

## 1 VIRGINIA ACTS OF ASSEMBLY — CHAPTER

2 *An Act to amend and reenact § 58.1-3713 of the Code of Virginia, relating to local coal and gas road*  
3 *improvement tax.*

4 [H 1426]

5 Approved

6 **Be it enacted by the General Assembly of Virginia:**7 **1. That § 58.1-3713 of the Code of Virginia is amended and reenacted as follows:**8 § 58.1-3713. Local coal and gas road improvement and Virginia Coalfield Economic Development  
9 Authority tax.10 A. In addition to the taxes authorized under § 58.1-3712, any county or city may adopt a license tax  
11 on every person engaging in the business of severing coal or gases from the earth. The rate of such tax  
12 shall not exceed one percent. The provisions of § 58.1-3712 as they relate to measurement of gross  
13 receipts, filing of reports and record keeping shall be applicable to the tax imposed under this section.14 The moneys collected for each county or city from the tax imposed under authority of this section  
15 shall be paid into a special fund of such county or city to be called the Coal and Gas Road  
16 Improvement Fund of such county or city, and shall be spent for such improvements to public roads as  
17 the coal and gas road improvement advisory committee and the governing body of such county or city  
18 may determine as provided in subsection B of this section. The county may also, in its discretion, elect  
19 to improve city or town roads with its funds if consent of the city or town council is obtained. Such  
20 funds shall be in addition to those allocated to such counties from state highway funds which allocations  
21 shall not be reduced as a result of any revenues received from the tax imposed hereunder. In those  
22 localities which comprise the Virginia Coalfield Economic Development Authority, the tax imposed  
23 under this section shall be paid as follows: (i) three-fourths of the revenue shall be paid to the Coal and  
24 Gas Road Improvement Fund and used for the purposes set forth herein; however, one-fourth of such  
25 revenue may be used to fund the construction of new water systems and lines in areas with natural  
26 water supplies which are insufficient from the standpoint of quality or quantity, and (ii) one-fourth of  
27 the revenue shall be paid to the Virginia Coalfield Economic Development Fund. Furthermore, with  
28 regard to the portion paid to the Coal and Gas Road Improvement Fund, a county or city may provide  
29 for an additional one-fourth allocation for the construction of new and improved water systems and lines  
30 in areas with natural water supplies which are insufficient from the standpoint of quality or quantity;  
31 however, if this option is initiated by a county or city, it must satisfy the requirements set forth in  
32 § 58.1-3713.01. *Notwithstanding the foregoing limitations regarding revenues used for water systems,*  
33 *such revenues designated for water and water systems shall be distributed directly to the local public*  
34 *service authority for such purposes instead of the local governing body.*35 B. Any county or city imposing the tax authorized in this section shall establish a Coal and Gas  
36 Road Improvement Advisory Committee, to be composed of four members: (i) a member of the  
37 governing body of such county or city, appointed by the governing body, (ii) the resident engineer from  
38 the Department of Transportation, and (iii) two citizens of such county or city connected with the coal  
39 and gas industry, appointed for a term of four years, initially commencing July 1, 1989, by the chief  
40 judge of the circuit court.41 Such committee shall develop on or before July 1 of each year a plan for improvement of roads  
42 during the following fiscal year. Such plan shall have the approval of three members of the committee  
43 and shall be submitted to the governing body of the county or city for approval. The governing body  
44 may approve or disapprove such plan, but may make no changes without the approval of three members  
45 of the committee.

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