

2006 SPECIAL SESSION I

SENATE SUBSTITUTE

068995726

SENATE BILL NO. 5007

AMENDMENT IN THE NATURE OF A SUBSTITUTE

(Proposed by the Senate Committee on Transportation
on April 12, 2006)

(Patrons Prior to Substitute—Senators Devolites Davis and Saslaw [SB 5008])

A BILL to amend and reenact §§ 15.2-4832, 58.1-811, 58.1-812, 58.1-813, and 58.1-2403 of the Code of Virginia, to amend the Code of Virginia by adding sections numbered 15.2-4838.1, 15.2-4838.2, 46.2-755.1, 46.2-755.2, and 58.1-802.1, by adding in Chapter 17 of Title 58.1 an article numbered 4.1, consisting of sections numbered 58.1-1724.5 through 58.1-1724.10, by adding sections numbered 58.1-2402.1, 58.1-2402.2, and 58.1-3825.1, and to repeal Article 22 (§ 58.1-540 et seq.) of Chapter 3 of Title 58.1 of the Code of Virginia, relating to supplemental transportation funding for Northern Virginia.

Be it enacted by the General Assembly of Virginia:

1. That §§ 15.2-4832, 58.1-811, 58.1-812, 58.1-813, and 58.1-2403 of the Code of Virginia are amended and reenacted and that the Code of Virginia is amended by adding sections numbered 15.2-4838.1, 15.2-4838.2, 46.2-755.1, 46.2-755.2, and 58.1-802.1, by adding in Chapter 17 of Title 58.1 an article numbered 4.1, consisting of sections numbered 58.1-1724.5 through 58.1-1724.10, and by adding sections numbered 58.1-2402.1, 58.1-2402.2, and 58.1-3825.1 as follows:

§ 15.2-4832. Composition of Authority; membership; terms.

The Authority shall consist of ~~16~~ members as follows:

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

~~Two~~ *Up to four* members of the House of Delegates who reside in different counties or cities embraced by the Authority, appointed by the Speaker of the House, to the extent practicable, from the membership of the House Committee on Appropriations, the House Committee on Finance, or the House Committee on Transportation;

~~One member~~ *Up to two members* of the Senate who ~~resides in a county or city~~ *reside in different counties or cities* embraced by the Authority, appointed by the Senate Committee on Rules, to the extent practicable, from the membership of the Senate Committee on Finance and the Senate Committee on Transportation; ~~and~~

One mayor of a town that is within any county embraced by the Authority, appointed by the Governor, with future appointees to this position rotated equally among all such towns; and

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

Legislative members shall serve terms coincident with their terms of office. The gubernatorial appointee who is not a member of the Commonwealth Transportation Board shall serve for a term of four years. *The mayor of a town member shall serve for a term of two years.* Vacancies occurring other than by expiration of a term shall be filled for the unexpired term. Vacancies shall be filled in the same manner as the original appointments.

In addition, the following persons shall serve as nonvoting members of the Authority: the Director of the Virginia Department of Rail and Public Transportation, or his designee, and the Commonwealth Transportation Commissioner, or his designee.

The Authority shall appoint the chairman and vice-chairman.

§ 15.2-4838.1. *Special Transportation Fund for Northern Virginia established.*

There is hereby created in the state treasury a special nonreverting fund to be known as the Special Transportation Fund for Northern Virginia, hereafter referred to as "the Fund." The Fund shall be established on the books of the Comptroller. All revenues dedicated for the Fund pursuant to §§ 46.2-755.1, 46.2-755.2, 58.1-802.1, 58.1-1724.9, 58.1-2402.1, 58.1-2402.2, and 58.1-3825.1 and as may be appropriated by the General Assembly shall be paid into the state treasury and credited to the Fund. Interest earned on moneys in the Fund shall remain in the Fund and be credited to it. Any moneys remaining in the Fund, including interest thereon, at the end of each fiscal year shall not revert to the general fund but shall remain in the Fund.

Moneys in the Fund shall be used by the Authority solely for the purposes stated in this chapter.

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60 Expenditures and disbursements from the Fund shall be made by the State Treasurer on warrants issued
61 by the Comptroller upon written request signed by the chairman of the Authority or his designee.

62 § 15.2-4838.2. Use of certain revenues by the Authority.

63 Notwithstanding any other provision of this chapter, the revenues deposited into the Special
64 Transportation Fund for Northern Virginia pursuant to §§ 46.2-755.1, 46.2-755.2, 58.1-802.1,
65 58.1-1724.9, 58.1-2402.1, 58.1-2402.2, and 58.1-3825.1 shall be used as follows:

66 1. The first \$50 million deposited into the Fund in each fiscal year shall be distributed to the
67 Washington Metropolitan Area Transit Authority (WMATA) to provide funds to the Authority as may be
68 required under federal law for the payment of certain federal funds to WMATA. The Authority shall
69 make such annual distribution from such revenues (i) only to the extent required under federal law for
70 the payment of federal funds to WMATA, and (ii) only if the Cities of Arlington and Alexandria are
71 embraced within the Authority;

72 2. The next \$20 million deposited into the Fund in each fiscal year shall be distributed to the
73 Virginia Railway Express for capital projects directly relating to transportation by rail, and only if
74 Prince William County is embraced within the Authority;

75 3. At least 40% of the revenues from such sources shall be dedicated for use on residential, urban,
76 and secondary road construction and improvement for the localities that are embraced by the Authority.

77 4. All other remaining revenues from such sources shall be used by the Authority solely for
78 transportation projects for the localities that are embraced by the Authority as determined by the
79 Authority, or as may be required by other law solely for transportation projects for the localities that
80 are embraced by the Authority.

81 § 46.2-755.1. Additional annual license fees in certain localities.

82 In addition to taxes and license fees imposed pursuant to § 46.2-752 and to all other fees permitted
83 by law, beginning July 1, 2007, the governing bodies of the Counties of Arlington, Fairfax, Loudoun,
84 and Prince William, and the Cities of Alexandria, Fairfax, Falls Church, Manassas, and Manassas Park
85 are authorized to charge additional annual license fees per axle as follows: \$30 for passenger cars;
86 \$40 for pickup or panel trucks; \$20 for trailers; \$15 for motorcycles; \$50 for trucks; and \$12 for all
87 other motor vehicles for which the locality collects an annual license fee.

88 The governing body of the city or county shall appropriate the revenues collected from the additional
89 fees imposed pursuant to this section into the Special Transportation Fund for Northern Virginia
90 established pursuant to § 15.2-4838.1 to be used for the purposes as set forth in § 15.2-4838.2.

91 § 46.2-755.2. Additional initial license fees in certain localities.

92 In addition to taxes and license fees imposed pursuant to § 46.2-752 and to all other fees permitted
93 by law, beginning July 1, 2007, the governing bodies of the Counties of Arlington, Fairfax, Loudoun,
94 and Prince William, and the Cities of Alexandria, Fairfax, Falls Church, Manassas, and Manassas Park
95 are authorized to charge an additional initial, one-time license fee on all vehicles for which the locality
96 collects a license fee, at the rate of 0.25% of the fair market value of the vehicle at the time the vehicle
97 is first registered in the locality by the owner of the vehicle. License fees authorized by this section
98 shall be imposed only once, so long as the ownership of the vehicle upon which they are imposed
99 remain unchanged.

100 The governing body of the city or county shall appropriate the revenues collected from the additional
101 fees imposed pursuant to this section into the Special Transportation Fund for Northern Virginia
102 established pursuant to § 15.2-4838.1 to be used for the purposes as set forth in § 15.2-4838.2.

103 § 58.1-802.1. Transportation impact real estate closing fee; collection.

104 A. Beginning July 1, 2007, in addition to the tax imposed by § 58.1-802 and any other fee, tax, or
105 other charge imposed under law, the governing bodies of the Counties of Arlington, Fairfax, Loudoun,
106 and Prince William, and the Cities of Alexandria, Fairfax, Falls Church, Manassas, and Manassas Park
107 may, by ordinance, impose a fee on each deed, instrument, or writing by which lands, tenements or
108 other realty sold (located in the county or city) is granted, assigned, transferred, or otherwise conveyed
109 to, or vested in the purchaser, or any other person, by such purchaser's direction. The rate of the fee,
110 when the consideration or value of the interest exceeds \$100, shall be 20 cents for each \$100 or
111 fraction thereof, exclusive of the value of any lien or encumbrance remaining thereon at the time of the
112 sale, whether such lien is assumed or the realty is sold subject to such lien or encumbrance.

113 The fee imposed pursuant to the authority granted under this section shall be paid by the grantor (or
114 any person who signs on behalf of the grantor) of any deed, instrument or writing that is subject to the
115 fee imposed pursuant to this section.

116 In any county or city in which such fee is imposed, no such deed, instrument or other writing shall
117 be admitted to record without certification of the clerk of the court wherein first recorded having been
118 affixed thereto that such fee has been paid. The clerk shall include within the certificate the amount of
119 such fee collected thereon.

120 B. The fee shall be collected pursuant to subsection B of § 58.1-802. The clerk shall return any fees
121 collected hereunder into the treasury of the locality, and the locality shall deposit such fees into the

Special Transportation Fund for Northern Virginia established pursuant to § 15.2-4838.1 to be used for the purposes as set forth in § 15.2-4838.2. The fee imposed pursuant to the authority granted under 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.

C. Except as otherwise provided in this section, the fee imposed pursuant to the authority granted under this section shall be administered, enforced, and collected in the same manner as set forth in Subtitle III of Title 58.1 for the administration, enforcement, and collection of local taxes.

§ 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 and fees 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.

§ 58.1-812. Payment prerequisite to recordation; exceptions; assessment and collection of tax; penalty for misrepresentation.

A. Except as otherwise provided in this chapter, no deed, deed of trust, contract or other instrument shall be admitted to record without the payment of the tax imposed thereon by law and the fee pursuant to § 58.1-817, as applicable. However, after payment of the tax imposed by this chapter and any fee imposed pursuant to the authority granted under § 58.1-802.1, when an instrument is first offered for recordation, such instrument may thereafter be recorded in the office of any other clerk without the payment of any tax except any local recordation tax as provided in Article I (§ 58.1-3800 et seq.) of Chapter 38 of this title. Any instrument may also be recorded free of tax and fee in the office of the clerk where such instrument was originally recorded when the record containing such instrument has been destroyed.

B. The tax on every deed, deed of trust, contract or other instrument shall be determined and collected by the clerk in whose office the instrument is first offered for recordation. The clerk may ascertain the consideration of the deed or of the instrument, the actual value of the property conveyed, and the qualification of the deed or instrument for any exemption claimed by inquiry, affidavit, declaration or other extrinsic evidence acceptable to the clerk. The fee shall be \$1 on every recorded deed pursuant to § 58.1-817 and shall be collected by the clerk in whose office the deed is offered for recordation.

C. Any person who knowingly misrepresents any of the information requested by the clerk of court pursuant to this section shall be guilty of a Class 2 misdemeanor.

§ 58.1-813. Collection of tax by Department.

The Department may assess and collect any tax or fee imposed by this chapter or imposed pursuant to the authority granted under § 58.1-802.1, which has remained uncollected for thirty days. The Department, prior to collecting such tax, shall give notice to the clerk of court in whose office the tax was to be collected. The Department may then proceed to assess and collect the unpaid tax in the same manner and by the same methods used for the collection of any state tax administered by the Department.

Any local tax collected hereunder in conjunction with the collection of a state tax by the Department shall be deposited into the state treasury. The Comptroller shall, by warrant drawn on the Treasurer of Virginia, remit to the proper city or county any amounts due to such city or county.

Article 4.1.

Motor Vehicle Fuel Sales Tax in Certain Localities.

§ 58.1-1724.5. Rules and regulations; bracket system.

The Tax Commissioner shall promulgate rules and regulations for the registration of dealers and the procedures for filing returns for the payment of the tax imposed pursuant to this article. Such regulations shall include provisions for a bracket system, designed so that the tax will appear on the fuel pump as a part of the total cost of a unit of fuel, whether the unit is a gallon or other measure. The bracket system shall state the tax per unit measure in tenths of a cent, and shall be in increments of no more than 2 1/2 cents. Such bracket system shall be established in coordination with the tax under Article 4 (§ 58.1-1719 et seq.) of this chapter.

§ 58.1-1724.6. Sales tax on fuel in certain localities.

A. Beginning July 1, 2007, in addition to all other taxes, fees, and other charges imposed under law, the governing bodies of the Counties of Arlington, Fairfax, Loudoun, and Prince William, and the cities of Alexandria, Fairfax, Falls Church, Manassas, and Manassas Park may, by ordinance, impose a tax equal to \$.015 cents on each gallon of diesel fuel, blended fuel that contains diesel fuel, and alternative fuel sold within the county or city, provided that the governing body of the city or county appropriates the revenues collected from such tax for deposit into the Special Transportation Fund for Northern Virginia established pursuant to § 15.2-4838.1 to be used for the purposes as set forth in § 15.2-4838.2. As used in this section the terms "diesel fuel", "blended fuel", and "alternative fuel" mean the same as those terms are defined in § 58.1-2201.

B. The tax imposed pursuant to the authority granted under this section shall be subject to the provisions of the Virginia Retail Sales and Use Tax Act (§ 58.1-600 et seq.), except that the exemption provided for motor vehicle fuels under § 58.1-609.13, and the bracket system provided in such act, shall not be applicable.

§ 58.1-1724.7. Exclusion from professional license tax.

The amount of the tax imposed by this article and collected by a dealer in any taxable year shall be excluded from gross receipts for purposes of any tax imposed under Chapter 37 (§ 58.1-3700 et seq.) of this title.

§ 58.1-1724.8. Refund of motor vehicle fuel sales tax.

Anyone who purchases fuel (i) that is taxed pursuant to the authority granted under § 58.1-1724.5 and (ii) upon which a refund is granted for motor fuels taxes paid pursuant to the provisions of Chapter 22 (§ 58.1-2200 et seq.) of this title, may file a claim for a refund of taxes paid under this article within 30 days after receipt of a refund under the above chapter on forms and under regulations adopted by the Department of Taxation.

§ 58.1-1724.9. Disposition of tax revenues.

All taxes paid to the Commissioner pursuant to this article, after subtraction of the direct costs of administration by the Department, shall be distributed to the Northern Virginia Transportation Authority, and upon receipt of such moneys, the Authority shall deposit such moneys in the Special Transportation Fund for Northern Virginia established pursuant to § 15.2-4838.1 to be used for the purposes as set forth in § 15.2-4838.2. The direct costs of administration shall be credited to the funds appropriated to the Department.

§ 58.1-1724.10. Disclosure of information; penalties.

For purposes of administering any tax levied pursuant to the authority granted under this article, the Commissioner, upon written request, is authorized to provide to the finance officer of any city or county who is charged with administering the motor vehicle fuel sales tax, such information as may be necessary for the performance of official duties. Any person to whom information is provided pursuant to this section shall be subject to the prohibitions and penalties prescribed in § 58.1-3.

§ 58.1-2402.1. Local motor vehicle sales and use tax.

A. Beginning July 1, 2007, in addition to all other taxes, fees, and other charges imposed under law, the governing bodies of the Counties of Arlington, Fairfax, Loudoun, and Prince William, and the cities of Alexandria, Fairfax, Falls Church, Manassas, and Manassas Park may, by ordinance, impose a tax upon the sale or use of motor vehicles in Virginia that are registered in the county or city, 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, provided that the governing body of the city or county appropriates the revenues collected from such tax to the Northern Virginia Transportation Authority established under Chapter 48.2 (§ 15.2-4829 et seq.) of Title 15.2.

B. The amount of the tax to be collected shall be determined by the Commissioner by the application

306 of the following rates against the gross sales price or gross proceeds:

307 1. One-half of one percent of the sale price of each motor vehicle sold in Virginia; and

308 2. One-half of one percent of the sale price of each motor vehicle not sold in Virginia but used or
309 stored for use in this Commonwealth. When any such motor vehicle is first used or stored for use in
310 Virginia six months or more after its acquisition, the tax shall be based on its current market value.

311 A transaction taxed under subdivision 1 shall not also be taxed under subdivision 2, nor shall the
312 same transaction be taxed more than once under either subdivision. Any motor vehicle, trailer, or
313 semitrailer exempt from this tax under subdivision 1 or 2 of § 58.1-2403 shall be subject to the tax,
314 based on the current market value when such vehicle is no longer owned, rented, or used by the United
315 States government or any governmental agency, or the Commonwealth of Virginia or any political
316 subdivision thereof. Further, any motor vehicle, trailer or semitrailer exempt from the tax imposed by
317 this chapter under subdivision 11 of § 58.1-2403 shall be subject to the tax, based on the current market
318 value, when such vehicle is subsequently licensed to operate on the highways of this Commonwealth.

319 C. All such taxes paid to the Commissioner pursuant to the authority granted under this section shall
320 be distributed to the Northern Virginia Transportation Authority, and upon receipt of such moneys, the
321 Authority shall deposit such moneys in the Special Transportation Fund for Northern Virginia
322 established pursuant to § 15.2-4838.1 to be used for the purposes as set forth in § 15.2-4838.2.

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

327 E. Any amount designated as a "processing fee" and any amount charged by a dealer for processing
328 a transaction, which is required to be included on a buyer's order pursuant to subdivision 10 of
329 § 46.2-1530, shall be subject to the tax.

330 § 58.1-2402.2. Local rental car transportation impact fee.

331 A. Beginning July 1, 2007, in addition to all other taxes, fees, and other charges imposed under law,
332 the governing bodies of the Counties of Arlington, Fairfax, Loudoun, and Prince William, and the cities
333 of Alexandria, Fairfax, Falls Church, Manassas, and Manassas Park may, by ordinance, impose a fee of
334 2% of the gross proceeds on the rental in the county or city of any daily rental vehicle regardless of
335 whether such vehicle is required to be licensed in the Commonwealth, provided that the governing body
336 of the city or county appropriates the revenues collected from such tax to the Northern Virginia
337 Transportation Authority established under Chapter 48.2 (§ 15.2-4829 et seq.) of Title 15.2. The fee
338 shall not be levied upon a rental to a person for re-rental as an established business or part of an
339 established business, or incidental or germane to such business.

340 B. All such rental fees paid to the Commissioner pursuant to this section shall be distributed to the
341 Northern Virginia Transportation Authority, and upon receipt of such moneys, the Authority shall
342 deposit such moneys in the Special Transportation Fund for Northern Virginia established pursuant to
343 § 15.2-4838.1 to be used for the purposes as set forth in § 15.2-4838.2.

344 C. The fee imposed pursuant to the authority granted under this section shall be implemented,
345 enforced, and collected in the same manner that rental taxes under this chapter are implemented,
346 enforced, and collected.

347 § 58.1-2403. Exemptions.

348 No tax shall be imposed as provided in § 58.1-2402, 58.1-2402.1 or 58.1-2402.2 if the vehicle is:

349 1. Sold to, rented or used by the United States government or any governmental agency thereof;

350 2. Sold to, rented or used by the Commonwealth of Virginia or any political subdivision thereof;

351 3. Registered in the name of a volunteer fire department or rescue squad not operated for profit;

352 4. Registered to any member of the Mattaponi, Pamunkey, or Chickahominy Indian tribes or any
353 other recognized Indian tribe of the Commonwealth living on the tribal reservation;

354 5. Transferred incidental to repossession under a recorded lien and ownership is transferred to the
355 lienholder;

356 6. A manufactured home permanently attached to real estate and included in the sale of real estate;

357 7. A gift to the spouse, son, or daughter of the transferor. With the exception of a gift to a spouse,
358 this exemption shall not apply to any unpaid obligation assumed by the transferee incidental to the
359 transfer;

360 8. Transferred from an individual or partnership to a corporation or limited liability company or from
361 a corporation or limited liability company to an individual or partnership if the transfer is incidental to
362 the formation, organization or dissolution of a corporation or limited liability company in which the
363 individual or partnership holds the majority interest;

364 9. Transferred from a wholly owned subsidiary to the parent corporation or from the parent
365 corporation to a wholly owned subsidiary;

366 10. Being registered for the first time in this Commonwealth and the applicant holds a valid,
367 assignable title or registration issued to him by another state and (i) has owned the vehicle for longer

than 12 months or (ii) has owned the vehicle for less than 12 months and provides evidence of a sales tax paid to another state. However, when a vehicle has been purchased by the applicant within the last 12 months and the applicant is unable to provide evidence of a sales tax paid to another state, the applicant shall pay the Virginia sales tax based on the fair market value of the vehicle at the time of registration in Virginia;

11. Titled in a Virginia or non-Virginia motor vehicle dealer's name for resale;

12. A motor vehicle having seats for more than seven passengers and sold to an urban or suburban bus line the majority of whose passengers use the buses for traveling a distance of less than 40 miles, one way, on the same day;

13. Purchased in the Commonwealth by a nonresident and a Virginia title is issued for the sole purpose of recording a lien against the vehicle if the vehicle will be registered in a state other than Virginia;

14. A motor vehicle designed for the transportation of 10 or more passengers, purchased by and for the use of a church conducted not for profit;

15. Loaned or leased to a private nonprofit institution of learning, for the sole purpose of use in the instruction of driver's education when such education is a part of such school's curriculum for full-time students;

16. Sold to an insurance company for the sole purpose of disposition when such company has paid the registered owner of such vehicle a total loss claim;

17. Owned and used for personal or official purposes by accredited consular or diplomatic officers of foreign governments, their employees or agents, and members of their families, if such persons are nationals of the state by which they are appointed and are not citizens of the United States;

18. A self-contained mobile computerized axial tomography scanner sold to, rented or used by a nonprofit hospital or a cooperative hospital service organization as described in § 501 (e) of the United States Internal Revenue Code;

19. A motor vehicle having seats for more than seven passengers and sold to a restricted common carrier or common carrier of passengers;

20. Beginning July 1, 1989, a self-contained mobile unit designed exclusively for human diagnostic or therapeutic service, sold to, rented to, or used by a nonprofit hospital, or a cooperative hospital service organization as described in § 501 (e) of the United States Internal Revenue Code, or a nonprofit corporation as defined in § 501 (c) (3) of the Internal Revenue Code, established for research in, diagnosis of, or therapy for human ailments;

21. Transferred, as a gift or through a sale to an organization exempt from taxation under § 501 (c) (3) of the Internal Revenue Code, provided the motor vehicle is not titled and tagged for use by such organization;

22. A motor vehicle sold to an organization which is exempt from taxation under § 501 (c) (3) of the Internal Revenue Code and which is organized for the primary purpose of distributing food, clothing, medicines and other necessities of life to, and providing shelter for, needy persons in the United States and throughout the world;

23. A truck, tractor truck, trailer, or semitrailer, as severally defined in § 46.2-100, except trailers and semitrailers not designed or used to carry property and vehicles registered under § 46.2-700, with a gross vehicle weight rating or gross combination weight rating of 26,001 pounds or more, in which case no tax shall be imposed pursuant to subdivisions 1 and 3 of subsection A of § 58.1-2402;

24. Transferred to the trustees of a revocable inter vivos trust, when the individual titleholder of a Virginia titled motor vehicle and the beneficiaries of the trust are the same persons, regardless of whether other beneficiaries of the trust may also be named in the trust instrument, when no consideration has passed between the titleholder and the beneficiaries; and transferred to the original titleholder from the trustees holding title to the motor vehicle;

25. Transferred to trustees of a revocable inter vivos trust, when the owners of the vehicle and the beneficiaries of the trust are the same persons, regardless of whether other beneficiaries may also be named in the trust instrument, or transferred by trustees of such a trust to beneficiaries of the trust following the death of the grantor, when no consideration has passed between the grantor and the beneficiaries in either case;

26. Sold by a vehicle's lessor to its lessee upon the expiration of the term of the vehicle's lease, if the lessee is a natural person and this natural person has paid the tax levied pursuant to this chapter with respect to the vehicle when he leased it from the lessor, and if the lessee presents an original copy of the lease upon request of the Department of Motor Vehicles or other evidence that the sales tax has been paid to the Commonwealth by the lessee purchasing the vehicle; or

27. Titled in the name of a deceased person and transferred to the spouse or heir, or under the will, of such deceased person.

§ 58.1-3825.1. *Hotel/motel transportation impact fee.*

Beginning July 1, 2007, in addition to such transient occupancy taxes as are authorized by this chapter, the Counties of Arlington, Fairfax, Loudoun, and Prince William, and the Cities of Alexandria, Fairfax, Falls Church, Manassas, and Manassas Park may impose an additional transient occupancy fee at the rate of 5% of the amount of charge for the occupancy of any room or space occupied; provided that the governing body of the city or county appropriates the revenues collected from such fee into the Special Transportation Fund for Northern Virginia established pursuant to § 15.2-4838.1 to be used for the purposes as set forth in § 15.2-4838.2

2. That Article 22 (§ 58.1-540 et seq.) of Chapter 3 of Title 58.1 of the Code of Virginia is repealed.

3. That, in addition to all other expenditures and projects required of the Northern Virginia Transportation Authority under the provisions of this act, the Northern Virginia Transportation Authority shall complete the following transportation projects from the revenues generated by this act provided the respective locality is embraced by the Authority:

Fairfax County

- Traffic lights on Route 644 at Barnack and Viola.
- Cut on Lee Chapel between Fairfax County Parkway and Route 123.
- Acquisition of approximately 150 sq./ft of land on East Side of Gambrill at Pohick Road to correct design mistake in previously constructed intersection improvement.
- Widen Silverbrook between Hooes Road and South County Secondary School.
- Paving of Belmont Landing to allow school bus turn around.
- East Elden Street widening.
- South Elden Street widening.
- Make up Sterling Blvd. construction shortfall.
- Herndon downtown street improvements.

Prince William County

- Expansion of Horner Road commuter parking lot.
- Shoulder improvement (widening) on Aden Road from Old Dumfries Road to the Cedar Run Bridge and alignment improvements (straighten) roadway between Adel Drive and Keanen Ridge Court along Aden Road.
- Traffic lights in front of the VFW at Stratford Drive and Minnieville Road.
- Left turn signal lighting at Dale City Boulevard and Ridgefield Road.
- Traffic lights at Hoadly Road and Spriggs Road.

Loudoun County

- Light synchronization on Route 7 in Tysons Corner and Loudoun County.

City of Fairfax

- Lee Highway Corridor Improvements to widen Lee Highway (Route 29/50) from Eaton place to Chain Bridge Road to match the existing six-lane section of Route 29/50. Approximately 1,920 feet of Route 29/50 will be widened. Additionally, major improvements to the storm water system in that area will be made.

- Construction of George Mason Boulevard from School Street to the entrance to

George Mason University.

- Improve pedestrian access along the west side of Chain Bridge Road just north of Old Town Fairfax.

Vienna

- Reconstruction of Drake Street.
- Reconstruction of Lakewood Drive.
- Reconstruction of Center Street, South.

4. That the revenues generated by the provisions of this act shall not be used to calculate or reduce the share of local, federal, and state revenues otherwise available to participating jurisdictions, or to the Northern Virginia Transportation District. Further, such revenues and moneys shall not be included in any computation of, or formula for, a locality's ability to pay for public education, upon which appropriations of state revenues to local governments for public education are determined.