

069229712

SENATE BILL NO. 708

AMENDMENT IN THE NATURE OF A SUBSTITUTE

(Proposed by the Senate Committee on Finance
on February 14, 2006)(Patrons Prior to Substitute—Senators Hawkins, Potts [SB 686], Reynolds [SB 722], Houck [SB 723],
Colgan [SB 725])

A *BILL to amend and reenact §§ 2.2-1509.2, 33.1-12, 33.1-23.03:1, 33.1-23.03:2, 33.1-23.03:8, 33.1-221.1:1.1, 46.2-694, 46.2-694.1, 46.2-697, 46.2-698, 46.2-700, 46.2-730, 46.2-752, 46.2-753, 46.2-1135, 58.1-802, 58.1-811, 58.1-2217, 58.1-2249, 58.1-2289, 58.1-2402, 58.1-2425, 58.1-2701, and 58.1-2706 of the Code of Virginia; to amend the Code of Virginia by adding sections numbered 46.2-206.1, 46.2-702.1, 58.1-802.1, and 58.1-2259.1, by adding in Chapter 22 of Title 58.1 an article numbered 8.1, consisting of a section numbered 58.1-2288.1, and by adding in Article 2 of Chapter 25 of Title 58.1 a section numbered 58.1-2531; and to repeal the tenth enactment clauses of Chapter 1019 and Chapter 1044 of the Acts of Assembly of 2000; relating to the funding of transportation in the Commonwealth through new and existing sources of revenues.*

Be it enacted by the General Assembly of Virginia:

1. That §§ 2.2-1509.2, 33.1-12, 33.1-23.03:1, 33.1-23.03:2, 33.1-23.03:8, 33.1-221.1:1.1, 46.2-694, 46.2-694.1, 46.2-697, 46.2-698, 46.2-700, 46.2-730, 46.2-752, 46.2-753, 46.2-1135, 58.1-802, 58.1-811, 58.1-2217, 58.1-2249, 58.1-2289, 58.1-2402, 58.1-2425, 58.1-2701, and 58.1-2706 of the Code of Virginia are amended and reenacted, and that the Code of Virginia is amended by adding sections numbered 46.2-206.1, 46.2-702.1, 58.1-802.1, and 58.1-2259.1, by adding in Chapter 22 of Title 58.1 an article numbered 8.1, consisting of a section numbered 58.1-2288.1, and by adding in Article 2 of Chapter 25 of Title 58.1 a section numbered 58.1-2531 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, hereinafter referred to as "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 for such Funds; (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.), 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 be 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 paid into the Rail Enhancement Fund, Commonwealth Mass Transit Fund, and the Highway Construction Fund as provided in subsection B of § 33.1-23.03:2 pursuant to enactments of the 2006 Session of the General Assembly; the revenues from the motor vehicle sales and use tax deposited into the Transportation Trust Fund pursuant to subsection A of § 58.1-2425; the revenues from the insurance license tax on automobile premiums deposited into the Transportation Trust Fund as provided under § 58.1-2531 pursuant to enactments of the 2006 Session of the General Assembly; the revenues from the vehicle registration fees deposited into the Transportation Trust Fund as provided under § 46.2-702.1 pursuant to enactments of the 2006 Session of the General Assembly; the revenues from the fuels taxes deposited into the Transportation Trust Fund as provided in subsection F of § 58.1-2289 pursuant to enactments of the 2006 Session of the General Assembly; the revenues from the motor vehicle sales and use tax deposited into the Rail Enhancement Fund as provided in clause (iv) of subsection A of § 58.1-2425; the revenues from the liquidated damages deposited into the Transportation Trust Fund as provided in § 46.2-1135 pursuant to enactments of the 2006 Session of the General Assembly; the revenues from fees on certain drivers deposited into the Transportation Trust Fund as provided in § 46.2-206.1 pursuant to enactments of the 2006 Session of the General Assembly; 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 into any of the Funds as provided under law.

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

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

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

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

D. No moneys designated for deposit into the general fund of the state treasury shall be used for any of the purposes described in subsection C or for any other transportation-related purpose except that moneys designated for deposit into the general fund of the state treasury shall be used for (i) making debt service payments on the \$317 million in principal amount of Commonwealth of Virginia Federal Highway Reimbursement Anticipation Notes that were issued for the projects specified in Item 491 H 2 of Chapter 899 of the Acts of Assembly of 2002; (ii) making debt service payments on any transportation-related bonds or other obligations issued pursuant to Article X, Section 9 (c) of the Constitution of Virginia in those cases in which the revenues dedicated for the payment of the debt service on such bonds or other obligations are insufficient to make full payment; and (iii) purposes of making the \$40 million deposit under § 58.1-815 and the \$40 million deposit under § 58.1-816, including any portion of such \$40 million deposit under § 58.1-816 that is actually deposited or transferred into (a) the Northern Virginia Transportation District Fund established under § 58.1-815.1 or (b) the Transportation Improvement Program Set-aside Fund established under § 58.1-816.1.

§ 33.1-12. General powers and duties of Board, etc.; definitions.

The Commonwealth Transportation Board shall be vested with the following powers and shall have the following duties:

(1) Location of routes. - To locate and establish the routes to be followed by the roads comprising systems of state highways between the points designated in the establishment of such systems.

(2) Construction and maintenance contracts and activities related to passenger and freight rail and public transportation.

(a) To let all contracts to be administered by the Virginia Department of Transportation or the Department of Rail and Public Transportation for the construction, maintenance, and improvement of the roads comprising systems of state highways and for all activities related to passenger and freight rail and public transportation in excess of \$2 million. The Commonwealth Transportation Commissioner shall have authority to let all Virginia Department of Transportation-administered contracts for highway construction, maintenance, and improvements up to \$2 million in value. The Director of the Department of Rail and Public Transportation shall have the authority to let contracts for passenger and freight rail

and public transportation improvements up to \$2 million in value. The Commonwealth Transportation Commissioner is authorized to enter into agreements with localities, authorities, and transportation districts to administer projects and to allow those localities, authorities, and transportation districts to let contracts for highway construction, maintenance, and improvements within their jurisdictions. The Director of the Department of Rail and Public Transportation is authorized to enter into agreements with localities, authorities, and transportation districts to administer projects and to allow those localities, authorities, and transportation districts to let contracts for passenger and freight rail and public transportation activities within their jurisdictions. The Commonwealth Transportation Commissioner and the Director of the Department of Rail and Public Transportation shall report on their respective transportation contracting activities at least quarterly to the Board.

(b) The Commonwealth Transportation Board may award contracts for the construction of transportation projects on a design-build basis. The Board may annually award five design-build contracts valued no more than \$20 million. The Board may also award design-build contracts valued more than \$20 million, provided that no more than five of these latter contracts are in force at the same time. These contracts may be awarded after a written determination is made by the Commonwealth Transportation Commissioner or the Director of the Department of Rail and Public Transportation, pursuant to objective criteria previously adopted by the Board regarding the use of design-build, that delivery of the projects must be expedited and that it is not in the public interest to comply with the design and construction contracting procedures normally followed. Such objective criteria will include requirements for prequalification of contractors and competitive bidding processes. These contracts shall be of such size and scope to encourage maximum competition and participation by agency prequalified and otherwise qualified contractors. Such determination shall be retained for public inspection in the official records of the Department of Transportation or the Department of Rail and Public Transportation, as the case may be, and shall include a description of the nature and scope of the project and the reasons for the Commissioner's or Director's determination that awarding a design-build contract will best serve the public interest. The provisions of this section shall supersede contrary provisions of subsection D of § 2.2-4303 and § 2.2-4306.

(c) For transportation construction projects valued in excess of \$100 million, the Commonwealth Transportation Board shall require that a financial plan be prepared. This plan shall include, but not be limited to, the following: (i) a complete cost estimate for all major project elements; (ii) an implementation plan with the project schedule and cost-to-complete information presented for each year; (iii) identified revenues by funding source available each year to meet project costs; and (iv) a detailed cash-flow analysis for each year of the proposed project.

(3) Traffic regulations. - To make rules and regulations, from time to time, not in conflict with the laws of the Commonwealth, for the protection of and covering traffic on and the use of systems of state highways and to add to, amend or repeal the same.

(4) Naming highways. - To give suitable names to state highways and change the names of any highways forming a part of the systems of state highways, except such roads as have been or may hereafter be named by the General Assembly.

(5) Compliance with federal acts. - To comply fully with the provisions of the present or future federal aid acts. The Board may enter into all contracts or agreements with the United States government and may do all other things necessary to carry out fully the cooperation contemplated and provided for by present or future acts of Congress in the area of transportation.

(6) Information and statistics. - To gather and tabulate information and statistics relating to transportation and disseminate the same throughout the Commonwealth. In addition, the Commissioner shall provide a report to the Governor, the General Assembly, the Commonwealth Transportation Board, and the public concerning the current status of all highway construction projects in the Commonwealth. This report shall be posted at least four times each fiscal year, but may be updated more often as circumstances allow. The report shall contain, at a minimum, the following information for every project in the Six-Year Improvement Program: (i) project description; (ii) total cost estimate; (iii) funds expended to date; (iv) project timeline and completion date; (v) statement of whether project is ahead of, on, or behind schedule; and (vi) the name of the prime contractor. Use of one or more Internet websites may be used to satisfy this requirement. Project specific information posted on the Internet shall be updated daily as information is available.

(7) Policies and operation of Departments. - To review and approve policies and transportation objectives of the Department of Transportation and the Department of Rail and Public Transportation, to assist in establishing such policies and objectives, to oversee the execution thereof, and to report thereon to the Commonwealth Transportation Commissioner and the Director of the Department of Rail and Public Transportation, respectively.

(8) Cooperation with other agencies and local governments.

(a) To cooperate with the federal government, the American Association of State Highway and

183 Transportation Officials and any other organization in the numbering, signing and marking of highways,
184 in the taking of measures for the promotion of highway safety, in research activities, in the preparation
185 of standard specifications, in the testing of highway materials and otherwise with respect to
186 transportation projects.

187 (b) To offer technical assistance and coordinate state resources to work with local governments, upon
188 their request, in developing sound transportation components for their local comprehensive plans.

189 (9) Transportation.

190 (a) To monitor and, where necessary, approve actions taken by the Department of Rail and Public
191 Transportation pursuant to Chapter 10.1 (§ 33.1-391.1 et seq.) of this title in order to ensure the efficient
192 and economical development of public transportation, the enhancement of rail transportation, and the
193 coordination of such rail and public transportation plans with highway programs.

194 (b) To coordinate the planning for financing of transportation needs, including needs for highways,
195 railways, seaports, airports, and public transportation and to set aside funds as provided in
196 § 33.1-23.03:1. To allocate funds for these needs pursuant to §§ 33.1-23.1, § 33.1-23.03:2, and 58.1-638,
197 the Board shall adopt a Six-Year Improvement Program of anticipated projects and programs by July 1
198 of each year. This program shall be based on the most recent official Transportation Trust Fund revenue
199 forecast and shall be consistent with a debt management policy adopted by the Board in consultation
200 with the Debt Capacity Advisory Committee and the Department of the Treasury.

201 (c) To recommend to the General Assembly for their consideration at the next session of the General
202 Assembly, objective criteria to be used by the Board in selecting those transportation projects to be
203 advanced from the feasibility to the construction stage. If such criteria are enacted into law, such
204 objectives shall apply to the interstate, primary, and urban systems of highways.

205 (d) To enter into contracts with local districts, commissions, agencies, or other entities created for
206 transportation purposes.

207 (10) Contracts with other states. - To enter into all contracts with other states necessary for the
208 proper coordination of the location, construction, maintenance, improvement and operation of
209 transportation systems, including the systems of state highways with the highways of such other states
210 and, where necessary, to seek the approval of such contracts by the Congress of the United States.

211 (11) Use of funds. - To administer, distribute, and allocate funds in the Transportation Trust Fund as
212 provided by law. The Commonwealth Transportation Board shall ensure that the total funds allocated to
213 any highway construction project are equal to total expenditures within 12 months following completion
214 of the project. However this requirement shall not apply to debt service apportionments pursuant to
215 § 33.1-23.3 or 33.1-23.4.

216 (12) Financial and investment advisors. - With the advice of the Secretary of Finance and the State
217 Treasurer, to engage a financial advisor and investment advisor who may be anyone within or without
218 the government of the Commonwealth, to assist in planning and making decisions concerning the
219 investment of funds and the use of bonds for transportation purposes. The work of these advisors shall
220 be coordinated with the Secretary of Finance and the State Treasurer.

221 (13) The powers of the Virginia Aviation Board set out in Chapter 1 (§ 5.1-1 et seq.) of Title 5.1
222 and the Virginia Port Authority set out in Chapter 10 (§ 62.1-128 et seq.) of Title 62.1 are in no way
223 diminished by the provisions of this title.

224 (14) To enter into payment agreements with the Treasury Board related to payments on bonds issued
225 by the Commonwealth Transportation Board.

226 (15) Outdoor theaters. - By regulation:

227 (a) To prevent the erection of moving picture screens of outdoor theaters in such a manner as to be
228 ordinarily visible from any highway;

229 (b) To require that a sufficient space is left between any highway and the entrance to any outdoor
230 theater to prevent congestion on the highway; and

231 (c) To require that outdoor theater entrances and exits are adequately lighted and marked.

232 The term "public transportation" or "mass transit" as used in this title means passenger transportation
233 by rubber-tired, rail, or other surface conveyance which provides shared ride services open to the general
234 public on a regular and continuing basis. The term does not include school buses; charter or sight-seeing
235 service; vehicular ferry service which serves as a link in the highway network; or human service agency
236 or other client-restricted transportation.

237 § 33.1-23.03:1. Transportation Trust Fund.

238 There is hereby created in the Department of the Treasury a special nonreverting fund to be known
239 as the Transportation Trust Fund, consisting of:

240 1. Funds remaining for highway construction purposes, among the several highway systems pursuant
241 to § 33.1-23.1.

242 2. [Repealed.]

243 3. The additional revenues generated by enactments of Chapters 11, 12 and 15 of the Acts of
244 Assembly, 1986 Special Session, and designated for this fund.

4. Tolls and other revenues derived from the projects financed or refinanced pursuant to this title which are payable into the state treasury and tolls and other revenues derived from other transportation projects, which may include upon the request of the applicable appointed governing body, as soon as their obligations have been satisfied, such tolls and revenue derived for transportation projects pursuant to § 33.1-253 (Chesapeake Bay Bridge and Tunnel District) and § 33.1-320 (Richmond Metropolitan Authority) or if the appointed governing body requests refunding or advanced refunding by the Board and such refunding or advanced refunding is approved by the General Assembly. Such funds shall be held in separate subaccounts of the Transportation Trust Fund to the extent required by law or the Board.

5. Tolls and other revenues derived from the Richmond-Petersburg Turnpike, provided that such funds shall be held in a separate subaccount of the Transportation Trust Fund and allocated as set forth in Chapter 574 of the Acts of Assembly of 1983 until expiration of that Act.

6. Such other funds as may be appropriated by the General Assembly from time to time, and designated for this fund.

7. All interest, dividends and appreciation which may accrue to the Transportation Trust Fund and the Highway Maintenance and Construction Fund, except that interest on funds becoming part of the Transportation Trust Fund under subdivision 1 and the Highway Maintenance and Construction Fund shall not become part of the Transportation Trust Fund until July 1, 1988.

8. All amounts required by contract to be paid over to the Transportation Trust Fund.

9. *The additional revenues generated by enactments of the 2006 Session of the General Assembly, and designated for this fund, pursuant to §§ 46.2-206.1, 46.2-702.1, 46.2-1135, and 58.1-2289, clause (vi) of subsection A of § 58.1-2425, and § 58.1-2531.*

§ 33.1-23.03:2. Commonwealth Port Fund, Commonwealth Airport Fund and Commonwealth Mass Transit Fund.

A. Of the funds becoming part of the Transportation Trust Fund pursuant to subdivision 3 of § 33.1-23.03:1, 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. The remaining 78.9 percent of the funds deposited into or held in the Transportation Trust Fund in fiscal year 1998-1999, and 78.7 percent of the funds deposited into or held in the Transportation Trust Fund in fiscal year 1999-2000 and thereafter, pursuant to subdivision 3 of § 33.1-23.03:1, together with funds deposited pursuant to subdivisions 1 and 6 of § 33.1-23.03:1, shall be expended for capital improvements including construction, reconstruction, maintenance, and improvements of highways according to the provisions of § 33.1-23.1 B or to secure bonds issued for such purposes, as provided by the Board and the General Assembly.

B. *Revenues set forth in subdivision 9 of § 33.1-23.03:1 shall be paid in the manner hereinafter provided in this section.*

1. *The first \$50 million of such revenues in each fiscal year shall be paid to the credit of the Rail Enhancement Fund established under § 33.1-221.1:1.1.*

2. *After the payment in subdivision 1 has been made, of the remaining revenues set forth in subdivision 9 of § 33.1-23.03:1:*

a. *14.7% shall be set aside for capital purposes on the basis provided in subdivision A 4 f of § 58.1-638 and deposited in the Commonwealth Mass Transit Fund. Any funds deposited into the Commonwealth Mass Transit Fund but not required to achieve the purpose set forth in subdivision A 4 f of § 58.1-638 shall be allocated in accordance with subdivision A 4 e of § 58.1-638, and*

b. *85.3% shall be deposited into the Highway Construction Fund, and distributed in accordance with subdivisions B 1, B 2, and B 3 of § 33.1-23.1.*

§ 33.1-23.03:8. Priority Transportation Fund established.

A. There is hereby created in the state treasury a special nonreverting fund to be known as the Priority Transportation Fund, hereafter referred to as "the Fund." The Fund shall be established on the books of the Comptroller. Interest earned on moneys in the Fund shall remain in the Fund and be credited to it. All funds as may be designated in the appropriation act for deposit to the Fund shall be paid into the state treasury and credited to the Fund. Such funds shall include:

1. A portion of the moneys actually collected, including penalty and interest, attributable to any increase in revenues from the taxes imposed under Chapter 22 (§ 58.1-2200 et seq.) of Title 58.1, with such increase being calculated as the difference between such tax revenues collected in the manner prescribed under Chapter 22 less such tax revenues that would have been collected using the prescribed manner in effect before the effective date of Chapter 22. The portion to be deposited to the Fund shall be the moneys actually collected from such increase in revenues (*but not including additional revenues described in subsection F of § 58.1-2289*) and allocated for highway and mass transit improvement projects as set forth in subsection A of § 33.1-23.03:2, but not including any amounts that are allocated

306 to the Commonwealth Port Fund and the Commonwealth Airport Fund under such section. There shall
307 also be deposited into the Fund all additional federal revenues attributable to Chapter 22 (§ 58.1-2200 et
308 seq.) of Title 58.1; and

309 2. Beginning with the fiscal year ending June 30, 2000, and for fiscal years thereafter, all revenues
310 that exceed the official forecast, pursuant to § 2.2-1503, for (i) the Highway Maintenance and Operating
311 Fund and (ii) the allocation to highway and mass transit improvement projects as set forth in *subsection*
312 *A of § 33.1-23.03:2*, but not including any amounts that are allocated to the Commonwealth Port Fund
313 and the Commonwealth Airport Fund under such ~~sections~~*subsection*; and

314 3. Any other such funds as may be transferred, allocated, or appropriated.

315 The Fund shall be considered a part of the Transportation Trust Fund. Any moneys remaining in the
316 Fund, including interest thereon, at the end of each fiscal year shall not revert to the general fund but
317 shall remain in the Fund. Moneys in the Fund shall be used solely for the purposes enumerated in
318 subsection B of this section. Expenditures and disbursements from the Fund shall be made by the State
319 Treasurer on warrants issued by the Comptroller.

320 B. The Commonwealth Transportation Board shall use the Fund to facilitate the financing of priority
321 transportation projects throughout the Commonwealth. The Board may use the Fund either (i) by
322 expending amounts therein on such projects directly, (ii) by payment to any authority, locality,
323 commission or other entity for the purpose of paying the costs thereof, or (iii) by using such amounts to
324 support, secure, or leverage financing for such projects. No expenditures from or other use of amounts
325 in the Fund shall be considered in allocating highway maintenance and construction funds under
326 § 33.1-23.1 or apportioning Transportation Trust Fund funds under *subsection B of § 33.1-23.03:2 or*
327 *§ 58.1-638*, but shall be in addition thereto. The Board shall use the Fund to facilitate the financing of
328 priority transportation projects as designated by the General Assembly; provided, however, that, at the
329 discretion of the Commonwealth Transportation Board, funds allocated to projects within a transportation
330 district may be allocated among projects within the same transportation district as needed to meet
331 construction cash-flow needs.

332 § 33.1-221.1:1.1. Rail Enhancement Fund.

333 A. The General Assembly declares it to be in the public interest that railway preservation and
334 development of railway transportation facilities are an important element of a balanced transportation
335 system of the Commonwealth for freight and passengers and further declares it to be in the public
336 interest that the retention, maintenance, improvement and development of the railways are essential to
337 the Commonwealth's continued economic growth, vitality, and competitiveness in national and world
338 markets, and there is hereby created in the state treasury a special nonreverting fund to be known as the
339 Rail Enhancement Fund which shall be considered a special fund within the Transportation Trust Fund,
340 hereafter referred to as "the Fund."

341 B. The Fund shall be established on the books of the Comptroller, and shall consist of dedications
342 pursuant to *subsection B of § 33.1-23.03:2*, § 58.1-2425, and such funds from other sources as may be
343 set forth in the appropriation act and shall be paid into the state treasury and credited to the Fund.
344 Interest earned on moneys in the Fund shall remain in the Fund and be credited to it. Any moneys
345 remaining in the Fund, including interest thereon, at the end of each fiscal year shall not revert to the
346 general fund but shall remain in the Fund. Moneys in the Fund shall be used solely as provided in this
347 section. Expenditures and disbursements from the Fund shall be made by the State Treasurer on warrants
348 issued by the Comptroller upon written request signed by the Director of the Virginia Department of
349 Rail and Public Transportation or the Director's designee.

350 C. The Director of the Department of Rail and Public Transportation shall administer and expend or
351 commit, subject to the approval of the Commonwealth Transportation Board, the Fund for acquiring,
352 leasing, and/or improving railways or railroad equipment, rolling stock, rights-of-way or facilities, or
353 assisting other appropriate entities to acquire, lease, or improve railways or railroad equipment, rolling
354 stock, rights-of-way or facilities, for freight and/or passenger rail transportation purposes whenever the
355 Board shall have determined that such acquisition, lease, and/or improvement is for the common good of
356 a region of the Commonwealth or the Commonwealth as a whole. Prior to recommending an allocation
357 of the Fund to the Commonwealth Transportation Board, the Director of the Department of Rail and
358 Public Transportation shall consult with and obtain the advice and recommendations of the Rail
359 Advisory Board established pursuant to § 33.1-391.3:1.

360 D. Projects undertaken pursuant to this section shall be limited to those the Commonwealth
361 Transportation Board shall have determined will result in public benefits to the Commonwealth or to a
362 region of the Commonwealth that are equal to or greater than the investment of funds under this section.
363 Such projects shall include a minimum of 30 percent cash or in-kind matching contribution from a
364 private source, which may include a railroad, a regional authority, or a local government source, or a
365 combination of such sources.

366 § 46.2-206.1. Imposition of certain additional fees on certain drivers; disposition of revenue.

367 A. 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 civil remedial fees established by this section shall be in addition to any other fees, costs, or penalties imposed pursuant to the Code of Virginia.

B. The civil remedial fees established by this section shall be assessed on any person operating a motor vehicle on the highways of Virginia, including a person to whom a Virginia driver's license, commercial driver's license, or learner's permit has been issued pursuant to this title; a person operating a motor vehicle without a license or whose license has been revoked or suspended; and a person operating a motor vehicle with a license issued by a jurisdiction outside Virginia. For the purposes of this section, a finding of guilty in the case of a juvenile and a conviction under substantially similar laws of any other state or of the United States shall be a conviction.

C. Beginning July 1, 2006, the clerk of the court shall assess a person with a \$200 fee upon each conviction of § 18.2-102 when a violation of this section would be a misdemeanor, § 18.2-323.1, 46.2-300, 46.2-328, 46.2-329, 46.2-335, 46.2-341.7, 46.2-341.10, 46.2-346, 46.2-349, 46.2-371, 46.2-687, 46.2-703, 46.2-704, 46.2-707, 46.2-722, or 46.2-832, § 46.2-894 when a violation of this section would be a misdemeanor, §§ 46.2-895 through 46.2-897, § 46.2-902.1, 46.2-909, 46.2-921.1, 46.2-1091, 46.2-1104, 46.2-1137, 46.2-1139, 46.2-1163, 46.2-1172, or 46.2-1173, §§ 46.2-1248 through 46.2-1250, § 46.2-1550, 46.2-1556, 46.2-1561, 46.2-1564, 46.2-1565, 46.2-2011.20, 46.2-2099.1, or 46.2-2129.

D. Any person whose driver's record with the Department shows a balance of eight or more driver demerit points on July 15 shall be assessed a fee as set forth below. The Commissioner shall assess such fees annually, beginning on July 15, 2006. The Department shall notify each person assessed a fee under this subsection by mailing a notice thereof by first-class mail addressed to such person's most recent address as shown in the Department's records, and such mailing shall constitute notice to the person of the assessment of the fee. These fees shall be in addition to the fees set forth in subsection C:

1. For a person whose driver's record shows a balance of eight driver demerit points, a fee of \$400 shall be assessed.

2. For a person whose driver's record shows a balance of nine driver demerit points, a fee of \$475 shall be assessed.

3. For a person whose driver's record shows a balance of 10 driver demerit points, a fee of \$550 shall be assessed.

4. For a person whose driver's record shows a balance of 11 driver demerit points, a fee of \$625 shall be assessed.

5. For a person whose driver's record shows a balance of 12 or more driver demerit points, a fee of \$700 shall be assessed.

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

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

G. In the event that a person disputes a conviction on his driver record based upon identity, if the person presents the Department a certified copy of a petition to a court of competent jurisdiction seeking to vacate an order of such conviction, the Department shall suspend the imposition of the assessment. Such suspension shall be valid for one year from the date of commencement or until 30 days after an entry of a final order on such petition, whichever first occurs.

H. The clerk of the court shall forward revenues collected pursuant to subsection C to the Comptroller for deposit into the Transportation Trust Fund established under § 33.1-23.03:1, and the Comptroller shall deposit revenues generated under subsection D into said Fund. Revenues deposited into the Transportation Trust Fund pursuant to this section shall be allocated pursuant to subsection B of § 33.1-23.03:2.

§ 46.2-694. Fees for vehicles designed and used for transportation of passengers; weights used for computing fees; burden of proof.

A. The annual registration fees for motor vehicles, trailers, and semitrailers designed and used for the transportation of passengers on the highways in the Commonwealth are:

1. ~~Twenty-three~~ Thirty-three dollars for each private passenger car or motor home if the passenger car or motor home weighs 4,000 pounds or less, provided that it is not used for the transportation of

passengers for compensation and is not kept or used for rent or for hire, or is not operated under a lease without a chauffeur.

2. ~~Twenty-eight~~ *Thirty-eight* dollars for each passenger car or motor home which weighs more than 4,000 pounds, provided that it is not used for the transportation of passengers for compensation and is not kept or used for rent or for hire, or is not operated under a lease without a chauffeur.

3. Thirty cents per 100 pounds or major fraction thereof for a private motor vehicle other than a motorcycle with a normal seating capacity of more than 10 adults including the driver if the private motor vehicle is not used for the transportation of passengers for compensation and is not kept or used for rent or for hire or is not operated under a lease without a chauffeur. In no case shall the fee be less than ~~\$23~~ \$33 if the vehicle weighs 4,000 pounds or less or ~~\$28~~ \$38 if the vehicle weighs more than 4,000 pounds.

4. Thirty cents per 100 pounds or major fraction thereof for a school bus. In no case shall the fee be less than ~~\$23~~ \$33 if the vehicle weighs 4,000 pounds or less or ~~\$28~~ \$38 if the vehicle weighs more than 4,000 pounds.

5. ~~Twenty-three~~ *Thirty-three* dollars for each trailer or semitrailer designed for use as living quarters for human beings.

6. ~~Thirteen~~ *Twenty-three* dollars plus \$ 0.30 per 100 pounds or major fraction thereof for each motor vehicle, trailer, or semitrailer used as a common carrier of passengers, operating either intrastate or interstate. Interstate common carriers of interstate passengers may elect to be licensed and pay the fees prescribed in subdivision 7 of this subsection on submission to the Commissioner of a declaration of operations and equipment as he may prescribe. An additional \$5 shall be charged if the motor vehicle weighs more than 4,000 pounds.

7. ~~Thirteen~~ *Twenty-three* dollars plus \$ 0.70 per 100 pounds or major fraction thereof for each motor vehicle, trailer, or semitrailer used as a common carrier of interstate passengers if election is made to be licensed under this subsection. An additional \$5 shall be charged if the motor vehicle weighs more than 4,000 pounds. In lieu of the foregoing fee of \$ 0.70 per 100 pounds, a motor carrier of passengers, operating two or more vehicles both within and outside the Commonwealth and registered for insurance purposes with the Surface Transportation Board of the United States Department of Transportation, Federal Highway Administration, may apply to the Commissioner for prorated registration. Upon the filing of such application, in such form as the Commissioner may prescribe, the Commissioner shall apportion the registration fees provided in this subsection so that the total registration fees to be paid for such vehicles of such carrier shall be that proportion of the total fees, if there were no apportionment, that the total number of miles traveled by such vehicles of such carrier within the Commonwealth bears to the total number of miles traveled by such vehicles within and outside the Commonwealth. Such total mileage in each instance is the estimated total mileage to be traveled by such vehicles during the license year for which such fees are paid, subject to the adjustment in accordance with an audit to be made by representatives of the Commissioner at the end of such license year, the expense of such audit to be borne by the carrier being audited. Each vehicle passing into or through Virginia shall be registered and licensed in Virginia and the annual registration fee to be paid for each such vehicle shall not be less than ~~\$33~~ \$43. For the purpose of determining such apportioned registration fees, only those motor vehicles, trailers, or semitrailers operated both within and outside the Commonwealth shall be subject to inclusion in determining the apportionment provided for herein.

8. ~~Thirteen~~ *Twenty-three* dollars plus \$ 0.80 per 100 pounds or major fraction thereof for each motor vehicle, trailer or semitrailer kept or used for rent or for hire or operated under a lease without a chauffeur for the transportation of passengers. An additional fee of \$5 shall be charged if the vehicle weighs more than 4,000 pounds. This subsection does not apply to vehicles used as common carriers.

9. ~~Twenty-three~~ *Thirty-three* dollars for a taxicab or other vehicle which is kept for rent or hire operated with a chauffeur for the transportation of passengers, and which operates or should operate under permits issued by the Department as required by law. An additional fee of \$5 shall be charged if the vehicle weighs more than 4,000 pounds. This subsection does not apply to vehicles used as common carriers.

10. ~~Eighteen~~ *Twenty-eight* dollars for a motorcycle, with or without a sidecar. To this fee shall be added a surcharge of \$3 which shall be distributed as provided in § 46.2-1191.

11. ~~Twenty-three~~ *Thirty-three* dollars for a bus used exclusively for transportation to and from church school, for the purpose of religious instruction, or church, for the purpose of divine worship. If the empty weight of the vehicle exceeds 4,000 pounds, the fee shall be ~~\$28~~ \$38.

12. ~~Thirteen~~ *Twenty-three* dollars plus \$ 0.70 per 100 pounds or major fraction thereof for other passenger-carrying vehicles.

13. An additional fee of \$4 per year shall be charged and collected at the time of registration of each pickup or panel truck and each motor vehicle under subdivisions 1 through 12 of this subsection. All funds collected pursuant to this subdivision shall be paid into the state treasury and shall be set aside as a special fund to be used only for emergency medical service purposes. The moneys in the special fund

shall be distributed as follows:

a. Two percent shall be distributed to the State Department of Health to provide funding to the Virginia Association of Volunteer Rescue Squads to be used solely for the purpose of conducting volunteer recruitment, retention and training activities;

b. Thirty percent shall be distributed to the State Department of Health to support (i) emergency medical services training programs (excluding advanced life support classes); (ii) advanced life support training; (iii) recruitment and retention programs (all funds for such support shall be used to recruit and retain volunteer emergency medical services personnel only, including public awareness campaigns, technical assistance programs, and similar activities); (iv) emergency medical services system development, initiatives, and priorities based on needs identified by the State Emergency Medical Services Advisory Board; (v) local, regional, and statewide performance contracts for emergency medical services to meet the objectives stipulated in § 32.1-111.3; (vi) technology and radio communication enhancements; and (vii) improved emergency preparedness and response. Any funds set aside for distribution under this provision and remaining undistributed at the end of any fiscal year shall revert to the Rescue Squad Assistance Fund;

c. Thirty-two percent shall be distributed to the Rescue Squad Assistance Fund;

d. Ten percent shall be available to the State Department of Health's Office of Emergency Medical Services for use in emergency medical services; and

e. Twenty-six percent shall be returned by the Comptroller to the locality wherein such vehicle is registered, to provide funding for training of volunteer or salaried emergency medical service personnel of licensed, nonprofit emergency medical services agencies and for the purchase of necessary equipment and supplies for use in such locality for licensed, nonprofit emergency medical and rescue services.

The Comptroller shall clearly designate on the warrant, check, or other means of transmitting these funds that such moneys are only to be used for purposes set forth in this subdivision. Such funds shall be in addition to any local appropriations and local governing bodies shall not use these funds to supplant local funds. Each local governing body shall report annually to the Board of Health on the use of the funds returned to it pursuant to this section. In any case in which the local governing body grants the funds to a regional emergency medical services council to be distributed to the licensed, nonprofit emergency medical and rescue services, the local governing body shall remain responsible for the proper use of the funds. If, at the end of any fiscal year, a report on the use of the funds returned to the locality pursuant to this section for that year has not been received from a local governing body, any funds due to that local governing body for the next fiscal year shall be retained until such time as the report has been submitted to the Board.

B. All motor vehicles, trailers, and semitrailers registered as provided in subsection B of § 46.2-646 shall pay a registration fee equal to one-twelfth of all fees required by subsection A of this section or § 46.2-697 for such motor vehicle, trailer, or semitrailer, computed to the nearest cent, multiplied by the number of months in the registration period for such motor vehicles, trailers, and semitrailers.

C. The manufacturer's shipping weight or scale weight shall be used for computing all fees required by this section to be based upon the weight of the vehicle.

D. The applicant for registration bears the burden of proof that the vehicle for which registration is sought is entitled by weight, design, and use to be registered at the fee tendered by the applicant to the Commissioner or to his authorized agent.

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

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

Registered Gross Weight	1-Year Fee	2-Year Fee	Permanent Fee
0-1,500 lbs	\$8.00 \$18	\$16.00 \$26	\$50.00 \$60
1,501-4,000 lbs	\$18.50 \$28.50	\$37.00 \$47	\$50.00 \$60
4,001 lbs & above	\$23.50 \$33.50	\$47.00 \$57	\$50.00 \$60

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.

§ 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~~ \$23 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

552 following schedule immediately opposite the weight group and under the classification established by the
 553 provisions of subsection B of § 46.2-711 into which such vehicle, or any combination of vehicles of
 554 which it is a part, falls when loaded to the maximum capacity for which it is registered and licensed.
 555 The fee for a pickup or panel truck shall be ~~twenty-three dollars~~ \$33 if its gross weight is 4,000 pounds
 556 or less, and ~~twenty-eight dollars~~ \$38 if its gross weight is 4,001 pounds through 6,500 pounds. The fee
 557 shall be ~~twenty-nine dollars~~ \$39 for any motor vehicle with a gross weight of 6,501 pounds through
 558 10,000 pounds.

559 Fee Per Thousand Pounds of Gross Weight		
560 Gross Weight	Private	For Rent or
561 Groups (pounds)	Carriers	For Hire Carriers
562 -----	-----	-----
563 -----		
564 10,001 - 11,000	\$2.605.20	\$4.759.50
565 11,001 - 12,000	2.805.60	4.909.80
566 12,001 - 13,000	3.006.00	5.1510.30
567 13,001 - 14,000	3.206.40	5.4010.80
568 14,001 - 15,000	3.406.80	5.6511.30
569 15,001 - 16,000	3.607.20	5.9011.80
570 16,001 - 17,000	4.008.00	6.1512.30
571 17,001 - 18,000	4.408.80	6.4012.80
572 18,001 - 19,000	4.809.60	7.5015.00
573 19,001 - 20,000	5.2010.40	7.7015.40
574 20,001 - 21,000	5.6011.20	7.9015.80
575 21,001 - 22,000	6.0012.00	8.1016.20
576 22,001 - 23,000	6.4012.80	8.3016.60
577 23,001 - 24,000	6.8013.60	8.5017.00
578 24,001 - 25,000	6.9013.80	8.7017.40
579 25,001 - 26,000	6.9513.90	8.9017.80
580 26,001 - 27,000	8.2516.50	10.3520.70
581 27,001 - 28,000	8.3016.60	10.5521.10
582 28,001 - 29,000	8.3516.70	10.7521.50
583 29,001 - 40,000	8.4516.90	10.9521.90
584 40,001 - 45,000	8.5517.10	11.1522.30
585 45,001 - 50,000	8.7517.50	11.2522.50
586 50,001 - 55,000	9.2518.50	13.2526.50
587 55,001 - 76,000	11.2522.50	15.2530.50
588 76,001 - 80,000	13.2526.50	16.2532.50

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

591 B. In lieu of registering any motor vehicle referred to in this section for an entire licensing year, the
 592 owner may elect to register the vehicle only for one or more quarters of a licensing year, and in such
 593 case, the fee shall be twenty-five percent of the annual fee plus five dollars for each quarter that the
 594 vehicle is registered.

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

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

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

602 § 46.2-698. Fees for farm vehicles.

603 A. The fees for registration of farm motor vehicles having gross weights of 7,500 pounds or more,
 604 when such vehicles are used exclusively for farm use as defined in this section, shall be one-half of the
 605 fee per 1,000 pounds of gross weight for private carriers as calculated under the provisions of
 606 § 46.2-697 and one-half of the fee for overload permits under § 46.2-1128, but the annual registration
 607 fee to be paid for each farm vehicle shall not be less than ~~\$15~~ \$25.

608 B. A farm motor vehicle is used exclusively for farm use:

609 1. When owned by a person who is engaged either as an owner, renter, or operator of a farm of a
 610 size reasonably requiring the use of such vehicle or vehicles and when such vehicle is:

a. Used in the transportation of agricultural products of the farm he is working to market, or to other points for sale or processing, or when used to transport materials, tools, equipment, or supplies which are to be used or consumed on the farm he is working, or when used for any other transportation incidental to the regular operation of such farm;

b. Used in transporting forest products, including forest materials originating on a farm or incident to the regular operation of a farm, to the farm he is working or transporting for any purpose forest products which originate on the farm he is working; or

c. Used in the transportation of farm produce, supplies, equipment, or materials to a farm not worked by him, pursuant to a mutual cooperative agreement.

2. When the nonfarm use of such motor vehicle is limited to the personal use of the owner and his immediate family in attending church or school, securing medical treatment or supplies, or securing other household or family necessities.

C. As used in this section, the term "farm" means one or more areas of land used for the production, cultivation, growing, or harvesting of agricultural products, but does not include a tree farm that is not also a nursery or Christmas tree farm, unless it is part of what otherwise is a farm. As used in this section, the term "agricultural products" means any nursery plants; Christmas trees; horticultural, viticultural, and other cultivated plants and crops; aquaculture; dairy; livestock; poultry; bee; or other farm products.

D. The first application for registration of a vehicle under this section shall be made on forms provided by the Department and shall include:

1. The location and acreage of each farm on which the vehicle to be registered is to be used;

2. The type of agricultural commodities, poultry, dairy products or livestock produced on such farms and the approximate amounts produced annually;

3. A statement, signed by the vehicle's owner, that the vehicle to be registered will only be used for one or more of the purposes specified in subsection B of this section; and

4. Other information required by the Department.

The above information is not required for the renewal of a vehicle's registration under this section.

E. The Department shall issue appropriately designated license plates for those motor vehicles registered under this section. The manner in which such license plates are designated shall be at the discretion of the Commissioner.

F. The owner of a farm vehicle shall inform the Commissioner within 30 days or at the time of his next registration renewal, whichever comes first, when such vehicle is no longer used exclusively for farm use as defined in this section, and shall pay the appropriate registration fee for the vehicle based on its type of operation. It shall constitute a Class 2 misdemeanor to: (i) operate or to permit the operation of any farm motor vehicle for which the fee for registration and license plates is herein prescribed on any highway in the Commonwealth without first having paid the prescribed registration fee; or (ii) operate or permit the operation of any motor vehicle, registered under this section, for purposes other than as provided under subsection B of this section; or (iii) operate as a for-hire vehicle.

G. Nothing in this section shall affect the exemptions of agricultural and horticultural vehicles under §§ 46.2-664 through 46.2-670.

H. Notwithstanding other provisions of this section, vehicles licensed under this section may be used by volunteer rescue squad members and volunteer firefighters in responding to emergency calls, in reporting for regular duty, and in attending squad meetings and drills.

§ 46.2-700. Fees for vehicles for transporting well-drilling machinery and specialized mobile equipment.

A. The fee for registration of any motor vehicle, trailer, or semitrailer on which well-drilling machinery is attached and which is permanently used solely for transporting the machinery shall be \$15 \$25.

B. The fee for the registration of specialized mobile equipment shall be \$15 \$25. "Specialized mobile equipment" shall mean any self-propelled motor vehicle manufactured for a specific purpose, other than for the transportation of passengers or property, which is used on a job site and whose movement on any highway is incidental to the purpose for which it was designed and manufactured. The vehicle must be constructed to fall within all size and weight requirements as contained in §§ 46.2-1105, 46.2-1110, 46.2-1113 and Article 17 (§ 46.2-1122 et seq.) of Chapter 10 of this title and must be capable of maintaining sustained highway speeds of 40 miles per hour or more. Vehicles registered under this section shall be exempt from the requirements of § 46.2-1157. Nothing in this subsection shall be construed as prohibiting the transportation on specialized mobile equipment of safety equipment, including but not limited to highway traffic safety cones, to be used on a job site.

C. Specialized mobile equipment which cannot maintain a sustained highway speed in excess of 40 miles per hour, and trailers or semitrailers which are designed and manufactured for a specific purpose and whose movement on the highway is incidental to the purpose for which it was manufactured and

672 which are not designed or used to transport persons or property, shall not be required to be registered
673 under this chapter.

674 § 46.2-702.1. *Distribution of certain revenue.*

675 *An amount equivalent to the net additional revenues generated by increases in the registration fees*
676 *under §§ 46.2-694, 46.2-694.1, 46.2-697, 46.2-698, 46.2-700, and 46.2-730 pursuant to enactments of*
677 *the 2006 Session of the General Assembly, shall be deposited by the Comptroller into the Transportation*
678 *Trust Fund established under § 33.1-23.03:1 and allocated pursuant to subsection B of § 33.1-23.03:2.*

679 § 46.2-730. License plates for antique motor vehicles and antique trailers; fee.

680 A. On receipt of an application, the Commissioner shall issue appropriately designed license plates to
681 owners of antique motor vehicles and antique trailers. These license plates shall be valid so long as title
682 to the vehicle is vested in the applicant. The fee for the registration card and license plates of any of
683 these vehicles shall be \$10 \$20.

684 B. On receipt of an application, the Commissioner may authorize for use on antique motor vehicles
685 and antique trailers Virginia license plates manufactured prior to 1976 and designed for use without
686 decals, if such license plates are embossed with or are of the same year of issue as the model year of
687 the antique motor vehicle or antique trailer on which they are to be displayed. Original metal year tabs
688 issued in place of license plates for years 1943 and 1953 and used with license plates issued in 1942
689 and 1952, respectively, also may be authorized by the Commissioner for use on antique motor vehicles
690 and antique trailers that are of the same model year as the year the metal tab was originally issued.
691 These license plates and metal tabs shall remain valid so long as title to the vehicle is vested in the
692 applicant. The fee for the registration card and permission to use the license plates and metal tabs on
693 any of these vehicles shall be \$10 \$20.

694 C. Notwithstanding the provisions of §§ 46.2-711 and 46.2-715, antique motor vehicles may display
695 single license plates if the original manufacturer's design of the antique motor vehicles allows for the
696 use of only single license plates or if the license plate was originally issued in one of the following
697 years and is displayed in accordance with the provisions of subsection B of this section: 1906, 1907,
698 1908, 1909, 1945, or 1946.

699 D. Except as provided in subsection E of this section, motor vehicles and trailers registered with
700 license plates issued under this section shall not be used for general transportation purposes, including,
701 but not limited to, daily travel to and from the owner's place of employment, but shall only be used:

702 1. For participation in club activities, exhibits, tours, parades, and similar events; and

703 2. On the highways of the Commonwealth for the purpose of testing their operation, obtaining repairs
704 or maintenance, transportation to and from events as described in subdivision 1 of this subsection, and
705 for occasional pleasure driving not exceeding 250 miles from the residence of the owner.

706 E. Notwithstanding the foregoing provision of this section, antique motor vehicles and antique trailers
707 displaying license plates issued pursuant to subsections B and C of this section may be used for general
708 transportation purposes if the following conditions are met:

709 1. The physical condition of the vehicle's license plate or plates has been inspected and approved by
710 the Department;

711 2. The license plate or plates are registered to the specific vehicle by the Department;

712 3. The owner of the vehicle periodically registers the vehicle with the Department and pays a
713 registration fee for the vehicle equal to that which would be charged to obtain regular state license
714 plates for that vehicle;

715 4. The vehicle passes a periodic safety inspection as provided in Article 21 (§ 46.2-1157 et seq.) of
716 Chapter 10 of this title;

717 5. The vehicle displays current decals attached to the license plate, issued by the Department,
718 indicating the valid registration period for the vehicle; and

719 6. When applicable, the vehicle meets the requirement of Article 22 (§ 46.2-1176 et seq.) of Chapter
720 10 of this title.

721 If more than one request is made for use, as provided in this subsection, of license plates having the
722 same number, the Department shall accept only the first such application. Only vehicles titled to the
723 person seeking to use license plates as provided in this subsection shall be eligible to use license plates
724 as provided in this subsection.

725 F. Nothing in this section shall be construed as prohibiting the use of an antique motor vehicle to
726 tow a trailer or semitrailer.

727 § 46.2-752. Taxes and license fees imposed by counties, cities, and towns; limitations on amounts;
728 disposition of revenues; requiring evidence of payment of personal property taxes and certain fines;
729 prohibiting display of licenses after expiration; failure to display valid local license required by other
730 localities; penalty.

731 A. Except as provided in § 46.2-755, counties, cities, and towns may levy and assess taxes and
732 charge license fees on motor vehicles, trailers, and semitrailers. However, none of these taxes and
733 license fees shall be assessed or charged by any county on vehicles owned by residents of any town

located in the county when such town constitutes a separate school district if the vehicles are already subject to town license fees and taxes, nor shall a town charge a license fee to any new resident of the town, previously a resident of a county within which all or part of the town is situated, who has previously paid a license fee for the same tax year to such county. The amount of the license fee or tax imposed by any county, city, or town on any motor vehicle, trailer, or semitrailer shall not be greater than the amount of the license tax imposed by the Commonwealth on the motor vehicle, trailer, or semitrailer. The license fees and taxes shall be imposed in such manner, on such basis, for such periods, and subject to proration for fractional periods of years, as the proper local authorities may determine. Local licenses may be issued free of charge for any or all of the following:

1. Vehicles powered by clean special fuels as defined in § 46.2-749.3, including dual-fuel and bi-fuel vehicles,
2. Vehicles owned by volunteer rescue squads,
3. Vehicles owned by volunteer fire departments,
4. Vehicles owned or leased by active members or active auxiliary members of volunteer rescue squads,
5. Vehicles owned or leased by active members or active auxiliary members of volunteer fire departments,
6. Vehicles owned or leased by auxiliary police officers,
7. Vehicles owned or leased by volunteer police chaplains,
8. Vehicles owned by surviving spouses of persons qualified to receive special license plates under § 46.2-739,
9. Vehicles owned or leased by auxiliary deputy sheriffs or volunteer deputy sheriffs,
10. Vehicles owned by persons qualified to receive special license plates under § 46.2-739,
11. Vehicles owned by any of the following who served at least 10 years in the locality: former members of volunteer rescue squads, former members of volunteer fire departments, former auxiliary police officers, former volunteer police chaplains, and former volunteer special police officers appointed under § 15.2-1737. In the case of active members of volunteer rescue squads and volunteer fire departments, applications for such licenses shall be accompanied by written evidence, in a form acceptable to the locality, of their active membership, and no member shall be issued more than one such license free of charge, or

12. All vehicles having a situs for the imposition of licensing fees under this section in the locality. The governing body of any county, city, or town issuing licenses under this section may by ordinance provide for a 50 percent reduction in the fee charged for the issuance of any such license issued for any vehicle owned or leased by any person who is 65 years old or older. No such discount, however, shall be available for more than one vehicle owned or leased by the same person.

The governing body of any county, city, or town issuing licenses free of charge under this subsection may by ordinance provide for (i) the limitation, restriction, or denial of such free issuance to an otherwise qualified applicant, including without limitation the denial of free issuance to a taxpayer who has failed to timely pay personal property taxes due with respect to the vehicle and (ii) the grounds for such limitation, restriction, or denial.

The situs for the imposition of licensing fees under this section shall in all cases, except as hereinafter provided, be the county, city, or town in which the motor vehicle, trailer, or semitrailer is normally garaged, stored, or parked. If it cannot be determined where the personal property is normally garaged, stored, or parked, the situs shall be the domicile of its owner. In the event the owner of the motor vehicle is a full-time student attending an institution of higher education, the situs shall be the domicile of such student, provided the student has presented sufficient evidence that he has paid a personal property tax on the motor vehicle in his domicile.

B. The Except as provided in this subsection, subsection L, and § 46.2-753, all revenue derived from all county, city, or town taxes and license fees imposed on motor vehicles, trailers, or semitrailers shall be applied to general county, city, or town purposes. However, if a county, city, or town imposes a license fee or tax pursuant to this section in excess of the maximum amount authorized as of June 30, 2006, an amount approximately equal to one-half of the revenues collected by the county, city, or town that are attributable to the increase in such fee or tax above such maximum amount shall be used by the county, city, or town for local or regional projects directly relating to transportation, including debt service payments on any obligations authorized and issued on or after July 1, 2006.

C. A county, city, or town may require that no motor vehicle, trailer, or semitrailer shall be locally licensed until the applicant has produced satisfactory evidence that all personal property taxes on the motor vehicle, trailer, or semitrailer to be licensed have been paid and satisfactory evidence that any delinquent motor vehicle, trailer, or semitrailer personal property taxes owing have been paid which have been properly assessed or are assessable against the applicant by the county, city, or town. A county, city, or town may also provide that no motor vehicle license shall be issued unless the tangible

795 personal property taxes properly assessed or assessable by that locality on any tangible personal property
796 used or usable as a dwelling titled by the Department of Motor Vehicles and owned by the taxpayer
797 have been paid. Any county and any town within any such county may by agreement require that all
798 personal property taxes assessed by either the county or the town on any vehicle be paid before
799 licensure of such vehicle by either the county or the town.

800 C1. Any county having a population of at least 24,000, but no more than 24,600, or having a
801 population of at least 39,550, but no more than 41,550, may, by ordinance or resolution adopted after
802 public notice and hearing and, with the consent of the treasurer, require that no license may be issued
803 under this section unless the applicant has produced satisfactory evidence that all fees, including
804 delinquent fees, payable to such county or local solid waste authority, for the disposal of solid waste
805 pursuant to the Virginia Water and Waste Authorities Act (§ 15.2-5100 et seq.), or pursuant to
806 § 15.2-2159, have been paid in full. For purposes of this subsection, all fees, including delinquent fees,
807 payable to a county for waste disposal services described herein, shall be paid to the treasurer of such
808 county; however, in any county with a population between 39,550 and 41,550, the fee shall be paid to
809 the county or its agent.

810 D. The Counties of Arlington, Fairfax, Loudoun, and Prince William and towns within them and any
811 city may require that no motor vehicle, trailer, or semitrailer shall be licensed by that jurisdiction unless
812 all fines owed to the jurisdiction by the owner of the vehicle, trailer, or semitrailer for violation of the
813 jurisdiction's ordinances governing parking of vehicles have been paid. The provisions of this subsection
814 shall not apply to vehicles owned by firms or companies in the business of renting motor vehicles.

815 E. If in any county imposing license fees and taxes under this section, a town therein imposes like
816 fees and taxes on vehicles of owners resident in the town, the owner of any vehicle subject to the fees
817 or taxes shall be entitled, on the owner's displaying evidence that he has paid the fees or taxes, to
818 receive a credit on the fees or taxes imposed by the county to the extent of the fees or taxes he has paid
819 to the town. Nothing in this section shall deprive any town now imposing these licenses and taxes from
820 increasing them or deprive any town not now imposing them from hereafter doing so, but subject to the
821 limitations provided in subsection D of this section. The governing body of any county and the
822 governing body of any town in that county wherein each imposes the license tax herein provided may
823 provide mutual agreements so that not more than one license plate or decal in addition to the state plate
824 shall be required.

825 F. Notwithstanding the provisions of subsection E of this section, in a consolidated county wherein a
826 tier-city exists, the tier-city may, in accordance with the provisions of the agreement or plan of
827 consolidation, impose license fees and taxes under this section in addition to those fees and taxes
828 imposed by the county, provided that the combined county and tier-city rates do not exceed the
829 maximum provided in subsection A of this section. No credit shall be allowed on the fees or taxes
830 imposed by the county for fees or taxes paid to the tier-city, except as may be provided by the
831 consolidation agreement or plan. The governing body of any county and the governing body of any
832 tier-city in such county wherein each imposes the license tax herein may provide by mutual agreement
833 that no more than one license plate or decal in addition to the state license plate shall be required.

834 G. Any county, city, or town may by ordinance provide that it shall be unlawful for any owner or
835 operator of a motor vehicle, trailer, or semitrailer to fail to obtain and display the local license required
836 by any ordinance of the county, city or town in which the vehicle is registered or to display upon a
837 motor vehicle, trailer, or semitrailer any such local license after its expiration date. The ordinance may
838 provide that a violation shall constitute a misdemeanor the penalty for which shall not exceed that of a
839 Class 4 misdemeanor and may, in the case of a motor vehicle registered to a resident of the locality
840 where such vehicle is registered, authorize the issuance by local law-enforcement officers of citations,
841 summonses, parking tickets, or uniform traffic summonses for violations. Any such ordinance may also
842 provide that a violation of the ordinance by the registered owner of the vehicle may not be discharged
843 by payment of a fine except upon presentation of satisfactory evidence that the required license has been
844 obtained.

845 H. Except as provided by subsections E and F, no vehicle shall be subject to taxation under the
846 provisions of this section in more than one jurisdiction.

847 I. Purchasers of new or used motor vehicles shall be allowed at least a 10-day grace period,
848 beginning with the date of purchase, during which to pay license fees charged by local governments
849 under authority of this section.

850 J. Beginning October 1, 1992, the treasurer or director of finance of any county, city, or town may
851 enter into an agreement with the Commissioner whereby the Commissioner will refuse to issue or renew
852 any vehicle registration of any applicant therefor who owes to such county, city or town any local
853 vehicle license fees or delinquent tangible personal property tax or parking citations issued only to
854 residents of such county, city, or town. Before being issued any vehicle registration or renewal of such
855 license or registration by the Commissioner, the applicant shall first satisfy all such local vehicle license
856 fees and delinquent taxes or parking citations and present evidence satisfactory to the Commissioner that

all such local vehicle license fees and delinquent taxes or parking citations have been paid in full. The Commissioner shall charge a reasonable fee to cover the costs of such enforcement action, and the treasurer or director of finance may add the cost of this fee to the delinquent tax bill or the amount of the parking citation. The treasurer or director of finance of any county, city, or town seeking to collect delinquent taxes or parking citations through the withholding of registration or renewal thereof by the Commissioner as provided for in this subsection shall notify the Commissioner in the manner provided for in his agreement with the Commissioner and supply to the Commissioner information necessary to identify the debtor whose registration or renewal is to be denied. Any agreement entered into pursuant to the provisions of this subsection shall provide the debtor notice of the intent to deny renewal of registration at least 30 days prior to the expiration date of a current vehicle registration. For the purposes of this subsection, notice by first-class mail to the registrant's address as maintained in the records of the Department of Motor Vehicles shall be deemed sufficient. In the case of parking violations, the Commissioner shall only refuse to issue or renew the vehicle registration of any applicant therefor pursuant to this subsection for the vehicle that incurred the parking violations. The provisions of this subsection shall not apply to vehicles owned by firms or companies in the business of renting motor vehicles.

K. The governing bodies of any two or more counties, cities, or towns may enter into compacts for the regional enforcement of local motor vehicle license requirements. The governing body of each participating jurisdiction may by ordinance require the owner or operator of any motor vehicle, trailer, or semitrailer to display on his vehicle a valid local license issued by another county, city, or town that is a party to the regional compact, provided that the owner or operator is required by the jurisdiction of situs, as provided in § 58.1-3511, to obtain and display such license. The ordinance may also provide that no motor vehicle, trailer, or semitrailer shall be locally licensed until the applicant has produced satisfactory evidence that (i) all personal property taxes on the motor vehicle, trailer, or semitrailer to be licensed have been paid to all participating jurisdictions and (ii) any delinquent motor vehicle, trailer, or semitrailer personal property taxes that have been properly assessed or are assessable by any participating jurisdiction against the applicant have been paid. Any city and any county having the urban county executive form of government, the counties adjacent to such county and towns within them may require that no motor vehicle, trailer, or semitrailer shall be licensed by that jurisdiction or any other jurisdiction in the compact unless all fines owed to any participating jurisdiction by the owner of the vehicle for violation of any participating jurisdiction's ordinances governing parking of vehicles have been paid. The ordinance may further provide that a violation shall constitute a misdemeanor the penalty for which shall not exceed that of a Class 4 misdemeanor. Any such ordinance may also provide that a violation of the ordinance by the owner of the vehicle may not be discharged by payment of a fine except upon presentation of satisfactory evidence that the required license has been obtained. The provisions of this subsection shall not apply to vehicles owned by firms or companies in the business of renting motor vehicles.

L. In addition to the taxes and license fees permitted in subsection A, counties, cities, and towns may charge a license fee of no more than \$1 per motor vehicle, trailer, and semitrailer. Except for the provisions of subsection B, such fee shall be subject to all other provisions of this section. All funds collected pursuant to this subsection shall be paid pursuant to § 51.1-1204 to the Volunteer Firefighters' and Rescue Squad Workers' Service Award Fund to the accounts of all members of the Fund who are volunteers for fire departments or rescue squads within the jurisdiction of the particular county, city, or town.

§ 46.2-753. Additional license fees in certain localities.

Notwithstanding any other provision of law, the governing bodies of Alexandria, Arlington, Fairfax County, Fairfax City, and Falls Church are authorized to charge annual license fees, in addition to those specified in § 46.2-752, on passenger cars not used for the transportation of passengers for compensation. The additional fee shall be no more than five dollars. The total local license fee shall be no more than ~~twenty-five dollars~~ \$35 on any vehicle and this license fee shall not be imposed on any motor vehicle exempted under § 46.2-739.

The governing bodies are also authorized to charge additional annual license fees on the motor vehicles, trailers, and semitrailers as specified in § 46.2-697 in an amount of no more than five dollars for each such vehicle. This authorization shall not increase the maximum chargeable by more than five dollars or affect any existing exemption.

Any funds acquired in excess of those allowed by § 46.2-752, shall be allocated to the Northern Virginia Transportation Commission to be a credit to that jurisdiction making the payment for its share of any operating deficit assigned to it by the Washington Metropolitan Area Transit Authority. *However, if any of such counties or cities charge a license fee pursuant to this section that is in excess of the maximum amount authorized as of June 30, 2006, an amount approximately equal to one-half of the revenues collected by the county or city that is attributable to the increase in such license fee above*

918 *such maximum amount shall be used by the county or city for local or regional projects directly relating*
 919 *to transportation, including debt service payments on any obligations authorized and issued on or after*
 920 *July 1, 2006.*

921 § 46.2-1135. Liquidated damages for violation of weight limits.

922 A. Any person violating any weight limit as provided in this chapter or in any permit issued pursuant
 923 to Article 18 (§ 46.2-1139 et seq.) of this chapter by the Department or its designee or by local
 924 authorities pursuant to this chapter shall be assessed liquidated damages. The amount of those damages
 925 shall be:

926	Excess weight over	Assessed
927	the prescribed	amount per
928	or permitted	pound
929	axle weight	
930	limits	
931	4,000 pounds or less	1, per pound
932	2,000 pounds or less	5 cents per pound
933	2,001 to 4,000 pounds	10 cents per pound
934	4,001 to 8,000 pounds	10,15 cents per pound
935	8,001 to 12,000 pounds	20,25 cents per pound
936	12,001 pounds or more	30,35 cents per pound
937	Excess weight over	Assessed
938	the prescribed	amount per
939	gross weight	pound
940	limit	

941	4,000 pounds or less	1, per pound
942	4,001 to 8,000 pounds	5, per pound
943	2,000 pounds or less	5 cents per pound
944	2,001 to 8,000 pounds	10 cents per pound
945	8,001 to 12,000 pounds	10,15 cents per pound
946	12,001 pounds or more	15,20 cents per pound

947 All gross permit violations shall be assessed \$.20 per pound over the permitted weight limit.

948 *In addition to all damages assessed herein, for every violation of any weight limit as provided in this*
 949 *chapter or in any permit issued pursuant to Article 18 (§ 46.2-1139 et seq.) of this chapter there shall*
 950 *be assessed additional liquidated damages of \$20.*

951 If a person has no prior violations under the motor vehicle weight laws, and the excess weight does
 952 not exceed ~~2,500~~1,500 pounds, the general district court may waive the liquidated damages against such
 953 person. Except as provided by § 46.2-1138, such assessment shall be entered by the court or by the
 954 Department as a judgment for the Commonwealth, the entry of which shall constitute a lien upon the
 955 overweight vehicle. Except as provided by § 46.2-1138, such sums shall be paid to the Department or
 956 collected by the attorney for the Commonwealth and forwarded to the State Treasurer and allocated to
 957 the fund appropriated for the construction and maintenance of state highways.

958 B. If the gross weight of the vehicle exceeds lawful limits by at least 25 percent but no more than
 959 50 percent, the amount of the liquidated damages shall be two times the amount provided for in the
 960 foregoing provisions of this section; if the gross weight of the vehicle exceeds lawful limits by more
 961 than 50 percent, the amount of the liquidated damages shall be three times the amount provided for in
 962 the foregoing provisions of this section. The provisions of this subsection shall not apply to pickup or
 963 panel trucks.

964 C. *Notwithstanding any other provision in this section, except as provided by § 46.2-1138, the*
 965 *revenues generated by the increases in the liquidated damages under this section pursuant to enactments*
 966 *of the 2006 Session of the General Assembly shall be paid to the Department or collected by the*
 967 *attorney for the Commonwealth and forwarded to the State Treasurer and deposited into the*
 968 *Transportation Trust Fund established under § 33.1-23.03:1 and allocated pursuant to subsection B of*
 969 *§ 33.1-23.03:2.*

970 § 58.1-802. Additional tax paid by grantor; collection.

971 A. In addition to any other tax imposed under the provisions of this chapter, a tax is hereby imposed
 972 on each deed, instrument, or writing by which lands, tenements or other realty sold is granted, assigned,
 973 transferred, or otherwise conveyed to, or vested in the purchaser, or any other person, by such
 974 purchaser's direction. The rate of the tax, when the consideration or value of the interest exceeds \$100,
 975 shall be ~~50 cents for each \$500~~30 cents for each \$100 or fraction thereof, exclusive of the value of any
 976 lien or encumbrance remaining thereon at the time of the sale, whether such lien is assumed or the
 977 realty is sold subject to such lien or encumbrance. No increase in the city or county recordation tax

authorized by § 58.1-814 shall be deemed authorized by this section.

The tax imposed by this section shall be paid by the grantor, or any person who signs on behalf of the grantor, of any deed, instrument or writing subject to the tax imposed by this section.

No such deed, instrument or other writing shall be admitted to record without certification of the clerk of the court wherein first recorded having been affixed thereto that the tax imposed by this section has been paid. The clerk shall include within the certificate the amount of such tax collected thereon.

B. Taxes imposed by this section shall be collected as provided in § 58.1-812 and the clerk shall return taxes collected hereunder ~~one-half into the state treasury and one-half into the treasury of the locality~~ into the treasury of the locality at the rate of 25 cents for each \$100 of value as determined pursuant to subsection A, with the remainder of such tax collected returned into the state treasury. At least 80% of the taxes returned into the treasury of the locality pursuant to this section shall be used for local or regional projects directly relating to transportation.

The local portion of the tax imposed by this section on property which is located in more than one jurisdiction shall be collected by the clerk in proportion to the value of the property located in each such locality when recorded therein.

Every clerk of court collecting taxes under this section for the county or city which he serves shall be entitled to compensation for such service at five percent of the amount so collected and paid, with such compensation based on a rate of 10 cents for each \$100 of value as determined pursuant to subsection A.

58.1-802.1. Additional local tax paid by grantor; collection.

In addition to the tax imposed by § 58.1-802, the council of any city and the governing body of any county may, by ordinance, impose a tax on each deed, instrument, or writing by which lands, tenements or other realty sold is granted, assigned, transferred, or otherwise conveyed to, or vested in the purchaser, or any other person, by such purchaser's direction. The rate of the tax, when the consideration or value of the interest exceeds \$100, shall be 10 cents for each \$100 or fraction thereof, exclusive of the value of any lien or encumbrance remaining thereon at the time of the sale, whether such lien is assumed or the realty is sold subject to such lien or encumbrance.

The tax authorized under this section shall be paid by the grantor, or any person who signs on behalf of the grantor, of any deed, instrument or writing subject to the tax imposed by this section. The tax shall be collected pursuant to subsection B of § 58.1-802. The clerk shall return any taxes collected hereunder into the treasury of the locality, and such funds shall be used for local or regional projects directly relating to transportation, including debt service payments on any obligations authorized and issued on or after July 1, 2006.

§ 58.1-811. Exemptions.

A. The taxes imposed by §§ 58.1-801 and 58.1-807 shall not apply to any deed conveying real estate or lease of real estate:

1. To an incorporated college or other incorporated institution of learning not conducted for profit, where such real estate is intended to be used for educational purposes and not as a source of revenue or profit;

2. To an incorporated church or religious body or to the trustee or trustees of any church or religious body, or a corporation mentioned in § 57-16.1, where such real estate is intended to be used exclusively for religious purposes, or for the residence of the minister of any such church or religious body;

3. To the United States, the Commonwealth, or to any county, city, town, district or other political subdivision of the Commonwealth;

4. To the Virginia Division of the United Daughters of the Confederacy;

5. To any nonstock corporation organized exclusively for the purpose of owning or operating a hospital or hospitals not for pecuniary profit;

6. To a corporation upon its organization by persons in control of the corporation in a transaction which qualifies for nonrecognition of gain or loss pursuant to § 351 of the Internal Revenue Code as it exists at the time of the conveyance;

7. From a corporation to its stockholders upon complete or partial liquidation of the corporation in a transaction which qualifies for income tax treatment pursuant to § 331, 332, 333 or 337 of the Internal Revenue Code as it exists at the time of liquidation;

8. To the surviving or new corporation, partnership or limited liability company upon merger or consolidation of two or more corporations, partnerships or limited liability companies, or in a reorganization within the meaning of § 368 (a) (1) (C) and (F) of the Internal Revenue Code as amended;

9. To a subsidiary corporation from its parent corporation, or from a subsidiary corporation to a parent corporation, if the transaction qualifies for nonrecognition of gain or loss under the Internal Revenue Code as amended;

10. To a partnership or limited liability company, when the grantors are entitled to receive not less

than 50 percent of the profits and surplus of such partnership or limited liability company; provided that the transfer to a limited liability company is not a precursor to a transfer of control of the assets of the company to avoid recordation taxes;

11. From a partnership or limited liability company, when the grantees are entitled to receive not less than 50 percent of the profits and surplus of such partnership or limited liability company; provided that the transfer from a limited liability company is not subsequent to a transfer of control of the assets of the company to avoid recordation taxes;

12. To trustees of a revocable inter vivos trust, when the grantors in the deed and the beneficiaries of the trust are the same persons, regardless of whether other beneficiaries may also be named in the trust instrument, when no consideration has passed between the grantor and the beneficiaries; and to the original beneficiaries of a trust from the trustees holding title under a deed in trust;

13. When the grantor is the personal representative of a decedent's estate or trustee under a will or inter vivos trust of which the decedent was the settlor, other than a security trust defined in § 55-58.1, and the sole purpose of such transfer is to comply with a devise or bequest in the decedent's will or to transfer title to one or more beneficiaries after the death of the settlor in accordance with a dispositive provision in the trust instrument; or

14. When the grantor is an organization exempt from taxation under § 501 (c) (3) of the Internal Revenue Code that is organized and operated primarily to acquire land and purchase materials to erect or rehabilitate low-cost homes on such land, which homes are sold at cost to persons who otherwise would be unable to afford to buy a home through conventional means, located in a county with a population of not less than 28,500 and not more than 28,650 or a city with a population of not less than 66,000 and not more than 70,000.

B. The taxes imposed by §§ 58.1-803 and 58.1-804 shall not apply to any deed of trust or mortgage:

1. Given by an incorporated college or other incorporated institution of learning not conducted for profit;

2. Given by the trustee or trustees of a church or religious body or given by an incorporated church or religious body, or given by a corporation mentioned in § 57-16.1;

3. Given by any nonstock corporation organized exclusively for the purpose of owning and/or operating a hospital or hospitals not for pecuniary profit;

4. Given by any local governmental entity or political subdivision of the Commonwealth to secure a debt payable to any other local governmental entity or political subdivision; or

5. Securing a loan made by an organization described in subdivision 14 of subsection A of this section.

C. The ~~tax~~ taxes imposed by §§ 58.1-802 and 58.1-802.1 shall not apply to any:

1. Transaction described in subdivisions 6 through 13 of subsection A of this section;

2. Instrument or writing given to secure a debt;

3. Deed conveying real estate from an incorporated college or other incorporated institution of learning not conducted for profit;

4. Deed conveying real estate from the United States, the Commonwealth or any county, city, town, district or other political subdivision thereof;

5. Conveyance of real estate to the Commonwealth or any county, city, town, district or other political subdivision thereof, if such political unit is required by law to reimburse the parties taxable pursuant to § 58.1-802; or

6. Deed conveying real estate from the trustee or trustees of a church or religious body or from an incorporated church or religious body, or from a corporation mentioned in § 57-16.1.

D. No recordation tax shall be required for the recordation of any deed of gift between a grantor or grantors and a grantee or grantees when no consideration has passed between the parties. Such deed shall state therein that it is a deed of gift.

E. The tax imposed by § 58.1-807 shall not apply to any lease to the United States, the Commonwealth, or any county, city, town, district or other political subdivision of the Commonwealth.

F. The taxes imposed by §§ 58.1-801, 58.1-802, 58.1-802.1, 58.1-807, 58.1-808 and 58.1-814 shall not apply to (i) any deed of gift conveying real estate or any interest therein to The Nature Conservancy or (ii) any lease of real property or any interest therein to The Nature Conservancy, where such deed of gift or lease of real estate is intended to be used exclusively for the purpose of preserving wilderness, natural or open space areas.

G. The words "trustee" or "trustees," as used in subdivision 2 of subsection A, subdivision 2 of subsection B, and subdivision 6 of subsection C, include the trustees mentioned in § 57-8 and the ecclesiastical officers mentioned in § 57-16.

H. No recordation tax levied pursuant to this chapter shall be levied on the release of a contractual right, if the release is contained within a single deed that performs more than one function, and at least one of the other functions performed by the deed is subject to the recordation tax.

§ 58.1-2217. Taxes levied; rate.

A. There is hereby levied a tax at the rate of seventeen and one-half cents per gallon on gasoline and gasohol.

B. There is hereby levied a tax at the rate of ~~sixteen~~ *seventeen and one-half* cents per gallon on diesel fuel.

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

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

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

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

§ 58.1-2249. Tax on alternative fuel.

A. There is hereby levied a tax at the rate of ~~sixteen~~ *seventeen and one-half* cents per gallon on liquid alternative fuel used to operate a highway vehicle by means of a vehicle supply tank that stores fuel only for the purpose of supplying fuel to operate the vehicle. There is hereby levied a tax at a rate equivalent to ~~sixteen~~ *seventeen and one-half* cents per gallon on all other alternative fuel used to operate a highway vehicle. The Commissioner shall determine the equivalent rate applicable to such other alternative fuels.

B. In addition to any tax imposed by this article, there is hereby levied an annual license tax of ~~fifty dollars~~ \$70 per vehicle on each highway vehicle that is fueled from a private source if the alternative fuels tax levied under this article has not been paid on fuel used in the vehicle. If such a highway vehicle is not in operation by January 1 of any year, the license tax shall be reduced by one-twelfth for each complete month which shall have elapsed since the beginning of such year.

§ 58.1-2259.1. *Additional fuel uses eligible for refund.*

A refund of the tax paid for the purchase of fuel taxable under this chapter shall be granted in accordance with the provisions of subsections A through D of § 58.1-2261 to any person who has established to the satisfaction of the Commissioner that such person has paid the tax levied pursuant to this chapter upon any fuel used in operating or propelling a highway vehicle that is used for nonbusiness purposes.

Under no circumstances shall a refund be granted more than once for the same fuel under this section, or under this section and § 58.1-2259. The amount of refund under this section shall be equal to the amount of the taxes paid on a per gallon basis that are in excess of 17.5 cents per gallon.

Any person eligible for a refund for fuel used as described in this section may apply for a refund with the Commissioner (i) between March 1 and March 31, and (ii) between October 1 and October 31 of each year. The application for a refund shall be filed within 18 months from the date of the sale as shown on the paid ticket or invoice. The Commissioner shall not certify the payment of a refund pursuant to § 58.1-2262 if the refund is less than \$5.

Any refunds made pursuant to this section shall be deducted from funds deposited in the Commonwealth Mass Transit Fund and the Highway Construction Fund pursuant to subsection B of § 33.1-23.03:2. Refunds shall be deducted from such Funds on the same proportional basis that moneys are allocated to such Funds pursuant to such subsection.

Any person who is required to be licensed under this chapter and is applying for a refund shall not be eligible for such refund if the applicant was not licensed at the time the refundable transaction was conducted.

Article 8.1.

Additional Taxes.

§ 58.1-2288.1. *Additional taxes on fuels.*

A. Any licensee or person required to precollect the tax imposed on fuels under § 58.1-2217 or 58.1-2249 shall also be required to precollect an additional tax, which is hereby imposed at the rate

1162 established in subsection B, on the number of gallons of gasoline, gasohol, diesel fuel, blended fuel, or
1163 alternative fuel for which the licensee or person is precollecting the tax under such section or sections.
1164 The tax imposed under this section shall be in addition to all other taxes and fees of every kind now
1165 imposed by law.

1166 B. The tax imposed under subsection A shall be imposed at a cents per gallon rate determined by the
1167 Commissioner. Such tax shall be imposed at a cents per gallon rate equal to 5% of the statewide
1168 average retail price of a gallon of self-serve unleaded regular gasoline for the applicable base period,
1169 excluding federal and state excise taxes, as determined by the Commissioner rounded up to the nearest
1170 one-tenth of one cent.

1171 In computing the cents per gallon tax, the Commissioner shall use two base periods. The period from
1172 April 1 through September 30 shall be the base period for purposes of determining the cents per gallon
1173 tax for the immediately following period beginning January 1 and ending through June 30, inclusive.
1174 The period from October 1 through March 31 shall be the base period for purposes of determining the
1175 cents per gallon tax for the immediately following period beginning July 1 and ending through
1176 December 31, inclusive.

1177 C. The tax imposed under this section on gallons of fuel for which the licensee or person is
1178 precollecting the tax under § 58.1-2217 or 58.1-2249 is imposed on the ultimate consumer but shall be
1179 precollected as prescribed herein, and the levies and assessments imposed on the licensee or person for
1180 such tax are imposed on them as agents of the Commonwealth for the precollection of the tax.

1181 D. The tax imposed under subsection A shall be due and paid by such licensee or person at the
1182 same time that the tax under § 58.1-2217 or 58.1-2249, as applicable, is due. All provisions of this
1183 chapter including but not limited to return filing and reporting requirements, payment requirements and
1184 due dates for payment of tax, requirements to precollect tax, late payment penalties and interest,
1185 jeopardy assessments, civil penalties, discounts, deductions, and exemptions from tax shall apply *mutatis*
1186 *mutandis* to the additional tax imposed under this section.

1187 § 58.1-2289. Disposition of tax revenue generally.

1188 A. ~~Unless~~ Except as otherwise provided in subsection F and elsewhere in this section, all taxes and
1189 fees, including civil penalties, collected by the Commissioner pursuant to this chapter, less a reasonable
1190 amount to be allocated for refunds, shall be promptly paid into the state treasury and shall constitute
1191 special funds within the Commonwealth Transportation Fund. Any balances remaining in these funds at
1192 the end of the year shall be available for use in subsequent years for the purposes set forth in this
1193 chapter, and any interest income on such funds shall accrue to these funds. Except as provided in
1194 subsection F and § 33.1-23.03:1, no portion of the revenue derived from taxes collected pursuant to
1195 §§ 58.1-2217, 58.1-2249 or § 58.1-2701, and remaining after authorized refunds for nonhighway use of
1196 fuel, shall be used for any purpose other than the construction, reconstruction or maintenance of the
1197 roads and projects comprising the State Highway System, the Interstate System and the secondary
1198 system of state highways and expenditures directly and necessarily required for such purposes, including
1199 the retirement of revenue bonds.

1200 ~~Revenues~~ Except as provided in subsection F, revenues collected under this chapter may be also used
1201 for (i) contributions toward the construction, reconstruction or maintenance of streets in cities and towns
1202 of such sums as may be provided by law and (ii) expenditures for the operation and maintenance of the
1203 Department of Transportation, the Department of Rail and Public Transportation, the Department of
1204 Aviation, the Virginia Port Authority, and the Department of Motor Vehicles as may be provided by
1205 law.

1206 The Governor is hereby authorized to transfer out of such fund an amount necessary for the
1207 inspection of gasoline and motor grease measuring and distributing equipment, and for the inspection
1208 and analysis of gasoline for purity.

1209 B. ~~The~~ Except as provided in subsection F, the tax collected on each gallon of aviation fuel sold and
1210 delivered or used in this Commonwealth, less refunds, shall be paid into a special fund of the state
1211 treasury. Proceeds of this special fund within the Commonwealth Transportation Fund shall be disbursed
1212 upon order of the Department of Aviation, on warrants of the Comptroller, to defray the cost of the
1213 administration of the laws of this Commonwealth relating to aviation, for the construction, maintenance
1214 and improvement of airports and landing fields to which the public now has or which it is proposed
1215 shall have access, and for the promotion of aviation in the interest of operators and the public generally.

1216 C. One-half cent of the tax collected on each gallon of fuel on which ~~the~~ a refund has been paid at
1217 ~~the rate of seventeen cents per gallon, or in the case of diesel fuel, fifteen and one-half cents per gallon~~
1218 ~~for gasoline, gasohol, diesel fuel, blended fuel, and alternative fuel,~~ for fuel consumed in tractors and
1219 unlicensed equipment used for agricultural purposes shall be paid into a special fund of the state
1220 treasury, known as the Virginia Agricultural Foundation Fund, to be disbursed to make certain refunds
1221 and defray the costs of the research and educational phases of the agricultural program, including
1222 supplemental salary payments to certain employees at Virginia Polytechnic Institute and State University,
1223 the Department of Agriculture and Consumer Services and the Virginia Truck and Ornamentals Research

Station, including reasonable expenses of the Virginia Agricultural Council.

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

From the tax collected pursuant to the provisions of this chapter from the sales of gasoline used for the propelling of watercraft, *after deduction for the additional applicable revenues generated by increases in the rates of taxes and the imposition of new taxes under this chapter pursuant to enactments of the 2006 Session of the General Assembly* and after deduction for lawful refunds, there shall be paid into the state treasury for use by the Marine Resources Commission, the Virginia Soil and Water Conservation Board, the State Water Control Board, and the Commonwealth Transportation Board to (i) improve the public docks as specified in this section, (ii) improve commercial and sports fisheries in Virginia's tidal waters, (iii) make environmental improvements including, without limitation, fisheries management and habitat enhancement in the Chesapeake and its tributaries, and (iv) further the purposes set forth in § 33.1-223, a sum as established by the General Assembly.

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

F. An amount equivalent to the net additional revenues, as determined by the Commissioner, generated by increases in the rates of taxes and the imposition of new taxes under this chapter pursuant to enactments of the 2006 Session of the General Assembly shall be deposited by the Comptroller into the Transportation Trust Fund established under § 33.1-23.03:1 and allocated pursuant to subsection B of § 33.1-23.03:2.

The Commissioner shall provide a monthly certification to the Comptroller reporting such net additional 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 deposits into the Transportation Trust Fund for each month's revenues no later than the last day of the immediately following month.

§ 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 and one-quarter percent through midnight on June 30, 2007, 3.5% beginning July 1, 2007, through midnight on June 30, 2008, and 3.75% beginning on and after July 1, 2008,~~ 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 and one-quarter percent through midnight on June 30, 2007, 3.5% beginning July 1, 2007, through midnight on June 30, 2008, and 3.75% beginning on and after July 1, 2008,~~ 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,~~

1285 not sold in Virginia but used or stored for use in this Commonwealth; *or 3% of the sale price of each*
1286 *manufactured home as defined in § 36-85.3 or 2% of the sale price of each mobile office as defined in*
1287 *§ 58.1-2401, not sold in Virginia but used or stored for use in this Commonwealth.* When any such
1288 motor vehicle or manufactured home is first used or stored for use in Virginia six months or more after
1289 its acquisition, the tax shall be based on its current market value.

1290 3. Four percent of the gross proceeds from the rental in Virginia of any motor vehicle, except those
1291 with a gross vehicle weight rating or gross combination weight rating of 26,001 pounds or more.

1292 4. In addition to the tax levied pursuant to subdivision A 3, a tax of four percent of the gross
1293 proceeds shall be levied on the rental in Virginia of any daily rental vehicle, whether or not such vehicle
1294 is required to be licensed in the Commonwealth.

1295 5. In addition to all other applicable taxes and fees, a fee of two percent of the gross proceeds shall
1296 be imposed on the rental in Virginia of any daily rental vehicle, whether or not such vehicle is required
1297 to be licensed in the Commonwealth. For purposes of this chapter, the rental fee shall be implemented,
1298 enforced, and collected in the same manner that rental taxes are implemented, enforced, and collected.

1299 6. The minimum tax levied on the sale of any motor vehicle in the Commonwealth shall be \$35,
1300 except as provided by those exemptions defined in § 58.1-2403.

1301 B. A transaction taxed under subdivision A 1 shall not also be taxed under subdivision A 2, nor shall
1302 the same transaction be taxed more than once under either subdivision. A motor vehicle subject to the
1303 tax imposed under subdivision A 3 shall be subject to the tax under either subdivision A 1 or A 2 when
1304 it ceases to be used for rental as an established business or part of an established business, or incidental
1305 or germane to such business.

1306 C. Any motor vehicle, trailer or semitrailer exempt from this tax under subdivision 1 or 2 of
1307 § 58.1-2403 shall be subject to the tax, based on the current market value when such vehicle is no
1308 longer owned, rented or used by the United States government or any governmental agency, or the
1309 Commonwealth of Virginia or any political subdivision thereof. Further, any motor vehicle, trailer or
1310 semitrailer exempt from the tax imposed by this chapter under subdivision 11 of § 58.1-2403 or
1311 §§ 46.2-663 through 46.2-674 shall be subject to the tax, based on the current market value, when such
1312 vehicle is subsequently licensed to operate on the highways of this Commonwealth.

1313 D. Any person who with intent to evade or to aid another person to evade the tax provided for
1314 herein, falsely states the selling price of a vehicle on a bill of sale, assignment of title, application for
1315 title, or any other document or paper submitted to the Commissioner pursuant to any provisions of this
1316 title or Title 46.2, shall be guilty of a Class 3 misdemeanor.

1317 E. Effective January 1, 1997, any amount designated as a "processing fee" and any amount charged
1318 by a dealer for processing a transaction, which is required to be included on a buyer's order pursuant to
1319 subdivision 10 of § 46.2-1530, shall be subject to the tax.

1320 § 58.1-2425. Disposition of revenues.

1321 A. All funds collected hereunder by the Commissioner shall be forthwith paid into the state treasury.
1322 Except as otherwise provided in this section, these funds shall constitute special funds within the
1323 Commonwealth Transportation Fund. Any balances remaining in these funds at the end of the year shall
1324 be available for use in subsequent years for the purposes set forth in this chapter, and any interest
1325 income on such funds shall accrue to these funds. The revenue so derived, after refunds have been
1326 deducted, is hereby allocated for the construction, reconstruction and maintenance of highways and the
1327 regulation of traffic thereon and for no other purpose. However, (i) all funds collected pursuant to the
1328 provisions of this chapter from manufactured homes, as defined in § 46.2-100, shall be distributed to the
1329 city, town, or county wherein such manufactured home is to be situated as a dwelling; (ii) all funds
1330 collected from the additional tax imposed by subdivision A 4 of § 58.1-2402 on the rental of daily rental
1331 vehicles shall be distributed quarterly to the city, town, or county wherein such vehicle was delivered to
1332 the rentee; (iii) effective January 1, 1987, an amount equivalent to the net additional revenues generated
1333 by enactments of the 1986 Special Session of the Virginia General Assembly which amended
1334 §§ 46.2-694, 46.2-697, 58.1-2401, 58.1-2402 and this section shall be distributed to and paid into the
1335 Transportation Trust Fund, a special fund within the Commonwealth Transportation Fund, and are
1336 hereby appropriated to the Commonwealth Transportation Board for transportation needs; (iv) except as
1337 otherwise provided in clause (iii) of this sentence, all moneys collected from the tax on the gross
1338 proceeds from the rental in Virginia of any motor vehicle pursuant to subdivision A 3 of § 58.1-2402 at
1339 the tax rate in effect on December 31, 1986, shall be paid by the Commissioner into the state treasury
1340 and shall be paid into the Rail Enhancement Fund established by § 33.1-221.1:1.1; ~~and~~ (v) all additional
1341 revenues resulting from the fee imposed under subdivision A 5 of § 58.1-2402 as enacted by the 2004
1342 Session of the General Assembly shall be used to pay the debt service on the bonds issued by the
1343 Virginia Public Building Authority for the Statewide Agencies Radio System (STARS) for the
1344 Department of State Police pursuant to the authority granted by the 2004 Session of the General
1345 Assembly; *and (vi) an amount equivalent to the net additional revenues generated by increases in the*
1346 *rates of taxes under subdivisions A 1 and A 2 of § 58.1-2402 pursuant to enactments of the 2006*

Session of the General Assembly shall be deposited by the Comptroller into the Transportation Trust Fund established under § 33.1-23.03:1 and allocated pursuant to subsection B of § 33.1-23.03:2.

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.

§ 58.1-2531. Distribution of certain revenue.

A. Beginning with the Commonwealth's 2006-2007 fiscal year and for each fiscal year thereafter, all revenues collected by the Commission from the tax imposed under this chapter shall be deposited by the Comptroller into the Transportation Trust Fund established under § 33.1-23.03:1 until the amount deposited into the Fund pursuant to this section equals the revenues collected from such tax for the immediately preceding calendar year that were attributable to any policy of motor vehicle insurance as defined in § 38.2-124, including any motor vehicle insurance included in a combination policy as defined in § 38.2-1921.

All revenues deposited to the Transportation Trust Fund pursuant to this section shall be allocated pursuant to subsection B of § 33.1-23.03:2.

B. For purposes of the Comptroller's deposits under this section, the Commissioner of the Bureau of Insurance shall, no later than July 15 of each year, provide a written certification to the Comptroller that reports the amounts to be deposited into the Transportation Trust Fund in the fiscal year as required under this section. After the required amount has been deposited into such Fund, the Comptroller shall deposit all remaining revenues collected in the fiscal year from the taxes imposed under this chapter into the general fund of the state treasury. The Comptroller shall make all deposits under this section as soon as practicable.

No refund of the tax imposed under this chapter shall be paid from the revenues designated for deposit to the Transportation Trust Fund under this section.

§ 58.1-2701. Amount of tax.

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

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

B. In lieu of the tax imposed in subsection A, motor carriers registering qualified highway vehicles that are not registered under the International Registration Plan shall pay a fee of ~~\$400~~\$150 per year for each qualified highway vehicle. The fee is due and payable when the vehicle registration fees are paid pursuant to the provisions of Article 7 (§ 46.2-685 et seq.) of Chapter 6 of Title 46.2.

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

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

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

A. Every motor carrier subject to the road tax shall be entitled to a credit on such tax equivalent to ~~sixteen~~ ~~seventeen~~ and one-half cents per gallon on all motor fuel, diesel fuel and liquefied gases purchased by such carrier within the Commonwealth for use in its operations either within or without the Commonwealth and upon which the motor fuel, diesel fuel or liquefied gases tax imposed by the laws of the Commonwealth has been paid by such carrier. Evidence of the payment of such tax in such form as may be required by, or is satisfactory to, the Department shall be furnished by each carrier claiming the credit herein allowed.

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

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

D. The refund may be allowed without a formal hearing if the amount of refund is agreed to by the applicant. Otherwise, a formal hearing on the application shall be held by the Department after notice of

1408 not less than ten days to the applicant and the Attorney General.

1409 E. Whenever any refund is ordered it shall be paid out of the Highway Maintenance and
1410 Construction Fund.

1411 F. Whenever a person operating under lease to a motor carrier to perform transport services on
1412 behalf of the carrier purchases motor fuel, diesel fuel or liquefied gases relating to such services, such
1413 payments or purchases may, at the discretion of the Department, be considered payment or purchases by
1414 the carrier.

1415 2. That the period October 1, 2005, through March 31, 2006, shall be the base period used by the
1416 Commissioner of the Department of Motor Vehicles for purposes of determining the additional
1417 cents per gallon taxes to be imposed on the effective date of this act pursuant to Article 8.1
1418 (§ 58.1-2288.1) of Chapter 22 of Title 58.1 of the Code of Virginia. In addition, the Commissioner
1419 shall periodically publish the rates of taxes on fuels taxable under Chapter 22.

1420 3. That no city or county shall use the additional revenues returned to the locality pursuant to
1421 § 58.1-802 for transportation purposes or authorized to be collected by the locality pursuant to
1422 § 58.1-802.1 to reduce its local appropriation for transportation purposes below the amount it
1423 appropriated for transportation purposes in its fiscal year beginning on July 1, 2005.

1424 4. That no city or county shall use revenues received for mass transit pursuant to subdivision B 2
1425 a of § 33.1-23.03:2 to reduce its local appropriation for transportation purposes below the amount
1426 it appropriated for transportation purposes in its fiscal year beginning on July 1, 2005.

1427 5. That the tenth enactment clauses of Chapter 1019 and Chapter 1044 of the Acts of Assembly of
1428 2000 are repealed.