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SENATE BILL NO. 5012

Offered April 19, 2006

A BILL to amend and reenact §§ 15.2-4832, 58.1-611.1, 58.1-802, 58.1-811 as it shall become effective on July 1, 2006, 58.1-812, and 58.1-813 of the Code of Virginia, to amend the Code of Virginia by adding sections numbered 15.2-4838.1, 58.1-605.1, and 58.1-606.1, by adding in Chapter 6 of Title 58.1 a section numbered 58.1-639.1, and by adding sections numbered 58.1-802.1 and 58.1-3825.1, and to repeal Article 22 (§ 58.1-540 et seq.) of Chapter 3 of Title 58.1, relating to the administration and funding of transportation in Northern Virginia; revenue.

Patrons—Colgan and Chichester

Referred to Committee on Finance

Be it enacted by the General Assembly of Virginia:

1. That §§ 15.2-4832, 58.1-611.1, 58.1-802, 58.1-811 as it shall become effective on July 1, 2006, 58.1-812, and 58.1-813 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, 58.1-605.1, and 58.1-606.1, by adding in Chapter 6 of Title 58.1 a section numbered 58.1-639.1, and by adding sections numbered 58.1-802.1 and 58.1-3825.1 as follows:

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

The Authority shall consist of ~~46~~20 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~~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~~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. Use of certain revenues by the Authority.

All moneys received by the Authority pursuant to subsection C of §§ 58.1-605.1 and 58.1-606.1, subsection B of § 58.1-802.1, and § 58.1-3825.1 shall be used by the Authority solely for the primary benefit of those counties and cities that are imposing all of the taxes and fees set forth in such subsections and sections.

Notwithstanding any other provision of this chapter, all moneys received by the Authority pursuant to subsection C of §§ 58.1-605.1 and 58.1-606.1, subsection B of § 58.1-802.1, and § 58.1-3825.1 shall be used as follows:

1. First, each fiscal year an amount shall be distributed to the Washington Metropolitan Area

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59 Transit Authority (WMATA) to provide funds to the Authority that is equal to such amount as may be
60 required under federal law for the payment of certain federal funds to WMATA. The Authority shall
61 make such annual distribution from such revenues (i) only to the extent required under federal law for
62 the payment of federal funds to WMATA, and (ii) only if the Counties of Arlington and Fairfax and the
63 City of Alexandria are imposing all of the taxes and the fees authorized pursuant to §§ 58.1-605.1,
64 58.1-606.1, 58.1-802.1, and 58.1-3825.1 on and after March 1, 2007;

65 2. The next \$30 million received by the Authority in each fiscal year shall be distributed to the
66 Virginia Railway Express for capital projects directly relating to transportation by rail, and only if
67 Prince William County is imposing all of the taxes and the fees authorized pursuant to §§ 58.1-605.1,
68 58.1-606.1, 58.1-802.1, and 58.1-3825.1 on and after March 1, 2007; and

69 3. All other remaining revenues from subsection C of §§ 58.1-605.1 and 58.1-606.1, subsection B of
70 § 58.1-802.1, and § 58.1-3825.1 shall be used by the Authority solely for transportation projects for the
71 localities that are embraced by the Authority as determined by the Authority subject to all conditions
72 under this chapter.

73 § 58.1-605.1. Additional local sales tax.

74 A. In addition to any other taxes, fees, or other charges imposed under law, each of the governing
75 bodies of the Counties of Arlington, Fairfax, Loudoun, and Prince William and the Cities of Alexandria,
76 Fairfax, Falls Church, Manassas, and Manassas Park may by ordinance levy a local retail sales tax at
77 the rate of 0.50% to generate revenue for transportation, provided that the governing body of the county
78 or city appropriates the revenues collected from such tax to the Northern Virginia Transportation
79 Authority established under § 15.2-4830. Such tax shall be added to the rate of the local sales tax
80 imposed pursuant to the authority granted under § 58.1-605 and shall be subject to all the provisions of
81 this chapter and the rules and regulations published with respect thereto. No discount under § 58.1-622
82 shall be allowed for the tax described under this subsection. Such tax shall be administered and
83 collected by the Tax Commissioner in the same manner and subject to the same penalties as provided
84 for the state sales tax.

85 B. Any ordinance imposing the local retail sales tax authorized under this section shall be effective
86 on the first day of the month that is at least 60 days subsequent to the adoption of the ordinance. A
87 certified copy of such ordinance shall be forwarded to the Tax Commissioner so that it will be received
88 within 10 days after its adoption.

89 C. The revenue generated and collected pursuant to the tax authorized under this section, less the
90 applicable portion of any refunds to taxpayers, shall be deposited and held in a special trust fund under
91 the control of the State Treasurer entitled "Special Sales and Use Tax Fund Account of the Northern
92 Virginia Transportation Authority." The State Treasurer shall distribute the amounts deposited in the
93 special trust fund monthly to the Northern Virginia Transportation Authority. The Authority shall use
94 such funds solely for the purposes as provided in § 15.2-4838.1.

95 D. No locality imposing the local retail sales tax pursuant to this section shall cease to impose such
96 tax so long as the Northern Virginia Transportation Authority (i) is currently engaged in a
97 transportation project within the boundaries of the locality, (ii) has entered into a binding commitment
98 to begin a transportation project within the boundaries of the locality, or (iii) has issued bonds or
99 incurred other evidence of debt that has not been satisfied or paid in full and that relates to a
100 transportation project undertaken by the Authority within the boundaries of the locality.

101 § 58.1-606.1. Additional local use tax.

102 A. In addition to any other taxes, fees, or other charges imposed under law, each of the governing
103 bodies of the Counties of Arlington, Fairfax, Loudoun, and Prince William and the Cities of Alexandria,
104 Fairfax, Falls Church, Manassas, and Manassas Park may by ordinance levy a local use tax at the rate
105 of 0.50% to generate revenue for transportation, provided that the governing body of the county or city
106 appropriates the revenues collected from such tax to the Northern Virginia Transportation Authority
107 established under § 15.2-4830. Such tax shall be added to the rate of the local use tax imposed pursuant
108 to the authority granted under § 58.1-606 and shall be subject to all the provisions of this chapter and
109 the rules and regulations published with respect thereto. No discount under § 58.1-622 shall be allowed
110 for the tax described under this subsection. Such tax shall be administered and collected by the Tax
111 Commissioner in the same manner and subject to the same penalties as provided for the state use tax.

112 B. Any ordinance imposing the local use tax authorized under this section shall be effective on the
113 first day of the month that is at least 60 days subsequent to the adoption of the ordinance. A certified
114 copy of such ordinance shall be forwarded to the Tax Commissioner so that it will be received within
115 10 days after its adoption.

116 C. The revenue generated and collected pursuant to the tax authorized under this section, less the
117 applicable portion of any refunds to taxpayers, shall be deposited and held in a special trust fund under
118 the control of the State Treasurer entitled "Special Sales and Use Tax Fund Account of the Northern
119 Virginia Transportation Authority." The State Treasurer shall distribute the amounts deposited in the
120 special trust fund monthly to the Northern Virginia Transportation Authority. The Authority shall use

such funds solely for the purposes as provided in § 15.2-4838.1.

D. No locality imposing the local use tax pursuant to this section shall cease to impose such tax so long as the Northern Virginia Transportation Authority (i) is currently engaged in a transportation project within the boundaries of the locality, (ii) has entered into a binding commitment to begin a transportation project within the boundaries of the locality, or (iii) has issued bonds or incurred other evidence of debt that has not been satisfied or paid in full and that relates to a transportation project undertaken by the Authority within the boundaries of the locality.

§ 58.1-611.1. Rate of tax on sales of food purchased for human consumption.

A. The tax imposed by §§ 58.1-603 and 58.1-604 on food purchased for human consumption shall be levied and distributed as follows:

1. From January 1, 2000, through midnight on June 30, 2005, the tax rate on such food shall be three percent of the gross sales price. The revenue from the tax shall be distributed as follows: (i) the revenue from the tax at the rate of one-half percent shall be distributed as provided in subsection A of § 58.1-638, (ii) the revenue from the tax at the rate of one percent shall be distributed as provided in subsections B, C and D of § 58.1-638, and (iii) the revenue from the tax at the rate of one and one-half percent shall be used for general fund purposes.

2. On and after July 1, 2005, the tax rate on such food shall be one and one-half percent of the gross sales price. The revenue from the tax shall be distributed as follows: (i) the revenue from the tax at the rate of one-half percent shall be distributed as provided in subsection A of § 58.1-638 and (ii) the revenue from the tax at the rate of one percent shall be distributed as provided in subsections B, C and D of § 58.1-638.

B. The provisions of this section shall not affect the imposition of tax on food purchased for human consumption pursuant to §§ 58.1-605 and 58.1-605.1, 58.1-606, and 58.1-606.1.

C. As used in this section, "food purchased for human consumption" has the same meaning as "food" defined in the Food Stamp Act of 1977, 7 U.S.C. § 2012, as amended, and federal regulations adopted pursuant to that Act, except it shall not include seeds and plants which produce food for human consumption. For the purpose of this section, "food purchased for human consumption" shall not include food sold by any retail establishment where the gross receipts derived from the sale of food prepared by such retail establishment for immediate consumption on or off the premises of the retail establishment constitutes more than 80 percent of the total gross receipts of that retail establishment, including but not limited to motor fuel purchases, regardless of whether such prepared food is consumed on the premises of that retail establishment. For purposes of this section, "retail establishment" means each place of business for which any "dealer," as defined in § 58.1-612, is required to apply for and receive a certificate of registration pursuant to § 58.1-613.

§ 58.1-639.1. Exemptions for local sales and use tax.

Any exemption set forth in this chapter, or established pursuant to the administrative process under § 58.1-609.11, for a state sales or use tax or a local sales or use tax under § 58.1-605 or 58.1-606 shall also apply to the taxes imposed pursuant to §§ 58.1-605.1 and 58.1-606.1.

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

A. In addition to any other tax imposed under the provisions of this chapter, a tax is hereby imposed 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 50 10 cents for each \$500 \$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. 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.

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 or fraction thereof as determined

182 pursuant to subsection A.

183 § 58.1-802.1. Additional local tax paid by grantor; collection.

184 A. In addition to the tax imposed by § 58.1-802 and any other fee, tax, or other charge imposed
185 under law, each of the governing bodies of the Counties of Arlington, Fairfax, Loudoun, and Prince
186 William and the Cities of Alexandria, Fairfax, Falls Church, Manassas, and Manassas Park may, by
187 ordinance, impose a tax on each deed, instrument, or writing by which lands, tenements or other realty
188 sold (located in the county or city) is granted, assigned, transferred, or otherwise conveyed to, or vested
189 in the purchaser, or any other person, by such purchaser's direction. The rate of the tax, when the
190 consideration or value of the interest exceeds \$100, shall be 30 cents for each \$100 or fraction thereof,
191 exclusive of the value of any lien or encumbrance remaining thereon at the time of the sale, whether
192 such lien is assumed or the realty is sold subject to such lien or encumbrance.

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

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

200 B. The tax shall be collected pursuant to subsection B of § 58.1-802. The clerk shall return all taxes
201 collected pursuant to the authority granted under this section as follows: (i) taxes collected at the rate
202 of 20 cents for each \$100 or fraction thereof shall be returned by the clerk into the treasury of the
203 locality, and such revenues shall be appropriated by the locality to the Northern Virginia Transportation
204 Authority established under § 15.2-4830 as soon as practical for use solely for the purposes as provided
205 in § 15.2-4838.1; and (ii) taxes collected at the rate of 10 cents for each \$100 or fraction thereof shall
206 be returned by the clerk into the treasury of the locality, and such funds shall be used solely for local
207 or regional projects relating directly to transportation. Such transportation projects may include debt
208 service payments on obligations and other evidences of debt issued or entered into to finance or fund
209 transportation projects, but only for such obligations or debt that has not been authorized and is not
210 outstanding as of July 1, 2006.

211 The tax imposed pursuant to the authority granted under this section on property which is located in
212 more than one jurisdiction shall be collected by the clerk in proportion to the value of the property
213 located in each locality when recorded therein.

214 C. No increase in the city or county recordation tax authorized by § 58.1-814 shall be deemed
215 authorized by this section.

216 D. No locality imposing the additional tax pursuant to this section shall cease to impose such tax so
217 long as the Northern Virginia Transportation Authority (i) is currently engaged in a transportation
218 project within the boundaries of the locality, (ii) has entered into a binding commitment to begin a
219 transportation project within the boundaries of the locality, or (iii) has issued bonds or incurred other
220 evidence of debt that has not been satisfied or paid in full and that relates to a transportation project
221 undertaken by the Authority within the boundaries of the locality.

222 § 58.1-811. Exemptions.

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

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

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

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

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

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

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

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

242 8. To the surviving or new corporation, partnership or limited liability company upon merger or
243 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 58.1-802.1; 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.

I. No recordation tax levied pursuant to this chapter shall be levied on a deed, lease, easement, release, or other document recorded in connection with a concession pursuant to the Public-Private Transportation Act of 1995 (§ 56-556 et seq.) or similar federal law.

§ 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 tax 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 1 (§ 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 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.

§ 58.1-3825.1. *Additional transient occupancy tax in certain counties and cities in Northern Virginia.*

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 tax 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 tax to the Northern Virginia Transportation Authority established under § 15.2-4830.

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 each county or city that imposes taxes or fees pursuant to § 58.1-605.1, 58.1-606.1, 58.1-802.1, or 58.1-3825.1 of the Code of Virginia shall for each fiscal year in which it imposes such taxes or fees expend or disburse for transportation purposes an amount (computed without regard to any revenues generated in the fiscal year from such taxes or fees) that is at least equal to the total amount expended or disbursed for transportation purposes by the county or city in its fiscal year that began in calendar year 2005.

4. That any revenues distributed to the Northern Virginia Transportation Authority pursuant to § 58.1-605.1, 58.1-606.1, clause (i) of subsection B of § 58.1-802.1, or § 58.1-3825.1 of the Code of Virginia, or collected by a locality pursuant to clause (ii) of subsection B of § 58.1-802.1 of the Code of Virginia, shall not be used to calculate or reduce the share of local, federal, and state revenues otherwise available to any county or city set forth in subsection A of § 58.1-605.1 or subsection A of § 58.1-606.1 of the Code of Virginia or otherwise available 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.

367 5. That no provision of this act shall become effective unless under legislation passed by a session
368 of the General Assembly held in 2006 that becomes law (i) an authority is created on or after
369 April 1, 2006, pursuant to law other than the provisions of Chapter 48.3 (§ 15.2-4831 et seq.) of
370 Title 15.2, for purposes including but not limited to controlling, operating, tolling, constructing,
371 and acquiring transportation facilities in the Hampton Roads region and each county and city that
372 is included in such authority is authorized to impose a local general retail sales tax, in addition to
373 the tax set forth under § 58.1-605, with the revenues therefrom required to be appropriated to
374 such authority and (ii) taxes collected pursuant to Chapter 25 (§ 58.1-2500 et seq.) of Title 58.1 of
375 the Code of Virginia attributable to any policy of motor vehicle insurance as defined in § 38.2-124
376 of the Code of Virginia are dedicated to the Transportation Trust Fund established under
377 § 33.1-23.03:1 of the Code of Virginia and specific nongeneral fund fees and/or taxes, in effect as
378 of January 1, 2006, are increased, or new nongeneral fund fees and/or taxes are established,
379 sufficiently to generate an annual amount of revenue equivalent to at least 15 percent of the fiscal
380 year 2007-2008 Commonwealth Transportation revenue included in Senate Bill 5002, as introduced
381 during Special Session I of the 2006 General Assembly, and which amount of revenue shall be
382 distributed annually through a transportation formula.