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HOUSE BILL NO. 2496

Offered January 10, 2007

Prefiled January 9, 2007

A BILL to amend and reenact §§ 15.2-4831, 15.2-4839, 46.2-332, and 58.1-2403 of the Code of Virginia; to amend the Code of Virginia by adding sections numbered 15.2-4838.1 and 15.2-4838.2, by adding in Title 58.1 a chapter numbered 6.3, consisting of sections numbered 58.1-663 and 58.1-664, and by adding sections numbered 58.1-802.1, 58.1-2402.1, and 58.1-3221.2, relating to supplemental transportation funding for localities located in areas with high levels of traffic congestion.

Patrons—Albo, Rust, Watts, Amundson, Brink, Bulova, Callahan, Caputo, Ebbin, Eisenberg, Englin, Hull, Marsden, May, McQuigg, Moran, Plum, Poisson, Scott, J.M., Shannon and Sickles

Referred to Committee on Finance

Be it enacted by the General Assembly of Virginia:

1. That §§ 15.2-4831, 15.2-4839, 46.2-332, 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 and 15.2-4838.2, by adding in Title 58.1 a chapter numbered 6.3, consisting of sections numbered 58.1-663 and 58.1-664, and by adding sections numbered 58.1-802.1, 58.1-2402.1, and 58.1-3221.2 as follows:

§ 15.2-4831. Counties and cities embraced by the Authority.

The Authority shall embrace the Counties of Arlington, Fairfax, Loudoun, and Prince William, and the Cities of Alexandria, Fairfax, Falls Church, Manassas, and Manassas Park; *provided, however, that if any such county or city is not imposing all of the and the fees authorized pursuant to §§ 58.1-2402.1 and 58.1-3221.2 at any time on or after July 1, 2007, then such county or city shall not be entitled to determine transportation projects and services to be funded with the revenue generated as a result of subsection B of § 46.2-332, § 58.1-663, § 58.1-802.1, § 58.1-2402.1, and § 58.1-3221.2, and shall not receive allocation of revenue generated as a result of subsection B of § 46.2-332, § 58.1-663, § 58.1-802.1, § 58.1-2402.1, and § 58.1-3221.2.*

§ 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." All revenues deposited into the Fund shall be deposited and held in a special trust fund under the control of the Authority. The State Treasurer, as necessary, shall establish a special trust fund entitled "Special Trust Fund Account of the Northern Virginia Transportation Authority" and shall deposit on a monthly basis any amounts to be deposited into such special trust fund from revenues collected by the Commonwealth on behalf of the Authority and subsequently deposited into the Fund.

Moneys in the Fund shall be used by the Authority solely for the purposes stated in this chapter and the Authority shall have the powers and functions, *mutatis mutandis*, in §§ 15.2-4518 and 15.2-4519.

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

All moneys received by the Authority and the proceeds of bonds issued pursuant to § 15.2-4839 shall be used by the Authority solely for the primary benefit of those counties and cities that are imposing the fees pursuant to §§ 58.1-2402.1 and 58.1-3221.2.

Notwithstanding any other provision of this chapter, the revenues deposited into the Special Transportation Fund for Northern Virginia pursuant to subsection B of § 46.2-332 and §§ 58.1-663, 58.1-802.1, 58.1-2402.1, and 58.1-3221.2 and the proceeds of bonds issued pursuant to § 15.2-4839 shall be used as follows:

A. Deposits to the Fund pursuant to subsection B of § 46.2-332 and §§ 58.1-663 and 58.1-802.1 shall first be used to pay any debt service due on bonds issued pursuant to § 15.2-4839, with any remainder to be used according to the other provisions of this section.

B. Up to the next \$50 million deposited into the Fund in each year, shall be distributed to the Washington Metropolitan Area Transit Authority (WMATA) to provide funds to the Authority as may be required under federal law for the payment of certain federal funds to WMATA and shall be used for capital improvements for WMATA's transit service (Metro). The Authority shall make such annual distribution from such revenues (i) only to the extent required under federal law for the payment of federal funds to WMATA, (ii) only if the matching federal funds are exclusive of, and in addition to, the amount of other federal funds appropriated to the Commonwealth for transportation and such other federal funds are in an amount not less than the amount of such funds appropriated to the

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58 *Commonwealth in the fiscal year ending June 30, 2007, and (iii) only if the County of Arlington and the*
59 *City of Alexandria are imposing the fees pursuant to §§ 58.1-2402.1 and 58.1-3221.2. For each year*
60 *after 2018 the amount distributed pursuant to this subsection shall be used for the expansion of Metro*
61 *or other rail service into Prince William County, but only if Prince William County is imposing the fees*
62 *pursuant to §§ 58.1-2402.1 and 58.1-3221.2.*

63 *C. The next \$30 million deposited into the Fund in each fiscal year shall be distributed to the*
64 *Virginia Railway Express for capital improvements including, but not limited to, construction of parking,*
65 *dedicated rail on the Fredericksburg line, rolling stock, expanded service in Prince William County, and*
66 *service as may be needed as a result of the Base Realignment and Closure Commission regarding Fort*
67 *Belvoir. The Authority shall make such annual distribution from such revenues only if Prince William*
68 *County is imposing the fees pursuant to §§ 58.1-2402.1 and 58.1-3221.2;*

69 *D. At least 25% of the revenues from such sources remaining after the distributions under*
70 *subsections A, B, and C shall be dedicated for use on urban and secondary road construction and*
71 *improvement for the localities that are embraced by the Authority as determined by the Authority in*
72 *consultation with members of the governing bodies of the localities embraced by the Authority, and*
73 *members of the General Assembly representing any locality embraced by the Authority. The funds under*
74 *this subsection shall be distributed to the localities imposing the fees pursuant to §§ 58.1-2402.1 and*
75 *58.1-3221.2 on a pro rata basis with each locality's share being the total fees and taxes deposited into*
76 *the Fund that are generated or attributable to the locality pursuant to subsection B of § 46.2-332, and*
77 *§§ 58.1-663, 58.1-802.1, 58.1-2402.1, and 58.1-3221.2 divided by the total fees and taxes deposited into*
78 *the Fund pursuant to subsection B of § 46.2-332, and §§ 58.1-663, 58.1-802.1, 58.1-2402.1, and*
79 *58.1-3221.2;*

80 *E. At least 20% of the revenues from such sources remaining after the distributions under*
81 *subsections A, B, C, and D shall be distributed to the localities imposing the fees pursuant to*
82 *§§ 58.1-2402.1 and 58.1-3221.2 on a pro rata basis with each locality's share being the total fees and*
83 *taxes deposited into the Fund that are generated or attributable to the locality pursuant to subsection B*
84 *of § 46.2-332 and §§ 58.1-663, 58.1-802.1, 58.1-2402.1, and 58.1-3221.2, divided by the total fees and*
85 *taxes deposited into the Fund pursuant to subsection B of § 46.2-332 and §§ 58.1-663, 58.1-802.1,*
86 *58.1-2402.1, and 58.1-3221.2. The revenues distributed pursuant to this subsection shall be used solely*
87 *for transportation capital improvements and public transit purposes as determined solely by the*
88 *applicable locality. None of this revenue may be used to repay debt issued before January 1, 2008.*
89 *Each locality shall provide annually to the Northern Virginia Transportation Authority sufficient*
90 *documentation as required by the Authority showing that the funds distributed under this subsection*
91 *were used as required by this subsection. The funds under this subsection shall be conditioned on the*
92 *following:*

93 *1. That urban road construction funded in whole or in part under this subsection be performed by*
94 *cities pursuant to subsection D of § 33.1-23.3; and*

95 *2. That at the request of any county embraced by the Authority, all state secondary road construction*
96 *funding due such county be transferred to such county, provided that the county assumes full*
97 *responsibility for planning and constructing secondary roads pursuant to § 33.1-84.1;*

98 *F. Beginning at the time phase two of the Dulles Rail project begins construction, at least \$20*
99 *million shall be dedicated annually for the Dulles Rail project; and*

100 *G. All other remaining revenues from such sources shall be used by the Authority solely for*
101 *transportation projects for the localities that are imposing the fees pursuant to §§ 58.1-2402.1 and*
102 *58.1-3221.2, as determined by the Authority in consultation with members of the governing bodies of the*
103 *localities embraced by the Authority, and members of the General Assembly representing any locality*
104 *imposing the fees pursuant to §§ 58.1-2402.1 and 58.1-3221.2, or as may be required by any other law,*
105 *solely for transportation projects for the localities that are imposing the fees pursuant to §§ 58.1-2402.1*
106 *and 58.1-3221.2. All transportation projects undertaken by the Northern Virginia Transportation*
107 *Authority shall be completed by private contractors accompanied by performance measurement*
108 *standards, and all contracts shall contain a provision granting the locality the option to terminate the*
109 *contract if contractors do not meet such standards. Notwithstanding the foregoing, any locality may*
110 *provide engineering services or right-of-way acquisition for any project with its own forces. The*
111 *Authority shall avail itself of the strategies permitted under the Public-Private Transportation Act*
112 *(§ 56-556 et seq.) whenever feasible and advantageous. The Authority is independent of any state or*
113 *local entity, including the Virginia Department of Transportation (VDOT) and the Commonwealth*
114 *Transportation Board (CTB), but the Authority and VDOT and CTB shall consult with each other to*
115 *avoid duplication of efforts, and, at the option of the Authority, may combine efforts to complete specific*
116 *projects. Notwithstanding the foregoing, at the request the Authority, VDOT may provide the Authority*
117 *engineering services or right-of-way acquisition for the project with its own forces. When determining*
118 *what projects to construct under this subsection, the Authority shall base its decisions on the*
119 *combination that (i) equitably distributes the funds throughout the participating localities, and (ii)*

constructs projects that move the most people or commercial traffic in the most cost-effective manner, and (iii) such other factors as approved by the Authority.

§ 15.2-4839. Authority to issue bonds.

The Authority may issue bonds and other evidences of debt as may be authorized by this section or other law. The provisions of Article 5 (§ 15.2-4519 et seq.) of Chapter 45 of this title shall apply, mutatis mutandis, to the issuance of such bonds or other debt. *The Authority may issue bonds or other debt in such amounts so that the debt service on such bonds does not exceed the amounts deposited into the Special Transportation Fund for Northern Virginia pursuant to subsection B of § 46.2-332 and §§ 58.1-663 and 58.1-802.1.*

§ 46.2-332. Fees.

A. On and after January 1, 1990, the fee for each driver's license other than a commercial driver's license shall be two dollars and forty cents per year. If the license is a commercial driver's license or seasonal restricted commercial driver's license, the fee shall be six dollars per year. Persons twenty-one years old or older may be issued a scenic driver's license, learner's permit, or commercial driver's license for an additional fee of five dollars. For any one or more driver's license endorsements, except a motorcycle endorsement, there shall be an additional fee of one dollar per year; for a motorcycle endorsement, there shall be an additional fee of two dollars per year. For any and all driver's license classifications, there shall be an additional fee of one dollar per year. For any revalidation of a seasonal restricted commercial driver's license, the fee shall be five dollars.

A reexamination fee of two dollars shall be charged for each administration of the knowledge portion of the driver's license examination taken by an applicant who is eighteen years of age or older if taken more than once within a fifteen-day period. The reexamination fee shall be charged each time the examination is administered until the applicant successfully completes the examination, if taken prior to the fifteenth day.

An applicant who is less than eighteen years of age who does not successfully complete the knowledge portion of the driver's license examination shall not be permitted to take the knowledge portion more than once in fifteen days.

If the applicant for a driver's license is an employee of the Commonwealth, or of any county, city, or town who drives a motorcycle or a commercial motor vehicle solely in the line of his duty, he shall be exempt from the additional fee otherwise assessable for a motorcycle classification or a commercial motor vehicle endorsement. The Commissioner may prescribe the forms as may be requisite for completion by persons claiming exemption from additional fees imposed by this section.

No additional fee above two dollars and forty cents per year shall be assessed for the driver's license or commercial driver's license required for the operation of a school bus.

Excluding the two-dollar reexamination fee, one dollar and fifty cents of all fees collected for each original or renewal driver's license shall be paid into the driver education fund of the state treasury and expended as provided by law. Unexpended funds from the driver education fund shall be retained in the fund and be available for expenditure in ensuing years as provided therein.

All fees for motorcycle endorsements shall be distributed as provided in § 46.2-1191.

B. Beginning July 1, 2007, in addition to all other fees authorized by this chapter, the Commissioner shall collect an additional state fee of \$100 for the initial issuance of a driver's license for any person residing in a county or city that is included in the regional transportation authority established pursuant to § 15.2-4830 that is imposing the fees set forth in §§ 58.1-2402.1 and 58.1-3221.2.

C. All revenues generated by the fee imposed pursuant to subsection B shall be deposited pursuant to § 15.2-4838.1 and used for the purposes as set forth in § 15.2-4838.2.

E. The additional fee imposed pursuant to subsection B shall not, however, be imposed for the issuance of a driver's license to any person to whom a Virginia driver's license was previously issued, but whose Virginia driver's license had expired or had been suspended or revoked. Furthermore, the amount of such additional fee shall, for any minor who presents proof thereof satisfactory to the Commissioner, be waived for the successful completion of a driver safety course approved by the Department. Any and all fees imposed pursuant to this section shall be collected by the Department of Motor Vehicles at the time the initial license is issued. The Commissioner shall maintain records of the fee imposed and collected per person and the locality and address where each person resides.

§ 58.1-540. Levy of the tax.

A. Any county having a population of more than 500,000, as determined by the 1980 U. S. Census, any county or city adjacent thereto, and any city contiguous to such an adjacent county or city, or any city with a population of at least 265,000, is hereby authorized to levy a local income tax at any increment of one-quarter percent up to a maximum rate of one percent upon the Virginia taxable income as determined in § 58.1-322 for an individual, § 58.1-361 for a fiduciary of an estate or trust, or § 58.1-402 for a corporation, for each taxable year of every resident of such county or city or corporation having income from sources within such county or city, subject to the limitations of

181 subsection B of this section. The same rate shall apply to individuals, fiduciaries and corporations.

182 B. The authority to levy a local income tax as provided in subsection A may be exercised by a
183 county or city governing body only if (i) *the county or city is not imposing the taxes and fees*
184 *authorized pursuant to § 58.1-2402.1 and 58.1-3221.2, and (ii) approved in a referendum within the*
185 county or city. The referendum shall be held in accordance with § 24.2-684. The referendum may be
186 initiated either by a resolution of the governing body of the county or city or on the filing of a petition
187 signed by a number of registered voters of the county or city equal in number to ten percent of the
188 number of voters registered in the county or city on January 1 of the year in which the petition is filed
189 with the circuit court of such county or city. The clerk of the circuit court shall publish notice of the
190 election in a newspaper of general circulation in the county or city once a week for three consecutive
191 weeks prior to the election. The ballot used shall be printed to read as follows:

192 "Shall the governing body of (...name of county or city...) have the authority to levy a local income
193 tax of up to one percent for transportation purposes in accordance with § 58.1-540 of the Code of
194 Virginia?

195 _ Yes

196 _ No"

197 If the voters by a majority vote approve the authority of the local governing body to levy a local
198 income tax, the tax may be imposed by the adoption of an ordinance by the governing body of the
199 county or city in accordance with general or special law, and the tax may be thereafter enacted,
200 modified or repealed as any other tax the governing body is empowered to levy subject only to the
201 limitations herein. No ordinance levying a local income tax shall be repealed unless and until all debts
202 or other obligations of the county or city to which such revenues are pledged or otherwise committed
203 have been paid or provision made for payment. *CHAPTER 6.3. HOTEL/MOTEL TRANSPORTATION*
204 *IMPACT FEE FOR CONGESTED AREAS.*

205 § 58.1-663. *Imposition of fee.*

206 A. *There is hereby levied and imposed beginning July 1, 2007, in addition to all other taxes and fees*
207 *of every kind now imposed by law, a lodging fee of 2% on the sale of or charge for every room,*
208 *lodging, or accommodation furnished to a transient for less than 90 continuous days by any hotel,*
209 *motel, inn, tourist camp, tourist cabin, camping grounds, club, or any other place in which rooms,*
210 *lodging, space, or accommodations are regularly furnished to transients for a consideration in each*
211 *county or city that is included in the regional transportation authority established pursuant to*
212 *§ 15.2-4830 that is imposing the fees set forth in §§ 58.1-2402.1 and 58.1-3221.2.*

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

219 C. *All revenues generated by the fee pursuant to this section shall be deposited pursuant to*
220 *§ 15.2-4838.1 and used for the purposes as set forth in § 15.2-4838.2.*

221 D. *The lodging fee levied under this chapter shall be collected by the Tax Commissioner in the same*
222 *manner as is the retail sales and use tax, pursuant to Chapter 6 (§ 58.1-600 et seq.).*

223 § 58.1-664. *Provisions of Chapter 6 (§ 58.1-600 et seq.) to apply, mutatis mutandis.*

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

226 § 58.1-802.1. *Northern Virginia congestion relief fee.*

227 A. *Beginning July 1, 2007, in addition to any other tax imposed under the provisions of this chapter,*
228 *a fee is hereby imposed on each deed, instrument, or writing by which lands, tenements or other realty*
229 *in each county or city that is included in the regional transportation authority established pursuant to*
230 *§ 15.2-4830, that is imposing the fees set forth in §§ 58.1-2402.1 and 58.1-3221.2, is sold and is*
231 *granted, assigned, transferred, or otherwise conveyed to, or vested in the purchaser, or any other*
232 *person, by such purchaser's direction. The rate of the tax, when the consideration or value of the*
233 *interest equals or exceeds \$100, shall be \$0.40 for each \$100 or fraction thereof, exclusive of the value*
234 *of any lien or encumbrance remaining thereon at the time of the sale, whether such lien is assumed or*
235 *the realty is sold subject to such lien or encumbrance. No increase in the city or county recordation tax*
236 *authorized by § 58.1-814 shall be deemed authorized by this section.*

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

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

242 B. *All revenues generated by the fee imposed pursuant to this section shall be deposited pursuant to*

§ 15.2-4838.1 and used for the purposes as set forth in § 15.2-4838.2.

C. Taxes imposed by this section shall be collected as provided in § 58.1-812.

§ 58.1-2402.1. Local rental car transportation fee.

A. Beginning July 1, 2007, in addition to all other taxes, fees, and other charges imposed under law, the governing body of a county or city that is included in the regional transportation authority established pursuant to § 15.2-4830, may, by ordinance, impose a fee of 2% of the gross proceeds on the rental in the locality of any daily rental vehicle regardless of whether such vehicle is required to be licensed in the Commonwealth. The fee 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.

B. Except as provided in subsection C, the governing body of the locality shall appropriate the revenues collected from the additional fees imposed pursuant to this section to a special trust fund under the control of the State Treasurer entitled "Special Sales and Use Tax Fund Account of the ——— Regional Transportation Authority." The State Treasurer shall distribute the amounts deposited into such special trust fund monthly to the respective regional transportation authority. The regional transportation authority shall use such funds solely for the purposes as provided in Chapter 48.3 (§ 15.2-4841 et seq.) of Title 15.2.

C. The governing body of any locality imposing the fee pursuant to this section shall appropriate the revenues collected to 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.

D. No locality imposing the fee pursuant to this section shall cease to impose such fee 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.

E. Any and all fees imposed pursuant to this section shall be collected by the Department of Motor Vehicles. The Commissioner shall maintain records of the fee imposed and collected by vehicle and the locality.

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

§ 58.1-2403. Exemptions.

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

1. Sold to, rented or used by the United States government or any governmental agency thereof;
2. Sold to, rented or used by the Commonwealth of Virginia or any political subdivision thereof;
3. Registered in the name of a volunteer fire department or rescue squad not operated for profit;
4. Registered to any member of the Mattaponi, Pamunkey, or Chickahominy Indian tribes or any other recognized Indian tribe of the Commonwealth living on the tribal reservation;

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

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

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

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

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

10. Being registered for the first time in this Commonwealth and the applicant holds a valid, assignable title or registration issued to him by another state or a branch of the United States Armed Forces 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;

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

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

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

312 16. Sold to an insurance company or local government group self-insurance pool, created pursuant to
313 § 15.2-2703, for the sole purpose of disposition when such company has paid the registered owner of
314 such vehicle a total loss claim;

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

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

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

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

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

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

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

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

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

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

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

356 § 58.1-3221.2. *Classification of commercial real property in certain localities; transportation impact*
357 *commercial real property tax.*

358 A. *Beginning July 1, 2007, solely for the purposes of imposing the tax authorized pursuant to this*
359 *section, in the counties and cities that are included in the regional transportation authority established*
360 *pursuant to § 15.2-4830, real estate used for commercial or industrial purposes is hereby declared to be*
361 *a separate class of property. Real estate used for commercial or industrial purposes does not include*
362 *real estate for which no permit for use has been issued for occupancy of the premises for commercial*
363 *use, and real estate, or that portion thereof, that is used for residential purposes, including but not*
364 *limited to apartment buildings, regardless of whether it would otherwise constitute a commercial*
365 *enterprise. In addition to all other taxes and fees permitted by law, the governing body of any such*

locality may, by ordinance, declare the entire locality a special regional transportation tax district and impose a transportation impact commercial real property tax at the rate of 0.3% of the fair market value of such property. However, for any such property on which (i) a tax is imposed pursuant to Chapter 46 (§ 15.2-4600 et seq.) of Title 15.2, Chapter 47 (§ 15.2-4700 et seq.) of Title 15.2, or Chapter 15 (§ 33.1-430 et seq.) of Title 33.1; (ii) any amount is charged pursuant to a community development authority; or (iii) any special assessment is imposed for an existing transportation bond, the rate of the tax under this section shall be reduced so that any such taxes, amounts, or assessments, when added to the tax imposed under this section produce a combined effective rate of 0.3%; provided that no such reduction shall be made for any taxes, payments, or charges associated with projects not initiated prior to January 1, 2008, except for the second half of the Dulles Rail project.

C. The governing body of any locality imposing the additional tax imposed pursuant to this section shall designate the revenue to 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.

D. No locality imposing the 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.

E. The tax 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.

2. 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. 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.

3. That prior to December 1 each year beginning December 1, 2008, the Auditor of Public Accounts shall submit a report to the General Assembly on the efficiency and effectiveness of the Washington Metropolitan Area Transit Authority's expenditure of funds that impact the Commonwealth.

4. That each governing body of a county or city adopting by ordinance the fees authorized under §§ 58.1-2402.1 and 58.1-3221.2 of the Code of Virginia shall provide a copy of the ordinance to the Clerk of the House of Delegates and the Clerk of the Senate as soon as practicable.

5. That each county or city that imposes the fees authorized pursuant to §§ 58.1-2402.1 and 58.1-3221.2 of the Code of Virginia pursuant to the provisions of this act shall for each fiscal year in which it imposes such tax expend or disburse for transportation purposes an amount (computed without regard to any revenues generated in the fiscal year from such taxes) 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 2006.

6. That no locality shall be authorized to impose any of the fees or taxes authorized by this act, unless, as of January 1, 2007, it is part of a regional transportation authority in which at least 60% of the counties and cities embraced by the authority have at least 60% of their interstates and primary highways operating at an average Level of Service of E or F during the peak period as determined by the Virginia Department of Transportation.