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SENATE BILL NO. 668

Offered January 18, 2002

A *BILL* authorizing the issuance of Commonwealth of Virginia Transportation Revenue Bonds by and with the consent of the Governor pursuant to the provisions of Article 5 (§ 33.1-267 et seq.) of Chapter 3 of Title 33.1 of the Code of Virginia and as permitted by Section 9 (d) of Article X of the Constitution of Virginia, in a principal amount not exceeding \$6,590,000,000 to finance the cost of projects specified in § 33.1-268, plus an amount for financing expenses, for the purpose of providing funds, with any other available funds, for paying all or a portion of the costs incurred or to be incurred for construction of an adequate, modern, safe, and efficient transportation system in that part of the Commonwealth that comprises the Hampton Roads Transportation District Program; authorizing the Commonwealth Transportation Board to fix the details of such bonds and to provide for the sale of such bonds at public or private sale; authorizing the Commonwealth Transportation Board, by and with the consent of the Governor, to borrow money in anticipation of the issuance of the bonds; providing that interest on bonds issued under this act shall be exempt from all taxation by the Commonwealth and any political subdivision thereof; providing for the pledge of revenues from the imposition of an additional one and one-half percent state retail sales and use tax in the Counties of Isle of Wight, James City, and York and the Cities of Chesapeake, Hampton, Newport News, Norfolk, Poquoson, Portsmouth, Suffolk, Virginia Beach, and Williamsburg, and from tolls on certain transportation facilities located in such counties and cities; to amend and reenact §§ 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, and 58.1-638 of the Code of Virginia; to amend the Code of Virginia by adding sections numbered 33.1-221.1:7 and 58.1-638.1; and providing that this act shall not become effective and that no bonds shall be issued hereunder unless the question of whether such tax and tolls shall be imposed is affirmed by the voters of such counties and cities in a regional referendum; relating to tolls on transportation facilities located in such counties and cities and an additional one and one-half percent state retail sales and use tax in such counties and cities, and dedicating the revenues from such tolls and tax to the issuance of bonds in a principal amount not exceeding \$6,590,000,000 to finance the costs of projects comprising the Hampton Roads Transportation District Program.

Patrons—Williams, Blevins, Lucas, Maxwell, Miller, Y.B., Norment, Quayle, Rerras, Stolle and Wagner;
Delegates: Barlow, Christian, Councill, Hamilton, Oder, Purkey, Rollison, Spruill and Suit

Referred to Committee on Finance

Be it enacted by the General Assembly of Virginia:

1. That §§ 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, and 58.1-638 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:

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

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

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

B. The General Assembly declares it to be in the public interest that the economic development needs and economic growth potential of Hampton Roads be addressed by a special transportation program to provide for the costs of providing an adequate, modern, safe and efficient transportation network in Hampton Roads, which shall be known as the Hampton Roads 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: 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.

C. Allocations to this Program from the Hampton Roads Transportation District Fund established by § 58.1-638.1 shall be made by the Commonwealth Transportation Board for the creation and

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58 *enhancement of a safe, efficient transportation system connecting the communities, businesses, places of*
59 *employment and residences of the Commonwealth, thereby enhancing the economic development*
60 *potential, employment opportunities, mobility and quality of life in Virginia.*

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

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

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

79 *§ 33.1-268. Definitions.*

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

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

84 (2) *The word "project" or "projects" means any one or more of the following:*

85 (a) *York River Bridges, extending from a point within the Town of Yorktown in York County, or*
86 *within York County across the York River to Gloucester Point or some point in Gloucester County.*

87 (b) *Rappahannock River Bridge, extending from Greys Point, or its vicinity, in Middlesex County,*
88 *across the Rappahannock River to a point in the vicinity of White Stone, in Lancaster County, or at*
89 *some other feasible point in the general vicinity of the two respective points.*

90 (c), (d) *[Reserved.]*

91 (e) *James River Bridge, from a point at or near Jamestown, in James City County, across the James*
92 *River to a point in Surry County.*

93 (f), (g) *[Reserved.]*

94 (h) *James River, Chuckatuck and Nansemond River Bridges, together with necessary connecting*
95 *roads, in the Cities of Newport News and Suffolk and the County of Isle of Wight.*

96 (i) *[Reserved.]*

97 (j) *Hampton Roads Bridge, Tunnel, or Bridge and Tunnel System, extending from a point or points*
98 *in the Cities of Newport News and Hampton on the northwest shore of Hampton Roads across Hampton*
99 *Roads to a point or points in the City of Norfolk or Suffolk on the southeast shore of Hampton Roads.*

100 (k) *The Norfolk-Virginia Beach Highway, extending from a point in the vicinity of the intersection*
101 *of Interstate Route 64 and Primary Route 58 at Norfolk to some feasible point between London Bridge*
102 *and Primary Route 60.*

103 (l) *The Henrico-James River Bridge, extending from a point on the eastern shore of the James River*
104 *in Henrico County to a point on the western shore, between Falling Creek and Bells Road interchanges*
105 *of the Richmond-Petersburg Turnpike; however, the project shall be deemed to include all property,*
106 *rights, easements and franchises relating to any of the foregoing projects and deemed necessary or*
107 *convenient for the operation thereof and to include approaches thereto.*

108 (m) *The limited access highway between the Patrick Henry Airport area and the Newport News*
109 *downtown area which generally runs parallel to tracks of the Chesapeake and Ohio Railroad.*

110 (n) *Dulles Access Road outer roadways, extending from a point on Route 7 in Loudoun County in*
111 *an easterly direction to a point east of Route 123 on the Dulles Access Road in Fairfax County. These*
112 *roadways are to be two or three lanes in each direction constructed adjacent to, and parallel to or*
113 *extending west from, the Dulles Access Road.*

114 (o), (p) *[Repealed.]*

115 (q) *Subject to the limitations and approvals of § 33.1-279.1, any other highway for a primary*
116 *highway transportation improvement district or transportation service district which the Board has agreed*
117 *to finance under a contract with any such district or any other alternative mechanism for generation of*
118 *local revenues for specific funding of a project satisfactory to the Commonwealth Transportation Board,*
119 *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

181 first from revenues received pursuant to contracts with a primary highway transportation improvement
182 district or transportation service district or other local revenue sources for which specific funding of any
183 such bonds may be authorized by law; second, to the extent required, from funds appropriated and
184 allocated, pursuant to the highway allocation formula as provided by law, to the highway construction
185 district in which the project or projects to be financed are located or to the county or counties in which
186 the project or projects to be financed are located; and third, to the extent required, from other legally
187 available revenues of the Trust Fund and from any other available source of funds;

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

193 4a. Issue revenue bonds of the Commonwealth to be known and designated as "Commonwealth of
194 Virginia Transportation Revenue Bonds," secured, subject to their appropriation by the General
195 Assembly, first from (i) revenues received from the Northern Virginia Transportation District Fund, (ii)
196 to the extent required, funds appropriated and allocated, pursuant to the highway allocation formula as
197 provided by law, to the highway construction district in which the project or projects to be financed are
198 located or to the city or county in which the project or projects to be financed are located, (iii) to the
199 extent required, legally available revenues of the Transportation Trust Fund, and (iv) such other funds
200 which may be appropriated by the General Assembly;

201 4b. Issue revenue bonds of the Commonwealth to be known and designated as "Commonwealth of
202 Virginia Transportation Program Revenue Bonds" secured, subject to their appropriation by the General
203 Assembly, first from (i) any revenues received from any Set-aside Fund established by the General
204 Assembly pursuant to § 58.1-816.1, (ii) to the extent required, revenues received pursuant to any
205 contract with a local jurisdiction or any alternative mechanism for generation of local revenues for
206 specific funding of a project satisfactory to the Commonwealth Transportation Board, (iii) to the extent
207 required, funds appropriated and allocated, pursuant to the highway allocation formula as provided by
208 law, to the highway construction district in which the project or projects to be financed are located or to
209 the city or county in which the project or projects to be financed are located, (iv) to the extent required,
210 legally available revenues of the Transportation Trust Fund, and (v) such other funds which may be
211 appropriated by the General Assembly. No bonds for any project or projects shall be issued under the
212 authority of this subsection unless such project or projects are specifically included in a bill or resolution
213 passed by the General Assembly;

214 4c. Issue revenue bonds of the Commonwealth to be known and designated as "Commonwealth of
215 Virginia Transportation Program Revenue Bonds" secured, subject to their appropriation by the General
216 Assembly, first from (i) any revenues received from the Commonwealth Transit Capital Fund established
217 by the General Assembly pursuant to subdivision A 4 g of § 58.1-638, (ii) to the extent required, legally
218 available revenues of the Transportation Trust Fund, and (iii) such other funds which may be
219 appropriated by the General Assembly. No bonds for any project or projects shall be issued under the
220 authority of this subsection unless such project or projects are specifically included in a bill or resolution
221 passed by the General Assembly;

222 4d. Issue revenue bonds of the Commonwealth from time to time to be known and designated as
223 "Commonwealth of Virginia Federal Highway Reimbursement Anticipation Notes" secured, subject to
224 their appropriation by the General Assembly, (i) first from any federal highway reimbursements and any
225 other federal highway assistance received from time to time by the Commonwealth, (ii) then, at the
226 discretion of the Board, to the extent required, from legally available revenues of the Transportation
227 Trust Fund, and (iii) then from such other funds, if any, which are designated by the General Assembly
228 for such purpose;

229 4e. *Issue revenue bonds of the Commonwealth to be known and designated as "Commonwealth of*
230 *Virginia Transportation Revenue Bonds," secured, subject to their appropriation by the General*
231 *Assembly, first from (i) revenues received from the Hampton Roads Transportation District Fund, (ii) to*
232 *the extent required, funds appropriated and allocated, pursuant to the highway allocation formula as*
233 *provided by law, to the highway construction district in which the project or projects to be financed are*
234 *located or to the city or county in which the project or projects to be financed are located, (iii) to the*
235 *extent required, legally available revenues of the Transportation Trust Fund, and (iv) such other funds*
236 *that may be appropriated by the General Assembly;*

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

239 6. Construct grade separations at intersections of any projects with public highways, streets or other
240 public ways or places and change and adjust the lines and grades thereof so as to accommodate the
241 same to the design of such grade separations, the cost of such grade separations and any damage
242 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 such municipality, county, or political subdivision. The Commonwealth or such municipality, county, political subdivision, public utility or public service corporation may maintain and operate such public utility facilities with the necessary appurtenances, in the new location or locations, for as long a period and upon the same terms and conditions as it had the right to maintain and operate such public utility facilities in their former location or locations;

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

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

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

§ 33.1-277. Credit of Commonwealth not pledged.

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

B. Commonwealth of Virginia Transportation Contract Revenue Bonds issued under the provisions of this article shall not be deemed to constitute a debt of the Commonwealth of Virginia or a pledge of the

304 faith and credit of the Commonwealth, but such bonds shall be payable solely from the funds herein
305 provided therefor (i) from revenues received pursuant to contracts with a primary highway transportation
306 district or transportation service district or any other alternative mechanism for generation of local
307 revenues for specific funding of a project satisfactory to the Commonwealth Transportation Board, (ii) to
308 the extent required, from funds appropriated and allocated, pursuant to the highway allocation formula as
309 provided by law, to the highway construction district in which the project or projects to be financed are
310 located or to the county or counties in which such project or projects are located, (iii) from bond
311 proceeds or earnings thereon, (iv) to the extent required, from other legally available revenues of the
312 Trust Fund, and (v) from any other available source of funds. All such bonds shall state on their face
313 that the Commonwealth of Virginia is not obligated to pay the same or the interest thereon except from
314 revenues in clauses (i) and (iii) hereof and that the faith and credit of the Commonwealth are not
315 pledged to the payment of the principal and interest of such bonds. The issuance of such revenue bonds
316 under the provisions of this article shall not directly or indirectly or contingently obligate the
317 Commonwealth to levy or to pledge any form of taxation whatever or to make any appropriation for
318 their payment, other than to appropriate available funds derived as revenues under this article from the
319 sources set forth in clauses (i) and (iii) hereof. Nothing in this article shall be construed to obligate the
320 General Assembly to make any appropriation of the funds set forth in clause (ii) or (iv) hereof for
321 payment of such bonds.

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

329 D. Commonwealth of Virginia Transportation Revenue Bonds issued under this article for Category 1
330 projects as provided in subdivision (2) (s) of § 33.1-268 shall not be deemed to constitute a debt of the
331 Commonwealth of Virginia or a pledge of the faith and credit of the Commonwealth. Such bonds shall
332 be payable solely, subject to their appropriation by the General Assembly, first from (i) revenues
333 received from the Northern Virginia Transportation District Fund, (ii) to the extent required, funds
334 appropriated and allocated, pursuant to the highway allocation formula as provided by law, to the
335 highway construction district in which the project or projects to be financed are located or to the city or
336 county in which the project or projects to be financed are located, (iii) to the extent required, legally
337 available revenues of the Transportation Trust Fund, and (iv) such other funds which may be
338 appropriated by the General Assembly.

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

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

360 G. *Commonwealth of Virginia Transportation Revenue Bonds issued under this article as provided in*
361 *subdivision (2) (v) of § 33.1-268 shall not be deemed to constitute a debt of the Commonwealth of*
362 *Virginia or a pledge of the faith and credit of the Commonwealth. Such bonds shall be payable solely,*
363 *subject to their appropriation by the General Assembly, first from (i) revenues received from the*
364 *Hampton Roads Transportation District Fund, (ii) to the extent required, funds appropriated and*
365 *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, in addition to the tax imposed under subsection A, an additional sales tax of one and one-half percent is hereby levied and imposed on the property, activities and services described in subsection A in (i) the geographical boundaries of the Counties of Isle of Wight, James City, and York; and (ii) the geographical boundaries of the Cities of Chesapeake, Hampton, Newport News, Norfolk, Poquoson, Portsmouth, Suffolk, Virginia Beach, and Williamsburg.

§ 58.1-604. Imposition of use tax.

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

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

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

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

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

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

B. Beginning July 1, 2003, in addition to the tax imposed under subsection A, an additional use tax of one and one-half percent is hereby levied and imposed on the property, activities and services described in subsection A in (i) the geographical boundaries of the Counties of Isle of Wight, James City, and York; and (ii) the geographical boundaries of the Cities of Chesapeake, Hampton, Newport News, Norfolk, Poquoson, Portsmouth, Suffolk, Virginia Beach, and Williamsburg.

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

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

1. From January 1, 2000, through March 31, 2001, the tax rate on such food shall be three 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, (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, and (iii) the revenue from the tax at the rate of one and one-half percent shall be used for general fund purposes.

2. From April 1, 2001, through March 31, 2002, the tax rate on such food shall be two 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, (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, and (iii) the revenue from the tax at the rate of one percent shall be used for general fund purposes.

3. From April 1, 2002, through March 31, 2003, the tax rate on such food shall be two 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, (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, 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. § 1012, 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 § 2.2-813, 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 subsection B of § 58.1-603 and by subsection B 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; *provided that beginning July 1, 2003, such wholesale purchases shall be taxed at the rate of six percent within the geographical boundaries of the counties and cities included in subsection B of § 58.1-603 and subsection B of § 58.1-604.*

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.

The following brackets of prices shall be used for the collection of the tax imposed by this chapter, *except for such tax imposed within the geographical boundaries of the counties and cities included in subsection B of § 58.1-603 and subsection B of § 58.1-604:*

\$0.00	to	\$0.14	no tax
.15	to	.42	1¢ tax
.43	to	.71	2¢ tax
.72	to	.99	3¢ tax
1.00	to	1.28	4¢ tax
1.29	to	1.57	5¢ tax
1.58	to	1.85	6¢ tax
1.86	to	2.14	7¢ tax
2.15	to	2.42	8¢ tax
2.43	to	2.71	9¢ tax
2.72	to	2.99	10¢ tax
3.00	to	3.28	11¢ tax
3.29	to	3.57	12¢ tax
3.58	to	3.85	13¢ tax
3.86	to	4.14	14¢ tax
4.15	to	4.42	15¢ tax
4.43	to	4.71	16¢ tax
4.72	to	5.00	17¢ tax

Except within the geographical boundaries of the counties and cities included in subsection B of § 58.1-603 and subsection B of § 58.1-604, On transactions over greater than five dollars, the tax shall be computed at three and one-half percent, one-half cent or more being treated as one cent. Within the geographical boundaries of the counties and cities included in subsection B of § 58.1-603 and subsection B of § 58.1-604, on transactions greater than five dollars, the tax shall be computed at three and one-half percent through 12:00 p.m. on June 30, 2003, and at a rate of five percent beginning July 1, 2003, one-half cent or more being treated as one cent. If a dealer 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.

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

The following brackets of prices shall be used for the collection of the combined state and local tax, *except for such tax imposed within the geographical boundaries of the counties and cities included in subsection B of § 58.1-603 and subsection B of § 58.1-604:*

\$0.00	to	\$0.11	no tax
.12	to	.33	1¢ tax
.34	to	.55	2¢ tax
.56	to	.77	3¢ tax
.78	to	.99	4¢ tax

548	1.00	to	1.22	5¢ tax
549	1.23	to	1.44	6¢ tax
550	1.45	to	1.66	7¢ tax
551	1.67	to	1.88	8¢ tax
552	1.89	to	2.11	9¢ tax
553	2.12	to	2.33	10¢ tax
554	2.34	to	2.55	11¢ tax
555	2.56	to	2.77	12¢ tax
556	2.78	to	2.99	13¢ tax
557	3.00	to	3.22	14¢ tax
558	3.23	to	3.44	15¢ tax
559	3.45	to	3.66	16¢ tax
560	3.67	to	3.88	17¢ tax
561	3.89	to	4.11	18¢ tax
562	4.12	to	4.33	19¢ tax
563	4.34	to	4.55	20¢ tax
564	4.56	to	4.77	21¢ tax
565	4.78	to	5.00	22¢ tax

566
567 *Except within the geographical boundaries of the counties and cities described in subsection B of*
568 *§ 58.1-603 and subsection B of § 58.1-604, On transactions over greater than five dollars, the tax*
569 *shall be computed at four and one-half percent, one half cent or more being treated as one cent. Within*
570 *the geographical boundaries of the counties and cities included in subsection B of § 58.1-603 and*
571 *subsection B of § 58.1-604, on transactions greater than five dollars, the tax shall be computed at four*
572 *and one-half percent through 12:00 p.m. on June 30, 2003, and at a rate of six percent beginning July*
573 *1, 2003, one-half cent or more being treated as one cent. The foregoing bracket system shall not relieve*
574 *the dealer from the duty and liability to remit an amount equal to four and one-half percent the*
575 *applicable percentage of his gross taxable sales as provided in this chapter. If the dealer, however, can*
576 *show to the satisfaction of the Tax Commissioner that more than eighty-five percent of the total dollar*
577 *volume of his gross taxable sales during the taxable month was from individual sales at prices of ten*
578 *cents or less each and that he was unable to adjust his prices in such manner as to prevent the economic*
579 *incidence of the sales tax from falling on him, the Tax Commissioner shall determine the proper tax*
580 *liability of the dealer based on that portion of the dealer's gross taxable sales which was from sales at*
581 *prices of eleven cents or more.*

582 § 58.1-638. Disposition of state sales and use tax revenue; Transportation Trust Fund; localities'
583 share; Game Protection Fund.

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

586 1. The sales and use tax revenue generated by the one-half percent sales and use tax increase enacted
587 by the 1986 Special Session of the General Assembly shall be paid, in the manner hereinafter provided
588 in this section, to the Transportation Trust Fund as defined in § 33.1-23.03:1. Of the funds paid to the
589 Transportation Trust Fund, an aggregate of 4.2 percent shall be set aside as the Commonwealth Port
590 Fund as provided in this section; an aggregate of 2.4 percent shall be set aside as the Commonwealth
591 Airport Fund as provided in this section; and an aggregate of 14.5 percent in fiscal year 1998-1999 and
592 14.7 percent in fiscal year 1999-2000 and thereafter shall be set aside as the Commonwealth Mass
593 Transit Fund as provided in this section. The Fund's share of such net revenue shall be computed as an
594 estimate of the net revenue to be received into the state treasury each month, and such estimated
595 payment shall be adjusted for the actual net revenue received in the preceding month. All payments shall
596 be made to the Fund on the last day of each month.

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

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

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

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

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

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

4. 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 Mass Transit Fund.

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

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

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

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

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

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

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

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

(c) To finance up to ninety-five percent of the cost of the development and implementation of any other project designated by the Board where the purpose of such project is to enhance the provision and

669 use of public transportation services.

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

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

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

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

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

688 g. There is hereby created in the Department of the Treasury a special nonreverting fund known as
689 the Commonwealth Transit Capital Fund. The Commonwealth Transit Capital Fund shall be part of the
690 Commonwealth Mass Transit Fund. The Commonwealth Transit Capital Fund subaccount shall be
691 established on the books of the Comptroller and consist of such moneys as are appropriated to it by the
692 General Assembly and of all donations, gifts, bequests, grants, endowments, and other moneys given,
693 bequeathed, granted, or otherwise made available to the Commonwealth Transit Capital Fund. Any funds
694 remaining in the Commonwealth Transit Capital Fund at the end of the biennium shall not revert to the
695 general fund, but shall remain in the Commonwealth Transit Capital Fund. Interest earned on funds
696 within the Commonwealth Transit Capital Fund shall remain in and be credited to the Commonwealth
697 Transit Capital Fund. Proceeds of the Commonwealth Transit Capital Fund may be paid to any political
698 subdivision, another public entity created by an act of the General Assembly, or a private entity as
699 defined in § 56-557 and for purposes as enumerated in subdivision 4c of § 33.1-269 or expended by the
700 Department of Rail and Public Transportation for the purposes specified in this subdivision. Revenues of
701 the Commonwealth Transit Capital Fund shall be used to support capital expenditures involving the
702 establishment, improvement, or expansion of public transportation services through specific projects
703 approved by the Commonwealth Transportation Board. Projects financed by the Commonwealth Transit
704 Capital Fund shall receive local, regional or private funding for at least twenty percent of the nonfederal
705 share of the total project cost.

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

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

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

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

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

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

727 D. The net revenue so distributable among the counties and cities shall be apportioned and
728 distributed upon the basis as certified to the Comptroller by the Department of Education, of the number
729 of children in each county and city according to the most recent statewide census of school population
730 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 Recreation, shall be paid into the Game Protection Fund established under § 29.1-101 and shall be used, in part, to defray the cost of law enforcement. Not later than thirty days after the close of each quarter, the Comptroller shall transfer to the Game Protection Fund the appropriate amount of collections to be dedicated to such Fund. At any time that the balance in the Capital Improvement Fund, established under § 29.1-101.1, is equal to or in excess of \$35 million, any portion of sales and use tax revenues that would have been transferred to the Game Protection Fund, established under § 29.1-101, in excess of the net operating expenses of the Board, after deduction of other amounts which accrue to the Board and are set aside for the Game Protection Fund, shall remain in the general fund until such time as the balance in the Capital Improvement Fund is less than \$35 million.

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

G. *The revenue generated and collected from the additional one and one-half percent tax, beginning July 1, 2003, pursuant to subsection B of § 58.1-603 and subsection B of § 58.1-604, shall be deposited in the Hampton Roads Transportation District Fund established under § 58.1-638.1.*

The revenue credited to such fund shall be the gross revenue generated and collected from the additional taxes provided under subsection B of § 58.1-603 and subsection B of § 58.1-604, less the applicable portion of any refunds to taxpayers. Such revenue shall be credited to the Hampton Roads Transportation District Fund by the Comptroller as soon as practicable.

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

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

A. *There is hereby created in the Department of the Treasury a special nonreverting fund that shall be a part of the Transportation Trust Fund and that shall be known as the Hampton Roads Transportation District Fund (the Fund), consisting of revenues from the additional sales tax imposed pursuant to subsection B of § 58.1-603, the additional use tax imposed pursuant to subsection B of § 58.1-604 and tolls on certain transportation facilities as described in subsection C. 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 or § 33.1-23.4, which may be deposited into the Fund pursuant to a contract between a jurisdiction participating in the Hampton Roads 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 that 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.*

B. *Allocations from this Fund may be paid (i) to any authority, locality or commission for the purposes of paying the costs of the Hampton Roads Transportation District Program, which consists of the following: 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.

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

2. That the following is the Hampton Roads Transportation District Program Act of 2002.

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

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

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

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

"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 \$6,590,000,000 (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
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Hampton Roads Crossing (Third Crossing)	
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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)	\$3,575,000,000
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	200,000,000
Total	\$6,590,000,000

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

911 *secure the payment of principal or purchase price of and redemption premium, if any, and interest on*
912 *the Bonds.*

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

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

936 *§ 8. The Bonds shall be signed on behalf of the Commonwealth Transportation Board by the*
937 *chairman or vice-chairman of the Commonwealth Transportation Board, or shall bear the facsimile*
938 *signature of such officer, and shall bear the official seal of the Board, which shall be attested by the*
939 *manual or facsimile signature of the secretary or assistant secretary of the Commonwealth*
940 *Transportation Board. In the event that the Bonds shall bear the facsimile signature of the chairman or*
941 *vice-chairman of the Commonwealth Transportation Board, such Bonds shall be signed by such*
942 *administrative assistant as the chairman of the Transportation Board shall determine or by any*
943 *registrar/paying agent that may be designated by the Commonwealth Transportation Board. In case any*
944 *officer whose signature or a facsimile of whose signature appears on any Bonds shall cease to be such*
945 *officer before the delivery of such Bonds, such signature or facsimile signature nevertheless shall be*
946 *valid and sufficient for all purposes as if such officer had remained in office until such delivery.*

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

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

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

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

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

968 *§ 12. The Commonwealth Transportation Board is hereby authorized to receive any other funds that*
969 *may be made available to pay costs of the projects and, subject to appropriation, to make available the*
970 *same to the payment of the principal or purchase price of, and redemption premium, if any, and interest*
971 *on, the Bonds authorized hereby and to enter into the appropriate agreements to allow for those funds*
972 *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 persons and entities listed in § 33.1-280 of the Code of Virginia, as amended, may properly and legally invest funds under their control.

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

3. That the additional state sales and use tax and tolls provided under this act shall be levied and imposed only if approved in a referendum. Only the qualified voters in the Counties of Isle of Wight, James City, and York and the Cities of Chesapeake, Hampton, Newport News, Norfolk, Poquoson, Portsmouth, Suffolk, Virginia Beach, and Williamsburg shall vote on the referendum question.

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

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

"Shall an additional one and one-half percent retail sales and use tax be imposed in 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 shall there be per passage tolls of \$1.50 on Route 460 and \$1.50 on the Southeastern Parkway and Greenbelt, with the revenues from the tax and tolls to be used solely for transportation projects as specified in Chapter (...Chapter number...) of the 2002 Acts of Assembly?

☐ Yes

☐ No"

The State Board of Elections shall cause to be sent to the electoral boards of such counties and cities sufficient copies of the full text of this act and the question contained herein for the officers of election to post in each polling place on election day. The State Board of Elections shall without 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

1034 election of members of the General Assembly.

1035 4. That the additional tolls and tax, including the increase in the tax paid by dealers described
1036 under § 58.1-614, provided under this act shall end upon final payment of the principal and
1037 interest on all bonds and other indebtedness issued pursuant to the second enactment of this act.
1038 The Commonwealth Transportation Board shall notify the chairmen of the Senate Committee on
1039 Finance and the House Committee on Appropriations and the Tax Commissioner no later than
1040 nine months prior to the projected date that such bonds and other indebtedness shall be paid in
1041 full. Upon such notification, the Tax Commissioner shall take such procedures as is necessary to
1042 ensure that the additional tax described in subsection B of § 58.1-603 and subsection B of
1043 § 58.1-604 shall not be collected after 12:00 p.m. of the projected payout date. Such procedures
1044 shall include notifying dealers of the last day that such additional tax shall be collected.

1045 In addition, the Commonwealth Transportation Board shall take such procedures as is necessary
1046 to ensure that any tolls imposed pursuant to this act shall not be collected after 12:00 p.m. of the
1047 projected payout date.

1048 5. That the revenues and other moneys in the Hampton Roads Transportation District Fund
1049 dedicated to transportation purposes under this act shall not diminish or replace allocations or
1050 appropriations for transportation purposes made by any locality within the counties or cities
1051 included in subsection B of § 58.1-603 and subsection B of § 58.1-604, the Commonwealth, or any
1052 other source, but shall be supplemental to all such other allocations and appropriations. In
1053 addition, such revenues and moneys shall not be used to calculate or reduce the share of local,
1054 federal, or state revenues otherwise available to any locality within the counties or cities included
1055 in subsection B of § 58.1-603 and subsection B of § 58.1-604 or to the Hampton Roads construction
1056 district. Further, such revenues and moneys shall not be included in any computation of, or
1057 formula for, a locality's ability to pay for public education, upon which appropriations of state
1058 revenues to local governments for public education are determined.

1059 6. That the Department of Taxation, in accordance with the state sales and use tax increase
1060 provided in this act, shall promulgate regulations, pursuant to the Administrative Process Act
1061 (§ 2.2-4000 et seq.), establishing brackets of prices and associated state and combined state and
1062 local sales and use taxes on taxable transactions of five dollars or less within the geographical
1063 boundaries of the counties and cities included in subsection B of § 58.1-603 and subsection B of
1064 § 58.1-604.

1065 7. That, except for the referendum in the third enactment of this act, which shall be effective on
1066 July 1, 2002, the provisions of this act shall be effective on July 1, 2003, and only if a majority of
1067 those voting at the election and upon the question described in the third enactment of this act vote
1068 in the affirmative on the question presented. For purposes of this act, "a majority of those voting
1069 at the election" means a majority of those voting in the entire region constituted by the localities
1070 included in such third enactment, and does not require a majority of those voting in any
1071 individual locality.

1072 8. That if any clause, sentence, paragraph, section, or part of this act or the application thereof to
1073 any person, entity, or circumstance is adjudged invalid by any court of competent jurisdiction,
1074 such judgment shall not affect the validity of the remainder hereof but shall be confined to the
1075 clause, sentence, paragraph, section, or part hereof directly involved in the controversy in which
1076 such judgment shall have been rendered, and to this end the provisions of this act are severable.