, and such distribution shall be made as soon as practicable after the close of each such month.

D. The net revenue so distributable among the counties and cities shall be apportioned and distributed upon the basis as certified to the Comptroller by the Department of Education, of the number of children in each county and city according to the most recent statewide census of school population taken by the Department of Education pursuant to § 22.1-284, as adjusted in the manner hereinafter provided. No special school population census, other than a statewide census, shall be used as the basis of apportionment and distribution except that in any calendar year in which a statewide census is not reported, the Department of Education shall adjust such school population figures by the same percent of annual change in total population estimated for each locality by The Center for Public Service. The revenue so apportionable and distributable is hereby appropriated to the several counties and cities for maintenance, operation, capital outlays, debt and interest payments, or other expenses incurred in the operation of the public schools, which shall be considered as funds raised from local resources. In any county, however, wherein is situated any incorporated town constituting a school division, the county treasurer shall pay into the town treasury for maintenance, operation, capital outlays, debt and interest payments, or other expenses incurred in the operation of the public schools, the proper proportionate amount received by him in the ratio that the school population of such town bears to the school population of the entire county. If the school population of any city or of any town constituting a school division is increased by the annexation of territory since the last preceding school population census, such increase shall, for the purposes of this section, be added to the school population of such city or town as shown by the last such census and a proper reduction made in the school population of the county or counties from which the annexed territory was acquired.

E. Beginning July 1, 2000, of the remaining sales and use tax revenue, the revenue generated by a two percent sales and use tax, up to an annual amount of \$13 million, collected from the sales of hunting equipment, auxiliary hunting equipment, fishing equipment, auxiliary fishing equipment, wildlife-watching equipment, and auxiliary wildlife-watching equipment in Virginia, as estimated by the most recent U.S. Department of the Interior, Fish and Wildlife Service and U.S. Department of Commerce, Bureau of the Census National Survey of Fishing, Hunting, and Wildlife-Associated

793 Recreation, shall be paid into the Game Protection Fund established under § 29.1-101 and shall be used,  
794 in part, to defray the cost of law enforcement. Not later than thirty days after the close of each quarter,  
795 the Comptroller shall transfer to the Game Protection Fund the appropriate amount of collections to be  
796 dedicated to such Fund. At any time that the balance in the Capital Improvement Fund, established  
797 under § 29.1-101.1, is equal to or in excess of \$35 million, any portion of sales and use tax revenues  
798 that would have been transferred to the Game Protection Fund, established under § 29.1-101, in excess  
799 of the net operating expenses of the Board, after deduction of other amounts which accrue to the Board  
800 and are set aside for the Game Protection Fund, shall remain in the general fund until such time as the  
801 balance in the Capital Improvement Fund is less than \$35 million.

802 F. If errors are made in any distribution, or adjustments are otherwise necessary, the errors shall be  
803 corrected and adjustments made in the distribution for the next quarter or for subsequent quarters.

804 G. *The gross sales and use tax revenue generated and collected pursuant to subsection B of*  
805 *§ 58.1-603 and subsection B of § 58.1-604, less the applicable portion of any refunds to taxpayers, shall*  
806 *be deposited into the Northern Virginia Transportation District Fund pursuant to § 58.1-815.1 and used*  
807 *solely for transportation purposes as provided in § 58.1-815.1. Such revenue shall be credited to the*  
808 *Northern Virginia Transportation District Fund by the Comptroller as soon as practicable.*

809 H. *The gross sales and use tax revenue generated and collected pursuant to subsection C of*  
810 *§ 58.1-603 and subsection C of § 58.1-604, less the applicable portion of any refunds to taxpayers, shall*  
811 *be deposited into the Hampton Roads Transportation District Fund established under § 58.1-638.1 and*  
812 *used solely for transportation purposes as provided in § 58.1-638.1. Such revenue shall be credited to*  
813 *the Hampton Roads Transportation District Fund by the Comptroller as soon as practicable.*

814 GI. The term "net revenue," as used in this section, means the gross revenue received into the  
815 general fund or the Transportation Trust Fund of the state treasury under the preceding sections of this  
816 chapter, less refunds to taxpayers.

817 § 58.1-638.1. *Hampton Roads Transportation District Fund.*

818 A. *There is hereby created in the Department of the Treasury a special nonreverting fund that shall*  
819 *be a part of the Transportation Trust Fund and that shall be known as the Hampton Roads*  
820 *Transportation District Fund (the Fund), consisting of revenues from the additional sales tax imposed*  
821 *pursuant to subsection C of § 58.1-603, the additional use tax imposed pursuant to subsection C of*  
822 *§ 58.1-604 and tolls on certain transportation facilities as described in subsection C. The Fund shall*  
823 *also include any public rights-of-way use fees appropriated by the General Assembly; any state or local*  
824 *revenues, including but not limited to, any funds distributed pursuant to § 33.1-23.3 or § 33.1-23.4,*  
825 *which may be deposited into the Fund pursuant to a contract between a jurisdiction participating in the*  
826 *Hampton Roads Transportation District Program and the Commonwealth Transportation Board; and*  
827 *any other funds as may be appropriated by the General Assembly from time to time and designated for*  
828 *this Fund and all interest, dividends and appreciation that may accrue thereto. Any moneys remaining*  
829 *in the Fund at the end of a biennium shall not revert to the general fund, but shall remain in the Fund.*

830 B. *Allocations from this Fund may be paid (i) to any authority, locality or commission for the*  
831 *purposes of paying the costs of the Hampton Roads Transportation District Program, which consists of*  
832 *the following: Hampton Roads Third Crossing ((i) from I-664/I-64 Interchange (Peninsula) to Bowers*  
833 *Hill (I-664, I-64, I-264 Interchange), (ii) I-664 to I-564 Connector, and (iii) Craney Island to the*  
834 *Western Freeway (Route 164)); U.S. Route 460 (from Bowers Hill (I-664, I-64, I-264 Interchange) to*  
835 *Southampton/Surry County lines); I-64 widening (from Bland Boulevard Interchange to James City/New*  
836 *Kent County lines); Southeastern Parkway and Greenbelt (from Great Bridge Bypass to I-264); Midtown*  
837 *Tunnel/Martin Luther King Freeway extension ((i) parallel Midtown Tunnel and (ii) Martin Luther King*  
838 *Freeway extension to I-264); and Passenger Rail/Magnetic Levitation Service and Support Bus Services*  
839 *in the Hampton Roads Transportation District.*

840 C. *In the case of transportation facilities controlled by the Virginia Department of Transportation,*  
841 *the Commonwealth Transportation Board shall impose tolls on certain transportation facilities as*  
842 *approved in a referendum by the voters of the counties and cities included in subsection C of § 58.1-603*  
843 *and subsection C of § 58.1-604. Such approval shall be deemed granted if a majority of the qualified*  
844 *voters in such counties and cities voting at the election vote in the affirmative upon the question of*  
845 *placing tolls on designated transportation facilities. A "majority of the qualified voters in such counties*  
846 *and cities voting at the election" means a majority of those voting in the entire region constituted by the*  
847 *counties and cities included in subsection C of § 58.1-603 and subsection C of § 58.1-604, and does not*  
848 *require a majority of those voting in any individual county or city. Such tolls shall be imposed by the*  
849 *Commonwealth Transportation Board as soon as practicable on the transportation facilities and in the*  
850 *amounts designated in such referendum. The revenue generated and collected from such tolls shall be*  
851 *paid into the state treasury to the credit of the Fund as soon as practicable.*

852 § 58.1-815.1. *Northern Virginia Transportation District Fund.*

853 A. *There is hereby created in the Department of the Treasury a special nonreverting fund which shall*  
854 *be a part of the Transportation Trust Fund and which shall be known as the Northern Virginia*

Transportation District Fund, consisting of transfers pursuant to § 58.1-816 of annual collections of the state recordation taxes attributable to the Cities of Alexandria, Fairfax, Falls Church, Manassas, and Manassas Park and the Counties of Arlington, Fairfax, Loudoun, and Prince William; however, this dedication shall not affect the local recordation taxes under ~~§§~~ *subsection B of § 58.1-802 B*, and § 58.1-814. *The Fund shall also consist of transfers pursuant to subsection G of § 58.1-638 of revenues from sales and use taxes imposed pursuant to subsection B of § 58.1-603 and subsection B of § 58.1-604.* The Fund shall also include any public rights-of-way use fees appropriated by the General Assembly; any state or local revenues, including but not limited to, any funds distributed pursuant to §§ 33.1-23.3, 33.1-23.4 or § 33.1-23.5:1, which may be deposited into the Fund pursuant to a contract between a jurisdiction participating in the Northern Virginia Transportation District Program and the Commonwealth Transportation Board; and any other funds as may be appropriated by the General Assembly from time to time and designated for this Fund and all interest, dividends and appreciation which may accrue thereto. Any moneys remaining in the Fund at the end of a biennium shall not revert to the general fund, but shall remain in the Fund, subject to the determination by the Commonwealth Transportation Board *or the Northern Virginia Transportation Authority* that a Category 2, 3, ~~or~~ 4, *or* 5 project or projects may be funded.

B. Allocations from this Fund may be paid (i) to any authority, locality or commission for the purposes of paying the costs of the Northern Virginia Transportation District Program which consists of the following: the Fairfax County Parkway, Route 234 Bypass/*Route 659 Relocated*, Metro Capital Improvements, including the Franconia-Springfield Metrorail Station and new rail car purchases, Route 7 improvements in Loudoun County and Fairfax County, Route 50/Courthouse Road interchange improvements in Arlington County, the Route 28/Route 625 interchange improvements in Loudoun County, Metrorail capital improvements attributable to the City of Alexandria, including the King Street Metrorail station access, Metrorail capital improvements attributable to Arlington County, including Ballston Station improvements, Route 15 safety improvements in Loudoun County, Route 1/Route 123 interchange improvements in Prince William County, Lee Highway improvements in the City of Fairfax, Route 123 improvements in Fairfax County, Telegraph Road improvements in Fairfax County, Route 1/Route 234 interchange improvements in Prince William County, Potomac-Rappahannock Transportation Commission bus replacement program, ~~and Dulles Corridor Enhanced Transit program~~ *Program (locality share), I-66 improvements and rail extension, I-95/I-395 improvements and transit improvements, Route 1 improvements, I-495 improvements and transit improvements, Tri-County/Loudoun Parkway, Metrorail infrastructure replacement program, urban system improvements, secondary system improvements (including unpaved roads), Columbia Pike/Route 7 Transit improvements, rail safety improvements, and VRE new railcar purchase* and (ii) for ~~Category 4~~ *Category 5* projects as provided in § 2 of the act or acts authorizing the issuance of Bonds for the Northern Virginia Transportation District Program.

C. On or before July 15, 1994, \$19 million shall be transferred to the Fund. Such transfer shall be made by the issuance of a treasury loan at no interest in the amount of \$19 million in the event such an amount is not included for the Fund in the general appropriation act enacted by the 1994 Session of the General Assembly. Such treasury loan shall be repaid from the Commonwealth's portion of the state recordation tax imposed by Chapter 8 (§ 58.1-800 et seq.) of Title 58.1 designated for the Fund by this section and § 58.1-816.

**2. That § 2 of Chapter 391 of the Acts of Assembly of 1993, as amended by Chapters 470 and 597 of the Acts of Assembly of 1994, Chapters 740 and 761 of the Acts of Assembly of 1998, and Chapter 538 of the Acts of Assembly of 1999, is amended and reenacted as follows:**

§ 2. The Commonwealth Transportation Board is hereby authorized, by and with the consent of the Governor, to issue, pursuant to the provisions of §§ 33.1-267 through 33.1-295, at one time or from time to time, bonds of the Commonwealth to be designated "Commonwealth of Virginia Transportation Contract Revenue Bonds, Series .....", in an aggregate principal amount not exceeding ~~\$471,200,000~~ *2,696,200,000* to finance the cost of the projects plus an amount for the issuance costs, capitalized interest, reserve funds, and other financing expenses (the "Bonds"). The proceeds of the Bonds shall be used exclusively for the purpose of providing funds, with any other available funds, for paying the costs incurred or to be incurred for construction or funding of the projects which comprise the Northern Virginia Transportation District Program as hereinafter defined and as established in Article 5 (§ 33.1-267 et seq.) of Chapter 3 of Title 33.1, consisting of environmental and engineering studies, rights-of-way acquisition, improvements to all modes of transportation, construction and related improvements (the "projects"). Such costs may include the payment of interest on the Bonds for a period during construction and not exceeding one year after completion of construction of the projects.

The projects shall be classified as Category 1, Category 2, Category 3, ~~and~~ *Category 4, and Category 5* projects, each category being subject to different preconditions. Bonds to finance the cost of Category 1, ~~and~~ *Category 3, and Category 4* projects may be issued by the Commonwealth Transportation Board.

916 Bonds to finance the cost of Category 2 projects may be issued by the Commonwealth Transportation  
 917 Board only if the aggregate principal amount of \$466,200,000 in bonds has been issued to finance the  
 918 cost of Category 1 and Category 3 projects. Category 4 5 projects shall not be financed through the  
 919 issuance of bonds; however, ~~after all Bonds authorized have been issued, then~~ to the extent the Northern  
 920 Virginia Transportation District Fund contains amounts in excess of the amount needed to pay annual  
 921 debt service on such Bonds in a particular fiscal year, such excess amounts may be expended to pay the  
 922 cost of the work identified as Category 4 5 projects.

923 The projects, and the amount of bonds authorized to be issued for each such project, are as follows  
 924 and constitute the Northern Virginia Transportation District Program:

925		
926	Category 1 projects	Bond amount
927		
928		
929	Metro Capital Improvements, including	
930		
931	the Franconia-Springfield Metrorail Station	\$85,600,000
932		
933	Fairfax County Parkway	\$87,000,000
934		
935	Route 234 Bypass	\$73,400,000
936		
937	Route 7 improvements between Route 15 and	
938		
939	Route 28 in Loudoun County	\$15,000,000
940		
941	Total	\$261,000,000
942		

943  
 944 Category 2 projects consist of the Route 234 Bypass/Route 28 interchange improvements in Prince  
 945 William County, in the amount of \$5,000,000.

946		
947		
948	Category 3 projects	Bond amount
949		
950		
951	Route 50/Courthouse Road interchange	\$10,000,000
952		
953	Fairfax County Parkway -- Partially-funded	
954	segments between Route 1 and Route 7	\$50,000,000
955		
956	Route 234 Bypass from Route 28 to Route 234	\$15,300,000
957		
958	Route 28/Route 625 interchange	\$7,900,000
959		
960	Metrorail Capital Improvements attributable to	
961	the City of Alexandria, including the King	
962	Street Metrorail station access	\$8,600,000
963		
964	Metrorail Capital Improvements,	
965	including new rail car purchases	\$29,300,000
966		
967	Route 15 Safety Improvements	
968	Leesburg Town Line to Potomac River	\$10,100,000
969		
970	Route1/Route123 Interchange	\$8,200,000
971		
972	LeeHighwayImprovementsCityofFairfax	\$3,100,000



973		
974	Route 123 Widening Occoquan River to	
975	Lee Chapel Road	\$27,000,000
976		
977	Dulles Corridor-Enhanced Transit Program	\$6,000,000
978		
979	Route 7 Improvements-Loudoun County Line	
980	to Reston Parkway	\$10,000,000
981		
982	Route 7 Improvements-Reston Parkway to	
983	Dulles Toll Road	\$3,000,000
984		
985	Telegraph Road Improvements-S.Kings Highway to	
986	Beulah St.	\$5,000,000
987		
988	Route 1/Route 234 Interchange	\$4,000,000
989		
990	Potomac-Rappahannock Transportation Commission	
991	Bus Replacement Program	\$1,500,000
992		
993	Metrorail Capital Improvements attributable to	
994	Arlington County, including Ballston Station	
995	improvements	\$6,200,000
996		
997	Total	\$205,200,000
998		
999		
1000	Category 4 projects	Bond amount
1001		
1002	Dulles Corridor Transit (locality share)	\$300,000,000
1003		
1004	I-66 Improvements and Rail Extension	\$300,000,000
1005		
1006	I-95/I-395 improvements and transit improvements	\$300,000,000
1007		
1008	Route 1 Improvements	\$150,000,000
1009		
1010	I-495 Improvements and Transit Improvements	\$200,000,000
1011		
1012	Fairfax County Parkway	\$150,000,000
1013		
1014	Tri-County/Loudoun Parkway	\$100,000,000
1015		
1016	VRE New Railcar Purchase	\$50,000,000
1017		
1018	Route 234 Bypass/Route 659 Relocated	\$50,000,000
1019		
1020	Metrorail Infrastructure Replacement Program	\$200,000,000
1021		
1022	Secondary System Improvements (including	
1023		
1024	unpaved roads)	\$150,000,000
1025		
1026	Urban System Improvements	\$90,000,000
1027		
1028	Route 7 Improvements Loudoun and Fairfax	\$100,000,000

1029		
1030	<i>Columbia Pike/Route 7 Transit Improvements</i>	<i>\$75,000,000</i>
1031		
1032	<i>Rail Safety Improvements</i>	<i>\$10,000,000</i>
1033		
1034	<i>Total</i>	<i>\$2,225,000,000</i>

1035  
 1036 The Commonwealth Transportation Board shall only issue the bonds for Category 3 projects in an  
 1037 amount or amounts necessary to expedite or complete the Category 3 projects if the following conditions  
 1038 are satisfied: (i) at least two of the jurisdictions participating in the Northern Virginia Transportation  
 1039 District Program have entered into a contract pursuant to § 58.1-815.1 and (ii) the governing bodies of  
 1040 at least five of the jurisdictions participating in the Northern Virginia Transportation District Program  
 1041 and comprising a majority of the population of the jurisdictions participating in such Program have  
 1042 adopted resolutions endorsing the proposed sale or sales of bonds to support the Category 3 projects.  
 1043 Such contracts and resolutions shall remain in force so long as any debts or obligations for Category 3  
 1044 projects remain outstanding.

1045 *Bond proceeds for Category 4 Secondary System Improvements shall be allocated on the basis of*  
 1046 *population of those localities in subsection A of § 58.1-815.1 that receive allocations of funds for*  
 1047 *secondary system highways pursuant to § 33.1-23.4, as such populations are determined by the 2000*  
 1048 *U.S. Census. Bond proceeds allocated for Urban System Improvements shall be allocated on the basis of*  
 1049 *population of (i) those localities in subsection A of § 58.1-815.1 that receive allocations of funds for*  
 1050 *urban system highways pursuant to § 33.1-23.3, and (ii) those towns situated within those localities*  
 1051 *described in clause (i) that receive allocations of funds for urban system highways pursuant to*  
 1052 *§ 33.1-23.3, as such populations are determined by the 2000 U.S. Census.*

1053 The work identified as Category 4 5 projects to be funded from the Northern Virginia Transportation  
 1054 District Fund, ~~to the extent there are sums in excess of the amount needed to pay debt service on the~~  
 1055 ~~Bonds in a given fiscal year,~~ is as follows:

1056 Category 4 5 projects

1057 *To the extent that the sales and use tax revenues deposited into the Northern Virginia Transportation*  
 1058 *District Fund pursuant to subsection G of § 58.1-638 exceed the amount needed to pay annual debt*  
 1059 *service on bonds issued to support Category 4 projects in any particular fiscal year, the Northern*  
 1060 *Virginia Transportation Authority, pursuant to § 15.2-4828, may allocate such funds to Category 5*  
 1061 *projects subject to the following conditions: (i) fifteen percent of such funds shall be allocated to transit*  
 1062 *operational costs; (ii) any remaining funds shall be allocated to specific Category 4 projects provided*  
 1063 *that the Authority determines such allocations will materially advance the construction of such Category*  
 1064 *4 projects; and (iii) any remaining funds shall be allocated to fund other transit, primary, urban, or*  
 1065 *secondary project or projects.*

1066 ~~Such~~ *To the extent that all other deposits into the Northern Virginia Transportation District Fund*  
 1067 *exceed the amount necessary to pay annual debt service on bonds issued to support Category 1,*  
 1068 *Category 2, and Category 3 projects, the Commonwealth Transportation Board shall allocate such funds*  
 1069 *to Category 5 projects as may be concurred in by the local jurisdictions participating in the Northern*  
 1070 *Virginia Transportation District Program, as evidenced by resolutions adopted by an affirmative vote of*  
 1071 *each of the jurisdictions participating in the Northern Virginia Transportation District Program and*  
 1072 *subject to such guidelines and conditions as may be promulgated by the Commonwealth Transportation*  
 1073 *Board.*

1074 The Bonds shall be issued by the Commonwealth Transportation Board and sold through the  
 1075 Treasury Board, which is hereby designated the sales and paying agent of the Commonwealth  
 1076 Transportation Board with respect to the Bonds. The Treasury Board's duties shall include the approval  
 1077 of the terms and structure of the Bonds. In the event the aggregate principal amount of the issuance, for  
 1078 the projects and amounts authorized by the 1994 amendments to Chapter 391 of the Acts of Assembly  
 1079 of 1993, is less than \$127,000,000, the Commonwealth Transportation Board shall cause each Category  
 1080 1 project to be shared in the reduced issuance by reducing the proceeds of the Bonds for each of the  
 1081 Category 1 projects on a pro rata basis.

1082 **3. That the following is the Hampton Roads Transportation District Program Act of 2002.**

1083 **§ 1. This act shall be known and may be cited as the Hampton Roads Transportation District**  
 1084 **Program Act of 2002.**

1085 **§ 2. For purposes of this act, the following definitions shall apply:**

1086 "Hampton Roads Transportation District" means the same as that term is defined in § 33.1-221.1:7.

1087 "Program" means the Hampton Roads Transportation District Program established pursuant to  
 1088 § 33.1-221.1:7 of the Code of Virginia.

1089 "Project" means the transportation projects included in the program.

§ 3. The program shall consist of the following projects: Hampton Roads Third Crossing ((i) from I-664/I-64 Interchange (Peninsula) to Bowers Hill (I-664, I-64, I-264 Interchange), (ii) I-664 to I-564 Connector, and (iii) Craney Island to the Western Freeway (Route 164)); U.S. Route 460 (from Bowers Hill (I-664, I-64, I-264 Interchange) to Southampton/Surry County lines); I-64 widening (from Bland Boulevard Interchange to James City/New Kent County lines); Southeastern Parkway and Greenbelt (from Great Bridge Bypass to I-264); Midtown Tunnel/Martin Luther King Freeway extension ((i) parallel Midtown Tunnel and (ii) Martin Luther King Freeway extension to I-264); and Passenger Rail/Magnetic Levitation Service and Support Bus Services in the Hampton Roads Transportation District.

§ 4. The Commonwealth Transportation Board is hereby authorized, by and with the consent of the Governor, to issue, pursuant to the provisions of §§ 33.1-267 through 33.1-295 of the Code of Virginia, as amended, from time to time revenue obligations of the Commonwealth to be designated "Commonwealth of Virginia Transportation Revenue Bonds, Series ....," in an aggregate principal amount not to exceed \$5,490,000,000 (exclusive of any obligations that may be issued to refund such notes in accordance with § 33.1-293 of the Code of Virginia, as amended) to finance the costs of the projects plus an amount for financing expenses (including, without limitation, any original issue discount) (the "Bonds"). The net proceeds of the Bonds shall be used exclusively for the purpose of providing funds, together with any other available funds, for paying the costs, incurred or to be incurred for construction or funding of projects that comprise the program, consisting of environmental and engineering studies, rights-of-way acquisition, improvements to all modes of transportation, construction and related improvements (the "projects"). Such costs may include the payment of interest on the Bonds for a period during construction and not exceeding one year after completion of construction of the projects.

The Bonds shall be issued pursuant to Article X, Section 9 (d) of the Constitution of Virginia, and neither the Bonds nor any other obligation authorized under this act shall pledge the full faith and credit of the Commonwealth.

§ 5. The projects, and the amount of Bonds authorized to be issued for each such project, are as follows and constitute the Hampton Roads Transportation District Program:

Projects	Bond amount
Hampton Roads Crossing (Third Crossing)	
1. (From I-664/I-64 Interchange	
(Peninsula) to Bowers Hill (I-664, I-64,	
I-264 Interchange))	
2. I-664 to I-564 Connector	
3. Craney Island to the Western	
Freeway (Route 164)	\$2,575,000,000
U.S. Route 460 (From Bowers Hill (I-664, I-64,	
I-264 Interchange) to Southampton/Surry	
County Lines)	705,000,000
I-64 Widening (From Bland Boulevard Interchange	
to James City/New Kent County Lines)	760,000,000
Southeastern Parkway and Greenbelt (From Great	
Bridge Bypass to I-264)	710,000,000

## Midtown Tunnel/Martin Luther King Freeway

## Extension

## 1. Parallel Midtown Tunnel

## 2. Martin Luther King Freeway Extension to

I-264

640,000,000

## Passenger Rail/Magnetic Levitation Service

## and Support Bus Services in the Hampton

## Roads Transportation District

100,000,000

## Total

\$5,490,000,000

For any issuance of Bonds authorized under this act, the priority of allocating proceeds of the Bonds to individual projects shall be determined by the Commonwealth Transportation Board.

To the extent that the cost of any capital project listed above is less than the amount allocated to such project, the Commonwealth Transportation Board may increase the amount allocated to any other capital project listed above. No such allocation to a capital project may be increased, however, until it has been demonstrated to the satisfaction of the Board that (i) the cost of the capital project has been reduced to the extent reasonable, (ii) the capital project has not been expanded or enhanced beyond that originally approved, and (iii) the capital project is suitable and adequate for the scope originally intended. No increase in the amount allocated to any capital project shall constitute an authorization for the issuance of bonds in an amount in excess of the aggregate amount authorized hereunder.

§ 6. The proceeds of the Bonds, including any premium received on the sale thereof, shall be made available by the Commonwealth Transportation Board to pay costs of the projects and, where appropriate, may be paid to any authority, locality, commission or other entity for the purposes of paying for costs of the projects. The proceeds of the Bonds may be used together with any federal, local or private funds that may be made available for such purpose. The proceeds of the Bonds, together with any investment earnings thereon, may at the discretion of the Commonwealth Transportation Board secure the payment of principal or purchase price of and redemption premium, if any, and interest on the Bonds.

§ 7. The terms and structure of each issue of the Bonds shall be determined by the Commonwealth Transportation Board, subject to approval by the Treasury Board in accordance with § 2.2-2416 of the Code of Virginia, as amended. The Bonds of each issue shall be dated, shall be issued in a principal amount (subject to the limitation as to the aggregate principal amount set forth in § 4), shall bear interest at such rate or rates, which may be fixed, adjustable, variable or a combination thereof, and may be determined by a formula or other method, shall mature at such time or times not exceeding thirty-five years after the issuance thereof, and may be made subject to purchase or redemption before their maturity or maturities, at such price or prices and under such terms and conditions, all as may be determined by the Commonwealth Transportation Board. The Commonwealth Transportation Board shall determine the form of the Bonds, whether the Bonds are certificated or uncertificated, and fix the authorized denomination or denominations of the Bonds and the place or places of payment of principal or purchase price of, and redemption premium, if any, and interest on, the Bonds, which may be at the office of the State Treasurer or any bank or trust company within or without the Commonwealth. The principal or purchase price of, and redemption premium, if any, and interest on, the Bonds shall be made payable in lawful money of the United States of America. Each issue of the Bonds may be issued under a system of book entry for recording the ownership and transfer of ownership of rights to receive payments of principal or purchase price of and redemption premium, if any, and interest on such Bonds. All the Bonds shall have and are hereby declared to have, as between successive holders, all the qualities and incidents of negotiable instruments under the negotiable instruments law of the Commonwealth.

The Commonwealth Transportation Board may sell the Bonds from time to time at public or private sale, by competitive bidding, negotiated sale or private placement, for such price or prices as it may determine to be in the best interests of the Commonwealth.

§ 8. The Bonds shall be signed on behalf of the Commonwealth Transportation Board by the

chairman or vice-chairman of the Commonwealth Transportation Board, or shall bear the facsimile signature of such officer, and shall bear the official seal of the Board, which shall be attested by the manual or facsimile signature of the secretary or assistant secretary of the Commonwealth Transportation Board. In the event that the Bonds shall bear the facsimile signature of the chairman or vice-chairman of the Commonwealth Transportation Board, such Bonds shall be signed by such administrative assistant as the chairman of the Transportation Board shall determine or by any registrar/paying agent that may be designated by the Commonwealth Transportation Board. In case any officer whose signature or a facsimile of whose signature appears on any Bonds shall cease to be such officer before the delivery of such Bonds, such signature or facsimile signature nevertheless shall be valid and sufficient for all purposes as if such officer had remained in office until such delivery.

§ 9. All expenses incurred under this Act or in connection with issuance of the Bonds shall be paid from the proceeds of such Bonds or from any available funds as the Commonwealth Transportation Board shall determine.

§ 10. The Commonwealth Transportation Board is hereby authorized to borrow money at such rate or rates through the execution and issuance of notes for the same, but only in the following circumstances and under the following conditions:

a. In anticipation of the sale of the Bonds the issuance of which shall have been authorized by the Commonwealth Transportation Board and shall have been approved by the Governor, if the Commonwealth Transportation Board shall deem it advisable to postpone the issuance of such Bonds; or

b. For the renewal of any anticipation notes herein authorized.

§ 11. The proceeds (including any premium) of the bonds and of any anticipation notes herein authorized (except the proceeds of bonds the issuance of which has been anticipated by such anticipating notes) shall be placed by the State Treasurer in a special fund in the state treasury, or may be placed with a trustee in accordance with § 33.1-283 of the Code of Virginia, as amended, and shall be disbursed only for the purpose for which such Bonds or such anticipation notes shall be issued; provided, however, proceeds derived from the sale of the Bonds herein authorized shall be first used in the payment of any anticipation notes that may have been issued in anticipation of the sale of such Bonds and any renewals of such notes. In the event that the proceeds of the Bonds or anticipation notes exceed the cost of the projects specified in § 5, the Commonwealth Transportation Board shall cause such excess proceeds to be applied to the retirement of the Bonds and such anticipation notes.

§ 12. The Commonwealth Transportation Board is hereby authorized to receive any other funds that may be made available to pay costs of the projects and, subject to appropriation, to make available the same to the payment of the principal or purchase price of, and redemption premium, if any, and interest on, the Bonds authorized hereby and to enter into the appropriate agreements to allow for those funds to be paid into the state treasury, or to a trustee in accordance with § 33.1-283 of the Code of Virginia, as amended, to pay a part of the costs of the projects or to pay principal or purchase price of, and redemption premium, if any, and interest on the Bonds.

§ 13. The Commonwealth Transportation Board, prior to the issuance of such Bonds, may establish a minimum reserve fund requirement for the Bonds.

§ 14. The Commonwealth Transportation Board, in connection with the issuance of the Bonds, shall establish a fund in accordance with § 33.1-286 of the Code of Virginia, as amended, either in the state treasury or with a trustee in accordance with § 33.1-283 of the Code of Virginia, as amended, which shall secure and be used for the payment of the Bonds to the credit of which there shall be deposited such amounts, appropriated therefor by the General Assembly, as are required to pay principal or purchase price of, and redemption premium, if any, and interest on, the Bonds, as and when due and payable, from (i) revenues received from the Hampton Roads Transportation District Fund, (ii) to the extent required, funds appropriated and allocated, pursuant to the highway allocation formula as provided by law, to the highway construction district in which the project or projects to be financed are located or to the city or county in which the project or projects to be financed are located, (iii) to the extent required, legally available revenues of the Transportation Trust Fund, and (iv) to the extent required for the payment of the Bonds, any other legally available funds that shall have been appropriated by the General Assembly.

§ 15. Bond proceeds and monies in any reserve funds and sinking funds in respect of the Bonds shall be invested by the State Treasurer in accordance with the provisions of general law relating to the investment of such funds belonging to or in the control of the Commonwealth, or by a trustee in accordance with § 33.1-283 of the Code of Virginia, as amended.

§ 16. The interest income from, and any profit made on the sale of, the obligations issued under the provisions of this Act shall at all times be free and exempt from taxation by the Commonwealth and by any municipality, county or other political subdivision thereof.

§ 17. All obligations issued under the provisions of this Act are hereby made securities in which all

1270 *persons and entities listed in § 33.1-280 of the Code of Virginia, as amended, may properly and legally*  
1271 *invest funds under their control.*

1272 *§ 18. If any part of this act or the application thereof to any person or circumstance is held invalid*  
1273 *by a court of competent jurisdiction, such holding shall not affect the validity of the remainder of the*  
1274 *provisions or applications of the act, which can be given effect without the invalid provision or*  
1275 *application, and to this end the provisions of this act are severable.*

1276 **4. That the additional state sales and use tax provided under this act in subsection B of § 58.1-603**  
1277 **and subsection B of § 58.1-604 shall be levied and imposed only if approved in a referendum by**  
1278 **the qualified voters in Arlington County, Fairfax County, Loudoun County, Prince William**  
1279 **County, the City of Alexandria, the City of Fairfax, the City of Falls Church, the City of**  
1280 **Manassas, and the City of Manassas Park.**

1281 **It shall be the duty of the regular election officers in Arlington County, Fairfax County, Loudoun**  
1282 **County, Prince William County, the City of Alexandria, the City of Fairfax, the City of Falls**  
1283 **Church, the City of Manassas, and the City of Manassas Park conducting the election directed by**  
1284 **law to be held on Tuesday, November 5, 2002, at the places appointed for holding the same, to**  
1285 **open a poll on such day and take the sense of the qualified voters upon the ratification or**  
1286 **rejection of the additional tax in those localities as provided under subsection B of § 58.1-603 and**  
1287 **subsection B of § 58.1-604. Notice of the referendum shall be given, the ballots shall be prepared,**  
1288 **distributed and voted, and the results thereof ascertained and certified, in accordance with Title**  
1289 **24.2 of the Code of Virginia, relating to special elections.**

1290 **The ballot shall contain the following question:**

1291 **"Question: Shall an additional state sales and use tax of one percent be levied in Arlington**  
1292 **County, Fairfax County, Loudoun County, Prince William County, the City of Alexandria, the**  
1293 **City of Fairfax, the City of Falls Church, the City of Manassas, and the City of Manassas Park in**  
1294 **accordance with subsection B of § 58.1-603 and subsection B of § 58.1-604 of the Code of Virginia,**  
1295 **with the revenues to be used solely for transportation projects and transportation programs as**  
1296 **specified in Chapter ( . . ) of the Acts of Assembly of 2002."**

1297 **The State Board of Elections shall cause to be sent to the electoral boards of such counties and**  
1298 **cities sufficient copies of the full text of this act and the question contained herein for the officers**  
1299 **of election to post in each polling place on election day. The State Board of Elections shall without**  
1300 **delay make out and transmit to the Governor and to the Treasury Board an official copy of the**  
1301 **report of the whole number of votes cast at the election for and against the referendum question,**  
1302 **certified by it. The expenses incurred in conducting this election shall be defrayed as in the case of**  
1303 **election of members of the General Assembly.**

1304 **5. That the additional state sales and use tax provided under this act in subsection C of § 58.1-603**  
1305 **and subsection C of § 58.1-604, and the additional tolls set forth in this enactment, shall be levied**  
1306 **and imposed only if approved in a referendum by the qualified voters in the Counties of Isle of**  
1307 **Wight, James City, and York and the Cities of Chesapeake, Hampton, Newport News, Norfolk,**  
1308 **Poquoson, Portsmouth, Suffolk, Virginia Beach, and Williamsburg.**

1309 **It shall be the duty of the regular election officers in the Counties of Isle of Wight, James City,**  
1310 **and York and the Cities of Chesapeake, Hampton, Newport News, Norfolk, Poquoson, Portsmouth,**  
1311 **Suffolk, Virginia Beach, and Williamsburg conducting the election directed by law to be held on**  
1312 **Tuesday, November 5, 2002, at the places appointed for holding the same, to open a poll on such**  
1313 **day and take the sense of the qualified voters upon the ratification or rejection of such tolls and**  
1314 **the additional tax in those localities as provided under subsection C of § 58.1-603 and subsection C**  
1315 **of § 58.1-604. Notice of the referendum shall be given, the ballots shall be prepared, distributed**  
1316 **and voted, and the results thereof ascertained and certified, in accordance with Title 24.2 of the**  
1317 **Code of Virginia, relating to special elections.**

1318 **The ballots to be used at the election shall pose the question in substantially the following form:**

1319 **"Shall an additional one percent retail sales and use tax be imposed in Isle of Wight County,**  
1320 **James City County, York County, the City of Chesapeake, the City of Hampton, the City of**  
1321 **Newport News, the City of Norfolk, the City of Poquoson, the City of Portsmouth, the City of**  
1322 **Suffolk, the City of Virginia Beach, and the City of Williamsburg, and shall there be per passage**  
1323 **tolls of \$1.50 on Route 460 and \$1.50 on the Southeastern Parkway and Greenbelt, with the**  
1324 **revenues from the tax and tolls to be used solely for transportation projects as specified in**  
1325 **Chapter (...Chapter number...) of the 2002 Acts of Assembly?**

1326 **☐ Yes**

1327 **☐ No"**

1328 **The State Board of Elections shall cause to be sent to the electoral boards of such counties and**  
1329 **cities sufficient copies of the full text of this act and the question contained herein for the officers**  
1330 **of election to post in each polling place on election day. The State Board of Elections shall without**  
1331 **delay make out and transmit to the Governor and to the Treasury Board an official copy of the**

report of the whole number of votes cast at the election for and against the referendum question, certified by it. The expenses incurred in conducting this election shall be defrayed as in the case of election of members of the General Assembly.

6. That the Department of Taxation shall promulgate all necessary and reasonable regulations to govern the administration of the taxes created by this act.

7. That the additional tolls and tax, including the increase in the tax paid by dealers described under § 58.1-614, described in the fifth enactment shall end upon final payment of the principal and interest on all bonds and other indebtedness issued pursuant to the third enactment of this act. The Commonwealth Transportation Board shall notify the chairmen of the Senate Committee on Finance and the House Committee on Appropriations and the Tax Commissioner no later than nine months prior to the projected date that such bonds and other indebtedness shall be paid in full. Upon such notification, the Tax Commissioner shall take such procedures as is necessary to ensure that the additional tax described in subsection C of § 58.1-603 and subsection C of § 58.1-604 shall not be collected after 12:00 p.m. of the projected payout date. Such procedures shall include notifying dealers of the last day that such additional tax shall be collected.

In addition, the Commonwealth Transportation Board shall take such procedures as is necessary to ensure that any such tolls imposed shall not be collected after 12:00 p.m. of the projected payout date.

8. That the revenues dedicated to transportation purposes pursuant to subsections G and H of § 58.1-638 shall not be used to calculate or reduce the share of local, federal, and state revenues otherwise available to participating jurisdictions, to the Northern Virginia Transportation District, or to the Hampton Roads construction district. Further, such revenues and moneys shall not be included in any computation of, or formula for, a locality's ability to pay for public education, upon which appropriations of state revenues to local governments for public education are determined.

9. That, as a condition of the financial assistance for transportation projects located in a city or county set forth in subsection B of § 58.1-603 or subsection B of § 58.1-604, as such financial assistance is provided under this act, such city or county shall not reduce its local contribution to Metrorail capital improvements below the amount it contributed for such improvements in its operating year that began in calendar year 2001.

10. That, except for the fourth and fifth enactments, the thirteenth enactment and the provisions of this act related to the taxes described in the fourth enactment shall be effective on July 1, 2003, and only if a majority of those voting at the election and upon the question described in the fourth enactment of this act vote in the affirmative upon such question. For purposes of this act, "a majority of those voting at the election" means a majority of those voting in the entire region constituted by the localities specified in the fourth enactment, and does not require a majority of those voting in each locality.

11. That, except for the fourth and fifth enactments, the provisions of this act related to the taxes and tolls described in the fifth enactment shall be effective on July 1, 2003, and only if a majority of those voting at the election and upon the question described in the fifth enactment of this act vote in the affirmative upon such question. For purposes of this act, "a majority of those voting at the election" means a majority of those voting in the entire region constituted by the localities specified in the fifth enactment, and does not require a majority of those voting in each locality.

12. That if any clause, sentence, paragraph, section, or part of this act or the application thereof to any person, entity, or circumstance is adjudged invalid by any court of competent jurisdiction, such judgment shall not affect the validity of the remainder hereof but shall be confined to the clause, sentence, paragraph, section, or part hereof directly involved in the controversy in which such judgment shall have been rendered, and to this end the provisions of this act are severable.

13. That Article 22 (§§ 58.1-540 through 58.1-549) of Chapter 3 of Title 58.1 of the Code of Virginia is repealed.