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**SENATE BILL NO. 357**

Offered January 14, 2004

Prefiled January 14, 2004

*A BILL to amend and reenact §§ 58.1-2217, 58.1-2249, 58.1-2289, 58.1-2701, and 58.1-2706 of the Code of Virginia, to amend the Code of Virginia by adding in Title 15.2 a chapter numbered 48.3, consisting of sections numbered 15.2-4850 through 15.2-4862, and to repeal Chapter 48.2 (§ 15.2-4829 et seq.) of Title 15.2, relating to the creation of a transportation authority for each of the nine construction districts and dedicating revenues from increases in taxes on fuels for funding of such transportation authorities, and empowering such transportation authorities to plan and provide for the transportation needs of the counties and cities embraced by each transportation authority.*

Patrons—Colgan; Delegate: Parrish

Referred to Committee on Finance

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

**1. That §§ 58.1-2217, 58.1-2249, 58.1-2289, 58.1-2701, and 58.1-2706 of the Code of Virginia are amended and reenacted and that the Code of Virginia is amended by adding in Title 15.2 a chapter numbered 48.3, consisting of sections numbered 15.2-4850 through 15.2-4862, as follows:**

**CHAPTER 48.3****TRANSPORTATION AUTHORITIES OF THE COMMONWEALTH.**

*§ 15.2-4850. Short title.*

*This chapter shall be known and may be cited as the Transportation Authorities of the Commonwealth Act.*

*§ 15.2-4851. Authorities created.*

*There is hereby created as separate political subdivisions of the Commonwealth, for each of the construction districts set forth in § 33.1-2, the following transportation authorities: Bristol Transportation Authority, Culpeper Transportation Authority, Fredericksburg Transportation Authority, Hampton Roads Transportation Authority, Lynchburg Transportation Authority, Northern Virginia Transportation Authority, Richmond Transportation Authority, Salem Transportation Authority, and Staunton Transportation Authority.*

*A. 1. The Bristol Transportation Authority shall consist of the Counties of Bland, Buchanan, Dickenson, Grayson, Lee, Russell, Scott, Smyth, Tazewell, Washington, Wise, and Wythe; and the Cities of Bristol and Norton.*

*2. The Culpeper Transportation Authority shall consist of the Counties of Albemarle, Culpeper, Fauquier, Fluvanna, Greene, Louisa, Madison, Orange, and Rappahannock; and the City of Charlottesville.*

*3. The Fredericksburg Transportation Authority shall consist of the Counties of Caroline, Essex, Gloucester, King George, King and Queen, King William, Lancaster, Mathews, Middlesex, Northumberland, Richmond, Spotsylvania, Stafford, and Westmoreland; and the City of Fredericksburg.*

*4. The Hampton Transportation Authority shall consist of the Counties of Accomack, Greensville, Isle of Wight, James City, Northampton, Southampton, Surry, Sussex, and York; and the Cities of Emporia, Hampton, Newport News, Norfolk, Portsmouth, Chesapeake, Suffolk, Virginia Beach, Williamsburg, Franklin, and Poquoson.*

*5. The Lynchburg Transportation Authority shall consist of the Counties of Amherst, Appomattox, Buckingham, Campbell, Charlotte, Cumberland, Halifax, Nelson, Pittsylvania, and Prince Edward; and the Cities of Danville and Lynchburg.*

*6. The Northern Virginia Transportation Authority shall consist of the Counties of Arlington, Fairfax, Loudoun, and Prince William; and the Cities of Alexandria, Falls Church, Fairfax, Manassas, and Manassas Park.*

*7. The Richmond Transportation Authority shall consist of the Counties of Amelia, Brunswick, Charles City, Chesterfield, Dinwiddie, Goochland, Hanover, Henrico, Lunenburg, Mecklenburg, New Kent, Nottoway, Powhatan, and Prince George; and the Cities of Colonial Heights, Hopewell, Petersburg, and Richmond.*

*8. The Salem Transportation Authority shall consist of the Counties of Bedford, Botetourt, Carroll, Craig, Floyd, Franklin, Giles, Henry, Montgomery, Patrick, Pulaski, and Roanoke; and the Cities of Galax, Martinsville, Radford, Roanoke, Salem, and Bedford.*

*9. The Staunton Transportation Authority shall consist of the Counties of Alleghany, Augusta, Bath, Clarke, Frederick, Highland, Page, Rockbridge, Rockingham, Shenandoah, and Warren; and the Cities*

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59 of Buena Vista, Covington, Harrisonburg, Lexington, Staunton, Waynesboro, and Winchester.

60 B. The net additional revenues generated from increases in the rate of tax on fuels effective January  
61 1, 2005, pursuant to Chapter 22 (§ 58.1-2200 et seq.) of Title 58.1, shall be distributed to the  
62 Authorities created herein. Each Authority share of such revenues shall be determined pro rata based  
63 upon the population of all counties and cities embraced by the Authority as compared to the total  
64 population in all counties and cities of this Commonwealth. The population for a county or city shall be  
65 determined using the most recent decennial census figures or the provisional population estimates as  
66 published by the Weldon Cooper Center for Public Services, whichever is most recent at the time of  
67 distribution of such revenues to each Authority.

68 C. The net additional revenues described in subsection B collected by the Commissioner of the  
69 Department of Motor Vehicles shall be paid into the state treasury to the credit of a special fund that is  
70 hereby created on the Comptroller's books under the name "Collections of Fuel Taxes for  
71 Transportation Authorities." Such revenues shall be credited to the account of each particular  
72 Transportation Authority. The Commissioner of the Department of Motor Vehicles shall determine the  
73 amount of revenues to be credited to each Transportation Authority using the formula described in  
74 subsection B and shall make a monthly written certification to the Comptroller of the same. The  
75 certification shall cover such revenues collected by the Commissioner during the month. The  
76 Commissioner shall make such certification for each month no later than the tenth day of the  
77 immediately following month.

78 As soon as practicable after receipt of such certification but no later than 10 days after receipt, the  
79 Comptroller shall draw his warrant on the Treasurer of Virginia in the proper amount in favor of the  
80 Transportation Authority entitled to such revenues as provided herein, and such payments shall be  
81 charged to the account of each such Transportation Authority under the special fund created by this  
82 section. If errors are made in any such payment, or adjustments are otherwise necessary, whether  
83 attributable to refunds of taxes on fuels or to some other fact, the errors shall be corrected and  
84 adjustments made in the payments as soon as practical in subsequent monthly payments. In addition,  
85 such payments shall include a refund of amounts erroneously not paid to any Transportation Authority  
86 and not previously refunded by the Commissioner of the Department of Motor Vehicles during the three  
87 years preceding the discovery of the error.

88 D. Each Transportation Authority created herein shall have the powers, duties, responsibilities, and  
89 organizational structure as set forth in §§ 15.2-4852 through 15.2-4862.

90 § 15.2-4852. General powers and functions.

91 In addition to such other powers vested in the Authority by this chapter, the Authority shall have the  
92 following powers and functions:

93 1. The Authority shall prepare a regional transportation plan for the counties and cities comprising  
94 the Authority, to include, but not necessarily be limited to, transportation improvements of regional  
95 significance, and those improvements necessary or incidental thereto, and shall from time to time revise  
96 and amend the plan. The provisions of Article 7 (§ 15.2-4527 et seq.) of Chapter 45 of this title shall  
97 apply, mutatis mutandis, to the preparation of such transportation plan.

98 2. The Authority may, when a transportation plan is adopted according to subdivision 1, construct or  
99 acquire, by purchase, lease, contract, or otherwise, the transportation facilities specified in such  
100 transportation plan.

101 3. The Authority may enter into agreements or leases with public or private entities for the operation  
102 of its facilities, or may operate such facilities itself.

103 4. The Authority may enter into contracts or agreements with the counties and cities embraced by the  
104 Authority, with other transportation commissions of transportation districts adjoining any county or city  
105 embraced by the Authority, with any other transportation authority, or with any state, local, private or  
106 federal entity to provide, or cause to be provided, transit facilities and service to such counties and  
107 cities, or to provide transit facilities and other modes of transportation between any county or city  
108 embraced by the Authority and any adjoining transportation district, county, or city. Such contracts or  
109 agreements, together with any agreements or leases for the operation of such facilities, may be used by  
110 the Authority to finance the construction and operation of transportation facilities and such contracts,  
111 agreements or leases shall inure to the benefit of any creditor of the Authority.

112 Notwithstanding the above, however, the Authority shall not have the power to regulate services  
113 provided by taxicabs, either within municipalities or across municipal boundaries, which regulation is  
114 expressly reserved to the municipalities within which taxicabs operate.

115 5. Notwithstanding any other provision of law to the contrary the Authority may:

116 a. Acquire land or any interest therein by purchase, lease, contract, or gift and provide  
117 transportation facilities thereon for use in connection with any transportation service;

118 b. Acquire land or any interest therein by purchase, lease, contract, or gift in advance of the need  
119 for sale or contribution to an agency, for use by that agency in connection with an adopted  
120 transportation plan; and

121 c. Prepare a plan for mass transportation services with persons, cities, counties, agencies,  
122 authorities, or transportation commissions and may further contract with any such person or other entity  
123 to provide necessary facilities, equipment, operations and maintenance, access, and insurance pursuant  
124 to such plan.

125 § 15.2-4853. Composition of Authority; Chairman and Vice Chairman.

126 The Authority shall consist of the following members:

127 The chief-elected officer of the governing body of each county and city embraced by the Authority or,  
128 in the discretion of the chief-elected officer, his designee, who shall be a current elected officer of such  
129 governing body;

130 Two members of the House of Delegates who reside in different counties or cities embraced by the  
131 Authority, appointed by the Speaker of the House, to the extent practicable, from the membership of the  
132 House Committee on Appropriations, the House Committee on Finance, or the House Committee on  
133 Transportation;

134 One member of the Senate who resides in a county or city embraced by the Authority, appointed by  
135 the Senate Committee on Privileges and Elections, to the extent practicable, from the membership of the  
136 Senate Committee on Finance and the Senate Committee on Transportation; and

137 Two citizens who reside in counties and cities embraced by the Authority, appointed by the  
138 Governor. One gubernatorial appointment shall include, if applicable, a member of the Commonwealth  
139 Transportation Board who resides in a county or city embraced by the Authority. The remaining  
140 gubernatorial appointment shall be a person who has significant experience in transportation planning,  
141 finance, engineering, construction, or management and shall be a resident of a county or city embraced  
142 by the Authority, but shall not be a resident of the same county or city as the other gubernatorial  
143 appointee to the Authority.

144 Each member of the Authority shall serve for a term of four years. However, the Authority may  
145 adopt staggered terms.

146 In addition, the Commonwealth Transportation Commissioner, or his designee, shall serve as a  
147 nonvoting member of the Authority.

148 The Authority shall appoint the chairman and vice chairman.

149 § 15.2-4854. Staff.

150 The Authority shall employ a chief executive officer and such staff as it shall determine to be  
151 necessary to carry out its duties and responsibilities under this chapter. No such person shall  
152 contemporaneously serve as a member of the Authority. The Virginia Department of Transportation and  
153 the Virginia Department of Rail and Public Transportation shall make their employees available to  
154 assist the Authority, upon request.

155 § 15.2-4855. Decisions of Authority.

156 A majority of the Authority, which majority shall include at least a majority of the representatives of  
157 the counties and cities embraced by the Authority, shall constitute a quorum. Decisions of the Authority  
158 shall require a quorum and shall be in accordance with voting procedures established by the Authority.  
159 In all cases, decisions of the Authority shall require the affirmative vote of a majority of the members of  
160 the Authority present and voting, and a majority of the representatives of the counties and cities  
161 embraced by the Authority who are present and voting and whose counties and cities include at least a  
162 majority of the population embraced by the Authority. The population of counties and cities embraced  
163 by the Authority shall be the population as determined by the most recently preceding decennial census,  
164 or the provisional population estimates for counties and cities as published by the Weldon Cooper  
165 Center for Public Services, whichever is most recent at the time of decision.

166 § 15.2-4856. Allocation of certain Authority expenses among component counties and cities.

167 The administrative expenses of the Authority, as provided in an annual budget adopted by the  
168 Authority, to the extent funds for such expenses are not provided from other sources, shall be allocated  
169 among the component counties and cities on the basis of the relative population, as determined pursuant  
170 to § 15.2-4855. Such budget shall be limited solely to the administrative expenses of the Authority and  
171 shall not include any funds for construction or acquisition of transportation facilities or the performing  
172 of any transportation service.

173 § 15.2-4857. Payment to members of Authority.

174 The members of the Authority may be paid for their services a per diem in either (i) the amount  
175 provided in the general appropriation act for members of the General Assembly engaged in legislative  
176 business between sessions or (ii) a lesser amount as determined by the Authority.

177 § 15.2-4858. Formation of advisory committees.

178 The Authority may create a technical advisory committee, which shall consist of individuals who  
179 reside or are employed in counties and cities embraced by the Authority and have experience in  
180 transportation planning, finance, engineering, construction, or management. The members of the  
181 committee shall be appointed by the Authority.

182 *The technical advisory committee shall advise and provide recommendations on the development of*  
183 *projects as required by § 15.2-4859 and funding strategies and other matters as directed by the*  
184 *Authority.*

185 *The Authority may form additional advisory committees.*

186 *§ 15.2-4859. Responsibilities of Authority for long-range transportation planning.*

187 *A. The Authority shall be responsible for long-range transportation planning for regional*  
188 *transportation projects in the counties and cities embraced by the Authority. In carrying out this*  
189 *responsibility, the Authority shall, on the basis of a regional consensus, whenever possible, set regional*  
190 *transportation policies and priorities for regional transportation projects. The policies and priorities*  
191 *shall be guided by performance-based criteria such as the ability to improve travel times, reduce delays,*  
192 *connect regional activity centers, improve safety, improve air quality, and move the most people in the*  
193 *most cost-effective manner.*

194 *B. The Authority shall report annually to the General Assembly and the Governor on (i) the*  
195 *allocation and expenditure of all moneys distributed to it, (ii) use of these moneys to reduce traffic*  
196 *congestion in the counties and cities embraced by the Authority, and (iii) use of these moneys to*  
197 *improve air quality in such counties and cities.*

198 *§ 15.2-4860. Authority to issue bonds.*

199 *The Authority may issue bonds and other evidences of debt as may be authorized by law. The*  
200 *provisions of Article 5 (§ 15.2-4519 et seq.) of Chapter 45 of this title shall apply, mutatis mutandis, to*  
201 *the issuance of such bonds or other debt. Such bonds may be secured by the Authority's share of the*  
202 *revenues described in § 15.2-4851.*

203 *§ 15.2-4861. Other duties and responsibilities of Authority.*

204 *In addition to other powers herein granted, the Authority shall have the following duties and*  
205 *responsibilities:*

206 *1. General oversight of regional programs of the Virginia Department of Transportation or the*  
207 *Virginia Department of Rail and Public Transportation or both involving mass transit or congestion*  
208 *mitigation, including, but not necessarily limited to, carpooling, vanpooling, and ridesharing;*

209 *2. Long-range regional planning, both financially constrained and unconstrained;*

210 *3. Recommending to state, regional, and federal agencies regional transportation priorities, including*  
211 *public-private transportation projects, and funding allocations;*

212 *4. Developing, in coordination with affected counties and cities, regional priorities and policies*  
213 *affecting air quality and general environmental issues;*

214 *5. Allocating to priority regional transportation projects any funds made available to the Authority*  
215 *by the General Assembly or the Commonwealth Transportation Board and directly overseeing such*  
216 *projects;*

217 *6. Recommending to the Commonwealth Transportation Board priority regional transportation*  
218 *projects for receipt of federal and state funds;*

219 *7. Recommending to the Commonwealth Transportation Board use or changes in use, or both, of*  
220 *tolls for facilities in the area embraced by the Authority;*

221 *8. General oversight of regional transportation operational issues of a multijurisdictional nature,*  
222 *including but not limited to intelligent transportation systems, signalization, and preparation for and*  
223 *response to emergencies;*

224 *9. Serving as an advocate for the transportation needs of the counties and cities embraced by the*  
225 *Authority before the state and federal governments;*

226 *10. Applying to and negotiating with the government of the United States, the Commonwealth of*  
227 *Virginia, or any agency or instrumentality thereof, for grants and any other funds available to carry out*  
228 *the purposes of this chapter and receiving, holding, accepting, and administering from any source gifts,*  
229 *bequests, grants, aid, or contributions of money, property, labor, or other things of value to be held,*  
230 *used and applied to carry out the purposes of this chapter subject, however, to any conditions upon*  
231 *which gifts, bequests, grants, aid, or contributions are made. Unless otherwise restricted by the terms of*  
232 *the gift, bequest, or grant, the Authority may sell, exchange, or otherwise dispose of such money,*  
233 *securities, or other property given or bequeathed to it in furtherance of its purposes; and*

234 *11. Acting as a "responsible public entity" for the purpose of the acquisition, construction,*  
235 *improvement, maintenance or operation, or both, of a "qualifying transportation facility" under the*  
236 *Public-Private Transportation Act of 1995 (§ 56-556 et seq.).*

237 *§ 15.2-4862. No consent needed for Authority to act.*

238 *The power, duties, and responsibilities of an Authority pursuant to this chapter may be undertaken*  
239 *by the Authority without obtaining the consent of any commission, board, bureau or agency of the*  
240 *Commonwealth or of any governmental subdivision, and without any referendum, other proceedings or*  
241 *the happening of other conditions except for those proceedings or conditions which are specifically*  
242 *required by this chapter.*

243 *§ 58.1-2217. Taxes levied; rate.*

244 A. There is hereby levied a tax at the rate of ~~seventeen and one-half~~ *twenty-four and one-half* cents  
245 per gallon on gasoline and gasohol.

246 B. There is hereby levied a tax at the rate of ~~sixteen~~ 23 cents per gallon on diesel fuel.

247 C. Blended fuel that contains gasoline shall be taxed at the rate levied on gasoline. Blended fuel that  
248 contains diesel fuel shall be taxed at the rate levied on diesel fuel.

249 D. There is hereby levied a tax at the rate of five cents per gallon on aviation gasoline. Any person,  
250 whether or not licensed under this chapter, who uses, acquires for use, sells or delivers for use in  
251 highway vehicles any aviation gasoline shall be liable for the tax at the rate of ~~seventeen and one-half~~  
252 *twenty-four and one-half* cents per gallon, along with any penalties and interest that may accrue.

253 E. There is hereby levied a tax at the rate of five cents per gallon on aviation jet fuel purchased or  
254 acquired for use by a user of aviation fuel other than an aviation consumer. There is hereby levied a tax  
255 at the rate of five cents per gallon upon the first 100,000 gallons of aviation jet fuel, excluding bonded  
256 aviation jet fuel, purchased or acquired for use by any aviation consumer in any fiscal year. There is  
257 hereby levied a tax at the rate of one-half cent per gallon on all aviation jet fuel, excluding bonded  
258 aviation jet fuel, purchased or acquired for use by an aviation consumer in excess of 100,000 gallons in  
259 any fiscal year. Any person, whether or not licensed under this chapter, who uses, acquires for use, sells  
260 or delivers for use in highway vehicles any aviation jet fuel taxable under this chapter shall be liable for  
261 the tax imposed at the rate of ~~sixteen~~ 23 cents per gallon, along with any penalties and interest that may  
262 accrue.

263 F. In accordance with § 62.1-44.34:13, a storage tank fee is imposed on each gallon of gasoline,  
264 aviation gasoline, diesel fuel (including dyed diesel fuel), blended fuel, and heating oil sold and  
265 delivered or used in the Commonwealth.

266 § 58.1-2249. Tax on alternative fuel.

267 A. There is hereby levied a tax at the rate of ~~sixteen~~ 23 cents per gallon on liquid alternative fuel  
268 used to operate a highway vehicle by means of a vehicle supply tank that stores fuel only for the  
269 purpose of supplying fuel to operate the vehicle. There is hereby levied a tax at a rate equivalent to  
270 ~~sixteen~~ 23 cents per gallon on all other alternative fuel used to operate a highway vehicle. The  
271 Commissioner shall determine the equivalent rate applicable to such other alternative fuels.

272 B. In addition to any tax imposed by this article, there is hereby levied an annual license tax of ~~fifty~~  
273 ~~dollars~~ \$50 per vehicle on each highway vehicle that is fueled from a private source if the alternative  
274 fuels tax levied under this article has not been paid on fuel used in the vehicle. If such a highway  
275 vehicle is not in operation by January 1 of any year, the license tax shall be reduced by one-twelfth for  
276 each complete month which shall have elapsed since the beginning of such year.

277 § 58.1-2289. Disposition of tax revenue generally.

278 A. ~~Unless~~ *Except as* otherwise provided in *subsection F and elsewhere* in this section, all taxes and  
279 fees, including civil penalties, collected by the Commissioner pursuant to this chapter, less a reasonable  
280 amount to be allocated for refunds, shall be promptly paid into the state treasury and shall constitute  
281 special funds within the Commonwealth Transportation Fund. Any balances remaining in these funds at  
282 the end of the year shall be available for use in subsequent years for the purposes set forth in this  
283 chapter, and any interest income on such funds shall accrue to these funds. Except as provided in  
284 *subsection F and* § 33.1-23.03:1, no portion of the revenue derived from taxes collected pursuant to  
285 §§ 58.1-2217, 58.1-2249 or § 58.1-2701, and remaining after authorized refunds for nonhighway use of  
286 fuel, shall be used for any purpose other than the construction, reconstruction or maintenance of the  
287 roads and projects comprising the State Highway System, the Interstate System and the secondary  
288 system of state highways and expenditures directly and necessarily required for such purposes, including  
289 the retirement of revenue bonds.

290 Revenues collected under this chapter may be also used for (i) contributions toward the construction,  
291 reconstruction or maintenance of streets in cities and towns of such sums as may be provided by law  
292 and (ii) expenditures for the operation and maintenance of the Department of Transportation, the  
293 Department of Rail and Public Transportation, the Department of Aviation, the Virginia Port Authority,  
294 and the Department of Motor Vehicles as may be provided by law.

295 The Governor is hereby authorized to transfer out of such fund an amount necessary for the  
296 inspection of gasoline and motor grease measuring and distributing equipment, and for the inspection  
297 and analysis of gasoline for purity.

298 B. ~~The~~ *Except as provided in subsection F*, tax collected on each gallon of aviation fuel sold and  
299 delivered or used in this Commonwealth, less refunds, shall be paid into a special fund of the state  
300 treasury. Proceeds of this special fund within the Commonwealth Transportation Fund shall be disbursed  
301 upon order of the Department of Aviation, on warrants of the Comptroller, to defray the cost of the  
302 administration of the laws of this Commonwealth relating to aviation, for the construction, maintenance  
303 and improvement of airports and landing fields to which the public now has or which it is proposed  
304 shall have access, and for the promotion of aviation in the interest of operators and the public generally.

305 C. One-half cent of the tax collected on each gallon of fuel on which the refund has been paid at the  
 306 rate of ~~seventeen~~ 24 cents per gallon, or in the case of diesel fuel, ~~fifteen and one-half~~ *twenty two and*  
 307 *one-half* cents per gallon, for fuel consumed in tractors and unlicensed equipment used for agricultural  
 308 purposes shall be paid into a special fund of the state treasury, known as the Virginia Agricultural  
 309 Foundation Fund, to be disbursed to make certain refunds and defray the costs of the research and  
 310 educational phases of the agricultural program, including supplemental salary payments to certain  
 311 employees at Virginia Polytechnic Institute and State University, the Department of Agriculture and  
 312 Consumer Services and the Virginia Truck and Ornamentals Research Station, including reasonable  
 313 expenses of the Virginia Agricultural Council.

314 D. One and one-half cents of the tax collected on each gallon of fuel used to propel a commercial  
 315 watercraft upon which a refund has been paid shall be paid to the credit of the Game Protection Fund of  
 316 the state treasury to be made available to the Board of Game and Inland Fisheries until expended for the  
 317 purposes provided generally in subsection C of § 29.1-701, including acquisition, construction,  
 318 improvement and maintenance of public boating access areas on the public waters of this  
 319 Commonwealth and for other activities and purposes of direct benefit and interest to the boating public  
 320 and for no other purpose. However, one and one-half cents per gallon on fuel used by commercial  
 321 fishing, oystering, clamming, and crabbing boats shall be paid to the Department of Transportation to be  
 322 used for the construction, repair, improvement and maintenance of the public docks of this  
 323 Commonwealth used by said commercial watercraft. Any expenditures for the acquisition, construction,  
 324 improvement and maintenance of the public docks shall be made according to a plan developed by the  
 325 Virginia Marine Resources Commission.

326 From the tax collected pursuant to the provisions of this chapter from the sales of gasoline used for  
 327 the propelling of watercraft, *after deduction for the additional revenues generated from the increase in*  
 328 *the rate of tax on gasoline imposed by this chapter effective January 1, 2005, and after deduction for*  
 329 *lawful refunds, there shall be paid into the state treasury for use by the Marine Resources Commission,*  
 330 *the Virginia Soil and Water Conservation Board, the State Water Control Board, and the Commonwealth*  
 331 *Transportation Board to (i) improve the public docks as specified in this section, (ii) improve*  
 332 *commercial and sports fisheries in Virginia's tidal waters, (iii) make environmental improvements*  
 333 *including, without limitation, fisheries management and habitat enhancement in the Chesapeake and its*  
 334 *tributaries, and (iv) further the purposes set forth in § 33.1-223, a sum as established by the General*  
 335 *Assembly.*

336 E. Notwithstanding other provisions of this section *except subsection F*, there shall be transferred  
 337 from moneys collected pursuant to this section to a special fund within the Commonwealth  
 338 Transportation Fund in the state treasury, to be used to meet the necessary expenses of the Department  
 339 of Motor Vehicles, an amount equal to one percent of a sum to be calculated as follows: the tax  
 340 revenues collected pursuant to this chapter, at the tax rates in effect on December 31, 1986, less refunds  
 341 authorized by this chapter and less taxes collected for aviation fuels.

342 *F. An amount equivalent to the net additional revenues generated from increases in the rate of tax*  
 343 *imposed by this chapter effective January 1, 2005, shall be distributed to the transportation authority for*  
 344 *each construction district of this Commonwealth as provided in Chapter 48.3 (§ 15.2-4850 et seq.) of*  
 345 *Title 15.2.*

346 § 58.1-2701. Amount of tax.

347 A. Except as provided in subsection B, every motor carrier shall pay a road tax equivalent to  
 348 ~~nineteen and one-half~~ *twenty six and one-half* cents per gallon calculated on the amount of motor fuel,  
 349 diesel fuel or liquefied gases (which would not exist as liquids at a temperature of ~~sixty~~ 60 degrees  
 350 Fahrenheit and a pressure of 14.7 pounds per square inch absolute), used in its operations within the  
 351 Commonwealth.

352 The tax imposed by this chapter shall be in addition to all other taxes of whatever character imposed  
 353 on a motor carrier by any other provision of law.

354 B. In lieu of the tax imposed in subsection A, motor carriers registering qualified highway vehicles  
 355 that are not registered under the International Registration Plan shall pay a fee of ~~\$100~~ \$150 per year  
 356 for each qualified highway vehicle. The fee is due and payable when the vehicle registration fees are  
 357 paid pursuant to the provisions of Article 7 (§ 46.2-685 et seq.) of Chapter 6 of Title 46.2.

358 If a vehicle becomes a qualified highway vehicle before the end of its registration period, the fee due  
 359 at the time the vehicle becomes a qualified highway vehicle shall be prorated monthly to the registration  
 360 expiration month. Fees paid under this subsection shall not be refunded unless a full refund of the  
 361 registration fee paid is authorized by law.

362 C. All taxes and fees paid under the provisions of this chapter shall be credited to the Highway  
 363 Maintenance and Operating Fund, a special fund within the Commonwealth Transportation Fund.

364 § 58.1-2706. Credit for payment of motor fuel, diesel fuel or liquefied gases tax.

365 A. Every motor carrier subject to the road tax shall be entitled to a credit on such tax equivalent to  
 366 ~~sixteen~~ 23 cents per gallon on all motor fuel, diesel fuel and liquefied gases purchased by such carrier

367 within the Commonwealth for use in its operations either within or without the Commonwealth and  
368 upon which the motor fuel, diesel fuel or liquefied gases tax imposed by the laws of the Commonwealth  
369 has been paid by such carrier. Evidence of the payment of such tax in such form as may be required by,  
370 or is satisfactory to, the Department shall be furnished by each carrier claiming the credit herein  
371 allowed.

372 B. When the amount of the credit to which any motor carrier is entitled for any quarter exceeds the  
373 amount of the tax for which such carrier is liable for the same quarter, the excess may: (i) be allowed as  
374 a credit on the tax for which such carrier would be otherwise liable for any of the eight succeeding  
375 quarters or (ii) be refunded, upon application, duly verified and presented and supported by such  
376 evidence as may be satisfactory to the Department.

377 C. The Department may allow a refund upon receipt of proper application and review. It shall be at  
378 the discretion of the Department to determine whether an audit is required.

379 D. The refund may be allowed without a formal hearing if the amount of refund is agreed to by the  
380 applicant. Otherwise, a formal hearing on the application shall be held by the Department after notice of  
381 not less than ten days to the applicant and the Attorney General.

382 E. Whenever any refund is ordered it shall be paid out of the Highway Maintenance and  
383 Construction Fund.

384 F. Whenever a person operating under lease to a motor carrier to perform transport services on  
385 behalf of the carrier purchases motor fuel, diesel fuel or liquefied gases relating to such services, such  
386 payments or purchases may, at the discretion of the Department, be considered payment or purchases by  
387 the carrier.

388 **2. That any revenues distributed to an Authority pursuant to this act shall not be used to calculate**  
389 **or reduce the share of federal, state, or local revenues or funds otherwise available to counties and**  
390 **cities of this Commonwealth, nor shall they be used to calculate or reduce any allocation of**  
391 **revenues or funds made pursuant to Title 33.1 of the Code of Virginia. Such share or allocation of**  
392 **revenues or funds that shall not be reduced includes, but is not limited to, state basic aid**  
393 **payments.**

394 **3. That Chapter 48.2 (§ 15.2-4829 et seq.) of Title 15.2 is repealed effective January 1, 2005.**

395 **4. That the provisions of this act are effective January 1, 2005.**