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HOUSE BILL NO. 1555**AMENDMENT IN THE NATURE OF A SUBSTITUTE**(Proposed by the House Committee on Finance
on February 13, 2006)

(Patron Prior to Substitute—Delegate Rust)

A BILL to amend and reenact §§ 2.2-1509.2, 30-133, 58.1-638, 58.1-815.1, and 58.1-2425 of the Code of Virginia and to amend the Code of Virginia by adding a section numbered 46.2-206.1, relating to the funding for transportation in Northern Virginia.

Be it enacted by the General Assembly of Virginia:

1. That §§ 2.2-1509.2, 30-133, 58.1-638, 58.1-815.1, and 58.1-2425 of the Code of Virginia are amended and reenacted and that the Code of Virginia is amended by adding a section numbered 46.2-206.1 as follows:

§ 2.2-1509.2. Use of transportation moneys.

If any money in the Highway Maintenance and Operating Fund or the Transportation Trust Fund established pursuant to § 33.1-23.03:1 is proposed to be used for any purpose other than administering, planning, constructing, improving, and maintaining the roads embraced in the systems of highways for the Commonwealth and its localities and/or furthering the interests of the Commonwealth in the areas of public transportation, railways, seaports, and/or airports, then the Governor, if such diversion is proposed by the Governor, shall include with any such proposal a plan for repayment of funds diverted within three years of such use in "The Budget Bill" submitted pursuant to § 2.2-1509.

If such diversion of funds from the Highway Maintenance and Operating Fund or the Transportation Trust Fund is proposed by the General Assembly as an amendment to the Budget Bill, such amendment shall include language setting out the plan for repayment of such funds within three years.

A. All moneys credited to the Highway Maintenance and Operating Fund, the Priority Transportation Fund, the Rail Enhancement Fund, the Transportation Trust Fund, and the Transportation Partnership Opportunity Fund (the Funds), or any related subaccount, fund, or subfund of any of the Funds shall be used for the purposes specified in this section.

B. 1. Such moneys credited to the Funds shall be the revenues designated for deposit into any of the Funds from (i) the revenues generated annually from the taxes, fees, or other charges imposed under Titles 33.1 and 46.2 of the Code of Virginia; (ii) the revenues generated annually pursuant to Chapters 11, 12, and 15 of the Acts of Assembly of 1986, Special Session, as the provisions of such Chapters may be amended; (iii) the revenues generated annually from Chapters 6 (§ 58.1-600 et seq.), 6.1 (§ 58.1-640 et seq.), 8 (§ 58.1-800 et seq.), 22 (§ 58.1-2200 et seq.), 24 (§ 58.1-2400 et seq.), 25 (§ 58.1-2500 et seq.), and 27 (§ 58.1-2700 et seq.) of Title 58.1; and (iv) such other sources as the General Assembly may dedicate or appropriate to any of the Funds. In addition, all interest, dividends, or appreciation accruing to any of the Funds shall also be part of the Funds and used for the purposes specified in this section.

2. The revenues described in subdivision 1 shall include but are not limited to the revenues described in subdivisions A 1 and A 2 of § 33.1-23.03:8; all taxes and fees collected under Chapter 27 (§ 58.1-2700 et seq.) of Title 58.1 credited to the Highway Maintenance and Operating Fund as provided in subsection C of § 58.1-2701; all funds, tolls, revenues, amounts required to be paid over to the Transportation Trust Fund, and interest, dividends, and appreciation accruing to the Transportation Trust Fund or the Highway Maintenance and Operating Fund, as designated for the Transportation Trust Fund pursuant to § 33.1-23.03:1; all state recordation taxes deposited into the U.S. Route 58 Corridor Development Fund pursuant to § 58.1-815; all state recordation taxes deposited or transferred into the Northern Virginia Transportation District Fund pursuant to § 58.1-815.1 and any public rights-of-way use fees or state or local revenues deposited into the Northern Virginia Transportation District Fund pursuant to such section; all state recordation taxes deposited or transferred into the Transportation Improvement Program Set-aside Fund pursuant to § 58.1-816.1; one third of the revenues from the insurance license tax dedicated to transportation projects pursuant to the tenth enactments of Chapters 1019 and 1044 of the Acts of Assembly of 2000; any damages and costs collected pursuant to § 33.1-191 as designated for deposit into the Transportation Trust Fund under such section; any civil penalties, and interest thereon, and cost recoveries designated for deposit into any of the Funds as provided under law; fees for dealer's license plates designated for deposit into the Transportation Trust Fund pursuant to § 46.2-1546; any excess earnings to be deposited into the Transportation Trust Fund under a comprehensive agreement entered into under the Public-Private Transportation Act of 1995 (§ 56-556 et seq.) pursuant to subsection E of § 56-566; revenues from the lease, sale, or other conveyance made by the Commonwealth Transportation Board that are designated for deposit into any of the Funds as provided under law; and any locally generated revenues deposited

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60 *into any of the Funds as provided under law.*

61 *C. All moneys credited to the Funds shall be used solely for purposes of:*

62 *1. Administering, planning, constructing, improving, or maintaining the roads embraced in the*
63 *systems of highways for the Commonwealth and its localities, including access roads and bikeways*
64 *adjacent thereto, or furthering the interests of the Commonwealth in the areas of highways, public*
65 *transportation, railways, seaports, airports, or congestion mitigation;*

66 *2. Making payments on bonds or other obligations (including bond anticipation notes and refunding*
67 *bonds) that have been issued or entered into to finance transportation projects that are directly related*
68 *to the purposes described in subdivision 1; or*

69 *3. Making loans to finance transportation projects that are directly related to the purposes described*
70 *in subdivision 1.*

71 *§ 30-133. Duties and powers generally.*

72 *A. The Auditor of Public Accounts shall audit all the accounts of every state department, officer,*
73 *board, commission, institution or other agency handling any state funds. In the performance of such*
74 *duties and the exercise of such powers he may employ the services of certified public accountants,*
75 *provided the cost thereof shall not exceed such sums as may be available out of the appropriation*
76 *provided by law for the conduct of his office.*

77 *B. The Auditor of Public Accounts shall review the information required in § 2.2-1501 to determine*
78 *that state agencies are providing and reporting appropriate information on financial and performance*
79 *measures, and the Auditor shall review the accuracy of the management systems used to accumulate and*
80 *report the results. The Auditor shall report annually to the General Assembly the results of such audits*
81 *and make recommendations, if indicated, for new or revised accountability or performance measures to*
82 *be implemented for the agencies audited.*

83 *C. The Auditor of Public Accounts shall prepare, by November 1, a summary of the results of all of*
84 *the audits and other oversight responsibilities performed for the most recently ended fiscal year. The*
85 *Auditor of Public Accounts shall present this summary to the Senate Finance, House Appropriations and*
86 *House Finance Committees on the day the Governor presents to the General Assembly the Executive*
87 *Budget in accordance with §§ 2.2-1508 and 2.2-1509 or at the direction of the respective Chairman of*
88 *the Senate Finance, House Appropriations or House Finance Committees at one of their committee*
89 *meetings prior to the meeting above.*

90 *D. As part of his normal oversight responsibilities, the Auditor of Public Accounts shall incorporate*
91 *into his audit procedures and processes a review process to ensure that the Commonwealth's payments to*
92 *counties, cities, and towns under Chapter 35.1 (§ 58.1-3523 et seq.) of Title 58.1 are consistent with the*
93 *provisions of § 58.1-3524. The Auditor of Public Accounts shall report to the Governor and the*
94 *Chairman of the Senate Finance Committee annually any material failure by a locality or the*
95 *Commonwealth to comply with the provisions of Chapter 35.1 of Title 58.1.*

96 *E. The Auditor of Public Accounts when called upon by the Governor shall examine the accounts of*
97 *any institution maintained in whole or in part by the Commonwealth and, upon the direction of the*
98 *Comptroller, shall examine the accounts of any officer required to settle his accounts with him; and*
99 *upon the direction of any other state officer at the seat of government he shall examine the accounts of*
100 *any person required to settle his accounts with such officer.*

101 *F. Upon the written request of any member of the General Assembly, the Auditor of Public Accounts*
102 *shall furnish the requested information and provide technical assistance upon any matter requested by*
103 *such member.*

104 *G. In compliance with the provisions of the federal Single Audit Act Amendments of 1996, Public*
105 *Law 104-156, the Joint Legislative Audit and Review Commission may authorize the Auditor of Public*
106 *Accounts to audit biennially the accounts pertaining to federal funds received by state departments,*
107 *officers, boards, commissions, institutions or other agencies.*

108 *H. 1. The Auditor of Public Accounts shall compile and maintain on its Internet website a searchable*
109 *database providing certain state expenditure, revenue, and demographic information as described in this*
110 *subsection. In maintaining the database, the Auditor of Public Accounts shall work with and coordinate*
111 *his efforts with the Joint Legislative Audit and Review Commission in obtaining, summarizing, and*
112 *compiling the information to avoid duplication of efforts. The database shall be updated each year by*
113 *October 15 to provide the information required in this subsection for the 10 most recently ended fiscal*
114 *years of the Commonwealth.*

115 *The online database shall be made available to citizens of the Commonwealth to allow public access*
116 *to historical revenue collections and appropriations with related demographic information, to the extent*
117 *that the information is available and provided to the Auditor of Public Accounts. All state departments,*
118 *courts officers, boards, commissions, institutions, or other agencies of the Commonwealth shall furnish*
119 *all information requested by the Auditor of Public Accounts and shall cooperate with him to the fullest*
120 *extent.*

121 *2. The database shall contain the following for each of the 10 most recently ended fiscal years of the*

Commonwealth:

- a. Major categories of spending by each secretariat and for major agencies;
- b. The number of full-time state employees;
- c. Total fiscal year revenues from state taxes, fees, and other charges, and total fiscal year revenues from state taxes, fees, and other charges computed on a per capita basis and as a percentage of personal income in the Commonwealth;
- d. With regard to state taxes, fees, and other charges computed on a per capita basis and as a percentage of personal income, a comparison of such statistics for Virginia with the same statistics for other states;
- e. Total fiscal year revenues from federal sources, including the major categories of spending for such revenues;
- f. Total population and total population by various age groups including, but not limited to, school-age population and the population of persons 65 years of age and older;
- g. Student enrollment in grades K through 12;
- h. Enrollment in public institutions of higher education of the Commonwealth;
- i. Enrollment in private institutions of higher education in the Commonwealth;
- j. The annual prison population;
- k. Virginia adjusted gross income and Virginia taxable income by various age groups;
- l. The number of citizens in the Commonwealth receiving food stamps;
- m. The number of driver's licenses issued;
- n. The number of registered motor vehicles;
- o. The number of full-time private sector employees;
- p. The number of households;
- q. The number of prepaid tuition contracts outstanding pursuant to Chapter 4.9 (§ 23-38.75 et seq.) of Title 23 and the estimated total liability under such contracts; and
- r. Other data as the Auditor deems appropriate relating to the Commonwealth of Virginia.

3. By October 15 of each year, the Auditor shall also produce a paper copy or a computer file containing the information described in this subsection and shall distribute the copy or file to newspapers of general circulation in the Commonwealth. The distribution shall include the address of the Internet website for the searchable database.

1. As part of his normal oversight responsibilities, the Auditor of Public Accounts shall incorporate into his audit procedures and processes a review process to determine if all of the requirements of § 2.2-1509.2 are being met. The Auditor of Public Accounts shall immediately report to the Governor, the Chairman of the House Finance Committee, the Chairman of the House Appropriations Committee, the Chairman of the Senate Finance Committee, and the Tax Commissioner if he determines that any of the requirements of § 2.2-1509.2 are not met.

§ 46.2-206.1. Civil Remedial Fees for Dangerous Driving.

Funds collected through the imposition of fees as provided in this section shall be used first to pay the Department's costs in imposing and collecting such assessments, and any remainder shall be allocated as follows:

1. Twenty-five percent of the fees shall be transferred to the Northern Virginia Transportation Authority.

2. Of the remaining 75%:

a. The first \$35 million each year shall be directed to the special matching fund established by § 33.1-23.05;

b. The next \$25 million each year shall be directed to the Transportation Partnership Opportunity Fund, established pursuant to § 33.1-221.1:8; and

c. The remainder shall be deposited into the state treasury and credited to a special permanent, nonreverting fund to be known as the Local Congestion Mitigation Incentive Fund which shall be a subaccount of the Transportation Trust Fund. The proceeds of this Fund shall be distributed by the Commonwealth Transportation Board in the form of competitive grants to counties, cities, and towns on the basis of a dollar-for-dollar match of Fund proceeds by local contributions for the purpose of alleviating traffic congestion and reducing air pollution in localities experiencing high population growth. Such funds shall be used for the purpose of undertaking highway improvement, construction, reconstruction, expansion, reconfiguration, and alteration projects to address issues associated with spot improvements, including intersection congestion and safety, by providing funding to counties, cities, and towns for the construction of turn lanes, signalization, extension of existing turn lanes, and construction of roundabouts and pedestrian safety facilities, including, but not necessarily limited to, pedestrian overpasses and underpasses.

Projects shall be selected by the Board, in consultation with the local governing bodies of the cities, counties, and towns, and in consultation with the members of the House of Delegates and the Senate

183 *who represent any of the counties, cities, or towns that have submitted grant requests, based on the*
184 *level of congestion, the impact of the project on that congestion, and the project's potential contribution*
185 *to improvement of air quality. Funding shall be limited to projects involving intersections with level of*
186 *service D or worse. No project shall receive more than \$2 million from the Fund in a single calendar*
187 *year. All phases of projects approved for funding from the Fund, including right-of-way acquisition,*
188 *shall be administered by the local governments within whose boundaries the projects are located. Local*
189 *government may use their own general funds, cash proffers, or other nonfederal sources as matching*
190 *funds for projects funded under this section.*

191 § 58.1-638. Disposition of state sales and use tax revenue; localities' share; Game Protection Fund.

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

194 1. The sales and use tax revenue generated by the one-half percent sales and use tax increase enacted
195 by the 1986 Special Session of the General Assembly shall be paid, in the manner hereinafter provided
196 in this section, to the Transportation Trust Fund as defined in § 33.1-23.03:1. Of the funds paid to the
197 Transportation Trust Fund, an aggregate of 4.2 percent shall be set aside as the Commonwealth Port
198 Fund as provided in this section; an aggregate of 2.4 percent shall be set aside as the Commonwealth
199 Airport Fund as provided in this section; and an aggregate of 14.5 percent in fiscal year 1998-1999 and
200 14.7 percent in fiscal year 1999-2000 and thereafter shall be set aside as the Commonwealth Mass
201 Transit Fund as provided in this section. The Fund's share of such net revenue shall be computed as an
202 estimate of the net revenue to be received into the state treasury each month, and such estimated
203 payment shall be adjusted for the actual net revenue received in the preceding month. All payments shall
204 be made to the Fund on the last day of each month.

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

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

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

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

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

228 Any new funds in excess of \$12.1 million which are available for allocation by the Virginia Aviation
229 Board from the Commonwealth Transportation Fund, shall be allocated as follows: 60 percent to
230 MWAA, up to a maximum annual amount of \$2 million, and 40 percent to air carrier airports as
231 provided in subdivision A 3 a. Except for adjustments due to changes in enplaned passengers, no air
232 carrier airport sponsor, excluding MWAA, shall receive less funds identified under subdivision A 3 a
233 than it received in fiscal year 1994-1995.

234 Of the remaining amount:

235 a. Forty percent of the funds shall be allocated to air carrier airports, except airports owned or leased
236 by MWAA, based upon the percentage of enplanements for each airport to total enplanements at all air
237 carrier airports, except airports owned or leased by MWAA. No air carrier airport sponsor, however,
238 shall receive less than \$50,000 nor more than \$2 million per year from this provision.

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

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

243 4. There is hereby created in the Department of the Treasury a special nonreverting fund which shall
244 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 80 percent in 2002 and 95 percent in 2003 and succeeding years. These amounts may be used to support up to 95 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 80 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 95 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 95 percent of the operating costs of experimental mass transportation and ridesharing projects approved by the Board for a period of time not to exceed 12 months.

(c) To finance up to 95 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 use of public transportation services.

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

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

(2) To finance up to 50 percent of the local share of public transportation operations planning and technical study projects approved by the Board.

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

f. The remaining 25 percent shall be distributed for capital purposes on the basis of 95 percent of the nonfederal share for federal projects and 95 percent of the total costs for nonfederal projects. In the event that total capital funds available under this subdivision are insufficient to fund the complete list of eligible projects, the funds shall be distributed to each transit property in the same proportion that such capital expenditure bears to the statewide total of capital projects.

g. There is hereby created in the Department of the Treasury a special nonreverting fund known as the Commonwealth Transit Capital Fund. The Commonwealth Transit Capital Fund shall be part of the Commonwealth Mass Transit Fund. The Commonwealth Transit Capital Fund subaccount shall be established on the books of the Comptroller and consist of such moneys as are appropriated to it by the General Assembly and of all donations, gifts, bequests, grants, endowments, and other moneys given, bequeathed, granted, or otherwise made available to the Commonwealth Transit Capital Fund. Any funds remaining in the Commonwealth Transit Capital Fund at the end of the biennium shall not revert to the general fund, but shall remain in the Commonwealth Transit Capital Fund. Interest earned on funds within the Commonwealth Transit Capital Fund shall remain in and be credited to the Commonwealth Transit Capital Fund. Proceeds of the Commonwealth Transit Capital Fund may be paid to any political subdivision, another public entity created by an act of the General Assembly, or a private entity as defined in § 56-557 and for purposes as enumerated in subdivision 4c of § 33.1-269 or expended by the

306 Department of Rail and Public Transportation for the purposes specified in this subdivision. Revenues of
307 the Commonwealth Transit Capital Fund shall be used to support capital expenditures involving the
308 establishment, improvement, or expansion of public transportation services through specific projects
309 approved by the Commonwealth Transportation Board. Projects financed by the Commonwealth Transit
310 Capital Fund shall receive local, regional or private funding for at least 20 percent of the nonfederal
311 share of the total project cost.

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

315 a. Local obligations for debt service for WMATA rail transit bonds apportioned to each locality
316 using WMATA's capital formula shall be paid first by NVTC. NVTC shall use 95 percent state aid for
317 these payments.

318 b. The remaining funds shall be apportioned to reflect WMATA's allocation formulas by using the
319 related WMATA-allocated subsidies and relative shares of local transit subsidies. Capital costs shall
320 include 20 percent of annual local bus capital expenses. Hold harmless protections and obligations for
321 NVTC's jurisdictions agreed to by NVTC on November 5, 1998, shall remain in effect.

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

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

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

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

353 E. Beginning July 1, 2000, of the remaining sales and use tax revenue, the revenue generated by a
354 two percent sales and use tax, up to an annual amount of \$13 million, collected from the sales of
355 hunting equipment, auxiliary hunting equipment, fishing equipment, auxiliary fishing equipment,
356 wildlife-watching equipment, and auxiliary wildlife-watching equipment in Virginia, as estimated by the
357 most recent U.S. Department of the Interior, Fish and Wildlife Service and U.S. Department of
358 Commerce, Bureau of the Census National Survey of Fishing, Hunting, and Wildlife-Associated
359 Recreation, shall be paid into the Game Protection Fund established under § 29.1-101 and shall be used,
360 in part, to defray the cost of law enforcement. Not later than 30 days after the close of each quarter, the
361 Comptroller shall transfer to the Game Protection Fund the appropriate amount of collections to be
362 dedicated to such Fund. At any time that the balance in the Capital Improvement Fund, established
363 under § 29.1-101.1, is equal to or in excess of \$35 million, any portion of sales and use tax revenues
364 that would have been transferred to the Game Protection Fund, established under § 29.1-101, in excess
365 of the net operating expenses of the Board, after deduction of other amounts which accrue to the Board
366 and are set aside for the Game Protection Fund, shall remain in the general fund until such time as the
367 balance in the Capital Improvement Fund is less than \$35 million.

F. 1. Of the net revenue generated from the one-half percent increase in the rate of the state sales and use tax effective August 1, 2004, pursuant to enactments of the 2004 Special Session I of the General Assembly, the Comptroller shall transfer from the general fund of the state treasury to the Public Education Standards of Quality/Local Real Estate Property Tax Relief Fund established under § 58.1-638.1 an amount equivalent to one-half of the net revenue generated from such one-half percent increase as provided in this subdivision. The transfers to the Public Education Standards of Quality/Local Real Estate Property Tax Relief Fund under this subdivision shall be for one-half of the net revenue generated (and collected in the succeeding month) from such one-half percent increase for the month of August 2004 and for each month thereafter.

2. For the purposes of the Comptroller making the required transfers under subdivision 1, the Tax Commissioner shall make a written certification to the Comptroller no later than the twenty-fifth of each month certifying the sales and use tax revenues generated in the preceding month. Within three calendar days of receiving such certification, the Comptroller shall make the required transfers to the Public Education Standards of Quality/Local Real Estate Property Tax Relief Fund.

G. Beginning July 1, 2006, an amount equivalent to the net revenue generated by the state sales and use tax imposed on the sale or charges for repair parts, maintenance parts, and accessories for self-propelled vehicles in the Cities of Alexandria, Fairfax, Falls Church, Manassas, or Manassas Park, or the Counties of Arlington, Fairfax, Loudoun, or Prince William shall be deposited by the Comptroller into the Northern Virginia Transportation District Fund. For purposes of this subsection "self-propelled vehicle" means any antique motor vehicle, motor home, motorcycle, passenger car, pickup or panel truck, tractor truck, or truck as such terms are defined in § 46.2-100.

The authority to impose the tax under this subsection shall cease 30 days after the date that the Auditor of Public Accounts provides notification pursuant to subsection I of § 30-133 that the requirements of § 2.2-1509.2 are not met.

The Tax Commissioner shall provide a monthly certification to the Comptroller reporting such revenues generated in the preceding month. The certification for each month shall be provided to the Comptroller no later than the twentieth of the immediately following month. The Comptroller shall make the required deposit into the Northern Virginia Transportation District Fund for each month's revenues no later than the last day of the immediately following month.

GH. 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.

HI. 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.

§ 58.1-815.1. Northern Virginia Transportation District Fund.

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

B. The Fund shall also consist of transfers pursuant to § 46.2-206.1 and subsection G of § 58.1-638. The priority of the projects to be funded by the revenues transferred pursuant to this subsection shall be determined by the Northern Virginia Transportation Authority in consultation with the local governing bodies of the cities and counties set forth in subsection A, and in consultation with the members of the House of Delegates and the Senate who represent any of the counties or cities. The first \$50 million shall be dedicated to any federal match for Metro. The remaining revenues transferred to the Fund pursuant to this subsection shall be dedicated to use on residential, urban, and secondary road construction and improvement.

BC. Allocations from this Fund may be paid (i) to any authority, locality or commission for the purposes of paying the costs of the Northern Virginia Transportation District Program which consists of the following: the Fairfax County Parkway, Route 234 Bypass, Metrorail Capital Improvements

attributable to Fairfax County including Metro parking expansions, Metro Capital Improvements, including the Franconia-Springfield Metrorail Station and new rail car purchases, Route 7 improvements in Loudoun County and Fairfax County, the Route 50/Courthouse Road interchange improvements in Arlington County, the Route 28/Route 625 interchange improvements in Loudoun County, Metrorail capital improvements attributable to the City of Alexandria including the King Street Metrorail Station access, Metrorail capital improvements attributable to Arlington County, including Ballston Station improvements, Route 15 safety improvements in Loudoun County, Route 28 parallel roads in Loudoun County, the Route 28/Sterling Boulevard interchange in Loudoun County, Route 1/Route 123 interchange improvements in Prince William County, Lee Highway improvements in the City of Fairfax, Route 123 improvements in Fairfax County, Telegraph Road improvements in Fairfax County, Route 123 Occoquan River Bridge, Gallows Road in Fairfax County, Route 1/Route 234 interchange improvements in Prince William County, Potomac-Rappahannock Transportation Commission bus replacement program, and Dulles Corridor Enhanced Transit program and (ii) for Category 4 projects as provided in § 2 of the act or acts authorizing the issuance of Bonds for the Northern Virginia Transportation District Program.

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

§ 58.1-2425. Disposition of revenues.

A. All funds collected hereunder by the Commissioner shall be forthwith paid into the state treasury. Except as otherwise provided in this section, these funds shall constitute special funds within the Commonwealth Transportation Fund. Any balances remaining in these funds at the end of the year shall be available for use in subsequent years for the purposes set forth in this chapter, and any interest income on such funds shall accrue to these funds. The revenue so derived, after refunds have been deducted, is hereby allocated for the construction, reconstruction and maintenance of highways and the regulation of traffic thereon and for no other purpose. However, (i) all funds collected pursuant to the provisions of this chapter from manufactured homes, as defined in § 46.2-100, shall be distributed to the city, town, or county wherein such manufactured home is to be situated as a dwelling; (ii) all funds collected from the additional tax imposed by subdivision A 4 of § 58.1-2402 on the rental of daily rental vehicles shall be distributed quarterly to the city, town, or county wherein such vehicle was delivered to the rentee; (iii) effective January 1, 1987, an amount equivalent to the net additional revenues generated by enactments of the 1986 Special Session of the Virginia General Assembly which amended §§ 46.2-694, 46.2-697, 58.1-2401, 58.1-2402 and this section shall be distributed to and paid into the Transportation Trust Fund, a special fund within the Commonwealth Transportation Fund, and are hereby appropriated to the Commonwealth Transportation Board for transportation needs; *(iv) an amount equivalent to the net revenues generated by the tax imposed under subdivision A 6 of § 58.1-2402 shall be deposited by the Comptroller into the Northern Virginia Transportation District Fund;* ~~(iv)~~ except as otherwise provided in ~~clause~~ *clauses* (iii) and (iv) of this sentence, all moneys collected from the tax on the gross proceeds from the rental in Virginia of any motor vehicle pursuant to subdivision A 3 of § 58.1-2402 at the tax rate in effect on December 31, 1986, shall be paid by the Commissioner into the state treasury and shall be paid into the Rail Enhancement Fund established by § 33.1-221.1:1.1; and ~~(v)~~ *(vi)* all additional revenues resulting from the fee imposed under subdivision A 5 of § 58.1-2402 as enacted by the 2004 Session of the General Assembly shall be used to pay the debt service on the bonds issued by the Virginia Public Building Authority for the Statewide Agencies Radio System (STARS) for the Department of State Police pursuant to the authority granted by the 2004 Session of the General Assembly.

B. As provided in subsection A of § 58.1-638, of the funds becoming part of the Transportation Trust Fund pursuant to clause (iii) of subsection A of this section, an aggregate of 4.2 percent shall be set aside as the Commonwealth Port Fund; an aggregate of 2.4 percent shall be set aside as the Commonwealth Airport Fund; and an aggregate of 14.5 percent in fiscal year 1998-1999 and 14.7 percent in fiscal year 1999-2000 and thereafter shall be set aside as the Commonwealth Mass Transit Fund.