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SENATE BILL NO. 701

Offered January 20, 2006

A *BILL to amend and reenact §§ 2.2-1509.2, 30-133, 46.2-686, 46.2-694.1, 46.2-697, 58.1-638, 58.1-814, 58.1-815.1, 58.1-2402, 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, by adding in Title 58.1 a chapter numbered 6.2, consisting of sections numbered 58.1-645 and 58.1-646, by adding a section numbered 58.1-803.1, and by adding in Article 6 of Chapter 38 of Title 58.1 a section numbered 58.1-3827, relating to the funding for transportation in Northern Virginia.*

Patrons—Devolites Davis and O'Brien; Delegates: Albo and Rust

Referred to Committee on Finance

Be it enacted by the General Assembly of Virginia:

1. That §§ 2.2-1509.2, 30-133, 46.2-686, 46.2-694.1, 46.2-697, 58.1-638, 58.1-814, 58.1-815.1, 58.1-2402, 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, by adding in Title 58.1 a chapter numbered 6.2, consisting of sections numbered 58.1-645 and 58.1-646, by adding a section numbered 58.1-803.1, and by adding in Article 6 of Chapter 38 of Title 58.1 a section numbered 58.1-3827 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; 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

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59 § 33.1-191 as designated for deposit into the Transportation Trust Fund under such section; any civil
60 penalties, and interest thereon, and cost recoveries designated for deposit into any of the Funds as
61 provided under law; fees for dealer's license plates designated for deposit into the Transportation Trust
62 Fund pursuant to § 46.2-1546; any excess earnings to be deposited into the Transportation Trust Fund
63 under a comprehensive agreement entered into under the Public-Private Transportation Act of 1995
64 (§ 56-556 et seq.) pursuant to subsection E of § 56-566; revenues from the lease, sale, or other
65 conveyance made by the Commonwealth Transportation Board that are designated for deposit into any
66 of the Funds as provided under law; and any locally generated revenues deposited into any of the
67 Funds as provided under law.

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

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

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

76 3. Making loans to finance transportation projects that are directly related to the purposes described
77 in subdivision 1.

78 § 30-133. Duties and powers generally.

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

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

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

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

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

108 F. Upon the written request of any member of the General Assembly, the Auditor of Public Accounts
109 shall furnish the requested information and provide technical assistance upon any matter requested by
110 such member.

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

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

years of the Commonwealth.

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

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. Imposition of additional fees on certain drivers residing in Northern Virginia; disposition of revenue to Northern Virginia Transportation District Fund.

A. The provisions of this section shall become effective for any person who resides within the boundaries of the Cities of Alexandria, Fairfax, Falls Church, Manassas, or Manassas Park or the Counties of Arlington, Fairfax, Loudoun, or Prince William. For the purposes of this section, residence shall be the residence of the person as is on record with the Department.

B. The purpose of the civil remedial fees imposed in this section is to generate revenue from drivers whose proven dangerous driving behavior places significant financial burdens upon the Commonwealth. The Commissioner shall impose and collect these civil remedial fees pursuant to this section, which shall be in addition to any other fees, costs, or penalties imposed on persons to whom Virginia driver's licenses and commercial driver's licenses have been issued pursuant to Chapter 3 (§ 46.2-300 et seq.) of this title.

C. Any person whose driver's record with the Department shows a conviction within the past three years of:

1. Driving while his driver's license was suspended or revoked pursuant to § 18.2-272 or Article 1 (§ 46.2-300 et seq.) of Chapter 3 of this title shall be assessed a fee of \$250;

2. Reckless driving in violation of Article 7 (§ 46.2-852 et seq.) of Chapter 8 of this title or

182 aggressive driving in violation of § 46.2-868.1 shall be assessed a fee of \$350;
 183 3. Driving while intoxicated in violation of any provision of Article 2 (§ 18.2-266 et seq.) of Chapter
 184 7 of Title 18.2 shall be assessed a fee of \$750; and

185 4. Any other misdemeanor conviction for a violation of Title 46.2, including but not limited to
 186 § 46.2-105.1, 46.2-105.2, 46.2-722, 46.2-832, 46.2-894, 46.2-896, 46.2-921.1 or 46.2-933, shall be
 187 assessed a fee of \$300.

188 For purposes of this subsection:

189 a. A finding of guilty in the case of a juvenile and a conviction under substantially similar laws of
 190 any other state or of the United States shall be a conviction;

191 b. Such fees shall be in addition to fees set forth in subsection D; and

192 c. The fee assessed shall be implemented in a manner whereby no convictions prior to July 1, 2006,
 193 shall be considered.

194 D. Any person whose driver's record with the Department shows a balance of four or more driver
 195 demerit points shall be assessed a fee of \$100 plus \$75 for each demerit point in excess of four, but not
 196 greater than \$700.

197 1. Such net balance shall include up to five positive points if the person successfully completes a
 198 Department-approved safe driver course pursuant to § 46.2-498. However, for the purposes of this
 199 section, the five positive points awarded can only be awarded once every five years.

200 2. Such fee shall be in addition to the fees set forth in subsection B.

201 E. The Department shall assess these fees annually.

202 F. The Department shall notify every person assessed a fee under this section by mailing a notice
 203 thereof by first-class mail addressed to such person's most recent address as shown in the Department's
 204 records.

205 G. If any assessment made under this section remains unpaid 60 days following the date on which
 206 the notice of assessment was mailed and no arrangements have been made with the Department for
 207 payment of such assessment in installments as authorized herein, the Department shall, pursuant to
 208 Article 1 (§ 46.2-300 et seq.) of Chapter 3 of this title suspend the driver's license of the person against
 209 whom the assessment was imposed, and the Commissioner may institute civil proceedings in any court
 210 of competent jurisdiction to recover any such fees. Jurisdiction for assessments under this section shall
 211 be in the jurisdiction where the person resides as is indicated in the records of the Department. The
 212 Commissioner shall be entitled to collect all costs of collection, including but not limited to attorney
 213 fees.

214 H. The Department may, by regulation, provide for payment options by which persons assessed fees
 215 under this section may pay such fees in installments.

216 I. In the event that a person disputes a conviction on his driver's record based upon identity, if the
 217 person presents to the Department a certified copy of a petition to a court of competent jurisdiction
 218 seeking to vacate an order of such conviction, the Department shall suspend the imposition of the
 219 assessment. Such suspension shall be valid for 30 days after an entry of a final order on such petition.

220 J. Funds collected through the imposition of fees as provided in this section shall be allocated as
 221 follows:

222 1. All necessary and actual expenses shall be transferred annually to the Department; and

223 2. The remainder shall be deposited into Northern Virginia Transportation District Fund established
 224 pursuant to § 58.1-815.1.

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

228 § 46.2-686. Portion of certain fees to be paid into special fund.

229 Except as provided in subdivision 13 of subsection A of § 46.2-694 and, subsection A of 46.2-694.1,
 230 subsection C of 46.2-697, and § 46.2-703, an amount equal to twenty percent of the fees collected, after
 231 refunds, from the registration of motor vehicles, trailers, and semitrailers pursuant to this chapter,
 232 calculated at the rates in effect on December 31, 1986, shall be transferred from the special fund
 233 established by the provisions of § 46.2-206 to a special fund in the state treasury to be used to meet the
 234 expenses of the Department.

235 § 46.2-694.1. Fees for trailers and semitrailers not designed and used for transportation of passengers.

236 A. Unless otherwise specified in this title, the registration fees for trailers and semitrailers not
 237 designed and used for the transportation of passengers on the highways in the Commonwealth shall be
 238 as follows:

239 Registered Gross Weight	1-Year Fee	2-Year Fee	Permanent Fee
240 0-1,500 lbs	\$8.00	\$16.00	\$50.00
241 1,501-4,000 lbs	\$18.50	\$37.00	\$50.00
242 4,001 lbs & above	\$23.50	\$47.00	\$50.00

From the foregoing registration fees, the following amounts, regardless of weight category, shall be paid by the Department into the state treasury and set aside for the payment of the administrative costs of the safety inspection program provided for in Article 21 (§ 46.2-1157 et seq.) of Chapter 10 of this title: (i) from each one-year registration fee, one dollar and fifty cents; (ii) from each two-year registration fee, three dollars; and (iii) from each permanent registration fee, four dollars.

B. In addition to the fees imposed pursuant to subsection A, for each trailer or semitrailer registered in the Cities of Alexandria, Fairfax, Falls Church, Manassas, or Manassas Park, or the Counties of Arlington, Fairfax, Loudoun, or Prince William, there shall be imposed an additional fee equal to that imposed pursuant to subsection A. All revenues generated by the fee imposed by this subsection shall be deposited by the Comptroller into the Northern Virginia Transportation District Fund established under § 58.1-815.1. 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 any of the requirements of § 2.2-1509.2 are not met.

§ 46.2-697. Fees for vehicles not designed or used for transportation of passengers.

A. Except as otherwise provided in this section, the fee for registration of all motor vehicles not designed and used for the transportation of passengers shall be thirteen dollars plus an amount determined by the gross weight of the vehicle or combination of vehicles of which it is a part, when loaded to the maximum capacity for which it is registered and licensed, according to the schedule of fees set forth in this section. For each 1,000 pounds of gross weight, or major fraction thereof, for which any such vehicle is registered, there shall be paid to the Commissioner the fee indicated in the following schedule immediately opposite the weight group and under the classification established by the provisions of subsection B of § 46.2-711 into which such vehicle, or any combination of vehicles of which it is a part, falls when loaded to the maximum capacity for which it is registered and licensed. The fee for a pickup or panel truck shall be twenty-three dollars if its gross weight is 4,000 pounds or less, and twenty-eight dollars if its gross weight is 4,001 pounds through 6,500 pounds. The fee shall be twenty-nine dollars for any motor vehicle with a gross weight of 6,501 pounds through 10,000 pounds.

Fee Per Thousand Pounds of Gross Weight

Gross Weight Groups (pounds)	Private Carriers	For Rent or For Hire Carriers
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10,001 - 11,000	\$2.60	\$4.75
11,001 - 12,000	2.80	4.90
12,001 - 13,000	3.00	5.15
13,001 - 14,000	3.20	5.40
14,001 - 15,000	3.40	5.65
15,001 - 16,000	3.60	5.90
16,001 - 17,000	4.00	6.15
17,001 - 18,000	4.40	6.40
18,001 - 19,000	4.80	7.50
19,001 - 20,000	5.20	7.70
20,001 - 21,000	5.60	7.90
21,001 - 22,000	6.00	8.10
22,001 - 23,000	6.40	8.30
23,001 - 24,000	6.80	8.50
24,001 - 25,000	6.90	8.70
25,001 - 26,000	6.95	8.90
26,001 - 27,000	8.25	10.35
27,001 - 28,000	8.30	10.55
28,001 - 29,000	8.35	10.75
29,001 - 40,000	8.45	10.95
40,001 - 45,000	8.55	11.15
45,001 - 50,000	8.75	11.25
50,001 - 55,000	9.25	13.25
55,001 - 76,000	11.25	15.25
76,001 - 80,000	13.25	16.25

For all such motor vehicles exceeding a gross weight of 6,500 pounds, an additional fee of five dollars shall be imposed.

B. In lieu of registering any motor vehicle referred to in this section for an entire licensing year, the

owner may elect to register the vehicle only for one or more quarters of a licensing year, and in such case, the fee shall be twenty-five percent of the annual fee plus five dollars for each quarter that the vehicle is registered.

C. In addition to the fees imposed pursuant to subsections A and B, for each vehicle with a gross weight over 12,000 pounds registered under this section in the Cities of Alexandria, Fairfax, Falls Church, Manassas, or Manassas Park, or the Counties of Arlington, Fairfax, Loudoun, or Prince William, there shall be imposed an additional fee equal to that imposed pursuant to subsection A and B. All revenues generated by the fee imposed by this subsection shall be deposited by the Comptroller into the Northern Virginia Transportation District Fund established under § 58.1-815.1. 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 any of the requirements of § 2.2-1509.2 are not met.

CD. When an owner elects to register and license a motor vehicle under subsection B of this section, the provisions of §§ 46.2-646 and 46.2-688 shall not apply.

DE. Notwithstanding any other provision of law, no vehicle designed, equipped, and used to tow disabled or inoperable motor vehicles shall be required to register in accordance with any gross weight other than the gross weight of the towing vehicle itself, exclusive of any vehicle being towed.

EF. All registrations and licenses issued for less than a full year shall expire on the date shown on the license and registration.

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

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

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

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

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

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

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

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

Any new funds in excess of \$12.1 million which are available for allocation by the Virginia Aviation Board from the Commonwealth Transportation Fund, shall be allocated as follows: 60 percent to MWAA, up to a maximum annual amount of \$2 million, and 40 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 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 Department of Rail and Public Transportation for the purposes specified in this subdivision. Revenues of the Commonwealth Transit Capital Fund shall be used to support capital expenditures involving the establishment, improvement, or expansion of public transportation services through specific projects approved by the Commonwealth Transportation Board. Projects financed by the Commonwealth Transit Capital Fund shall receive local, regional or private funding for at least 20 percent of the nonfederal share of the total project cost.

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

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

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

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

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

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

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

E. Beginning July 1, 2000, of the remaining sales and use tax revenue, the revenue generated by a two percent sales and use tax, up to an annual amount of \$13 million, collected from the sales of hunting equipment, auxiliary hunting equipment, fishing equipment, auxiliary fishing equipment, wildlife-watching equipment, and auxiliary wildlife-watching equipment in Virginia, as estimated by the

most recent U.S. Department of the Interior, Fish and Wildlife Service and U.S. Department of Commerce, Bureau of the Census National Survey of Fishing, Hunting, and Wildlife-Associated 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 30 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. 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 1 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. CHAPTER 6.2. VIRGINIA STATE LODGING FEE IN NORTHERN VIRGINIA.

§ 58.1-645. Imposition of lodging fee.

A. There is hereby levied and imposed beginning January 1, 2008, in addition to all other taxes and fees of every kind now imposed by law, a lodging fee of \$5 per day on the sale of or charge for every room, lodging, or accommodation furnished to a transient for less than 90 continuous days in the Cities of Alexandria, Fairfax, Falls Church, Manassas, and Manassas Park and the Counties of Arlington, Fairfax, Loudoun, and Prince William, by any hotel, motel, inn, tourist camp, tourist cabin, camping grounds, club, or any other place in which rooms, lodging, space, or accommodations are regularly furnished to transients for a consideration.

The term "transient" shall not include a purchaser of camping memberships, time-shares, condominiums, or other similar contracts or interests that permit the use of, or constitute an interest in, real estate, however created or sold and whether registered with the Commonwealth or not. Further, a purchaser of a right or license that entitles the purchaser to use the amenities and facilities of a specific real estate project on an ongoing basis throughout its term shall not be deemed a transient; provided, however, that the term or time period involved is for seven years or more.

B. The lodging fee levied under this chapter shall be collected by the Tax Commissioner in the same

548 manner as is the retail sales and use tax, pursuant to Chapter 6 (§ 58.1-600 et seq.).

549 C. All revenues generated by the fee imposed by this chapter shall be deposited by the Comptroller
550 into the Northern Virginia Transportation District Fund established under § 58.1-815.1.

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

554 § 58.1-646. Provisions of Chapter 6 (§ 58.1-600 et seq.) to apply, *mutatis mutandis*.

555 Except as provided in this chapter, and except for the vendor discount under § 58.1-622, the
556 provisions of Chapter 6 (§ 58.1-600 et seq.) shall apply to this chapter, *mutatis mutandis*.

557 § 58.1-803.1. Additional Transportation Impact Fee.

558 In addition to the taxes imposed pursuant to §§ 58.1-801 and 58.1-803, there shall be imposed a fee
559 in the amount 20 cents on every \$100 or fraction thereof of the consideration of the deed or the actual
560 value of the property conveyed, whichever is greater, or the amount of bonds or other obligations
561 secured thereby, respectively, on each document that is being recorded pursuant to those sections in the
562 Cities of Alexandria, Fairfax, Falls Church, Manassas, and Manassas Park and the Counties of
563 Arlington, Fairfax, Loudoun, and Prince William. The authority to impose the tax under this section
564 shall cease 30 days after the date that the Auditor of Public Accounts provides notification pursuant to
565 subsection I of § 30-133 that any of the requirements of § 2.2-1509.2 are not met.

566 § 58.1-814. City or county recordation tax.

567 In addition to the state recordation tax imposed by this chapter, the council of any city and the
568 governing body of any county may, pursuant to Chapter 38 (§ 58.1-3800 et seq.) of this title, impose a
569 city or county recordation tax in an amount equal to one-third of the amount of state recordation tax,
570 not including the fee imposed pursuant to § 58.1-803.1.

571 § 58.1-815.1. Northern Virginia Transportation District Fund.

572 A. There is hereby created in the Department of the Treasury a special nonreverting fund which shall
573 be a part of the Transportation Trust Fund and which shall be known as the Northern Virginia
574 Transportation District Fund, consisting of transfers pursuant to § 58.1-816 of annual collections of the
575 state recordation taxes attributable to the Cities of Alexandria, Fairfax, Falls Church, Manassas, and
576 Manassas Park and the Counties of Arlington, Fairfax, Loudoun, and Prince William; however, this
577 dedication shall not affect the local recordation taxes under §§ 58.1-802 B and 58.1-814. The Fund shall
578 also include any public rights-of-way use fees appropriated by the General Assembly; any state or local
579 revenues, including but not limited to, any funds distributed pursuant to § 33.1-23.3, 33.1-23.4 or
580 33.1-23.5:1, which may be deposited into the Fund pursuant to a contract between a jurisdiction
581 participating in the Northern Virginia Transportation District Program and the Commonwealth
582 Transportation Board; and any other funds as may be appropriated by the General Assembly from time
583 to time and designated for this Fund and all interest, dividends and appreciation which may accrue
584 thereto. Any moneys remaining in the Fund at the end of a biennium shall not revert to the general
585 fund, but shall remain in the Fund, subject to the determination by the Commonwealth Transportation
586 Board that a Category 2, 3 or 4 project or projects may be funded.

587 B. The Fund shall also consist of transfers pursuant to § 46.2-206.1, subsection B of § 46.2-694.1,
588 subsection C of § 46.2-697, subsection G of § 58.1-638, § 58.1-645, § 58.1-803.1, and subdivision A 6 of
589 § 58.1-2402. The priority of the projects to be funded by the revenues transferred pursuant to this
590 subsection shall be determined by the Northern Virginia Transportation Authority in consultation with
591 the local governing bodies of the cities and counties set forth in subsection A, and in consultation with
592 the members of the House of Delegates and the Senate who represent any of the counties or cities. At
593 least 40% of the revenues transferred to the Fund pursuant to this subsection shall be dedicated to use
594 on residential, urban, and secondary road construction and improvement.

595 B.C. Allocations from this Fund may be paid (i) to any authority, locality or commission for the
596 purposes of paying the costs of the Northern Virginia Transportation District Program which consists of
597 the following: the Fairfax County Parkway, Route 234 Bypass, Metrorail Capital Improvements
598 attributable to Fairfax County including Metro parking expansions, Metro Capital Improvements,
599 including the Franconia-Springfield Metrorail Station and new rail car purchases, Route 7 improvements
600 in Loudoun County and Fairfax County, the Route 50/Courthouse Road interchange improvements in
601 Arlington County, the Route 28/Route 625 interchange improvements in Loudoun County, Metrorail
602 capital improvements attributable to the City of Alexandria including the King Street Metrorail Station
603 access, Metrorail capital improvements attributable to Arlington County, including Ballston Station
604 improvements, Route 15 safety improvements in Loudoun County, Route 28 parallel roads in Loudoun
605 County, the Route 28/Sterling Boulevard interchange in Loudoun County, Route 1/Route 123
606 interchange improvements in Prince William County, Lee Highway improvements in the City of Fairfax,
607 Route 123 improvements in Fairfax County, Telegraph Road improvements in Fairfax County, Route
608 123 Occoquan River Bridge, Gallows Road in Fairfax County, Route 1/Route 234 interchange
609 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.

§ 58.1-2402. Levy.

A. There is hereby levied, in addition to all other taxes and fees of every kind now imposed by law, a tax upon the sale or use of motor vehicles in Virginia, other than (i) vehicles with a gross vehicle weight rating or gross combination weight rating of 26,001 pounds or more, or (ii) a sale to or use by a person for rental as an established business or part of an established business or incidental or germane to such business.

There shall also be levied a tax upon the rental of a motor vehicle in Virginia, without regard to whether such vehicle is required to be licensed by the Commonwealth. However, such tax shall not be levied upon a rental to a person for re-rental as an established business or part of an established business, or incidental or germane to such business.

The amount of the tax to be collected shall be determined by the Commissioner by the application of the following rates against the gross sales price or gross proceeds:

1. Three percent of the sale price of each motor vehicle sold in Virginia. If such motor vehicle is a manufactured home as defined in § 36-85.3, the tax shall be three percent of the sale price of each such manufactured home sold in this Commonwealth; if such vehicle is a mobile office as defined in § 58.1-2401, the tax shall be two percent of the sale price of each mobile office sold in this Commonwealth.

2. Three percent of the sale price of each motor vehicle, or three percent of the sale price of each manufactured home as defined in § 36-85.3, or two percent of the sale price of each mobile office as defined in § 58.1-2401, not sold in Virginia but used or stored for use in this Commonwealth. When any such motor vehicle or manufactured home is first used or stored for use in Virginia six months or more after its acquisition, the tax shall be based on its current market value.

3. Four percent of the gross proceeds from the rental in Virginia of any motor vehicle, except those with a gross vehicle weight rating or gross combination weight rating of 26,001 pounds or more.

4. In addition to the tax levied pursuant to subdivision A 3, a tax of four percent of the gross proceeds shall be levied on the rental in Virginia of any daily rental vehicle, whether or not such vehicle is required to be licensed in the Commonwealth.

5. In addition to all other applicable taxes and fees, a fee of two percent of the gross proceeds shall be imposed on the rental in Virginia of any daily rental vehicle, whether or not such vehicle is required to be licensed in the Commonwealth. For purposes of this chapter, the rental fee shall be implemented, enforced, and collected in the same manner that rental taxes are implemented, enforced, and collected.

6. *In addition to all other applicable taxes and fees, a fee of 2% of the gross proceeds shall be imposed on the rental in the Cities of Alexandria, Fairfax, Falls Church, Manassas, and Manassas Park and the Counties of Arlington, Fairfax, Loudoun, and Prince William of any daily rental vehicle, whether or not such vehicle is required to be licensed in the Commonwealth. For purposes of this chapter, the rental fee shall be implemented, enforced, and collected in the same manner that rental taxes are implemented, enforced, and collected. The authority to impose the tax under this subdivision shall cease 30 days after the date that the Auditor of Public Accounts provides notification pursuant to subsection I of § 30-133 that any of the requirements of § 2.2-1509.2 are not met.*

67. The minimum tax levied on the sale of any motor vehicle in the Commonwealth shall be \$35, except as provided by those exemptions defined in § 58.1-2403.

B. A transaction taxed under subdivision A 1 shall not also be taxed under subdivision A 2, nor shall the same transaction be taxed more than once under either subdivision. A motor vehicle subject to the tax imposed under subdivision A 3 shall be subject to the tax under either subdivision A 1 or A 2 when it ceases to be used for rental as an established business or part of an established business, or incidental or germane to such business.

C. Any motor vehicle, trailer or semitrailer exempt from this tax under subdivision 1 or 2 of § 58.1-2403 shall be subject to the tax, based on the current market value when such vehicle is no longer owned, rented or used by the United States government or any governmental agency, or the Commonwealth of Virginia or any political subdivision thereof. Further, any motor vehicle, trailer or semitrailer exempt from the tax imposed by this chapter under subdivision 11 of § 58.1-2403 or §§ 46.2-663 through 46.2-674 shall be subject to the tax, based on the current market value, when such

vehicle is subsequently licensed to operate on the highways of this Commonwealth.

D. Any person who with intent to evade or to aid another person to evade the tax provided for herein, falsely states the selling price of a vehicle on a bill of sale, assignment of title, application for title, or any other document or paper submitted to the Commissioner pursuant to any provisions of this title or Title 46.2, shall be guilty of a Class 3 misdemeanor.

E. Effective January 1, 1997, any amount designated as a "processing fee" and any amount charged by a dealer for processing a transaction, which is required to be included on a buyer's order pursuant to subdivision 10 of § 46.2-1530, shall be subject to the tax.

§ 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;* (v) 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 (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.

§ 58.1-3827. *Restriction on transient occupancy tax in certain cities and towns.*

The Cities of Alexandria, Fairfax, Falls Church, Manassas, and Manassas Park, and the Towns of Clifton, Dumfries, Hamilton, Haymarket, Herndon, Hillsboro, Leesburg, Lovettsville, Middleburg, Occoquan, Purcellville, Quantico, Round Hill, and Vienna shall not impose a transient occupancy tax at any rate higher than the rate in effect in such city or town as of January 1, 2006.

2. That the first projects to be funded pursuant to subsection B of § 58.1-815.1 of the Code of Virginia shall be as determined at the February 2006 meeting of the Northern Virginia Transportation Authority.