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**HOUSE BILL NO. 2496****AMENDMENT IN THE NATURE OF A SUBSTITUTE**(Proposed by the House Committee on Appropriations  
on February 2, 2007)

(Patron Prior to Substitute—Delegate Albo)

A *BILL to amend and reenact §§ 15.2-4831, 15.2-4839, 15.2-4840, 33.1-223.2:12, 46.2-332, 58.1-540, 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, 58.1-802.1, 58.1-2402.1, and 58.1-3221.2, relating to authority for supplemental transportation funding for localities located in Northern Virginia.*

**Be it enacted by the General Assembly of Virginia:**

**1. That §§ 15.2-4831, 15.2-4839, 15.2-4840, 33.1-223.2:12, 46.2-332, 58.1-540, and 58.1-2403 of the Code of Virginia are amended and reenacted and that the Code of Virginia is amended by adding amend sections numbered 15.2-4838.1, 15.2-4838.2, 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 any time any such county or city is not imposing all of the taxes and fees authorized pursuant to subsection B of § 46.2-332, and §§ 58.1-802.1, 58.1-2402.1, and 58.1-3221.2, then, during such period of time, such county or city shall not be entitled to determine transportation projects and services to be funded with the revenue generated by such taxes and fees and shall not receive allocation of such revenue.*

§ 15.2-4838.1. *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 benefit of those counties and cities that are imposing the fees pursuant to subsection B of § 46.2-332, and §§ 58.1-802.1, 58.1-2402.1, and 58.1-3221.2.

Notwithstanding any other provision of this chapter, the revenues received by the Authority pursuant to subsection B of § 46.2-332, and §§ 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 first to pay any debt service owing on any bonds issued pursuant to § 15.2-4839, and then as follows:

A. The next \$50 million each year shall be distributed to the Washington Metropolitan Area Transit Authority (WMATA) and shall be used for capital improvements in Virginia for WMATA's transit service (Metro). The Authority shall make such annual distribution from such revenues only if the County of Arlington and the City of Alexandria are imposing the fees pursuant to subsection B of § 46.2-332, and §§ 58.1-802.1, 58.1-2402.1, and 58.1-3221.2. The Authority shall first make use of that portion of such annual distribution as may be necessary under the requirements of federal law for the payment of federal funds to WMATA, but 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 Commonwealth in the fiscal year ending June 30, 2007.

For each year after 2018 the amount distributed pursuant to this subsection shall be used for the expansion of Metro or other rail service into Prince William County, but only if Prince William County is imposing the fees pursuant to subsection B of § 46.2-332, and §§ 58.1-802.1, 58.1-2402.1, and 58.1-3221.2;

B. The next \$30 million each fiscal year shall be distributed to the Virginia Railway Express for capital improvements, including but not limited to track lease payments, construction of parking, dedicated rail on the Fredericksburg line, rolling stock, expanded service in Prince William County, and service as may be needed as a result of the Base Realignment and Closure Commission regarding Fort Belvoir. The Authority shall make such annual distribution from such revenues only if Prince William County is imposing the fees pursuant to subsection B of § 46.2-332, and §§ 58.1-802.1, 58.1-2402.1, and 58.1-3221.2;

C. The next \$27 million each fiscal year shall be distributed as follows: \$10.5 million to the Route 28 Highway Transportation Improvement District Commission and \$16.5 million to the Phase I Dulles rail Transportation Improvement District Commission to be used solely by each Commission to reduce for the next tax year the special improvement tax rate previously established as provided in § 15.2-4607 by an amount, when rounded down to the nearest one tenth of one percent per \$100 of value, if levied and collected in the improvement district within its jurisdiction, such that the tax rate reduction would offset the distribution received from the Fund.

D. Beginning at the time phase two of the Dulles Rail project begins construction, at least \$20

60 million shall be dedicated annually for the Dulles Rail project; -

61 E. At least 45 percent of the revenues from such sources remaining after the distributions under  
62 subsections A, B, C, and D shall be distributed to the localities imposing the fees pursuant to subsection  
63 B of § 46.2-332, and §§ 58.1-802.1, 58.1-2402.1, and 58.1-3221.2 on a pro rata basis, with each  
64 locality's share being the total of such fees and taxes received by the Authority that are generated or  
65 attributable to the locality divided by the total of such fees and taxes received by the Authority. Of the  
66 revenues distributed pursuant to this subsection (i) in the Cities of Falls Church and Alexandria and the  
67 County of Arlington the first 50 percent shall be used solely for urban and secondary road construction  
68 and improvements or for public transportation purposes in consultation with members of the General  
69 Assembly representing any locality which receives such revenue, (ii) and in the remaining localities, the  
70 first 50 percent shall be used solely for urban and secondary road construction and improvements in  
71 consultation with members of the General Assembly representing any locality which receives such  
72 revenue. The remainder, as determined solely by the applicable locality, shall be used either for  
73 additional urban and secondary road construction; for other transportation capital improvements which  
74 have been approved by the most recent long range transportation plan adopted by the Authority; or for  
75 public transit purposes. None of the revenue distributed by this subsection may be used to repay debt  
76 issued before January 1, 2008. Each locality shall provide annually to the Northern Virginia  
77 Transportation Authority sufficient documentation as required by the Authority showing that the funds  
78 distributed under this subsection were used as required by this subsection. The funds under this  
79 subsection shall be conditioned on the following:

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

82 2. That for any county imposing the fees pursuant to subsection B of § 46.2-332, and §§ 58.1-802.1,  
83 58.1-2402.1, and 58.1-3221.2, all state secondary road construction funding due such county shall be  
84 transferred to such county, and the county shall assume full responsibility for planning and constructing  
85 secondary roads pursuant to § 33.1-75.3. Such county may contract with the Virginia Department of  
86 Transportation, or any other entity to aid in the planning and construction; and

87 F. Any remaining revenues from such sources shall be used by the Authority solely for transportation  
88 projects for the localities that are imposing the fees pursuant to subsection B of § 46.2-332, and  
89 §§ 58.1-802.1, 58.1-2402.1, and 58.1-3221.2, as determined by the Authority in consultation with  
90 members of the governing bodies of the localities that are imposing the fees pursuant to subsection B of  
91 § 46.2-332, and §§ 58.1-802.1, 58.1-2402.1, and 58.1-3221.2, and members of the General Assembly  
92 representing any locality imposing the fees pursuant to subsection B of § 46.2-332, and §§ 58.1-802.1,  
93 58.1-2402.1, and 58.1-3221.2, or as may be required by any other law, solely for transportation projects  
94 for the localities that are imposing the fees pursuant to subsection B of § 46.2-332, and §§ 58.1-802.1,  
95 58.1-2402.1, and 58.1-3221.2. All transportation projects undertaken by the Northern Virginia  
96 Transportation Authority shall be completed by private contractors accompanied by performance  
97 measurement standards, and all contracts shall contain a provision granting the locality the option to  
98 terminate the contract if contractors do not meet such standards. Notwithstanding the foregoing, any  
99 locality may provide engineering services or right-of-way acquisition for any project with its own forces.  
100 The Authority shall avail itself of the strategies permitted under the Public-Private Transportation Act  
101 (§ 56-556 et seq.) whenever feasible and advantageous. The Authority is independent of any state or  
102 local entity, including the Virginia Department of Transportation (VDOT) and the Commonwealth  
103 Transportation Board (CTB), but the Authority, VDOT and CTB shall consult with one another to avoid  
104 duplication of efforts and, at the option of the Authority, may combine efforts to complete specific  
105 projects. Notwithstanding the foregoing, at the request of the Authority, VDOT may provide the  
106 Authority with engineering services or right-of-way acquisition for the project with its own forces. When  
107 determining what projects to construct under this subsection, the Authority shall base its decisions on  
108 the combination that (i) equitably distributes the funds throughout the participating localities and (ii)  
109 constructs projects that move the most people or commercial traffic in the most cost-effective manner,  
110 and on such other factors as approved by the Authority.

111 § 15.2-4839. Authority to issue bonds.

112 The Authority may issue bonds and other evidences of debt as may be authorized by this section or  
113 other law. The provisions of Article 5 (§ 15.2-4519 et seq.) of Chapter 45 of this title shall apply,  
114 mutatis mutandis, to the issuance of such bonds or other debt. The Authority may issue bonds or other  
115 debt in such amounts as it deems appropriate. The bonds may be supported by any funds available  
116 including those from tolls imposed and collected as authorized under § 15.2-4840.

117 § 15.2-4840. Other duties and responsibilities of Authority.

118 In addition to other powers herein granted, the Authority shall have the following duties and  
119 responsibilities:

120 1. General oversight of regional programs involving mass transit or congestion mitigation, including,  
121 but not necessarily limited to, carpooling, vanpooling, and ridesharing;

2. Long-range regional planning, both financially constrained and unconstrained;  
 3. Recommending to state, regional, and federal agencies regional transportation priorities, including public-private transportation projects, and funding allocations;

4. Developing, in coordination with affected counties and cities, regional priorities and policies to improve air quality;

5. Allocating to priority regional transportation projects any funds made available to the Authority and, at the discretion of the Authority, directly overseeing such projects;

6. Recommending to the Commonwealth Transportation Board priority regional transportation projects for receipt of federal and state funds;

7. ~~Recommending to the Commonwealth Transportation Board use and/or changes in use of~~ *Imposing, collecting, and setting the amount of tolls for use of facilities in the area embraced by the Authority, when the facility is either newly constructed or reconstructed in such a way as to increase the facility's traffic capacity, with the amount of any tolls variable by time of day, day of the week, vehicle size or type, number of axles, or other factors as the Authority may deem proper, and with all tolls to be used exclusively in connection with the facility for whose use they are collected;*

8. General oversight of regional transportation issues of a multijurisdictional nature, including but not limited to intelligent transportation systems, signalization, and preparation for and response to emergencies;

9. Serving as an advocate for the transportation needs of Northern Virginia before the state and federal governments;

10. Applying to and negotiating with the government of the United States, the Commonwealth of Virginia, or any agency ~~or, instrumentality, or political subdivision~~ thereof, for grants and any other funds available to carry out the purposes of this chapter and receiving, holding, accepting, and administering from any source gifts, bequests, grants, aid, or contributions of money, property, labor, or other things of value to be held, used and applied to carry out the purposes of this chapter subject, however, to any conditions upon which gifts, bequests, grants, aid, or contributions are made. Unless otherwise restricted by the terms of the gift, bequest, or grant, the Authority may sell, exchange, or otherwise dispose of such money, securities, or other property given or bequeathed to it in furtherance of its purposes; and

11. Acting as a "responsible public entity" for the purpose of the acquisition, construction, improvement, maintenance and/or operation of a "qualifying transportation facility" under the Public-Private Transportation Act of 1995 (§ 56-556 et seq.).

§ 33.1-223.2:12. Tolls may vary to encourage travel during off-peak hours.

A. In order to provide an incentive for motorists to travel at off-peak hours, *and in accordance with federal requirements*, wherever a toll is imposed and collected by the Department or such other entity as may be responsible for imposing or collecting such toll, the amount of such toll may vary according to the time of day, day of the week, traffic volume, vehicle speed, vehicle type, ~~or any or all of these similar variables, or combinations thereof~~. The amount of such toll and the time of day when such toll shall change shall be as fixed and revised by the Commonwealth Transportation Board or such other entity as may be responsible for fixing or revising the amount of such toll; provided, however, that any such variation shall be reasonably calculated to minimize the reduction in toll revenue generated by such toll.

B. 1. *Beginning July 1, 2008, every agency of the Commonwealth or any political subdivision or instrumentality thereof having control of or day-to-day responsibility for the operation of any toll facility in the Commonwealth shall take all necessary actions to ensure that every newly constructed toll facility or toll lane under its control is capable of fully automated electronic operation, employing technologies and procedures that permit the collection of tolls from users of the facility without requiring vehicles using the facility to reduce their speed below the speed of traffic approaching the facility. An entity operating a toll facility that substantially upgrades its equipment or substantially renovates its facility after July 1, 2008, shall comply with the provisions of this subsection. The provisions of this section shall also apply to any nongovernmental or quasigovernmental entity operating a toll facility under a comprehensive agreement entered into, pursuant to the Public-Private Transportation Act of 1995 (§ 56-556 et seq.), on or after January 1, 2008. Nothing in this subsection shall be construed to prohibit a toll facility from retaining means of nonautomated toll collection in some lanes of the facility.*

2. *For toll facilities within the territory embraced by the Northern Virginia Transportation Authority, the provisions of subdivision 1 apply to all toll facilities, regardless of whether or not they are newly constructed or substantially upgraded.*

§ 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 January 1, 2008, in addition to all other fees authorized by this chapter, the governing body of any county or city that is included in the Northern Virginia Transportation Authority established pursuant to § 15.2-4830 is authorized to impose an additional fee of \$100 for the initial issuance of a driver's license to be collected by the Commissioner.*

*C. All revenues generated by the fee imposed pursuant to subsection B shall be appropriated to the Northern Virginia Transportation Authority and used according to the provisions of § 15.2-4838.1.*

*D. 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, for any minor who presents proof thereof satisfactory to the Commissioner, shall 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.*

*E. 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 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.*

§ 58.1-540. 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 subsection B of this section. The same rate shall apply to individuals, fiduciaries and corporations.

B. The authority to levy a local income tax as provided in subsection A may be exercised by a county or city governing body only if (i) the county or city is not imposing any of the taxes and fees authorized pursuant to subsection B of § 46.2-332, and §§ 58.1-802.1, 58.1-2402.1, and 58.1-3221.2 and (ii) approved in a referendum within the county or city. The referendum shall be held in accordance with § 24.2-684. The referendum may be initiated either by a resolution of the governing body of the county or city or on the filing of a petition signed by a number of registered voters of the county or city equal in number to ten percent of the number of voters registered in the county or city on January 1 of

the year in which the petition is filed with the circuit court of such county or city. The clerk of the circuit court shall publish notice of the election in a newspaper of general circulation in the county or city once a week for three consecutive weeks prior to the election. The ballot used shall be printed to read as follows:

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

— Yes

— No"

If the voters by a majority vote approve the authority of the local governing body to levy a local income tax, the tax may be imposed by the adoption of an ordinance by the governing body of the county or city in accordance with general or special law, and the tax may be thereafter enacted, modified or repealed as any other tax the governing body is empowered to levy subject only to the limitations herein. No ordinance levying a local income tax shall be repealed unless and until all debts or other obligations of the county or city to which such revenues are pledged or otherwise committed have been paid or provision made for payment.

§ 58.1-802.1. Northern Virginia congestion relief fee.

A. Beginning January 1, 2008, in addition to any other tax imposed under the provisions of this chapter, the governing body of each of the counties and cities that are included in the Northern Virginia Transportation Authority established pursuant to § 15.2-4830 may impose a fee, delineated as the "Northern Virginia congestion relief fee," on each deed, instrument, or writing by which lands, tenements, or other realty is sold and 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 equals or exceeds \$100, shall be \$0.40 for each \$100 or fraction thereof, exclusive of the value of any lien or encumbrance remaining thereon at the time of the sale, whether such lien is assumed or the realty is sold subject to such lien or encumbrance.

The fee 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 fee 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 fee imposed by this section has been paid. The clerk shall include within the certificate the amount of such fee collected thereon.

B. All revenues generated by the fee imposed pursuant to this section shall be appropriated to the Northern Virginia Transportation Authority and used according to the provisions of § 15.2-4838.1.

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

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.

§ 58.1-2402.1. Local rental car transportation fee.

A. Beginning January 1, 2008, 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 Northern Virginia 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. The governing body of any locality imposing the fee pursuant to this section shall appropriate the revenues collected to the Northern Virginia Transportation Authority and the revenues shall be used according to the provisions of § 15.2-4838.1.

C. 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.

D. 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.

E. The fee imposed pursuant to the authority granted under this section shall be implemented,

306 *enforced, and collected in the same manner that rental taxes under this chapter are implemented,*  
307 *enforced, and collected.*

308 § 58.1-2403. Exemptions.

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

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

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

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

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

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

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

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

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

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

327 10. Being registered for the first time in this Commonwealth and the applicant holds a valid,  
328 assignable title or registration issued to him by another state or a branch of the United States Armed  
329 Forces and (i) has owned the vehicle for longer than 12 months or (ii) has owned the vehicle for less  
330 than 12 months and provides evidence of a sales tax paid to another state. However, when a vehicle has  
331 been purchased by the applicant within the last 12 months and the applicant is unable to provide  
332 evidence of a sales tax paid to another state, the applicant shall pay the Virginia sales tax based on the  
333 fair market value of the vehicle at the time of registration in Virginia;

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

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

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

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

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

346 16. Sold to an insurance company or local government group self-insurance pool, created pursuant to  
347 § 15.2-2703, for the sole purpose of disposition when such company has paid the registered owner of  
348 such vehicle a total loss claim;

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

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

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

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

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

365 22. A motor vehicle sold to an organization which is exempt from taxation under § 501 (c) (3) of the  
366 Internal Revenue Code and which is organized for the primary purpose of distributing food, clothing,  
367 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.

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

A. Beginning January 1, 2008, solely for the purposes of imposing the tax authorized pursuant to this section, in the counties and cities that are included in the Northern Virginia Transportation Authority established pursuant to § 15.2-4830, real estate used for commercial or industrial purposes is hereby declared to be a separate class of property. Real estate used for commercial or industrial purposes does not include real estate for which no permit for use has been issued for occupancy of any premises for commercial use. For purposes of this section, real property that is zoned to permit multiunit residential use that is primarily leased or rented to residential tenants of other occupants by an owner who is engaged in such a business shall be deemed to be property in commercial use. 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 0.25% of the fair market value of such property.

B. The governing body of any locality imposing the additional tax imposed pursuant to this section shall appropriate the additional revenue generated to the Northern Virginia Transportation Authority and the revenue shall be used according to the provisions of § 15.2-4838.1.

C. 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 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.

D. 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 2008, the Washington Metropolitan Transit Authority shall submit to the Auditor of Public Accounts its annual audit report and financially audited statements for the most recent fiscal year.

4. That each governing body of a county or city adopting by ordinance the fees authorized under subsection B of § 46.2-332, and §§ 58.1-802.1, 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 subsection B of

429 § 46.2-332, and §§ 58.1-802.1, 58.1-2402.1, and 58.1-3221.2, of the Code of Virginia pursuant to the  
430 provisions of this act shall for each fiscal year in which it imposes such tax expend or disburse for  
431 transportation purposes an amount (computed without regard to any revenues generated in the  
432 fiscal year from such taxes) that is at least equal to the total amount expended or disbursed for  
433 transportation purposes by the county or city in its fiscal year that began in calendar year 2006.  
434 6. That should any portion of this act be held unconstitutional by a court of competent  
435 jurisdiction, the remaining portions of this act shall remain in effect.