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HOUSE BILL NO. 3202**AMENDMENT IN THE NATURE OF A SUBSTITUTE**(Proposed by the Senate Committee on Finance
on February 13, 2007)

(Patron Prior to Substitute—Delegate Howell, William J.)

A BILL to amend and reenact §§ 2.2-1509.2, 2.2-1514, 15.2-2403, 15.2-4839, 15.2-4840, 30-66, 33.1-3, 33.1-13, 33.1-23.03, 33.1-23.03:8, 33.1-67, 33.1-69, 33.1-72.1, 33.1-268, 33.1-269, 33.1-277, 46.2-694, 46.2-694.1, 46.2-697, 46.2-698, 46.2-700, 46.2-730, 46.2-752, 46.2-753, 46.2-1135, 58.1-540, 58.1-605, 58.1-606, 58.1-609.5, 58.1-638, 58.1-802, 58.1-811, 58.1-812, 58.1-813, 58.1-2217, 58.1-2249, 58.1-2289, 58.1-2403, 58.1-2425, 58.1-2701, and 58.1-2706 of the Code of Virginia; to amend the Code of Virginia by adding sections numbered 15.2-2223.1, 15.2-4838.1, 15.2-4838.2, 33.1-23.03:10, 33.1-23.4:01, 33.1-70.3, 46.2-206.1, 46.2-332.1, 46.2-702.1, 46.2-755.1, 46.2-755.2, 46.2-755.3, 46.2-755.4, 46.2-1167.1, 58.1-605.1, 58.1-605.2, 58.1-605.3, 58.1-606.1, 58.1-606.2, 58.1-606.3, 58.1-625.1, 58.1-802.1, 58.1-802.2, 58.1-2402.1, 58.1-2402.2, 58.1-3221.2, 58.1-3825.1, and 58.1-3825.2, by adding in Chapter 22 of Title 15.2 an article numbered 9 consisting of sections numbered 15.2-2328 and 15.2-2329, by adding in Article 1 of Chapter 24 of Title 15.2 a section numbered 15.2-2403.1, by adding in Title 15.2 a chapter numbered 48.3 consisting of sections numbered 15.2-4841 through 15.2-4843, by adding in Title 33.1 a chapter numbered 10.2, consisting of sections numbered 33.1-391.6 through 33.1-391.18, by adding in Chapter 6 of Title 58.1 a section numbered 58.1-639.1, and by adding in Article 2 of Chapter 25 of Title 58.1 a section numbered 58.1-2531; and to repeal the tenth enactment clauses of Chapter 1019 and Chapter 1044 of the Acts of Assembly of 2000, and to authorize the Commonwealth Transportation Board to issue certain bonds, relating to transportation.

Be it enacted by the General Assembly of Virginia:

1. That §§ 2.2-1509.2, 2.2-1514, 15.2-2403, 15.2-4839, 15.2-4840, 30-66, 33.1-3, 33.1-13, 33.1-23.03, 33.1-23.03:8, 33.1-67, 33.1-69, 33.1-72.1, 33.1-268, 33.1-269, 33.1-277, 46.2-694, 46.2-694.1, 46.2-697, 46.2-698, 46.2-700, 46.2-730, 46.2-752, 46.2-753, 46.2-1135, 58.1-540, 58.1-605, 58.1-606, 58.1-609.5, 58.1-638, 58.1-802, 58.1-811, 58.1-812, 58.1-813, 58.1-2217, 58.1-2249, 58.1-2289, 58.1-2403, 58.1-2425, 58.1-2701, and 58.1-2706 of the Code of Virginia are amended and reenacted and that the Code of Virginia is amended by adding sections numbered 15.2-2223.1, 15.2-4838.1, 15.2-4838.2, 33.1-23.03:10, 33.1-23.4:01, 33.1-70.3, 46.2-206.1, 46.2-332.1, 46.2-702.1, 46.2-755.1, 46.2-755.2, 46.2-755.3, 46.2-755.4, 46.2-1167.1, 58.1-605.1, 58.1-605.2, 58.1-605.3, 58.1-606.1, 58.1-606.2, 58.1-606.3, 58.1-625.1, 58.1-802.1, 58.1-802.2, 58.1-2402.1, 58.1-2402.2, 58.1-3221.2, 58.1-3825.1, and 58.1-3825.2, by adding in Chapter 22 of Title 15.2 an article numbered 9 consisting of sections numbered 15.2-2328 and 15.2-2329, by adding in Article 1 of Chapter 24 of Title 15.2 a section numbered 15.2-2403.1, by adding in Title 15.2 a chapter numbered 48.3 consisting of sections numbered 15.2-4841 through 15.2-4843, by adding in Title 33.1 a chapter numbered 10.2, consisting of sections numbered 33.1-391.6 through 33.1-391.18, by adding in Chapter 6 of Title 58.1 a section numbered 58.1-639.1, and by adding in Article 2 of Chapter 25 of Title 58.1 a section numbered 58.1-2531 as follows:

§ 2.2-1509.2. Use of transportation moneys.

If any money in the Highway Maintenance and Operating Fund or the Transportation Trust Fund established pursuant to § 33.1-23.03:1 is proposed to be used for any purpose other than administering, planning, constructing, improving, and maintaining the roads embraced in the systems of highways for the Commonwealth and its localities and/or furthering the interests of the Commonwealth in the areas of public transportation, railways, seaports, and/or airports, then the Governor, if such diversion is proposed by the Governor, shall include with any such proposal a plan for repayment of funds diverted within three years of such use in "The Budget Bill" submitted pursuant to § 2.2-1509.

If such diversion of funds from the Highway Maintenance and Operating Fund or the Transportation Trust Fund is proposed by the General Assembly as an amendment to the Budget Bill, such amendment shall include language setting out the plan for repayment of such funds within three years.

A. All moneys credited to the Highway Maintenance and Operating Fund, the Priority Transportation Fund, the Shortline Railway Preservation and Development Fund, the Rail Enhancement Fund, the Transportation Trust Fund, hereinafter referred to as "the Funds," or any related subaccount, fund, or subfund of any of the Funds shall be used for the purposes specified in this section.

B. 1. Such moneys credited to the Funds shall be the revenues designated for deposit into any of the Funds from (i) the revenues generated annually from the taxes, fees, or other charges imposed under Titles 33.1 and 46.2 of the Code of Virginia for such Funds; (ii) the revenues generated annually pursuant to Chapters 11, 12, and 15 of the Acts of Assembly of 1986, Special Session, as the provisions

SENATE SUBSTITUTE

HB3202S2

60 of such Chapters may be amended; (iii) the revenues generated annually from Chapters 6 (§ 58.1-600 et
61 seq.), 8 (§ 58.1-800 et seq.), 22 (§ 58.1-2200 et seq.), 24 (§ 58.1-2400 et seq.), 25 (§ 58.1-2500 et seq.),
62 and 27 (§ 58.1-2700 et seq.) of Title 58.1; (iv) the revenues deposited into the Highway Maintenance
63 and Operating Fund and the Priority Transportation Fund established under § 33.1-23.03:8 pursuant to
64 enactments of the 2007 Session of the General Assembly; and (v) such other sources as the General
65 Assembly may dedicate or appropriate to any of the Funds. In addition, all interest, dividends, or
66 appreciation accruing to any of the Funds shall also be part of the Funds and shall be used for the
67 purposes specified in this section.

68 2. The revenues described in subdivision 1 shall include but are not limited to the revenues described
69 in subdivisions A 1 through A 4 of § 33.1-23.03:8; all taxes and fees collected under Chapter 27
70 (§ 58.1-2700 et seq.) of Title 58.1 credited to the Highway Maintenance and Operating Fund as
71 provided in subsection C of § 58.1-2701; all funds, tolls, revenues, amounts required to be paid over to
72 the Transportation Trust Fund, and interest, dividends, and appreciation accruing to the Transportation
73 Trust Fund or the Highway Maintenance and Operating Fund, as designated for the Transportation
74 Trust Fund pursuant to § 33.1-23.03:1; all state recordation taxes deposited into the U.S. Route 58
75 Corridor Development Fund pursuant to § 58.1-815; all state recordation taxes deposited or transferred
76 into the Northern Virginia Transportation District Fund pursuant to § 58.1-815.1 and any public
77 rights-of-way use fees or state or local revenues deposited into the Northern Virginia Transportation
78 District Fund pursuant to such section; all state recordation taxes deposited or transferred into the
79 Transportation Improvement Program Set-aside Fund pursuant to § 58.1-816.1; the revenues deposited
80 into the Highway Maintenance and Operating Fund as provided in §§ 46.2-206.1, 46.2-702.1,
81 46.2-755.4, 46.2-1135, and 58.1-2289 pursuant to enactments of the 2007 Session of the General
82 Assembly; the revenues from the motor vehicle sales and use tax deposited into the Transportation Trust
83 Fund pursuant to subsection A of § 58.1-2425; the net revenues from one-third of all insurance license
84 taxes deposited into the Priority Transportation Fund pursuant to enactments of the 2007 Session of the
85 General Assembly; the revenues from the motor vehicle sales and use tax deposited into the Rail
86 Enhancement Fund as provided in clause (iv) of subsection A of § 58.1-2425; any damages and costs
87 collected pursuant to § 33.1-191 as designated for deposit into the Transportation Trust Fund under
88 such section; any civil penalties, and interest thereon, and cost recoveries designated for deposit into
89 any of the Funds as provided under law; fees for dealer's license plates designated for deposit into the
90 Transportation Trust Fund pursuant to § 46.2-1646; any excess earnings to be deposited into the
91 Transportation Trust Fund under a comprehensive agreement entered into under the Public-Private
92 Transportation Act of 1995 (§ 56-556 et seq.) pursuant to subsection E of § 56-566; revenues from the
93 lease, sale, or other conveyance made by the Commonwealth Transportation Board that are designated
94 for deposit into any of the Funds as provided under law; and any locally generated revenues deposited
95 into any of the Funds as provided under law.

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

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

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

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

106 D. Except as otherwise provided in this section, no revenues of the Commonwealth generated by
107 taxes, fees, assessments, or any other charges imposed by the Commonwealth shall be used for any
108 transportation-related purpose except for (i) making debt service payments on any transportation-related
109 bonds or other transportation-related obligations issued pursuant to subsection (b), (c), or (d) of Section
110 9 of Article X of this Constitution; (ii) purposes of making the \$40 million deposit under § 58.1-815 and
111 the \$40 million deposit under § 58.1-816, including any portion of such \$40 million deposit under
112 § 58.1-816 that is actually deposited or transferred into (a) the Northern Virginia Transportation
113 District Fund established under § 58.1-815.1 or (b) the Transportation Improvement Program Set-aside
114 Fund established under § 58.1-816.1; or (iii) the funding of transportation-related purposes in an
115 amount not to exceed (c) \$520 million in the Commonwealth's fiscal year starting on July 1, 2007.

116 § 2.2-1514. Designation of general fund for nonrecurring expenditures.

117 A. As used in this section:

118 "The Budget Bill" means the "The Budget Bill" submitted pursuant to § 2.2-1509, including any
119 amendments to a general appropriation act pursuant to such section.

120 "Nonrecurring expenditures" means the acquisition or construction of capital outlay projects as
121 defined in § 2.2-1503.2, the acquisition or construction of capital improvements, the acquisition of land,

the acquisition of equipment, or other expenditures of a one-time nature as specified in the general appropriation act. *Such term shall not include any expenditures relating to transportation, including but not limited to transportation maintenance.*

B. At the end of each fiscal year, the Comptroller shall designate within his annual report pursuant to § 2.2-813 ~~an amount for nonrecurring expenditures, which shall equal the remaining amount of the general fund balance that is not otherwise reserved or designated.~~ *as follows: one-half of the remaining amount of the general fund balance that is not otherwise reserved or designated shall be designated by the Comptroller for nonrecurring expenditures, and one-half shall be designated for deposit into the Highway Maintenance and Operating Fund.* No such designation shall be made unless the full amounts required for other reserves or designations including, but not limited to, (i) the Revenue Stabilization Fund deposit pursuant to § 2.2-1829, (ii) the Virginia Water Quality Improvement Fund deposit pursuant to § 10.1-2128, (iii) capital outlay reappropriations pursuant to the general appropriation act, (iv) (a) operating expense reappropriations pursuant to the general appropriation act, and (b) reappropriations of unexpended appropriations to certain public institutions of higher education pursuant to § 2.2-5005, (v) pro rata rebate payments to certain public institutions of higher education pursuant to § 2.2-5005, (vi) the unappropriated balance anticipated in the general appropriation act for the end of such fiscal year, and (vii) interest payments on deposits of certain public institutions of higher education pursuant to § 2.2-5005 are set aside. The Comptroller shall set aside amounts required for clauses (iv) (b), (v), and (vii) beginning with the initial fiscal year as determined under § 2.2-5005 and for all fiscal years thereafter.

C. The Governor shall include in "The Budget Bill" pursuant to § 2.2-1509 recommended appropriations from the general fund or recommended amendments to general fund appropriations in the general appropriation act in effect at that time an amount for nonrecurring expenditures *and an amount for deposit into the Highway Maintenance and Operating Fund* equal to the ~~amount~~ amounts designated by the Comptroller for such ~~purpose~~ purposes pursuant to the provisions of subsection B of this section.

§ 15.2-2223.1. *Comprehensive plan to include urban development areas; new urbanism.*
A. Every county that has adopted zoning pursuant to Article 7 (§ 15.2-2280 et seq.) of Chapter 22 of Title 15.2, if such locality has a population greater than 50,000 or has had population growth of twenty percent or more from the next-to-latest to latest decennial census year, based on population reported by the United States Bureau of the Census shall, and any other county, or any city or town may, amend its comprehensive plan to incorporate one or more proposed urban development areas. For purposes of this section, an urban development area is an area designated by a locality that is appropriate for higher density development due to proximity to transportation facilities, the availability of a public or community water and sewer system, or proximity to a city, town, or other developed area. The comprehensive plan shall provide for commercial and residential densities within urban development areas that are appropriate for reasonably compact development at a density of at least four residential units per gross acre or a density at least three times greater than the area outside the urban development area and a minimum floor area ratio of 0.4 per gross acre for commercial development. The comprehensive plan shall designate one or more urban development areas sufficient to meet projected residential and commercial growth in the locality for the ensuing 20-year period which may include phasing of development within the urban development areas. Future growth shall be based on the projections of the Virginia Employment Commission. The boundaries and size of each urban development area shall be reexamined and revised every five years, if necessary, in conjunction with the update of the comprehensive plan and in accordance with the most recent available population growth projections. Such districts may be areas designated for redevelopment or infill development.

B. The comprehensive plan shall further incorporate principles of new urbanism and traditional neighborhood development, which may include but need not be limited to (i) pedestrian-friendly road design, (ii) interconnection of new local streets with existing local streets and roads, (iii) connectivity of road and pedestrian networks, (iv) preservation of natural areas, (v) satisfaction of requirements for stormwater management, and (vi) mixed-use neighborhoods, including mixed housing types.

C. The comprehensive plan shall describe any financial and other incentives for development in the urban development areas.

D. No locality that has amended its comprehensive plan in accordance with this section shall limit or prohibit development pursuant to existing zoning or shall refuse to consider any application for rezoning based solely on the fact that the property is located outside the urban development area.

E. Any county that would be required to amend its plan pursuant to this section that determines that its plan accommodates growth in a manner consistent with this section, upon adoption of a resolution certifying such compliance shall not be required to further amend its plan.

F. Any county that amends its comprehensive plan pursuant to this section may designate one or more urban development areas in any incorporated town within such county, if the governing body of the town has also amended its comprehensive plan to designate the same areas as urban development

183 areas with at least the same density designated by the county.

184 Article 9.

185 Impact Fees.

186 § 15.2-2328. Applicability of article.

187 The provisions of this article shall apply in their entirety to any locality that has established an
188 urban transportation service district in accordance with § 15.2-2403.1. However, such authority may be
189 exercised only in areas outside of urban transportation service districts and on parcels that are
190 currently zoned agricultural and are being subdivided for by-right residential development. The
191 authority granted under this subsection shall expire on July 1, 2009, for any locality that has not
192 established an urban transportation service district and adopted an impact fee ordinance pursuant to
193 this article by such date.

194 § 15.2-2329. Imposition of impact fees.

195 A. Any locality that includes within its comprehensive plan a calculation of the capital costs of
196 public facilities necessary to serve residential uses may impose and collect impact fees to cover the costs
197 of issuing permits for residential uses in amounts consistent with the methodologies used in its
198 comprehensive plan to defray the capital costs of public facilities related to the residential development.

199 B. Impact fees imposed and collected pursuant to this section shall only be used for public facilities
200 that are impacted by development; however, the fees may be used generally in the areas of development
201 in the locality.

202 C. A locality imposing impact fees as provided in this section shall allow credit against the impact
203 fees for cash proffers collected for the purpose of defraying the capital costs of public facilities related
204 to the residential development. A locality imposing impact fees as provided in this section shall also
205 include within its comprehensive plan a methodology for calculating credit for the value of proffered
206 land donations to accommodate public facilities, and for the construction cost of any public facilities or
207 public improvements the construction of which is required by proffer.

208 D. A locality imposing impact fees under this section may require that such impact fees be paid
209 prior to and as a condition of the issuance of any necessary building permits for residential uses.

210 E. For the purposes of this section, "public facilities" shall be deemed to include: (i) roads, streets,
211 and bridges, including rights-of-way, traffic signals, landscaping, and any local components of federal
212 or state highways; (ii) stormwater collection, retention, detention, treatment, and disposal facilities,
213 flood control facilities, and bank and shore protection and enhancement improvements; (iii) parks, open
214 space, and recreation areas and related facilities; (iv) public safety facilities, including police, fire,
215 emergency medical, and rescue facilities; (v) primary and secondary schools and related facilities; and
216 (vi) libraries and related facilities.

217 § 15.2-2403. Powers of service districts.

218 After adoption of an ordinance or ordinances or the entry of an order creating a service district, the
219 governing body or bodies shall have the following powers with respect to the service districts:

220 1. To construct, maintain, and operate such facilities and equipment as may be necessary or desirable
221 to provide additional, more complete, or more timely governmental services within a service district,
222 including but not limited to water supply, sewerage, garbage removal and disposal, heat, light,
223 fire-fighting equipment and power and gas systems and sidewalks; economic development services;
224 promotion of business and retail development services; beautification and landscaping; beach and
225 shoreline management and restoration; control of infestations of insects that may carry a disease that is
226 dangerous to humans, gypsy moths, cankerworms or other pests identified by the Commissioner of the
227 Department of Agriculture and Consumer Services in accordance with the Virginia Pest Law
228 (§ 3.1-188.20 et seq.); public parking; extra security, street cleaning, snow removal and refuse collection
229 services; sponsorship and promotion of recreational and cultural activities; upon petition of over 50
230 percent of the property owners who own not less than 50 percent of the property to be served,
231 construction, maintenance, and general upkeep of streets and roads ~~that are not under the operation and~~
232 ~~jurisdiction of the Virginia Department of Transportation;~~ construction, maintenance, and general upkeep
233 of streets and roads through creation of urban transportation service districts created pursuant to
234 § 15.2-2403.1; and other services, events, or activities that will enhance the public use and enjoyment of
235 and the public safety, public convenience, and public well-being within a service district. Such services,
236 events, or activities shall not be undertaken for the sole or dominant benefit of any particular individual,
237 business or other private entity.

238 2. To provide, in addition to services authorized by subdivision 1, transportation and transportation
239 services within a service district, including, but not limited to: public transportation systems serving the
240 district; transportation management services; road construction; rehabilitation and replacement of existing
241 transportation facilities or systems; and sound walls or sound barriers. However, any transportation
242 service, system, facility, roadway, or roadway appurtenance established under this subdivision that will
243 be operated or maintained by the Virginia Department of Transportation shall be established with the
244 involvement of the governing body of the locality and meet the appropriate requirements of the

Department. The proceeds from any annual tax or portion thereof collected for road construction pursuant to subdivision 6 may be accumulated and set aside for such reasonable period of time as is necessary to finance such construction; however, the governing body or bodies shall make available an annual disclosure statement, which shall contain the amount of any such proceeds accumulated and set aside to finance such road construction.

3. To acquire in accordance with § 15.2-1800, any such facilities and equipment and rights, title, interest or easements therefor in and to real estate in such district and maintain and operate the same as may be necessary and desirable to provide the governmental services authorized by subdivisions 1 and 2.

4. To contract with any person, municipality or state agency to provide the governmental services authorized by subdivisions 1 and 2 and to construct, establish, maintain, and operate any such facilities and equipment as may be necessary and desirable in connection therewith.

5. To require owners or tenants of any property in the district to connect with any such system or systems, and to contract with the owners or tenants for such connections. The owners or tenants shall have the right of appeal to the circuit court within 10 days from action by the governing body.

6. To levy and collect an annual tax upon any property in such service district subject to local taxation to pay, either in whole or in part, the expenses and charges for providing the governmental services authorized by subdivisions 1, 2 and 11 and for constructing, maintaining, and operating such facilities and equipment as may be necessary and desirable in connection therewith; however, such annual tax shall not be levied for or used to pay for schools, police, or general government services not authorized by this section, and the proceeds from such annual tax shall be so segregated as to enable the same to be expended in the district in which raised. In addition to the tax on property authorized herein, in any city having a population of 350,000 or more and adjacent to the Atlantic Ocean, the city council shall have the power to impose a tax on the base transient room rentals, excluding hotels, motels, and travel campgrounds, within such service district at a rate or percentage not higher than five percent which is in addition to any other transient room rental tax imposed by the city. The proceeds from such additional transient room rental tax shall be deposited in a special fund to be used only for the purpose of beach and shoreline management and restoration. Any locality imposing a tax pursuant to this subdivision may base the tax on the full assessed value of the taxable property within the service district, notwithstanding any special use value assessment of property within the service district for land preservation pursuant to Article 4 (§ 58.1-3229 et seq.) of Chapter 32 of Title 58.1, provided the owner of such property has given written consent. In addition to the taxes and assessments described herein, a locality creating a service district may contribute from its general fund any amount of funds it deems appropriate to pay for the governmental services authorized by subdivisions 1, 2, and 11 of this section.

7. To accept the allocation, contribution or funds of, or to reimburse from, any available source, including, but not limited to, any person, authority, transportation district, locality, or state or federal agency for either the whole or any part of the costs, expenses and charges incident to the acquisition, construction, reconstruction, maintenance, alteration, improvement, expansion, and the operation or maintenance of any facilities and services in the district.

8. To employ and fix the compensation of any technical, clerical, or other force and help which from time to time, in their judgment may be necessary or desirable to provide the governmental services authorized by subdivisions 1, 2 and 11 or for the construction, operation, or maintenance of any such facilities and equipment as may be necessary or desirable in connection therewith.

9. To create and terminate a development board or other body to which shall be granted and assigned such powers and responsibilities with respect to a special service district as are delegated to it by ordinance adopted by the governing body of such locality or localities. Any such board or alternative body created shall be responsible for control and management of funds appropriated for its use by the governing body or bodies, and such funds may be used to employ or contract with, on such terms and conditions as the board or other body shall determine, persons, municipal or other governmental entities or such other entities as the development board or alternative body deems necessary to accomplish the purposes for which the development board or alternative body has been created. If the district was created by court order, the ordinance creating the development board or alternative body may provide that the members appointed to the board or alternative body shall consist of a majority of the landowners who petitioned for the creation of the district, or their designees or nominees.

10. To negotiate and contract with any person or municipality with regard to the connections of any such system or systems with any other system or systems now in operation or hereafter established, and with regard to any other matter necessary and proper for the construction or operation and maintenance of any such system within the district.

11. To acquire by purchase, gift, devise, bequest, grant, or otherwise title to or any interests or rights of not less than five years' duration in real property that will provide a means for the preservation or provision of open-space land as provided for in the Open-Space Land Act (§ 10.1-1700 et seq.).

306 Notwithstanding the provisions of subdivision 3, the governing body shall not use the power of
307 condemnation to acquire any interest in land for the purposes of this subdivision.

308 12. To contract with any state agency or state or local authority for services within the power of the
309 agency or authority related to the financing, construction, or operation of the facilities and services to be
310 provided within the district; however, nothing in this subdivision shall authorize a locality to obligate its
311 general tax revenues, or to pledge its full faith and credit.

312 13. In the Town of Front Royal, to construct, maintain, and operate facilities, equipment, and
313 programs as may be necessary or desirable to control, eradicate, and prevent the infestation of rats and
314 removal of skunks and the conditions that harbor them.

315 *§ 15.2-2403.1. Creation of urban transportation service districts.*

316 A. The boundaries of any urban transportation service district created pursuant to this article shall
317 be agreed upon by both the local governing body of an urban county and by the Virginia Department of
318 Transportation. The overall density of an urban transportation service district shall be one residential
319 unit per acre or greater. Any disagreement over such boundaries shall be mediated by and, if necessary,
320 decided by the Commission on Local Government. For purposes of this section, an "urban county"
321 means any county with a population of greater than 90,000 that did not maintain its roads as of
322 January 1, 2007.

323 B. Any urban county that has established an urban transportation service district in accordance with
324 this section shall receive an amount equal to the per lane mile maintenance payments made to cities and
325 certain towns pursuant to § 33.1-41.1 for the area within the district for purposes of road maintenance.
326 In addition, such locality shall receive an amount equal to the difference between the maintenance
327 payments made to cities and certain towns pursuant to § 33.1-41.1 and what Virginia Department of
328 Transportation would be spending within the service district if not for the creation of such district. Such
329 money may be spent by the locality on any transportation need, including new construction.

330 C. In any instance in which a locality has taken over road maintenance within an urban
331 transportation service district pursuant to this section, Virginia Department of Transportation shall
332 transfer the surplus equipment that is no longer needed for such road maintenance from Virginia
333 Department of Transportation to the locality. In addition, such locality shall receive a \$10,000 payment
334 from the Commonwealth for each displaced Virginia Department of Transportation employee who is
335 hired by the locality. Each displaced Virginia Department of Transportation employee who is hired by
336 the locality shall also receive a \$10,000 payment from the Commonwealth upon completion of one
337 year's service with the locality.

338 D. Notwithstanding subsection A above, any county already maintaining its roads as of January 1,
339 2007, shall be entitled to the same per lane mile maintenance funding contained in subsection B above
340 for urban transportation service districts.

341 *§ 15.2-4838.1. Use of certain revenues by the Authority.*

342 A. All moneys received by the Authority pursuant to §§ 46.2-755.3, 58.1-605.2, 58.1-606.2,
343 58.1-2402.1, and 58.1-3825.1 shall be used by the Authority solely for the primary benefit of those
344 counties and cities that are imposing all of the taxes and fees set forth in such sections.

345 Notwithstanding any other provision of this chapter, all moneys received by the Authority pursuant
346 §§ 46.2-755.3, 58.1-605.2, 58.1-606.2, 58.1-2402.1, and 58.1-3825.1 shall be used first to pay any debt
347 service owing on any bonds issued pursuant to § 15.2-4839, and then as follows:

348 1. The next \$50 million each year shall be distributed to the Washington Metropolitan Area Transit
349 Authority (WMATA) and shall be used for capital improvements for WMATA's transit service (Metro).
350 The Authority shall make such annual distribution from such revenues only if the Counties of Arlington
351 and Fairfax and the City of Alexandria are, on and after March 1, 2008, imposing the all of the taxes
352 and fees pursuant to §§ 46.2-755.3, 58.1-605.2, 58.1-606.2, 58.1-2402.1, and 58.1-3825.1. The Authority
353 shall first make use of that portion of such annual distribution as may be necessary under the
354 requirements of federal law for the payment of federal funds to WMATA, but only if the matching
355 federal funds are exclusive of and in addition to the amount of other federal funds appropriated to the
356 Commonwealth for transportation and such other federal funds are in an amount not less than the
357 amount of such funds appropriated to the Commonwealth in the fiscal year ending June 30, 2007.

358 In any year in which the \$50 million is distributed to WMATA, of such amount \$7 million shall be
359 deemed as a contribution from Loudoun County for the extension of Dulles Rail, and the \$7 million
360 shall be a credit against the amount otherwise due from Loudoun County for the extension of Dulles
361 Rail.

362 2. The next \$25 million received from such moneys by the Authority in each year shall be distributed
363 to the Virginia Railway Express for capital projects or operating costs directly relating to transportation
364 by rail. If Prince William County is not, on and after March 1, 2008, imposing all of the taxes and the
365 fees authorized pursuant to §§ 46.2-755.3, 58.1-605.1, 58.1-606.1, 58.1-2402.1, and 58.1-3825.1, then no
366 portion of such amount shall be used for capital expenditures for Virginia Railway Express facilities in
367 Prince William County; and

3. All other remaining revenues received pursuant to §§ 46.2-755.3, 58.1-605.1, 58.1-606.1, 58.1-2402.1, and 58.1-3825.1 shall be used by the Authority solely for transportation projects for the localities that are embraced by the Authority as determined by the Authority subject to all conditions under this chapter.

B. Notwithstanding any other provision of this chapter, each dollar of revenue deposited into the Special Transportation Fund for Northern Virginia pursuant to subsection C of § 58.1-802 shall be expended or used solely for transportation facilities in the county or city from which such revenue is generated.

§ 15.2-4838.2. Special Transportation Fund for Northern Virginia established.

There is hereby created in the state treasury a special nonreverting fund to be known as the Special Transportation Fund for Northern Virginia, hereafter referred to as "the Fund." The Fund shall be established on the books of the Comptroller. All revenues dedicated for the Fund pursuant to subsection C of § 58.1802 and as may be appropriated by the General Assembly shall be paid into the state treasury and credited to the Fund. Interest earned on moneys in the Fund shall remain in the Fund and be credited to it. Any moneys remaining in the Fund, including interest thereon, at the end of each fiscal year shall not revert to the general fund but shall remain in the Fund.

Moneys in the Fund shall be used by the Authority solely for the purposes stated in this chapter. Expenditures and disbursements from the Fund shall be made by the State Treasurer on warrants issued by the Comptroller upon written request signed by the chairman of the Authority or his designee.

§ 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 as it deems appropriate. Except as otherwise provided, the bonds may be supported by any funds available including those from tolls imposed and collected as authorized under § 15.2-4840.

Notwithstanding any other provision of this chapter, the Authority shall not use any of the revenues dedicated to the Special Transportation Fund for Northern Virginia established under § 15.2-4838.2 directly or indirectly to pay debt service on any bond or other evidence of debt which would establish a tax-supported debt of the Commonwealth. Further, the Authority shall not enter into any lease agreement, obligation, or contractual arrangement that creates a direct or contingent financial obligation of the Commonwealth unless such proposed agreement, obligation, or contractual arrangement has first been submitted to the State Treasurer sufficiently prior to the execution of such proposed agreement, obligation, or contractual arrangement to allow the State Treasurer to undertake a review for the purposes of determining (i) whether the proposed agreement, obligation, or contractual arrangement may constitute tax-supported debt of the Commonwealth and (ii) the potential impact of the proposed agreement, obligation, or contractual arrangement on the debt capacity and credit ratings of the Commonwealth. If after such review the State Treasurer determines that the proposed agreement, obligation, or contractual arrangement may constitute tax-supported debt of the Commonwealth or may have an adverse impact on the debt capacity or the credit ratings of the Commonwealth, the Authority shall be prohibited from entering into such lease agreement, obligation, or contractual arrangement. The Authority may only use revenue generated pursuant to subsection C of § 58.1-802 for costs incurred by the Authority that are not related to bonds or other evidence of debt.

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

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

1. General oversight of regional programs involving mass transit or congestion mitigation, including, 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 solely by the Authority 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 for programs and projects that are reasonably related to or benefit the users of the toll facility;

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.).

CHAPTER 48.3.

REGIONAL TRANSPORTATION AUTHORITIES.

§ 15.2-4841. *Creation of regional transportation authorities; authority membership.*

A. If each of the governing bodies of two or more (i) contiguous counties or cities or (ii) counties or cities that are included in the same construction district set forth under § 33.1-2 declare by resolution that there is a need for a regional transportation authority to be created for such counties and cities to exercise in such counties and cities such powers and other functions prescribed for a regional transportation authority, then a body corporate and politic shall be created to perform such powers and functions prescribed under this chapter. The authority shall be known by the name adopted for the authority by its governing body. A copy of the resolutions of the governing bodies of such counties and cities, duly certified by the clerk of the county or city, shall be admissible in evidence in any suit, action, or proceeding.

B. The following persons shall be members of the governing bodies of each regional transportation authority:

1. The chief elected officer of the governing body of each county and city included in the authority or, in the discretion of the chief elected officer, his designee, who shall be a current elected officer of such governing body;

2. The chief administrative officer of each county and city included in the authority; and

3. Two citizens who reside in counties and cities included in the authority, appointed by the Governor. Gubernatorial appointments shall be persons who have significant experience in transportation planning, finance, engineering, construction, or management and shall be residents of a county or city included in the authority but shall not be a resident of the same county or city as the other gubernatorial appointee to the authority.

Gubernatorial appointees shall serve for a term of four 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 Director of the Virginia Department of Rail and Public Transportation, or his designee, and the Commonwealth Transportation Commissioner, or his designee, shall serve as nonvoting members of the authority.

Each regional transportation authority shall appoint a chairman and vice-chairman.

C. In addition to such other powers vested in each regional transportation authority by this chapter, each such authority shall have the following powers and functions:

1. The authority shall prepare a regional transportation plan for the counties and cities included in the authority, to include but not be limited to transportation improvements of regional significance and those improvements necessary or incidental thereto and shall from time to time revise and amend the plan. The provisions of Article 7 (§ 15.2-4527 et seq.) of Chapter 45 shall apply, mutatis mutandis, to the preparation of such transportation plan.

2. The authority may, when a transportation plan is adopted according to subdivision 1, construct or acquire by purchase, lease, contract, or otherwise the transportation facilities specified in the transportation plan.

3. The authority may enter into agreements or leases with public or private entities for the operation of its facilities or may operate such facilities itself.

4. The authority may enter into contracts or agreements with the counties and cities included in the authority, with other transportation commissions of transportation districts adjoining any county or city included in the authority, with any other transportation authority, or with any state, local, private, or federal entity to provide or cause to be provided transportation facilities and services to the area included in the authority. Such contracts or agreements, together with any agreements or leases for the operation of such facilities, may be used by the authority to finance the construction and operation of transportation facilities, and such contracts, agreements, or leases shall inure to the benefit of any creditor of the authority.

Notwithstanding the above, however, the authority shall not have the power to regulate services provided by taxicabs, either within municipalities or across municipal boundaries, which regulation is expressly reserved to the municipalities within which taxicabs operate.

5. Notwithstanding any other provision of law to the contrary, the authority may:

a. Acquire land or any interest therein by purchase, lease, or gift and provide transportation facilities thereon for use in connection with any transportation service;

b. Acquire land or any interest therein by purchase, lease, or gift in advance of the need for sale or contribution to an agency, for use by that agency in connection with an adopted transportation plan; and

c. Prepare a plan for mass transportation services with persons, cities, counties, agencies, authorities, or transportation commissions and may further contract with any such person or other entity to provide necessary facilities, equipment, operations and maintenance, access, and insurance pursuant to the plan.

6. Notwithstanding any contrary provision of this chapter, and in accordance with all applicable federal statutes and requirements, the authority may impose and collect tolls in amounts established by the authority for the use of any or all of the transportation facilities within the confines of the authority, subject to the approval of the Commonwealth Transportation Board.

7. The authority shall not undertake any action that is contrary to federal or state law.

D. A majority of the authority, which majority shall include at least a majority of the representatives of the counties and cities included in the authority, shall constitute a quorum. Decisions of the authority shall require a quorum and shall be in accordance with voting procedures established by the authority.

E. The authority shall be responsible for long-range transportation planning for regional transportation projects for the counties and cities included in the authority. In carrying out this responsibility, the authority shall, on the basis of a regional consensus, whenever possible set regional transportation policies and priorities for regional transportation projects. The policies and priorities shall be guided by performance-based criteria such as the ability to improve travel times, reduce delays, connect regional activity centers, improve safety, improve air quality, and move the most people in the most cost-effective manner.

The authority shall report annually to the Governor and the General Assembly on (i) the allocation and expenditure of all moneys received by it; (ii) use of these moneys to reduce traffic congestion in the counties and cities included in the authority; and (iii) use of these moneys to improve air quality in such counties and cities.

F. Any county or city that adopts the resolution described in subsection A and that is included in the authority may, by ordinance, levy and collect (i) a local sales and use tax pursuant to §§ 58.1-605.3 and 58.1-606.3, or (ii) a transient occupancy tax pursuant to § 58.1-3825.2, or both, provided that each county or city included in the authority, by ordinance, imposes the same set of taxes from those taxes authorized under this subsection. All revenues collected from such taxes shall be distributed by each county or city to the regional transportation authority in which the county or city is included to be used by such authority solely for the purposes of projects related to transportation for the primary benefit of the members of the authority.

§ 15.2-4842. Other duties and responsibilities of regional transportation authorities.

In addition to other powers herein granted, each regional transportation authority shall have the following duties and responsibilities:

1. General oversight of regional programs involving mass transit or congestion mitigation, including but not 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 for improving 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

552 projects for receipt of federal and state funds;

553 7. Recommending to the Commonwealth Transportation Board use or changes in use of tolls for
554 facilities in the area embraced by the authority;

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

558 9. Serving as an advocate for the transportation needs of the counties and cities included in the
559 authority;

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

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

571 12. Issuing bonds and other evidences of debt as may be authorized by law. The provisions of Article
572 5 (§ 15.2-4519 et seq.) of Chapter 45 shall apply, mutatis mutandis, to the issuance of such bonds or
573 other debt. The authority may use the revenues from the taxes described in subsection F of § 15.2-4841
574 to pay debt service for such bonds and other debt.

575 § 15.2-4843. Exclusions from chapter.

576 No county or city that is (i) set forth in § 33.1-391.9 or § 33.1-391.12, or (ii) embraced by the
577 Northern Virginia Transportation Authority established under § 15.2-4830, shall be eligible to (a) be a
578 member of a regional transportation authority created pursuant to this chapter or (b) impose the taxes
579 set forth in § 58.1-605.3, § 58.1-606.3, or § 58.1-3825.2.

580 In addition, no otherwise eligible county or city shall simultaneously be included in more than one
581 regional transportation authority created pursuant to this chapter.

582 § 30-66. Functional areas; scheduling of study areas.

583 A. The functional areas of state government shall be scheduled for legislative review and evaluation
584 by the Joint Legislative Audit and Review Commission as specified in subsection B, on a seven-year
585 cycle, and beginning in the 1979-80 fiscal year.

586 B. From time to time as may be required, the Senate and House of Delegates shall by joint
587 resolution establish a schedule for the review of the functional areas of state government. In the absence
588 of a resolution, the Joint Legislative Audit and Review Commission shall select a functional area for
589 review on an annual basis.

590 C. Each year and with executive staff dedicated to such purpose, the Commission shall examine and
591 evaluate operations and programs related to Titles 33.1 and 46.2. The Commission shall use such
592 information as required by subdivision 6 of § 33.1-12 and 33.1-13.01 in such examinations and
593 evaluations.

594 § 33.1-3. Secretary to be Chairman; Commonwealth Transportation Commissioner.

595 The Chairman, whose official title of the Commonwealth Transportation Board shall be the Secretary
596 of Transportation, and who.

597 The Commonwealth Transportation Commissioner shall be the chief executive officer of the
598 Department of Transportation. The Commissioner may, at the time of his appointment, be a nonresident
599 of Virginia, shall be an experienced administrator, able to direct and guide the Department in the
600 establishment and achievement of the Commonwealth's long-range highway and other transportation
601 objectives and shall be appointed at large.

602 The Commonwealth Transportation Commissioner, hereinafter in this title sometimes called "the
603 Commissioner," shall devote his entire time and attention to his duties as chief executive officer of the
604 Department and shall receive such compensation as shall be fixed by the Governor, subject to the
605 approval of the Commonwealth Transportation Board, unless such salary be fixed by the General
606 Assembly in the appropriation act. He shall also be reimbursed for his actual travel expenses while
607 engaged in the discharge of his duties.

608 In the event of a vacancy due to the death, temporary disability, retirement, resignation or removal of
609 the Commissioner, the Governor may appoint and thereafter remove at his pleasure an "Acting
610 Commonwealth Transportation Commissioner" until such time as the vacancy may be filled as provided
611 in § 33.1-1. Such "Acting Commonwealth Transportation Commissioner" shall have all powers and
612 perform all duties of the Commissioner as provided by law, and shall receive such compensation as may
613 be fixed by the Governor. In the event of the temporary disability, for any reason, of the Commissioner,

full effect shall be given to the provisions of § 2.2-605.

§ 33.1-13. General powers of Commissioner.

Except such powers as are conferred by law upon the Commonwealth Transportation Board, the Commonwealth Transportation Commissioner shall have the power to do all acts necessary or convenient for constructing, improving and maintaining the roads embraced in the systems of state highways and to further the interests of the Commonwealth in the areas of public transportation, railways, seaports, and airports. And as executive head of the Transportation Department, the Commissioner is specifically charged with the duty of executing all orders and decisions of the Board and he may, subject to the provisions of this chapter, require that all appointees and employees perform their duties under this chapter.

In addition, the Commissioner, in order to maximize efficiency, shall take such steps as he determines may be appropriate to outsource or privatize any of the Department's functions that might reasonably be provided by the private sector.

§ 33.1-23.03. Board to develop and update Statewide Transportation Plan.

The Commonwealth Transportation Board shall conduct a comprehensive review of statewide transportation needs in a Statewide Transportation Plan setting forth an inventory of all construction needs for all systems, and based upon this inventory, establishing goals, objectives, and priorities covering a twenty-year planning horizon, in accordance with federal transportation planning requirements. This plan shall embrace all modes of transportation and include technological initiatives. This Statewide Transportation Plan shall be updated as needed, but no less than once every five years. The plan ~~will provide consideration of projects and policies affecting~~ *shall promote economic development and* all transportation modes ~~and promote economic development,~~ intermodal connectivity, environmental quality, accessibility for people and freight, and transportation safety. *The plan shall include quantifiable and achievable goals relating to congestion reduction and safety, transit and high-occupancy vehicle facility use, job-to-housing ratios, job and housing access to transit and pedestrian facilities, air quality, and vehicle miles traveled. The Board shall consider such goals in evaluating and selecting transportation improvement projects.* Each such plan shall be summarized in a public document and made available to the general public upon presentation to the Governor and General Assembly.

It is the intent of the General Assembly that this plan assess transportation needs and assign priorities to projects on a statewide basis, avoiding the production of a plan which is an aggregation of local, district, regional, or modal plans.

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

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

1. A portion of the moneys actually collected, including penalty and interest, attributable to any increase in revenues from the taxes imposed under Chapter 22 (§ 58.1-2200 et seq.) of Title 58.1, with such increase being calculated as the difference between such tax revenues collected in the manner prescribed under Chapter 22 less such tax revenues that would have been collected using the prescribed manner in effect *immediately* before the effective date of Chapter 22, *computed without regard to increases in the rates of taxes under Chapter 22 pursuant to enactments of the 2007 Session of the General Assembly.* The portion to be deposited to the Fund shall be the moneys actually collected from such increase in revenues and allocated for highway and mass transit improvement projects as set forth in § 33.1-23.03:2, but not including any amounts that are allocated to the Commonwealth Port Fund and the Commonwealth Airport Fund under such section. There shall also be deposited into the Fund all additional federal revenues attributable to Chapter 22 (§ 58.1-2200 et seq.) of Title 58.1; and

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

3. *All revenues deposited into the Fund pursuant to § 58.1-2531; and*

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

All moneys in the Fund shall first be used for debt service payments on bonds or obligations for which the Fund is explicitly required for making debt service payments, to the extent needed. The Fund shall be considered a part of the Transportation Trust Fund. Any moneys remaining in the Fund, including interest thereon, at the end of each fiscal year shall not revert to the general fund but shall remain in the Fund. Moneys in the Fund shall be used solely for the purposes enumerated in subsection

675 B of this section. Expenditures and disbursements from the Fund shall be made by the State Treasurer
676 on warrants issued by the Comptroller.

677 B. The Commonwealth Transportation Board shall use the Fund to facilitate the financing of priority
678 transportation projects throughout the Commonwealth. The Board may use the Fund either (i) by
679 expending amounts therein on such projects directly, (ii) by payment to any authority, locality,
680 commission or other entity for the purpose of paying the costs thereof, or (iii) by using such amounts to
681 support, secure, or leverage financing for such projects. No expenditures from or other use of amounts
682 in the Fund shall be considered in allocating highway maintenance and construction funds under
683 § 33.1-23.1 or apportioning Transportation Trust Fund funds under § 58.1-638, but shall be in addition
684 thereto. The Board shall use the Fund to facilitate the financing of priority transportation projects as
685 designated by the General Assembly; provided, however, that, at the discretion of the Commonwealth
686 Transportation Board, funds allocated to projects within a transportation district may be allocated among
687 projects within the same transportation district as needed to meet construction cash-flow needs.

688 *C. Notwithstanding any other provision of this section, beginning July 1, 2007, no bonds, obligations,*
689 *or other evidences of debt (the bonds) that expressly require as a source for debt service payments or*
690 *for the repayment of such bonds the revenues of the Fund, shall be issued or entered into unless at the*
691 *time of the issuance or entering into the revenues then in the Fund or reasonably anticipated to be*
692 *deposited into the Fund pursuant to the law then in effect are by themselves sufficient to make 100% of*
693 *the contractually required debt service payments on all such bonds, including any interest related*
694 *thereto and the retirement of such bonds.*

695 § 33.1-23.03:10. Revenues for highway maintenance.

696 *All funds becoming part of the Highway Maintenance and Operating Fund pursuant to §§ 2.2-1514,*
697 *46.2-206.1, 46.2-702.1, 46.2-755.4, 46.2-1135, and 58.1-2289 shall be distributed and used for highway*
698 *maintenance and operations.*

699 § 33.1-23.4:01. Allocation of bond proceeds for bonds secured by the Priority Transportation Fund.

700 *The Commonwealth Transportation Board shall allocate, use, and distribute the proceeds of any*
701 *bonds it is authorized to issue on or after July 1, 2007, expressly supported in whole or in part by the*
702 *Priority Transportation Fund as follows: (i) a minimum of 20 percent shall be used for transit capital,*
703 *and (ii) the remaining amount of bond proceeds shall be used for paying the costs incurred or to be*
704 *incurred for construction or funding of priority transportation projects, excluding maintenance projects,*
705 *as determined by the Commonwealth Transportation Board.*

706 *Costs incurred or to be incurred for construction or funding of priority transportation projects under*
707 *clause (ii) shall include, but is not limited to, environmental and engineering studies, rights-of-way*
708 *acquisition, improvements to all modes of transportation, acquisition, construction and related*
709 *improvements, and any financing costs or other financing expenses relating to such bonds. Such costs*
710 *under clause (ii) may include the payment of interest on such bonds for a period during construction*
711 *and not exceeding one year after completion of construction of the relevant project.*

712 § 33.1-67. Secondary system of highways.

713 A. The secondary system of state highways shall consist of all of the public roads, causeways,
714 bridges, landings and wharves in the several counties of the Commonwealth not included in the State
715 Highway System, including such roads and community roads leading to and from public school
716 buildings, streets, causeways, bridges, landings and wharves in incorporated towns having 3,500
717 inhabitants or less according to the census of 1920, and in all towns having such a population
718 incorporated since 1920, as constitute connecting links between roads in the secondary system in the
719 several counties and between roads in the secondary system and roads in the primary system of the state
720 highways, not, however, to exceed two miles in any one town. If in any such town, which is partly
721 surrounded by water, less than two miles of the roads and streets therein constitute parts of the
722 secondary system of state highways, the Commonwealth Transportation Board shall, upon the adoption
723 of a resolution by the council or other governing body of such town designating for inclusion in the
724 secondary system of state highways certain roads and streets in such town not to exceed a distance of
725 two miles, less the length of such roads and streets in such town which constitute parts of the secondary
726 system of state highways, accept and place in the secondary system of state highways such additional
727 roads and streets.

728 *B. Notwithstanding the foregoing provisions of this section, any local ordinance, or any provision of*
729 *Title 15.2, on and after January 1, 2008, no street or road or any portion thereof in any county shall be*
730 *taken into the state secondary highway system for maintenance purposes unless it meets the secondary*
731 *street acceptance requirements pursuant to § 33.1-70.3.*

732 § 33.1-69. Control, supervision and management.

733 A. The control, supervision, management and jurisdiction over the secondary system of state
734 highways shall be vested in the Department of Transportation and the maintenance and improvement,
735 including construction and reconstruction, of such secondary system of state highways shall be by the
736 Commonwealth under the supervision of the Commonwealth Transportation Commissioner. The boards

of supervisors or other governing bodies of the several counties and the county road board or county road commission of any county operating under a county road board or county road commission shall have no control, supervision, management and jurisdiction over such public roads, causeways, bridges, landings and wharves, constituting the secondary system of state highways. Except as otherwise provided in this article, the Commonwealth Transportation Board shall be vested with the same powers, control and jurisdiction over the secondary system of state highways in the several counties and towns of the Commonwealth, and such additions as may be made from time to time, as were vested in the boards of supervisors or other governing bodies of the several counties or in the county road board or county road commission in any county operating under a county road board or county road commission on June 21, 1932, and in addition thereto shall be vested with the same power, authority and control as to the secondary system of state highways as is vested in the Board in connection with the State Highway System.

B. Notwithstanding the foregoing provisions of this section, any local ordinance, or any provision of Title 15.2, on and after January 1, 2008, no street or road or any portion thereof in any county shall be taken into the state secondary highway system for maintenance purposes unless it meets the secondary street acceptance requirements pursuant to § 33.1-70.3.

§ 33.1-70.3. Requirements for taking new streets into state secondary highway system.

A. The local governing body of any county that has not withdrawn from the state secondary highway system or any town within which the Virginia Department of Transportation maintains the streets, may, by resolution, request the Commonwealth Transportation Board to take any new street into the secondary system of state highways for maintenance if such street has been developed and constructed in accordance with the Board's secondary street acceptance requirements. Only those streets constructed in compliance with the secondary street acceptance requirements shall be taken into the state secondary highway system for maintenance. The Board shall promulgate regulations establishing such secondary street acceptance requirements. The secondary street acceptance requirements established pursuant to this section shall include such provisions as the Board deems necessary or appropriate to achieve the safe and efficient operation of the Commonwealth's transportation network.

B. In addition to such other provisions deemed necessary or appropriate by the Board, the regulations shall include, but not be limited to (i) requirements to ensure the connectivity of road and pedestrian networks with the existing and future transportation network; (ii) provisions to minimize stormwater runoff and impervious surface area, and (iii) provisions for performance bonding of new secondary streets and associated cost recovery fees.

C. No initial regulation establishing secondary street acceptance requirements pursuant to this section shall apply to subdivision plats and subdivision construction plans that have been submitted and accepted for review by the Virginia Department of Transportation on or before the effective date of such initial regulations. No locality shall be obligated to approve any subdivision plat or subdivision construction plans that are inconsistent with these regulations.

§ 33.1-72.1. Taking certain streets into secondary system.

A. "Street," as used in this section, means a street or highway shown on a plat which was recorded or otherwise opened to public use prior to July 1, 1992, at which time it was open to and used by motor vehicles, and which, for any reason, has not been taken into the secondary system of state highways and serves at least three families per mile.

B. "County," as used in this section, means a county in which the secondary system of the state highways is constructed and maintained by the Department of Transportation and which has adopted a local ordinance for control of the development of subdivision streets to the necessary standards for acceptance into the secondary system.

C. "Speculative interest," as used in this section, means that the original developer or a successor developer retains ownership in any lot abutting such street for development or speculative purposes. In instances where it is determined that speculative interest is retained by the original developer, developers, or successor developers and the governing body of the county deems that extenuating circumstances exist, the governing body of the county shall require a pro rata participation by such original developer, developers, or successor developers as prescribed in subsection G of this section as a condition of the county's recommendation pursuant to this section.

D. "Qualifying rural addition cost," as used in this section, means that portion of the estimated engineering and construction cost to improve the street to the minimum standards for acceptance remaining after reducing the total estimated cost by any prorated amount deemed the responsibility of others based on speculative interests as defined in subsection C.

E. Whenever the governing body of a county recommends in writing to the Department of Transportation that any street in the county be taken into and become a part of the secondary system of the state highways in such county, the Department of Transportation thereupon, within the limit of available funds and the mileage available in such county for the inclusion of roads and streets in the

798 secondary system, shall take such street into the secondary system of state highways for maintenance,
799 improvement, construction and reconstruction if such street, at the time of such recommendation, either:
800 (i) has a minimum dedicated width of 40 feet or (ii) in the event of extenuating circumstances as
801 determined by the Commonwealth Transportation Commissioner, such street has a minimum dedicated
802 width of 30 feet at the time of such recommendation. In either case such streets must have easements
803 appurtenant thereto which conform to the policy of the Commonwealth Transportation Board with
804 respect to drainage. After the streets are taken into the secondary system of state highways, the
805 Department shall maintain the same in the manner provided by law.

806 F. Such street shall only be taken into the secondary system of state highways if the governing body
807 of the county has identified and made available the funds required to improve the street to the required
808 minimum standards. The county may consider the following options to fund the required improvements
809 for streets accepted under this section:

810 1. The local governing body of the county may use a portion of the county's annual secondary
811 highway system construction allocation designated as "rural addition funds" to fund the qualifying rural
812 addition costs for qualifying streets if the county agrees to contribute from county revenue or the special
813 assessment of the landowners on the street in question one-half of the qualifying rural addition cost to
814 bring the streets up to the necessary minimum standards for acceptance. No such special assessment of
815 landowners on such streets shall be made unless the governing body of the county receives written
816 declarations from the owners of 75 percent or more of the platted parcels of land abutting upon such
817 street stating their acquiescence in such assessments. The basis for such special assessments, at the
818 option of the local governing body, shall be either (i) the proportion the value of each abutting parcel
819 bears to total value of all abutting parcels on such street as determined by the current evaluation of the
820 property for real estate tax purposes, or (ii) the proportion the abutting road front footage of each parcel
821 abutting the street bears to the total abutting road front footage of all parcels abutting on the street, or
822 (iii) an equal amount for each parcel abutting on such street. No such special assessment on any parcel
823 shall exceed one-third of the current evaluation of such property for real estate tax purposes. Special
824 assessments under this section shall be conducted in the manner provided in Article 2 (§ 15.2-2404 et
825 seq.) of Chapter 24 of Title 15.2, mutatis mutandis, for assessments for local improvements.

826 2. The local governing body of any county may use a portion of its annual secondary highway
827 system construction allocation designated as "rural addition funds" to fund the qualifying rural addition
828 cost for qualifying streets within the limitation of funds and the mileage limitation of the
829 Commonwealth Transportation Board's policy on rural additions.

830 3. The local governing body of any county may use revenues derived from the sale of bonds to
831 finance the construction of rural additions to the secondary system of such county. In addition, from the
832 funds allocated by the Commonwealth for the construction of secondary road improvements, such
833 governing body may use funds allocated within the Commonwealth Transportation Board policy for the
834 construction of rural additions to pay principal and interest on bonds associated with rural additions in
835 such county, provided the revenue derived from the sale of such bonds is not used as the county
836 matching contribution under § 33.1-23.05. The provisions of this section shall not constitute a debt or
837 obligation of the Commonwealth Transportation Board or the Commonwealth of Virginia.

838 4. The local governing body of the county may expend general county revenue for the purposes of
839 this section.

840 5. The local governing body of the county may permit one or more of the landowners on the street
841 in question to pay to the county a sum equal to one-half of the qualifying rural addition cost to bring
842 the street up to the necessary minimum standards for acceptance into the secondary system of state
843 highways, which funds the county shall then utilize for such purpose. Thereafter, upon collection of the
844 special assessment of landowners on such street, the county shall use such special assessment funds to
845 reimburse, without interest, the one or more landowners for those funds which they previously advanced
846 to the count to bring the street up to the necessary minimum standards for acceptance.

847 6. The local governing body of the county may utilize the allocations made to the county in
848 accordance with § 33.1-23.05.

849 G. In instances where it is determined that speculative interest, as defined in subsection C, exists the
850 basis for the pro rata percentage required of such developer, developers, or successor developers shall be
851 the proportion that the value of the abutting parcels owned or partly owned by the developer,
852 developers, or successor developers bears to the total value of all abutting property as determined by the
853 current evaluation of the property for real estate purposes. The pro rata percentage shall be applied to
854 the Department of Transportation's total estimated cost to construct such street to the necessary
855 minimum standards for acceptance to determine the amount of costs to be borne by the developer,
856 developers, or successor developers. Property so evaluated shall not be assessed in the special
857 assessment for the determination of the individual pro rata share attributable to other properties. Further,
858 when such pro rata participation is accepted by the governing body of the county from such original
859 developer, developers, or successor developers, such amount shall be deducted from the Department of

Transportation's total estimated cost and the remainder of such estimated cost, the qualifying rural addition cost, shall then be the basis of determining the assessment under the special assessment provision or determining the amount to be provided by the county when funded from general county revenue under subsection C of this section or determining the amount to be funded as a rural addition under subsection D of this section.

H. Acceptance of any street into the secondary system of state highways for maintenance, improvement, construction, and reconstruction shall not impose any obligation on the Board to acquire any additional right-of-way or easements should they be necessary by virtue of faulty construction or design.

I. "Rural addition funds" means those funds reserved from the county's annual allocation of secondary system highway construction funds, as defined in § 33.1-67, for the purpose of this section. If such funds are not used by such county for such purpose during the fiscal year they are so allocated, the funds may be held for such purpose for the four succeeding fiscal years. A maximum of five percent of the annual secondary system highway construction allocation may be reserved by the governing body for rural additions.

J. Notwithstanding the foregoing provisions of this section, any local ordinance, or any provision of Title 15.2, on and after January 1, 2008, no street or road or any portion thereof in any county shall be taken into the state secondary highway system for maintenance purposes unless it meets the secondary street acceptance requirements pursuant to § 33.1-70.3.

§ 33.1-268. Definitions.

As used in this article, the following words and terms shall have the following meanings:

(1) The word "Board" means the Commonwealth Transportation Board, or if the Commonwealth Transportation Board is abolished, any board, commission or officer succeeding to the principal functions thereof or upon whom the powers given by this article to the Board shall be given by law.

(2) The word "project" or "projects" means any one or more of the following:

(a) York River Bridges, extending from a point within the Town of Yorktown in York County, or within York County across the York River to Gloucester Point or some point in Gloucester County.

(b) Rappahannock River Bridge, extending from Greys Point, or its vicinity, in Middlesex County, across the Rappahannock River to a point in the vicinity of White Stone, in Lancaster County, or at some other feasible point in the general vicinity of the two respective points.

(c), (d) [Reserved.]

(e) James River Bridge, from a point at or near Jamestown, in James City County, across the James River to a point in Surry County.

(f), (g) [Reserved.]

(h) James River, Chuckatuck and Nansemond River Bridges, together with necessary connecting roads, in the Cities of Newport News and Suffolk and the County of Isle of Wight.

(i) [Reserved.]

(j) Hampton Roads Bridge, Tunnel, or Bridge and Tunnel System, extending from a point or points in the Cities of Newport News and Hampton on the northwest shore of Hampton Roads across Hampton Roads to a point or points in the City of Norfolk or Suffolk on the southeast shore of Hampton Roads.

(k) The Norfolk-Virginia Beach Highway, extending from a point in the vicinity of the intersection of Interstate Route 64 and Primary Route 58 at Norfolk to some feasible point between London Bridge and Primary Route 60.

(l) The Henrico-James River Bridge, extending from a point on the eastern shore of the James River in Henrico County to a point on the western shore, between Falling Creek and Bells Road interchanges of the Richmond-Petersburg Turnpike; however, the project shall be deemed to include all property, rights, easements and franchises relating to any of the foregoing projects and deemed necessary or convenient for the operation thereof and to include approaches thereto.

(m) The limited access highway between the Patrick Henry Airport area and the Newport News downtown area which generally runs parallel to tracks of the Chesapeake and Ohio Railroad.

(n) Transportation improvements in the Dulles Corridor, with an eastern terminus of the East Falls Church Metrorail station at Interstate Route 66 and a western terminus of Virginia Route 772 in Loudoun County, including without limitation the Dulles Toll Road, the Dulles Access Road, outer roadways adjacent or parallel thereto, mass transit, including rail, bus rapid transit, and capacity enhancing treatments such as High-Occupancy Vehicle lanes, High-Occupancy Toll (HOT) lanes, interchange improvements, commuter parking lots, and other transportation management strategies.

(o), (p) [Repealed.]

(q) Subject to the limitations and approvals of § 33.1-279.1, any other highway for a primary highway transportation improvement district or transportation service district which the Board has agreed to finance under a contract with any such district or any other alternative mechanism for generation of local revenues for specific funding of a project satisfactory to the Commonwealth Transportation Board,

the financing for which is to be secured by Transportation Trust Fund revenues under any appropriation made by the General Assembly for that purpose and payable first from revenues received under such contract or other local funding source, second, to the extent required, from funds appropriated and allocated, pursuant to the highway allocation formula as provided by law, to the highway construction district in which the project is located or to the county or counties in which the project is located and third, to the extent required from other legally available revenues of the Trust Fund and from any other available source of funds.

(r) U.S. 58 Corridor Development Program projects as defined in §§ 33.1-221.1:2 and 58.1-815.

(s) The Northern Virginia Transportation District Program as defined in § 33.1-221.1:3.

(t) Any program for highways or mass transit or transportation facilities, endorsed by the local jurisdiction or jurisdictions affected, which agree that certain distributions of state recordation taxes will be dedicated and used for the payment of any bonds or other obligations, including interest thereon, the proceeds of which were used to pay the cost of the program. Any such program shall be referred to as a "Transportation Improvement Program."

(u) Any project designated from time to time by the General Assembly financed in whole or part through the issuance of Commonwealth of Virginia Federal Highway Reimbursement Anticipation Notes.

(v) *Any project authorized by the General Assembly financed in whole or in part by funds from the Priority Transportation Fund established pursuant to § 33.1-23.03:8 or from the proceeds of bonds whose debt service is paid in whole or in part by funds from such Fund.*

(3) The word "undertaking" means all of the projects authorized to be acquired or constructed under this article.

(4) The word "improvements" means such repairs, replacements, additions and betterments of and to a project acquired by purchase or by condemnation as are deemed necessary to place it in a safe and efficient condition for the use of the public, if such repairs, replacements, additions and betterments are ordered prior to the sale of any bonds for the acquisition of such project.

(5) The term "cost of project" as applied to a project to be acquired by purchase or by condemnation, includes the purchase price or the amount of the award, cost of improvements, financing charges, interest during any period of disuse before completion of improvements, cost of traffic estimates and of engineering and legal expenses, plans, specifications and surveys, estimates of cost and of revenues, other expenses necessary or incident to determining the feasibility or practicability of the enterprises, administrative expenses and such other expenses as may be necessary or incident to the financing herein authorized and the acquisition of the project and the placing of the project in operation.

(6) The term "cost of project" as applied to a project to be constructed, embraces the cost of construction, the cost of all lands, properties, rights, easements and franchises acquired which are deemed necessary for such construction, the cost of acquiring by purchase or condemnation any ferry which is deemed by the Board to be competitive with any bridge to be constructed, the cost of all machinery and equipment, financing charges, interest prior to and during construction and for one year after completion of construction, cost of traffic estimates and of engineering data, engineering and legal expenses, cost of plans, specifications and surveys, estimates of cost and of revenues, other expenses necessary or incident to determining the feasibility or practicability of the enterprise, administrative expense and such other expenses as may be necessary or incident to the financing herein authorized, the construction of the project, the placing of the project in operation and the condemnation of property necessary for such construction and operation.

(7) The word "owner" includes all individuals, incorporated companies, copartnerships, societies or associations having any title or interest in any property rights, easements or franchises authorized to be acquired by this article.

(8) [Repealed.]

(9) The words "revenue" and "revenues" include tolls and any other moneys received or pledged by the Board pursuant to this article, including, without limitation, legally available Transportation Trust Fund revenues and any federal highway reimbursements and any other federal highway assistance received from time to time by the Commonwealth.

(10) The terms "toll project" and "toll projects" mean projects financed in whole or in part through the issuance of revenue bonds which are secured by toll revenues generated by such project or projects.

§ 33.1-269. General powers of Board.

The Commonwealth Transportation Board may, subject to the provisions of this article:

1. Acquire by purchase or by condemnation, construct, improve, operate and maintain any one or more of the projects mentioned and included in the undertaking defined in this article;

2. Issue revenue bonds of the Commonwealth, to be known and designated as "Commonwealth of Virginia Toll Revenue Bonds," payable from earnings and from any other available sources of funds, to pay the cost of such projects;

3. Subject to the limitations and approvals of § 33.1-279.1, issue revenue bonds of the Commonwealth to be known and designated as "Commonwealth of Virginia Transportation Contract

Revenue Bonds," secured by Transportation Trust Fund revenues under a payment agreement between the Board and the Treasury Board, subject to their appropriation by the General Assembly and payable first from revenues received pursuant to contracts with a primary highway transportation improvement district or transportation service district or other local revenue sources for which specific funding of any such bonds may be authorized by law; second, to the extent required, from funds appropriated and allocated, pursuant to the highway allocation formula as provided by law, to the highway construction district in which the project or projects to be financed are located or to the county or counties in which the project or projects to be financed are located; and third, to the extent required, from other legally available revenues of the Trust Fund and from any other available source of funds;

4. Issue revenue bonds of the Commonwealth to be known and designated as "Commonwealth of Virginia Transportation Revenue Bonds," secured (i) by revenues received from the U.S. Route 58 Corridor Development Fund, subject to their appropriation by the General Assembly, (ii) to the extent required, from revenues legally available from the Transportation Trust Fund and (iii) to the extent required, from any other legally available funds which have been appropriated by the General Assembly;

4a. Issue revenue bonds of the Commonwealth to be known and designated as "Commonwealth of Virginia Transportation Revenue Bonds," secured, subject to their appropriation by the General Assembly, first from (i) revenues received from the Northern Virginia Transportation District Fund, (ii) to the extent required, funds appropriated and allocated, pursuant to the highway allocation formula as provided by law, to the highway construction district in which the project or projects to be financed are located or to the city or county in which the project or projects to be financed are located, (iii) to the extent required, legally available revenues of the Transportation Trust Fund, and (iv) such other funds which may be appropriated by the General Assembly;

4b. Issue revenue bonds of the Commonwealth to be known and designated as "Commonwealth of Virginia Transportation Program Revenue Bonds" secured, subject to their appropriation by the General Assembly, first from (i) any revenues received from any Set-aside Fund established by the General Assembly pursuant to § 58.1-816.1, (ii) to the extent required, revenues received pursuant to any contract with a local jurisdiction or any alternative mechanism for generation of local revenues for specific funding of a project satisfactory to the Commonwealth Transportation Board, (iii) to the extent required, funds appropriated and allocated, pursuant to the highway allocation formula as provided by law, to the highway construction district in which the project or projects to be financed are located or to the city or county in which the project or projects to be financed are located, (iv) to the extent required, legally available revenues of the Transportation Trust Fund, and (v) such other funds which may be appropriated by the General Assembly. No bonds for any project or projects shall be issued under the authority of this subsection unless such project or projects are specifically included in a bill or resolution passed by the General Assembly;

4c. Issue revenue bonds of the Commonwealth to be known and designated as "Commonwealth of Virginia Transportation Program Revenue Bonds" secured, subject to their appropriation by the General Assembly, first from (i) any revenues received from the Commonwealth Transit Capital Fund established by the General Assembly pursuant to subdivision A 4 g of § 58.1-638, (ii) to the extent required, legally available revenues of the Transportation Trust Fund, and (iii) such other funds which may be appropriated by the General Assembly. No bonds for any project or projects shall be issued under the authority of this subsection unless such project or projects are specifically included in a bill or resolution passed by the General Assembly;

4d. Issue revenue bonds of the Commonwealth from time to time to be known and designated as "Commonwealth of Virginia Federal Highway Reimbursement Anticipation Notes" secured, subject to their appropriation by the General Assembly, (i) first from any federal highway reimbursements and any other federal highway assistance received from time to time by the Commonwealth, (ii) then, at the discretion of the Board, to the extent required, from legally available revenues of the Transportation Trust Fund, and (iii) then from such other funds, if any, which are designated by the General Assembly for such purpose;

4e. Issue revenue bonds of the Commonwealth from time to time to be known and designated as "Commonwealth of Virginia Credit Assistance Revenue Bonds," secured, subject to their appropriation by the General Assembly, solely from revenues with respect to or generated by the project or projects being financed thereby and any tolls or other revenues pledged by the Board as security therefor and in accordance with the applicable federal credit assistance authorized with respect to such project or projects by the United States Department of Transportation;

4f. Issue revenue bonds of the Commonwealth from time to time to be known and designated as "Commonwealth of Virginia Transportation Capital Projects Revenue Bonds" secured, subject to their appropriation by the General Assembly, first from (i) the revenues deposited into the Priority Transportation Fund pursuant to § 33.1-23.03:8; (ii) to the extent required, from revenues legally available from the Transportation Trust Fund; and (iii) to the extent required, from any other legally

1044 *available funds;*

1045 5. Fix and collect tolls and other charges for the use of such projects or to refinance the cost of such
1046 projects;

1047 6. Construct grade separations at intersections of any projects with public highways, streets or other
1048 public ways or places and change and adjust the lines and grades thereof so as to accommodate the
1049 same to the design of such grade separations, the cost of such grade separations and any damage
1050 incurred in changing and adjusting the lines and grades of such highways, streets, ways and places to be
1051 ascertained and paid by the Board as a part of the cost of the project;

1052 7. Vacate or change the location of any portion of any public highway, street or other public way or
1053 place and reconstruct the same at such new location as the Board deems most favorable for the project
1054 and of substantially the same type and in as good condition as the original highway, streets, way or
1055 place, the cost of such reconstruction and any damage incurred in vacating or changing the location
1056 thereof to be ascertained and paid by the Board as a part of the cost of the project. Any public highway,
1057 street or other public way or place vacated or relocated by the Board shall be vacated or relocated in the
1058 manner provided by law for the vacation or relocation of public roads and any damages awarded on
1059 account thereof may be paid by the Board as a part of the cost of the project;

1060 8. Make reasonable regulations for the installation, construction, maintenance, repair, renewal and
1061 relocation of pipes, mains, sewers, conduits, cables, wires, towers, poles and other equipment and
1062 appliances herein called "public utility facilities," of the Commonwealth and of any municipality, county,
1063 or other political subdivision, public utility or public service corporation owning or operating the same
1064 in, on, along, over or under the project. Whenever the Board determines that it is necessary that any
1065 such public utility facilities should be relocated or removed, the Commonwealth or such municipality,
1066 county, political subdivision, public utility or public service corporation shall relocate or remove the
1067 same in accordance with the order of the Board. The cost and expense of such relocation or removal,
1068 including the cost of installing such public utility facilities in a new location or locations, and the cost
1069 of any lands or any rights or interests in lands, and any other rights acquired to accomplish such
1070 relocation or removal shall be ascertained by the Board.

1071 On any toll project, the Board shall pay the cost and expense of relocation or removal as a part of
1072 the cost of the project for those public utility facilities owned or operated by the Commonwealth or such
1073 municipality, county, political subdivision, public utility or public service corporation. On all other
1074 projects, under this article, the Board shall pay the cost and expense of relocation or removal as a part
1075 of the cost of the project for those public utility facilities owned or operated by the Commonwealth or
1076 such municipality, county, or political subdivision. The Commonwealth or such municipality, county,
1077 political subdivision, public utility or public service corporation may maintain and operate such public
1078 utility facilities with the necessary appurtenances, in the new location or locations, for as long a period
1079 and upon the same terms and conditions as it had the right to maintain and operate such public utility
1080 facilities in their former location or locations;

1081 9. Acquire by the exercise of the power of eminent domain any lands, property, rights, rights-of-way,
1082 franchises, easements and other property, including public lands, parks, playgrounds, reservations,
1083 highways or parkways, or parts thereof or rights therein, of any municipality, county or other political
1084 subdivision, deemed necessary or convenient for the construction or the efficient operation of the project
1085 or necessary in the restoration, replacement or relocation of public or private property damaged or
1086 destroyed.

1087 The cost of such projects shall be paid solely from the proceeds of Commonwealth of Virginia Toll
1088 or Transportation Contract Revenue Bonds or a combination thereof or from such proceeds and from
1089 any grant or contribution which may be made thereto pursuant to the provisions of this article;

1090 10. Notwithstanding any provision of this article to the contrary, the Board shall be authorized to
1091 exercise the powers conferred herein, in addition to its general powers to acquire rights-of-way and to
1092 construct, operate and maintain state highways, with respect to any project which the General Assembly
1093 has authorized or may hereafter authorize to be financed in whole or in part through the issuance of
1094 bonds of the Commonwealth pursuant to the provisions of Section 9 (c) of Article X of the Constitution
1095 of Virginia; and

1096 11. Enter into any agreements or take such other actions as the Board shall determine in connection
1097 with applying for or obtaining any federal credit assistance, including without limitation loan guarantees
1098 and lines of credit, pursuant to authorization from the United States Department of Transportation with
1099 respect to any project included in the Commonwealth's long-range transportation plan and the approved
1100 State Transportation Improvement Program.

1101 § 33.1-277. Credit of Commonwealth not pledged.

1102 A. Commonwealth of Virginia Toll Revenue Bonds issued under the provisions of this article shall
1103 not be deemed to constitute a debt of the Commonwealth of Virginia or a pledge of the faith and credit
1104 of the Commonwealth, but such bonds shall be payable solely from the funds herein provided therefor
1105 from tolls and revenues, from bond proceeds or earnings thereon and from any other available sources

of funds. All such bonds shall state on their face that the Commonwealth of Virginia is not obligated to pay the same or the interest thereon except from the special fund provided therefor from tolls and revenues under this article, from bond proceeds or earnings thereon and from any other available sources of funds and that the faith and credit of the Commonwealth are not pledged to the payment of the principal or interest of such bonds. The issuance of such revenue bonds under the provisions of this article shall not directly or indirectly or contingently obligate the Commonwealth to levy or to pledge any form of taxation whatever therefor or to make any appropriation for their payment, other than appropriate available funds derived as revenues from tolls and charges under this article or derived from bond proceeds or earnings thereon and from any other available sources of funds.

B. Commonwealth of Virginia Transportation Contract Revenue Bonds issued under the provisions of this article shall not be deemed to constitute a debt of the Commonwealth of Virginia or a pledge of the faith and credit of the Commonwealth, but such bonds shall be payable solely from the funds herein provided therefor (i) from revenues received pursuant to contracts with a primary highway transportation district or transportation service district or any other alternative mechanism for generation of local revenues for specific funding of a project satisfactory to the Commonwealth Transportation Board, (ii) to the extent required, from funds appropriated and allocated, pursuant to the highway allocation formula as provided by law, to the highway construction district in which the project or projects to be financed are located or to the county or counties in which such project or projects are located, (iii) from bond proceeds or earnings thereon, (iv) to the extent required, from other legally available revenues of the Trust Fund, and (v) from any other available source of funds. All such bonds shall state on their face that the Commonwealth of Virginia is not obligated to pay the same or the interest thereon except from revenues in clauses (i) and (iii) hereof and that the faith and credit of the Commonwealth are not pledged to the payment of the principal and interest of such bonds. The issuance of such revenue bonds under the provisions of this article shall not directly or indirectly or contingently obligate the Commonwealth to levy or to pledge any form of taxation whatever or to make any appropriation for their payment, other than to appropriate available funds derived as revenues under this article from the sources set forth in clauses (i) and (iii) hereof. Nothing in this article shall be construed to obligate the General Assembly to make any appropriation of the funds set forth in clause (ii) or (iv) hereof for payment of such bonds.

C. Commonwealth of Virginia Transportation Revenue Bonds issued under the provisions of this article shall not be deemed to constitute a debt of the Commonwealth of Virginia or a pledge of the full faith and credit of the Commonwealth, but such bonds shall be payable solely from the funds herein provided therefor (i) from revenues received from the U.S. Route 58 Corridor Development Fund, subject to their appropriation by the General Assembly, (ii) to the extent required, from revenues legally available from the Transportation Trust Fund and (iii) to the extent required, from any other legally available funds which shall have been appropriated by the General Assembly.

D. Commonwealth of Virginia Transportation Revenue Bonds issued under this article for Category 1 projects as provided in subdivision (2) (s) of § 33.1-268 shall not be deemed to constitute a debt of the Commonwealth of Virginia or a pledge of the faith and credit of the Commonwealth. Such bonds shall be payable solely, subject to their appropriation by the General Assembly, first from (i) revenues received from the Northern Virginia Transportation District Fund, (ii) to the extent required, funds appropriated and allocated, pursuant to the highway allocation formula as provided by law, to the highway construction district in which the project or projects to be financed are located or to the city or county in which the project or projects to be financed are located, (iii) to the extent required, legally available revenues of the Transportation Trust Fund, and (iv) such other funds which may be appropriated by the General Assembly.

E. Commonwealth of Virginia Transportation Program Revenue Bonds issued under this article for projects defined in subdivision (2) (t) of § 33.1-268 shall not be deemed to constitute a debt of the Commonwealth or a pledge of the faith and credit of the Commonwealth. Such bonds shall be payable solely, subject to their appropriation by the General Assembly, first from (i) any revenues received from any Set-aside Fund established by the General Assembly pursuant to § 58.1-816.1, (ii) to the extent required, revenues received pursuant to any contract with a local jurisdiction or any alternative mechanism for generation of local revenues for specific funding of a project satisfactory to the Commonwealth Transportation Board, (iii) to the extent required, funds appropriated and allocated, pursuant to the highway allocation formula as provided by law, to the highway construction district in which the project or projects to be financed are located or to the city or county in which the project or projects to be financed are located, (iv) to the extent required, legally available revenues from the Transportation Trust Fund, and (v) such other funds which may be appropriated by the General Assembly.

F. Commonwealth of Virginia Federal Highway Reimbursement Anticipation Notes issued under this article shall not be deemed to constitute a debt of the Commonwealth of Virginia or a pledge of the full

1167 faith and credit of the Commonwealth, but such obligations shall be payable solely, subject to
1168 appropriation by the General Assembly, (i) first from any federal highway reimbursements and any other
1169 federal highway assistance received from time to time by the Commonwealth, (ii) then, at the discretion
1170 of the Board, to the extent required, from legally available revenues of the Transportation Trust Fund,
1171 and (iii) then, from such other funds, if any, which are designated by the General Assembly for such
1172 purpose.

1173 G. Commonwealth of Virginia Transportation Credit Assistance Revenue Bonds issued under the
1174 provisions of this article shall not be deemed to constitute a debt of the Commonwealth of Virginia or a
1175 pledge of the full faith and credit of the Commonwealth, but such obligations shall be payable solely,
1176 subject to appropriation by the General Assembly, from revenues with respect to or generated by the
1177 project or projects being financed thereby and any tolls or other revenues pledged by the Board as
1178 security therefor and in accordance with the applicable federal credit assistance authorized with respect
1179 to such project or projects by the United States Department of Transportation.

1180 H. Commonwealth of Virginia Transportation Capital Projects Revenue Bonds issued under the
1181 provisions of this article for projects as provided in subdivision 2 v of § 33.1-268 shall not be deemed
1182 to constitute a debt of the Commonwealth of Virginia or a pledge of the full faith and credit of the
1183 Commonwealth, but such bonds shall be payable solely, subject to appropriation by the General
1184 Assembly, (i) first from the revenues deposited into the Priority Transportation Fund pursuant to
1185 § 33.1-23.03:8; (ii) to the extent required, from revenues legally available from the Transportation Trust
1186 Fund; and (iii) to the extent required, from any other legally available funds.

1187 CHAPTER 10.2.

1188 HAMPTON ROADS TRANSPORTATION AUTHORITY.

1189 § 33.1-391.6. Short Title.

1190 This chapter shall be known and may be cited as the Hampton Roads Transportation Authority Act.

1191 § 33.1-391.7. Authority created.

1192 The Hampton Roads Transportation Authority, hereinafter in this chapter known as "the Authority" is
1193 hereby created as a body politic and as a political subdivision of the Commonwealth.

1194 § 33.1-391.8. Powers of the Authority.

1195 Notwithstanding any contrary provision of this title and in accordance with all applicable federal
1196 statutes and requirements, the Authority shall control and operate and may impose and collect tolls in
1197 amounts established by the Authority for the use of any new or improved highway, bridge, tunnel, or
1198 transportation facility (including new construction relating to, or improvements to, the bridges, tunnels,
1199 roadways, and related facilities known collectively as the Chesapeake Bay Bridge-Tunnel as described in
1200 § 33.1-391.12, pursuant to the conditions set forth in such section) solely constructed by the Authority.
1201 The amount of any such toll may be varied from facility to facility, by lane, by congestion levels, by day
1202 of the week, time of day, type of vehicle, number of axles, or any similar combination thereof, and a
1203 reduced rate may be established for commuters as defined by the Authority. For purposes of this
1204 section, the Midtown and Downtown tunnels located within the Cities of Norfolk and Portsmouth shall
1205 be considered a single transportation facility and both facilities may be tolled if improvements are made
1206 to either tunnel. Any tolls imposed by the Authority shall be collected by an electronic toll system that,
1207 to the extent possible, shall not impede traffic flow. For all roads tolled by the Authority, there shall be
1208 signs erected prior to the point of toll collection that clearly state how the majority of the toll revenue
1209 for the particular road is being spent by the Authority.

1210 § 33.1-391.9. Composition of Authority; chairman and vice-chairman; quorum.

1211 The Authority shall consist of the following members: (i) one member of the local governing body of
1212 each of the Counties of Isle of Wight, James City, and York and the Cities of Chesapeake, Hampton,
1213 Newport News, Norfolk, Portsmouth, Suffolk, Virginia Beach, and Williamsburg, who shall serve with
1214 voting privileges; (ii) a member of the Commonwealth Transportation Board who resides in a county or
1215 city embraced by the Authority appointed by the Governor who shall serve ex officio without a vote; (iii)
1216 the Director of the Virginia Department of Rail and Public Transportation, or his designee, who shall
1217 serve ex officio without a vote; (iv) the Commonwealth Transportation Commissioner, or his designee,
1218 who shall serve ex officio without a vote; (v) two members of the Virginia House of Delegates who shall
1219 reside in a city or county set forth under clause (i), neither of whom shall reside in the same city or
1220 county, appointed by the Speaker of the House of Delegates; and (vi) one member of the Senate of
1221 Virginia who shall reside in a city or county set forth under clause (i), appointed by the Senate
1222 Committee on Rules. Each representative of a local governing body shall be appointed by a majority
1223 vote of the respective local governing body and shall be a member of the local governing body by which
1224 he is appointed. In the event that a member of the Authority who is appointed by a local governing
1225 body ceases to be a member of that local governing body, he may no longer serve as a member of the
1226 Authority. Members of the Authority appointed by local governing bodies shall serve for terms of four
1227 years and may be reappointed for one additional term of four years. Any member of the Authority
1228 appointed by a local governing body who is initially appointed to serve a term of less than three years

may thereafter be appointed for two successive four-year terms. For the purpose of initial appointments and in order to provide for staggered terms, those members appointed by the City Council of the City of Hampton, the City Council of the City of Newport News, and the Board of Supervisors of James City County shall be appointed for terms of two years; those members who are appointed by the City Council of the City of Norfolk, the City Council of the City of Chesapeake, and the City Council of the City of Portsmouth shall be appointed for terms of three years; and the remaining representatives of local governing bodies shall be appointed for terms of four years. Legislative members shall serve terms coincident with their terms of office. Vacancies shall be filled by appointment for the unexpired term by the same process as used to make the original appointment.

The Authority shall annually elect a chairman and vice-chairman from among its membership, each of whom shall continue to hold such office until their respective successors are elected.

A majority of the members of the Authority shall constitute a quorum for the transaction of business.

Members of the Authority shall be reimbursed for their actual and necessary expenses incurred in the performance of their duties and, in addition, shall be paid a per diem equal to the amount paid members of the Commonwealth Transportation Board for each day or portion thereof during which they are engaged in the official business of the Authority.

The Auditor of Public Accounts, or his legally authorized representatives, shall annually audit the financial accounts of the Authority, and the cost of such audit shall be borne by the Authority.

§ 33.1-391.10. Additional powers of the Authority.

The Authority shall have the following powers together with all powers incidental thereto or necessary for the performance of those hereinafter stated:

1. To sue and be sued and to prosecute and defend, at law or in equity, in any court having jurisdiction of the subject matter and of the parties;

2. To adopt and use a corporate seal and to alter the same at its pleasure;

3. To procure insurance, participate in insurance plans, and provide self-insurance; however, the purchase of insurance, participation in an insurance plan, or the creation of a self-insurance plan by the Authority shall not be deemed a waiver or relinquishment of any sovereign immunity to which the Authority or its officers, directors, employees, or agents are otherwise entitled;

4. To establish bylaws and make all rules and regulations, not inconsistent with the provisions of this chapter, deemed expedient for the management of the Authority's affairs;

5. To apply for and accept money, materials, contributions, grants, or other financial assistance from the United States and agencies or instrumentalities thereof, the Commonwealth, and any political subdivision, agency, or instrumentality of the Commonwealth, and from any legitimate private source;

6. To acquire real and personal property or any interest therein by purchase, lease, gift, or otherwise (and to the extent not inconsistent with the provisions of § 33.1-422) for purposes consistent with this chapter; and to hold, encumber, sell, or otherwise dispose of such land or interest for purposes consistent with this chapter;

7. To acquire by purchase, lease, contract, or otherwise (and to the extent not inconsistent with the provisions of § 33.1-422), highways, bridges, tunnels, railroads, rolling stock, and transit and rail facilities and other transportation-related facilities; and to construct the same by purchase, lease, contract, or otherwise in the manner and to the extent not inconsistent with the provisions of the first paragraph of § 33.1-422;

8. In coordination with the Commonwealth Transportation Board and with each city or county in which the facility or any part thereof is or is to be located, to repair, expand, enlarge, construct, reconstruct, or renovate any or all of the transportation facilities referred to in § 33.1-391.8, and to acquire any real or personal property needed for any such purpose;

9. To enter into agreements or leases with public or private entities for the operation and maintenance of bridges, tunnels, transit and rail facilities, and highways;

10. To make and execute contracts, deeds, mortgages, leases, and all other instruments and agreements necessary or convenient for the performance of its duties and the exercise of its powers and functions under this chapter;

11. To the extent funds are made or become available to the Authority to do so, to employ employees, agents, advisors, and consultants, including without limitation, attorneys, financial advisers, engineers, and other technical advisers and, the provisions of any other law to the contrary notwithstanding, to determine their duties and compensation;

12. The authority shall comply with the provisions governing localities contained in § 15.2-2108.23; and

13. To the extent not inconsistent with the other provisions of this chapter, and without limiting or restricting the powers otherwise given the Authority, to exercise all of the powers given to transportation district commissions by §§ 15.2-4518 and 15.2-4519. The Authority shall only undertake those transportation projects that are currently included in the federally mandated 2030 Regional

1290 *Transportation Plan approved by the Metropolitan Planning Organization, or any successive plan, and*
1291 *that are located in, or which provide a benefit to, the counties and cities that are members of the*
1292 *Authority, subject to the limitations related to those projects contained in this section.*

1293 *The Authority shall phase construction of the transportation projects that are currently included in*
1294 *the federally mandated 2030 Regional Transportation Plan, or any successive plan. Except as*
1295 *specifically provided herein, projects listed in the second phase shall not be undertaken until the*
1296 *Authority has determined that there is a viable plan of construction for the projects listed in the first*
1297 *phase that meet the requirements of this section.*

1298 *First Phase Projects:*

1299 *Route 460 Upgrade; I-64 Widening on the Peninsula; I-64 Widening on the Southside; Downtown*
1300 *Tunnel; Midtown Tunnel/MLK Extension; Southeastern Parkway/Dominion Blvd; I-664 Widening in*
1301 *Newport News; I-664 Widening on the Southside; I-664 Monitor Merrimac Memorial Bridge Tunnel*
1302 *Widening.*

1303 *Second Phase Projects:*

1304 *I-64 to the Intermodal Connector; I-564 Connector to the Monitor Merrimac Memorial Bridge*
1305 *Tunnel; Craney Island Connector.*

1306 *It is the intent of the General Assembly that the Authority shall encourage private sector*
1307 *participation in the aforementioned projects. Any cost savings realized under the PPTA relating to the*
1308 *construction of first phase projects may be applied to advancing the future construction of second phase*
1309 *projects. Further, nothing herein shall prohibit the Authority from receiving and acting on PPTA*
1310 *proposals on projects in either phase.*

1311 *§ 33.1-391.11. Authority a responsible public entity under Public-Private Transportation Act of 1995.*

1312 *The Authority is a responsible public entity as defined in the Public-Private Transportation Act of*
1313 *1995 (§ 56-556 et seq.).*

1314 *§ 33.1-391.12. Addition of the Chesapeake Bay Bridge-Tunnel to facilities controlled by Authority;*
1315 *expansion of Authority membership; applicability of local transportation fees and taxes to Accomack and*
1316 *Northampton Counties.*

1317 *The bridges, tunnels, roadways, and related facilities known collectively as the Chesapeake Bay*
1318 *Bridge-Tunnel, which provide a vehicular connection across the mouth of the Chesapeake Bay between*
1319 *the City of Virginia Beach and Northampton County, shall become subject to the control of the*
1320 *Authority subject to the provisions of § 33.1-391.8, at such time as all of the bonds and other evidences*
1321 *of debt now or hereafter issued by or on behalf of the Chesapeake Bay Bridge and Tunnel Commission*
1322 *shall have been satisfied or paid in full. Until such bonds and other evidences of debt have been*
1323 *satisfied or paid in full, control of and responsibility for the operation and maintenance of the*
1324 *Chesapeake Bay Bridge-Tunnel facilities shall remain with the Chesapeake Bay Bridge and Tunnel*
1325 *Commission.*

1326 *In discharging its responsibilities for the operation and maintenance of the Chesapeake Bay*
1327 *Bridge-Tunnel facilities, the Authority shall have, in addition to the powers it is given by this chapter,*
1328 *all of the powers and authority given to the Chesapeake Bay Bridge and Tunnel Commission by Chapter*
1329 *693 of the Acts of Assembly of 1954 and by Chapter 714 of the Acts of the Assembly of 1956, as*
1330 *amended and incorporated by reference as § 33.1-253.*

1331 *At such time as the Chesapeake Bay Bridge-Tunnel facilities become subject to the control of the*
1332 *Authority as contemplated by this section, the Authority shall be enlarged by two members, one of whom*
1333 *shall be a member of the governing body of the County of Accomack and one of whom shall be a*
1334 *member of the governing body of the County of Northampton. The representative of the local governing*
1335 *body of the County of Accomack and the County of Northampton shall be appointed by a majority vote*
1336 *of the respective local governing body and shall be a member of the local governing body by which he*
1337 *is appointed. In the event that a member of the Authority who is appointed by the governing body of the*
1338 *County of Accomack or the County of Northampton ceases to be a member of that local governing body,*
1339 *he may no longer serve as a member of the Authority. Members of the Authority appointed by the*
1340 *County of Accomack or the County of Northampton shall serve for terms of four years and may be*
1341 *appointed for one additional term of four years.*

1342 *§ 33.1-391.13. Issuance of bonds by the Chesapeake Bay Bridge and Tunnel Commission.*

1343 *On a prospective basis, prior to issuing any bond with a maturity date that extends beyond the*
1344 *maturity date of any bond that it refinances, the Chesapeake Bay Bridge and Tunnel Commission shall*
1345 *provide written notice of the contemplated issuance to the Chairmen of the Senate Committee on*
1346 *Finance and the House Committee on Appropriations at such time as when the General Assembly is in*
1347 *regular session. This provision shall not apply to any bond issued to provide for the payment of any*
1348 *temporary or interim financing.*

1349 *On a prospective basis, prior to issuing any bonds for the purposes of financing the construction of*
1350 *new or additional tunnels, the Chesapeake Bay Bridge and Tunnel Commission shall provide written*
1351 *notice of the contemplated issuance to the Chairmen of the Senate Committee on Finance and the House*

Committee on Appropriations at such time as when the General Assembly is in regular session.

§ 33.1-391.14. Continuing responsibilities of the Commonwealth Transportation Board and the Virginia Department of Transportation.

Except as otherwise explicitly provided in this chapter, until such time as the Authority and the Virginia Department of Transportation, or the Authority and the Commonwealth Transportation Board, agree otherwise in writing, the Commonwealth Transportation Board shall allocate funding to and the Department of Transportation shall perform or cause to be performed all maintenance and operation of the bridges, tunnels, and roadways referred to in § 33.1-391.8, and shall perform such other required services and activities with respect to such bridges, tunnels, and roadways as were being performed on January 1, 2007.

§ 33.1-391.15. Hampton Roads Planning District Commission to provide administrative services and office facilities.

The staff of the Hampton Roads Planning District Commission and the Virginia Department of Transportation shall work cooperatively to assist the proper formation and effective organization of the Authority. Until such time as the Authority is fully established and functioning, the staff of the Hampton Roads Planning District Commission shall serve as its staff, and the Hampton Roads Planning District Commission shall provide the Authority with office space and administrative support. The Authority shall reimburse the Hampton Roads Planning District Commission for the cost of such staff, office space, and administrative support as appropriate.

§ 33.1-391.16. Use of revenues by the Authority.

Notwithstanding any other provision of this chapter, all moneys received by the Authority shall be used by the Authority solely for the benefit of those counties and cities that have a member of the local governing body serving as a member of the Authority, and such moneys shall be used by the Authority in a manner that is consistent with the purposes stated in this chapter.

§ 33.1-391.17. Local Transportation Fees.

No locality imposing any local fee or tax authorized by subsection A of § 46.2-332.1, subsection A of § 46.2-755.1, subsection A of § 46.2-1167.1, subdivision K 1 of § 58.1-605, subdivision K 2 of § 58.1-605, subdivision H 1 of § 58.1-606, subdivision H 2 of § 58.1-606, subsection A of § 58.1-802.1, subsection A of § 58.1-2402.2, or § 58.1-3221.2 shall cease to impose such fee or tax so long as the Hampton Roads Transportation Authority (i) is currently engaged in a transportation project within the boundaries of the locality, or that benefits the locality, (ii) has entered into a binding commitment to begin a transportation project within the boundaries of the locality, or that benefits 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, or that benefits the locality.

§ 33.1-391.18. Hampton Roads Transportation Authority Revenues Fund established.

There is hereby created in the state treasury a special nonreverting fund to be known as the Hampton Roads Transportation Authority Revenues Fund, hereafter referred to as "the Fund." The Fund shall be established on the books of the Comptroller. All revenues dedicated for the Fund pursuant to subsection B of §§ 46.2-332.1, 46.2-755.1, 46.2-1167.1, 58.1-802.1, 58.1-2402.2, and § 58.1-638, and as may be appropriated by the General Assembly, shall be paid into the state treasury and credited to the Fund. Interest earned on moneys in the Fund shall remain in the Fund and be credited to it. Any moneys remaining in the Fund, including interest thereon, at the end of each fiscal year shall not revert to the general fund but shall remain in the Fund.

On a monthly basis, the Comptroller shall distribute the balance in the Fund to the Hampton Roads Transportation Authority.

Notwithstanding any other provision of this chapter, the Authority shall not use any of the revenues credited to the Fund directly or indirectly to pay debt service on any bond or other evidence of debt which would establish a tax-supported debt of the Commonwealth. Further, the Authority shall not enter into any lease agreement, obligation, or contractual arrangement that creates a direct or contingent financial obligation of the Commonwealth unless such proposed agreement, obligation, or contractual arrangement has first been submitted to the State Treasurer sufficiently prior to the execution of such proposed agreement, obligation, or contractual arrangement to allow the State Treasurer to undertake a review for the purposes of determining (i) whether the proposed agreement, obligation, or contractual arrangement may constitute tax-supported debt of the Commonwealth and (ii) the potential impact of the proposed agreement, obligation, or contractual arrangement on the debt capacity and credit ratings of the Commonwealth. If after such review the State Treasurer determines that the proposed agreement, obligation, or contractual arrangement may constitute tax-supported debt of the Commonwealth or may have an adverse impact on the debt capacity or the credit ratings of the Commonwealth, the Authority shall be prohibited from entering into such lease agreement, obligation, or contractual arrangement. The Authority may only use the revenues credited to the Fund for costs incurred by the Authority that are

1413 *not related to bonds or other evidence of debt.*

1414 § 46.2-206.1. *Dangerous driving offenses; payments to the Commonwealth; disposition of revenue to*
1415 *Highway Maintenance and Operating Fund.*

1416 A. *Whenever a person is convicted by a court of competent jurisdiction of any of the dangerous*
1417 *driving offenses or traffic infractions enumerated in this section, the court shall, in addition to any fees,*
1418 *finest, or costs imposed, order the person to pay to the State Treasurer for deposit into the Highway*
1419 *Maintenance and Operating Fund an amount as follows:*

1420 1. *A \$100 payment for a violation of § 18.2-266.1, subsection B of § 46.2-341.24, attempting to elude*
1421 *a law-enforcement officer pursuant to subsection A of § 46.2-817, § 46.2-844, or driving 20 or more*
1422 *miles per hour over the allowed speed limit as set forth in Article 8 (§ 46.2-870 et seq.) of Chapter 8 of*
1423 *Title 46.2.*

1424 2. *A \$200 payment for a violation of § 18.2-266, 18.2-268.3, 18.2-272, or 18.2-36.1 or any other*
1425 *conviction of voluntary manslaughter or involuntary manslaughter involving the use of a vehicle,*
1426 *§ 18.2-51.4, subsection B of § 46.2-301, subsection E of § 46.2-301.1, §§ 46.2-302 and 46.2-341.21,*
1427 *subsection A of § 46.2-341.24, §§ 46.2-357 and 46.2-391, subsection B of § 46.2-817, § 46.2-818,*
1428 *overtaking or passing a moving emergency vehicle pursuant to § 46.2-829, 46.2-852, or 46.2-853 when*
1429 *violation of this section would be a felony, §§ 46.2-854 through 46.2-862, § 46.2-863 when violation of*
1430 *this section would be a felony pursuant to subsection B of § 46.2-868, §§ 46.2-864 through 46.2-866,*
1431 *and § 46.2-921.1 if the violation resulted in the death of another person.*

1432 B. 1. *Any person whose driver's record with the Department shows a balance of eight or more driver*
1433 *demerit points on November 15 shall be assessed a fee as set forth below. The Commissioner shall*
1434 *assess such fees annually, beginning on November 15, 2007. The Department shall notify each person*
1435 *assessed a fee under this subsection by mailing a notice thereof by first-class mail addressed to such*
1436 *person's most recent address as shown in the Department's records, and such mailing shall constitute*
1437 *notice to the person of the assessment of the fee. These fees shall be in addition to the court-ordered*
1438 *payments under subsection A:*

1439 a. *For a person whose driver's record shows a balance of eight driver demerit points, a fee of \$400*
1440 *shall be assessed.*

1441 b. *For a person whose driver's record shows a balance of nine driver demerit points, a fee of \$475*
1442 *shall be assessed.*

1443 c. *For a person whose driver's record shows a balance of 10 driver demerit points, a fee of \$550*
1444 *shall be assessed.*

1445 d. *For a person whose driver's record shows a balance of 11 driver demerit points, a fee of \$625*
1446 *shall be assessed.*

1447 e. *For a person whose driver's record shows a balance of 12 or more driver demerit points, a fee of*
1448 *\$700 shall be assessed.*

1449 *For purposes of this subsection, there shall be deemed a conviction in any case in which (i) a*
1450 *juvenile is adjudicated delinquent of any of the offenses set forth in subsection A, or (ii) there is a*
1451 *conviction under substantially similar laws (with regard to such offenses) of any other state or of the*
1452 *United States.*

1453 2. *The Department may, by regulation, provide for payment options by which persons assessed fees*
1454 *under this subsection may pay such fees in installments. If any assessment made under this subsection*
1455 *remains unpaid 60 days following the date on which the notice of assessment was mailed and no*
1456 *arrangements have been made with the Department for payment of such assessment in an installment*
1457 *payment agreement under any regulation promulgated by the Department, the Department shall,*
1458 *pursuant to Article 1 (§ 46.2-300 et seq.) of Chapter 3, suspend the driver's license of the person*
1459 *against whom the assessment was imposed. No license shall be reissued until all fees imposed have been*
1460 *paid.*

1461 3. *The Commissioner may institute civil proceedings in any court of competent jurisdiction to recover*
1462 *any such fees. Jurisdiction for assessments under this subsection shall be in the jurisdiction where the*
1463 *person resides as indicated in the records of the Department. The Commissioner shall be entitled to*
1464 *collect all costs of collection, including but not limited to attorney fees.*

1465 4. *In the event that a person disputes a conviction on his driver record based upon identity, if the*
1466 *person presents the Department a certified copy of a petition to a court of competent jurisdiction*
1467 *seeking to vacate an order of such conviction, the Department shall suspend the imposition of the fee*
1468 *under this subsection. Such suspension shall be valid (i) for one year from the date of commencement of*
1469 *the petition, or (ii) until 30 days after an entry of a final order on such petition, whichever first occurs.*

1470 5. *Funds collected through the imposition of the fees provided for in this subsection shall be used*
1471 *first to pay the Department's costs in imposing and collecting such fees, with such costs as provided in*
1472 *the general appropriation act. The Commissioner in remitting all moneys collected pursuant to this*
1473 *subsection shall identify all such moneys as fees collected pursuant to this subsection.*

1474 C. *The Comptroller shall deposit the moneys from all court-ordered payments under subsection A*

and all fees imposed under subsection B to the Highway Maintenance and Operating Fund.

§ 46.2-332.1. Additional driver's license fee authorized in certain localities.

A. 1. Beginning January 1, 2008, in addition to all other fees authorized by this chapter, the governing body of each of the Counties of Isle of Wight, James City, and York and the Cities of Chesapeake, Hampton, Newport News, Norfolk, Portsmouth, Suffolk, Virginia Beach, and Williamsburg may by ordinance impose an additional fee of \$20 for the issuance, whether initial or renewal, of a driver's license to be collected by the Commissioner, provided that the governing body authorizes the Commissioner to transfer the revenues collected to the Hampton Roads Transportation Authority established under § 33.1-391.7 to be used for the purposes set forth in § 33.1-391.16. From such revenues as are collected, the Commissioner may retain a reasonable amount for reimbursement of the direct costs of the collection of such revenue.

2. At such time as the Chesapeake Bay Bridge-Tunnel becomes subject to the control of the Hampton Roads Transportation Authority as provided in § 33.1-391.12, the governing body of each of the Counties of Accomack and Northampton may by ordinance impose the additional fee of \$20 authorized under this subsection for the issuance, whether initial or renewal, of a driver's license, provided that the governing body authorizes the Commissioner to transfer the revenues collected to the Hampton Roads Transportation Authority established under § 33.1-391.7 to be used for the purposes set forth in § 33.1-391.16.

3. All such fees shall be remitted by the Commissioner on a monthly basis to the Hampton Roads Transportation Authority to be used for the purposes set forth in § 33.1-391.16.

Any and all fees imposed pursuant to this subsection shall be collected by the Department of Motor Vehicles at the time the initial or renewed 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.

B. 1. For each county or city that is authorized to impose the additional fee under subdivision A 1, but that is not imposing such fee as of April 1, 2008, or at any time subsequent to such date, then, at such time or times the county or city is not imposing the additional fee, there is hereby levied and imposed an additional fee of \$20 for the issuance, whether initial or renewal, of a driver's license to any resident of such county or city.

2. If the governing body of the County of Accomack or the County of Northampton is not imposing the additional fee under subdivision A 2 as of the first day of the sixth month following the date the county was first authorized to impose such fee, or is not imposing such additional fee at any time subsequent to the first day of the sixth month following such initial authorization, then, at such time or times the respective county is not imposing the additional fee, there is hereby levied and imposed an additional fee of \$20 for the issuance, whether initial or renewal, of a driver's license to any resident of the respective county.

3. The fee imposed under this subsection shall be collected by the Department of Motor Vehicles. Except as provided in this subsection, the fee shall otherwise be imposed, administered, and collected under the same terms and conditions as set forth for the fee in subsection A. All revenues collected pursuant to this subsection shall be deposited by the Comptroller in the Hampton Roads Transportation Authority Revenues Fund established under § 33.1-391.18.

4. The fee pursuant to subsection A shall not be imposed in any county or city for which the fee under this subsection is being imposed.

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

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

1. ~~Twenty-three~~ Thirty-three dollars for each private passenger car or motor home if the passenger car or motor home weighs 4,000 pounds or less, provided that it is not used for the transportation of passengers for compensation and is not kept or used for rent or for hire, or is not operated under a lease without a chauffeur.

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

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

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

1536 4,000 pounds.

1537 5. ~~Twenty-three~~ *Thirty-three* dollars for each trailer or semitrailer designed for use as living quarters

1538 for human beings.

1539 6. ~~Thirteen~~ *Twenty-three* dollars plus \$ 0.30 per 100 pounds or major fraction thereof for each motor

1540 vehicle, trailer, or semitrailer used as a common carrier of passengers, operating either intrastate or

1541 interstate. Interstate common carriers of interstate passengers may elect to be licensed and pay the fees

1542 prescribed in subdivision 7 of this subsection on submission to the Commissioner of a declaration of

1543 operations and equipment as he may prescribe. An additional \$5 shall be charged if the motor vehicle

1544 weighs more than 4,000 pounds.

1545 7. ~~Thirteen~~ *Twenty-three* dollars plus \$ 0.70 per 100 pounds or major fraction thereof for each motor

1546 vehicle, trailer, or semitrailer used as a common carrier of interstate passengers if election is made to be

1547 licensed under this subsection. An additional \$5 shall be charged if the motor vehicle weighs more than

1548 4,000 pounds. In lieu of the foregoing fee of \$ 0.70 per 100 pounds, a motor carrier of passengers,

1549 operating two or more vehicles both within and outside the Commonwealth and registered for insurance

1550 purposes with the Surface Transportation Board of the United States Department of Transportation,

1551 Federal Highway Administration, may apply to the Commissioner for prorated registration. Upon the

1552 filing of such application, in such form as the Commissioner may prescribe, the Commissioner shall

1553 apportion the registration fees provided in this subsection so that the total registration fees to be paid for

1554 such vehicles of such carrier shall be that proportion of the total fees, if there were no apportionment,

1555 that the total number of miles traveled by such vehicles of such carrier within the Commonwealth bears

1556 to the total number of miles traveled by such vehicles within and outside the Commonwealth. Such total

1557 mileage in each instance is the estimated total mileage to be traveled by such vehicles during the license

1558 year for which such fees are paid, subject to the adjustment in accordance with an audit to be made by

1559 representatives of the Commissioner at the end of such license year, the expense of such audit to be

1560 borne by the carrier being audited. Each vehicle passing into or through Virginia shall be registered and

1561 licensed in Virginia and the annual registration fee to be paid for each such vehicle shall not be less

1562 than ~~\$33~~ *\$43*. For the purpose of determining such apportioned registration fees, only those motor

1563 vehicles, trailers, or semitrailers operated both within and outside the Commonwealth shall be subject to

1564 inclusion in determining the apportionment provided for herein.

1565 8. ~~Thirteen~~ *Twenty-three* dollars plus \$ 0.80 per 100 pounds or major fraction thereof for each motor

1566 vehicle, trailer or semitrailer kept or used for rent or for hire or operated under a lease without a

1567 chauffeur for the transportation of passengers. An additional fee of \$5 shall be charged if the vehicle

1568 weighs more than 4,000 pounds. This subsection does not apply to vehicles used as common carriers.

1569 9. ~~Twenty-three~~ *Thirty-three* dollars for a taxicab or other vehicle which is kept for rent or hire

1570 operated with a chauffeur for the transportation of passengers, and which operates or should operate

1571 under permits issued by the Department as required by law. An additional fee of \$5 shall be charged if

1572 the vehicle weighs more than 4,000 pounds. This subsection does not apply to vehicles used as common

1573 carriers.

1574 10. ~~Eighteen~~ *Twenty-eight* dollars for a motorcycle, with or without a sidecar. To this fee shall be

1575 added a surcharge of \$3 which shall be distributed as provided in § 46.2-1191.

1576 11. ~~Twenty-three~~ *Thirty-three* dollars for a bus used exclusively for transportation to and from church

1577 school, for the purpose of religious instruction, or church, for the purpose of divine worship. If the

1578 empty weight of the vehicle exceeds 4,000 pounds, the fee shall be ~~\$28~~ *\$38*.

1579 12. ~~Thirteen~~ *Twenty-three* dollars plus \$ 0.70 per 100 pounds or major fraction thereof for other

1580 passenger-carrying vehicles.

1581 13. An additional fee of \$4 per year shall be charged and collected at the time of registration of each

1582 pickup or panel truck and each motor vehicle under subdivisions 1 through 12 of this subsection. All

1583 funds collected pursuant to this subdivision shall be paid into the state treasury and shall be set aside as

1584 a special fund to be used only for emergency medical service purposes. The moneys in the special fund

1585 shall be distributed as follows:

1586 a. Two percent shall be distributed to the State Department of Health to provide funding to the

1587 Virginia Association of Volunteer Rescue Squads to be used solely for the purpose of conducting

1588 volunteer recruitment, retention and training activities;

1589 b. Thirty percent shall be distributed to the State Department of Health to support (i) emergency

1590 medical services training programs (excluding advanced life support classes); (ii) advanced life support

1591 training; (iii) recruitment and retention programs (all funds for such support shall be used to recruit and

1592 retain volunteer emergency medical services personnel only, including public awareness campaigns,

1593 technical assistance programs, and similar activities); (iv) emergency medical services system

1594 development, initiatives, and priorities based on needs identified by the State Emergency Medical

1595 Services Advisory Board; (v) local, regional, and statewide performance contracts for emergency medical

1596 services to meet the objectives stipulated in § 32.1-111.3; (vi) technology and radio communication

1597 enhancements; and (vii) improved emergency preparedness and response. Any funds set aside for

distribution under this provision and remaining undistributed at the end of any fiscal year shall revert to the Rescue Squad Assistance Fund;

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

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

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

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

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

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

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

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

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

Registered Gross Weight	1-Year Fee	2-Year Fee	Permanent Fee
0-1,500 lbs	\$8.00 \$18.00	\$16.00 \$36.00	\$50.00 \$60.00
1,501-4,000 lbs	\$18.50 \$28.50	\$37.00 \$57.00	\$50.00 \$70.00
4,001 lbs & above	\$23.50 \$33.50	\$47.00 \$67.00	\$50.00 \$80.00

From the foregoing registration fees, the following amounts, regardless of weight category, shall be paid by the Department into the state treasury and set aside for the payment of the administrative costs of the safety inspection program provided for in Article 21 (§ 46.2-1157 et seq.) of Chapter 10 of this title: (i) from each one-year registration fee, one dollar and fifty cents; (ii) from each two-year registration fee, three dollars; and (iii) from each permanent registration fee, four dollars.

§ 46.2-697. Fees for vehicles not designed or used for transportation of passengers.

A. Except as otherwise provided in this section, the fee for registration of all motor vehicles not designed and used for the transportation of passengers shall be ~~thirteen dollars~~ \$23 plus an amount determined by the gross weight of the vehicle or combination of vehicles of which it is a part, when loaded to the maximum capacity for which it is registered and licensed, according to the schedule of fees set forth in this section. For each 1,000 pounds of gross weight, or major fraction thereof, for which any such vehicle is registered, there shall be paid to the Commissioner the fee indicated in the following schedule immediately opposite the weight group and under the classification established by the provisions of subsection B of § 46.2-711 into which such vehicle, or any combination of vehicles of which it is a part, falls when loaded to the maximum capacity for which it is registered and licensed. The fee for a pickup or panel truck shall be ~~twenty-three dollars~~ \$33 if its gross weight is 4,000 pounds or less, and ~~twenty-eight dollars~~ \$38 if its gross weight is 4,001 pounds through 6,500 pounds. The fee shall be ~~twenty-nine dollars~~ \$39 for any motor vehicle with a gross weight of 6,501 pounds through 10,000 pounds.

Gross Weight Groups (pounds)	Fee Per Thousand Pounds of Gross Weight	
	Private Carriers	For Rent or For Hire Carriers
10,001 - 11,000	\$2.60 3.17	\$4.75 5.80

1658	11,001 - 12,000	2.80 3.42	4.905.98
1659	12,001 - 13,000	3.00 3.66	5.156.28
1660	13,001 - 14,000	3.20 3.90	5.406.59
1661	14,001 - 15,000	3.40 4.15	5.656.89
1662	15,001 - 16,000	3.60 4.39	5.907.20
1663	16,001 - 17,000	4.00 4.88	6.157.50
1664	17,001 - 18,000	4.40 5.37	6.407.81
1665	18,001 - 19,000	4.80 5.86	7.509.15
1666	19,001 - 20,000	5.20 6.34	7.709.39
1667	20,001 - 21,000	5.60 6.83	7.909.64
1668	21,001 - 22,000	6.00 7.32	8.109.88
1669	22,001 - 23,000	6.40 7.81	8.3010.13
1670	23,001 - 24,000	6.80 8.30	8.5010.37
1671	24,001 - 25,000	6.90 8.42	8.7010.61
1672	25,001 - 26,000	6.95 8.48	8.9010.86
1673	26,001 - 27,000	8.25 10.07	10.3512.63
1674	27,001 - 28,000	8.30 10.13	10.5512.87
1675	28,001 - 29,000	8.35 10.18	10.7513.12
1676	29,001 - 40,000	8.45 10.31	10.9513.36
1677	40,001 - 45,000	8.55 10.43	11.1513.60
1678	45,001 - 50,000	8.75 10.68	11.2513.73
1679	50,001 - 55,000	9.25 11.29	13.2516.17
1680	55,001 - 76,000	11.25 13.73	15.2518.61
1681	76,001 - 80,000	13.25 16.17	16.2519.83

1682 For all such motor vehicles exceeding a gross weight of 6,500 pounds, an additional fee of five
 1683 dollars shall be imposed.

1684 B. In lieu of registering any motor vehicle referred to in this section for an entire licensing year, the
 1685 owner may elect to register the vehicle only for one or more quarters of a licensing year, and in such
 1686 case, the fee shall be twenty-five percent of the annual fee plus five dollars for each quarter that the
 1687 vehicle is registered.

1688 C. When an owner elects to register and license a motor vehicle under subsection B of this section,
 1689 the provisions of §§ 46.2-646 and 46.2-688 shall not apply.

1690 D. Notwithstanding any other provision of law, no vehicle designed, equipped, and used to tow
 1691 disabled or inoperable motor vehicles shall be required to register in accordance with any gross weight
 1692 other than the gross weight of the towing vehicle itself, exclusive of any vehicle being towed.

1693 E. All registrations and licenses issued for less than a full year shall expire on the date shown on the
 1694 license and registration.

1695 § 46.2-698. Fees for farm vehicles.

1696 A. The fees for registration of farm motor vehicles having gross weights of 7,500 pounds or more,
 1697 when such vehicles are used exclusively for farm use as defined in this section, shall be one-half of the
 1698 fee per 1,000 pounds of gross weight for private carriers as calculated under the provisions of
 1699 § 46.2-697 and one-half of the fee for overload permits under § 46.2-1128, but the annual registration
 1700 fee to be paid for each farm vehicle shall not be less than ~~\$15~~ \$25.

1701 B. A farm motor vehicle is used exclusively for farm use:

1702 1. When owned by a person who is engaged either as an owner, renter, or operator of a farm of a
 1703 size reasonably requiring the use of such vehicle or vehicles and when such vehicle is:

1704 a. Used in the transportation of agricultural products of the farm he is working to market, or to other
 1705 points for sale or processing, or when used to transport materials, tools, equipment, or supplies which
 1706 are to be used or consumed on the farm he is working, or when used for any other transportation
 1707 incidental to the regular operation of such farm;

1708 b. Used in transporting forest products, including forest materials originating on a farm or incident to
 1709 the regular operation of a farm, to the farm he is working or transporting for any purpose forest
 1710 products which originate on the farm he is working; or

1711 c. Used in the transportation of farm produce, supplies, equipment, or materials to a farm not worked
 1712 by him, pursuant to a mutual cooperative agreement.

1713 2. When the nonfarm use of such motor vehicle is limited to the personal use of the owner and his
 1714 immediate family in attending church or school, securing medical treatment or supplies, or securing
 1715 other household or family necessities.

1716 C. As used in this section, the term "farm" means one or more areas of land used for the production,
 1717 cultivation, growing, or harvesting of agricultural products, but does not include a tree farm that is not

also a nursery or Christmas tree farm, unless it is part of what otherwise is a farm. As used in this section, the term "agricultural products" means any nursery plants; Christmas trees; horticultural, viticultural, and other cultivated plants and crops; aquaculture; dairy; livestock; poultry; bee; or other farm products.

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

1. The location and acreage of each farm on which the vehicle to be registered is to be used;
2. The type of agricultural commodities, poultry, dairy products or livestock produced on such farms and the approximate amounts produced annually;
3. A statement, signed by the vehicle's owner, that the vehicle to be registered will only be used for one or more of the purposes specified in subsection B of this section; and
4. Other information required by the Department.

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

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

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

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

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

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

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

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

C. Specialized mobile equipment which cannot maintain a sustained highway speed in excess of 40 miles per hour, and trailers or semitrailers which are designed and manufactured for a specific purpose and whose movement on the highway is incidental to the purpose for which it was manufactured and which are not designed or used to transport persons or property, shall not be required to be registered under this chapter.

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

A. *Except as provided in subsection B, the net additional revenues generated by increases in the registration fees under §§ 46.2-694, 46.2-694.1, 46.2-697, 46.2-698, 46.2-700, and 46.2-730 pursuant to enactments of the 2007 Session of the General Assembly, shall be deposited by the Comptroller into the Highway Maintenance and Operating Fund.*

B. *In the case of vehicles registered under the International Registration Plan, an amount that is approximately equal to the net additional revenues generated by increases in the registration fees under §§ 46.2-694, 46.2-694.1, 46.2-697, 46.2-698, 46.2-700, and 46.2-730 that are in regard to such vehicles pursuant to enactments of the 2007 Session of the General Assembly shall be deposited by the Comptroller into the Highway and Maintenance Operating Fund.*

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

A. On receipt of an application, the Commissioner shall issue appropriately designed license plates to

1779 owners of antique motor vehicles and antique trailers. These license plates shall be valid so long as title
1780 to the vehicle is vested in the applicant. The fee for the registration card and license plates of any of
1781 these vehicles shall be \$10 \$20.

1782 B. On receipt of an application, the Commissioner may authorize for use on antique motor vehicles
1783 and antique trailers Virginia license plates manufactured prior to 1976 and designed for use without
1784 decals, if such license plates are embossed with or are of the same year of issue as the model year of
1785 the antique motor vehicle or antique trailer on which they are to be displayed. Original metal year tabs
1786 issued in place of license plates for years 1943 and 1953 and used with license plates issued in 1942
1787 and 1952, respectively, also may be authorized by the Commissioner for use on antique motor vehicles
1788 and antique trailers that are of the same model year as the year the metal tab was originally issued.
1789 These license plates and metal tabs shall remain valid so long as title to the vehicle is vested in the
1790 applicant. The fee for the registration card and permission to use the license plates and metal tabs on
1791 any of these vehicles shall be \$10 \$20.

1792 C. Notwithstanding the provisions of §§ 46.2-711 and 46.2-715, antique motor vehicles may display
1793 single license plates if the original manufacturer's design of the antique motor vehicles allows for the
1794 use of only single license plates or if the license plate was originally issued in one of the following
1795 years and is displayed in accordance with the provisions of subsection B of this section: 1906, 1907,
1796 1908, 1909, 1945, or 1946.

1797 D. Except as provided in subsection E of this section, motor vehicles and trailers registered with
1798 license plates issued under this section shall not be used for general transportation purposes, including,
1799 but not limited to, daily travel to and from the owner's place of employment, but shall only be used:

- 1800 1. For participation in club activities, exhibits, tours, parades, and similar events; and
1801 2. On the highways of the Commonwealth for the purpose of testing their operation, obtaining repairs
1802 or maintenance, transportation to and from events as described in subdivision 1 of this subsection, and
1803 for occasional pleasure driving not exceeding 250 miles from the residence of the owner.

1804 E. Notwithstanding the foregoing provision of this section, antique motor vehicles and antique trailers
1805 displaying license plates issued pursuant to subsections B and C of this section may be used for general
1806 transportation purposes if the following conditions are met:

- 1807 1. The physical condition of the vehicle's license plate or plates has been inspected and approved by
1808 the Department;
1809 2. The license plate or plates are registered to the specific vehicle by the Department;
1810 3. The owner of the vehicle periodically registers the vehicle with the Department and pays a
1811 registration fee for the vehicle equal to that which would be charged to obtain regular state license
1812 plates for that vehicle;
1813 4. The vehicle passes a periodic safety inspection as provided in Article 21 (§ 46.2-1157 et seq.) of
1814 Chapter 10 of this title;
1815 5. The vehicle displays current decals attached to the license plate, issued by the Department,
1816 indicating the valid registration period for the vehicle; and
1817 6. When applicable, the vehicle meets the requirement of Article 22 (§ 46.2-1176 et seq.) of Chapter
1818 10 of this title.

1819 If more than one request is made for use, as provided in this subsection, of license plates having the
1820 same number, the Department shall accept only the first such application. Only vehicles titled to the
1821 person seeking to use license plates as provided in this subsection shall be eligible to use license plates
1822 as provided in this subsection.

1823 F. Nothing in this section shall be construed as prohibiting the use of an antique motor vehicle to
1824 tow a trailer or semitrailer.

1825 § 46.2-752. Taxes and license fees imposed by counties, cities, and towns; limitations on amounts;
1826 disposition of revenues; requiring evidence of payment of personal property taxes and certain fines;
1827 prohibiting display of licenses after expiration; failure to display valid local license required by other
1828 localities; penalty.

1829 A. Except as provided in § 46.2-755, counties, cities, and towns may levy and assess taxes and
1830 charge license fees on motor vehicles, trailers, and semitrailers. However, none of these taxes and
1831 license fees shall be assessed or charged by any county on vehicles owned by residents of any town
1832 located in the county when such town constitutes a separate school district if the vehicles are already
1833 subject to town license fees and taxes, nor shall a town charge a license fee to any new resident of the
1834 town, previously a resident of a county within which all or part of the town is situated, who has
1835 previously paid a license fee for the same tax year to such county. The amount of the license fee or tax
1836 imposed by any county, city, or town on any motor vehicle, trailer, or semitrailer shall not be greater
1837 than the amount of the license tax imposed by the Commonwealth on the motor vehicle, trailer, or
1838 semitrailer. The license fees and taxes shall be imposed in such manner, on such basis, for such periods,
1839 and subject to proration for fractional periods of years, as the proper local authorities may determine.
1840 Local licenses may be issued free of charge for any or all of the following:

1. Vehicles powered by clean special fuels as defined in § 46.2-749.3, including dual-fuel and bi-fuel vehicles,

2. Vehicles owned by volunteer rescue squads,

3. Vehicles owned by volunteer fire departments,

4. Vehicles owned or leased by active members or active auxiliary members of volunteer rescue squads,

5. Vehicles owned or leased by active members or active auxiliary members of volunteer fire departments,

6. Vehicles owned or leased by auxiliary police officers,

7. Vehicles owned or leased by volunteer police chaplains,

8. Vehicles owned by surviving spouses of persons qualified to receive special license plates under § 46.2-739,

9. Vehicles owned or leased by auxiliary deputy sheriffs or volunteer deputy sheriffs,

10. Vehicles owned by persons qualified to receive special license plates under § 46.2-739,

11. Vehicles owned by any of the following who served at least 10 years in the locality: former members of volunteer rescue squads, former members of volunteer fire departments, former auxiliary police officers, former volunteer police chaplains, and former volunteer special police officers appointed under § 15.2-1737. In the case of active members of volunteer rescue squads and volunteer fire departments, applications for such licenses shall be accompanied by written evidence, in a form acceptable to the locality, of their active membership, and no member shall be issued more than one such license free of charge, or

12. All vehicles having a situs for the imposition of licensing fees under this section in the locality.

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

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

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

~~B. The~~ Except as provided in this subsection, subsection L, and § 46.2-753, all revenue derived from all county, city, or town taxes and license fees imposed on motor vehicles, trailers, or semitrailers shall be applied to general county, city, or town purposes. *However, if a county, city, or town imposes a license fee or tax pursuant to this section in excess of the maximum amount authorized as of June 30, 2007, an amount approximately equal to one-half of the revenues collected by the county, city, or town that are attributable to the increase in such fee or tax above such maximum amount shall be used by the county, city, or town solely for local or regional projects directly relating to transportation. Such transportation projects may include debt service payments on obligations and other evidences of debt issued or entered into to finance or fund transportation projects, but only for such obligations or debt that has not been authorized and is not outstanding as of June 30, 2007.*

C. A county, city, or town may require that no motor vehicle, trailer, or semitrailer shall be locally licensed until the applicant has produced satisfactory evidence that all personal property taxes on the motor vehicle, trailer, or semitrailer to be licensed have been paid and satisfactory evidence that any delinquent motor vehicle, trailer, or semitrailer personal property taxes owing have been paid which have been properly assessed or are assessable against the applicant by the county, city, or town. A county, city, or town may also provide that no motor vehicle license shall be issued unless the tangible personal property taxes properly assessed or assessable by that locality on any tangible personal property used or usable as a dwelling titled by the Department of Motor Vehicles and owned by the taxpayer have been paid. Any county and any town within any such county may by agreement require that all personal property taxes assessed by either the county or the town on any vehicle be paid before licensure of such vehicle by either the county or the town.

C1. Any county having a population of at least 24,000, but no more than 24,600, or having a population of at least 39,550, but no more than 41,550, may, by ordinance or resolution adopted after

1902 public notice and hearing and, with the consent of the treasurer, require that no license may be issued
1903 under this section unless the applicant has produced satisfactory evidence that all fees, including
1904 delinquent fees, payable to such county or local solid waste authority, for the disposal of solid waste
1905 pursuant to the Virginia Water and Waste Authorities Act (§ 15.2-5100 et seq.), or pursuant to
1906 § 15.2-2159, have been paid in full. For purposes of this subsection, all fees, including delinquent fees,
1907 payable to a county for waste disposal services described herein, shall be paid to the treasurer of such
1908 county; however, in any county with a population between 39,550 and 41,550, the fee shall be paid to
1909 the county or its agent.

1910 D. The Counties of Arlington, Fairfax, Loudoun, and Prince William and towns within them and any
1911 city may require that no motor vehicle, trailer, or semitrailer shall be licensed by that jurisdiction unless
1912 all fines owed to the jurisdiction by the owner of the vehicle, trailer, or semitrailer for violation of the
1913 jurisdiction's ordinances governing parking of vehicles have been paid. The provisions of this subsection
1914 shall not apply to vehicles owned by firms or companies in the business of renting motor vehicles.

1915 E. If in any county imposing license fees and taxes under this section, a town therein imposes like
1916 fees and taxes on vehicles of owners resident in the town, the owner of any vehicle subject to the fees
1917 or taxes shall be entitled, on the owner's displaying evidence that he has paid the fees or taxes, to
1918 receive a credit on the fees or taxes imposed by the county to the extent of the fees or taxes he has paid
1919 to the town. Nothing in this section shall deprive any town now imposing these licenses and taxes from
1920 increasing them or deprive any town not now imposing them from hereafter doing so, but subject to the
1921 limitations provided in subsection D of this section. The governing body of any county and the
1922 governing body of any town in that county wherein each imposes the license tax herein provided may
1923 provide mutual agreements so that not more than one license plate or decal in addition to the state plate
1924 shall be required.

1925 F. Notwithstanding the provisions of subsection E of this section, in a consolidated county wherein a
1926 tier-city exists, the tier-city may, in accordance with the provisions of the agreement or plan of
1927 consolidation, impose license fees and taxes under this section in addition to those fees and taxes
1928 imposed by the county, provided that the combined county and tier-city rates do not exceed the
1929 maximum provided in subsection A of this section. No credit shall be allowed on the fees or taxes
1930 imposed by the county for fees or taxes paid to the tier-city, except as may be provided by the
1931 consolidation agreement or plan. The governing body of any county and the governing body of any
1932 tier-city in such county wherein each imposes the license tax herein may provide by mutual agreement
1933 that no more than one license plate or decal in addition to the state license plate shall be required.

1934 G. Any county, city, or town may by ordinance provide that it shall be unlawful for any owner or
1935 operator of a motor vehicle, trailer, or semitrailer (i) to fail to obtain and, if any required by such
1936 ordinance, to display the local license required by any ordinance of the county, city or town in which
1937 the vehicle is registered, or (ii) to display upon a motor vehicle, trailer, or semitrailer any such local
1938 license, required by ordinance to be displayed, after its expiration date. The ordinance may provide that
1939 a violation shall constitute a misdemeanor the penalty for which shall not exceed that of a Class 4
1940 misdemeanor and may, in the case of a motor vehicle registered to a resident of the locality where such
1941 vehicle is registered, authorize the issuance by local law-enforcement officers of citations, summonses,
1942 parking tickets, or uniform traffic summonses for violations. Any such ordinance may also provide that
1943 a violation of the ordinance by the registered owner of the vehicle may not be discharged by payment of
1944 a fine except upon presentation of satisfactory evidence that the required license has been obtained.
1945 Nothing in this section shall be construed to require a county, city, or town to issue a decal or any other
1946 tangible evidence of a local license to be displayed on the licensed vehicle if the county's, city's, or
1947 town's ordinance does not require display of a decal or other evidence of payment.

1948 H. Except as provided by subsections E and F, no vehicle shall be subject to taxation under the
1949 provisions of this section in more than one jurisdiction.

1950 I. Purchasers of new or used motor vehicles shall be allowed at least a 10-day grace period,
1951 beginning with the date of purchase, during which to pay license fees charged by local governments
1952 under authority of this section.

1953 J. Beginning October 1, 1992, the treasurer or director of finance of any county, city, or town may
1954 enter into an agreement with the Commissioner whereby the Commissioner will refuse to issue or renew
1955 any vehicle registration of any applicant therefor who owes to such county, city or town any local
1956 vehicle license fees or delinquent tangible personal property tax or parking citations issued only to
1957 residents of such county, city, or town. Before being issued any vehicle registration or renewal of such
1958 license or registration by the Commissioner, the applicant shall first satisfy all such local vehicle license
1959 fees and delinquent taxes or parking citations and present evidence satisfactory to the Commissioner that
1960 all such local vehicle license fees and delinquent taxes or parking citations have been paid in full. The
1961 Commissioner shall charge a reasonable fee to cover the costs of such enforcement action, and the
1962 treasurer or director of finance may add the cost of this fee to the delinquent tax bill or the amount of
1963 the parking citation. The treasurer or director of finance of any county, city, or town seeking to collect

delinquent taxes or parking citations through the withholding of registration or renewal thereof by the Commissioner as provided for in this subsection shall notify the Commissioner in the manner provided for in his agreement with the Commissioner and supply to the Commissioner information necessary to identify the debtor whose registration or renewal is to be denied. Any agreement entered into pursuant to the provisions of this subsection shall provide the debtor notice of the intent to deny renewal of registration at least 30 days prior to the expiration date of a current vehicle registration. For the purposes of this subsection, notice by first-class mail to the registrant's address as maintained in the records of the Department of Motor Vehicles shall be deemed sufficient. In the case of parking violations, the Commissioner shall only refuse to issue or renew the vehicle registration of any applicant therefor pursuant to this subsection for the vehicle that incurred the parking violations. The provisions of this subsection shall not apply to vehicles owned by firms or companies in the business of renting motor vehicles.

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

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

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

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

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

Any funds acquired in excess of those allowed by § 46.2-752, shall be allocated to the Northern Virginia Transportation Commission to be a credit to that jurisdiction making the payment for its share of any operating deficit assigned to it by the Washington Metropolitan Area Transit Authority. *However, if any of such counties or cities charge a license fee pursuant to this section in excess of the maximum amount authorized as of June 30, 2007, an amount approximately equal to one-half of the revenues collected by the county or city that are attributable to the increase in such license fee above such maximum amount shall be used by the county or city solely for local or regional projects directly relating to transportation. Such transportation projects may include debt service payments on obligations and other evidences of debt issued or entered into to finance or fund transportation projects, but only for such obligations or debt that has not been authorized and is not outstanding as of June 30,*

2007.

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

A. 1. In addition to taxes and license fees imposed pursuant to § 46.2-752 and to all other taxes and fees permitted by law, beginning January 1, 2008, the governing body of each of the Counties of Isle of Wight, James City, and York and the Cities of Chesapeake, Hampton, Newport News, Norfolk, Portsmouth, Suffolk, Virginia Beach, and Williamsburg may by ordinance charge an additional annual license fee in the amount of \$10 for each vehicle registered in the county or city that is subject to state registration fees under this title to be imposed at the time the vehicle is registered with the Department or when its registration is renewed, provided that the governing body authorizes the Commissioner to transfer the revenues collected to the Hampton Roads Transportation Authority established under § 33.1-391.7 to be used for the purposes set forth in § 33.1-391.16. Such additional license fees shall not, however, be charged for any vehicle registered under the International Registration Plan developed by International Registration Plan, Inc.

2. At such time as the Chesapeake Bay Bridge-Tunnel becomes subject to the control of the Hampton Roads Transportation Authority as provided in § 33.1-391.12, the governing body of each of the Counties of Accomack and Northampton may by ordinance impose the additional annual license fee of \$10 for each vehicle registered in the county that is subject to state registration fees under this title to be imposed at the time the vehicle is registered with the Department or when its registration is renewed, provided that the governing body authorizes the Commissioner to transfer the revenues collected to the Hampton Roads Transportation Authority established under § 33.1-391.7 to be used for the purposes set forth in § 33.1-391.16. Such additional license fees shall not, however, be charged for any vehicle registered under the International Registration Plan developed by International Registration Plan, Inc.

3. Any and all fees imposed pursuant to this subsection shall be collected by the Department of Motor Vehicles at the time the vehicle is registered with the Department or when its registration is renewed. Each fee shall be denominated by the Department as the "Hampton Roads Improvement Fee." All such fees shall be remitted by the Comptroller on a monthly basis to the Hampton Roads Transportation Authority to be used for the purposes set forth in § 33.1-391.16. The Commissioner shall maintain records of the fee imposed and collected and the locality and address where each vehicle is registered.

B. 1. For each county or city that is authorized to impose the additional annual license fee under subdivision A 1, but that is not imposing such fee as of April 1, 2008, or at any time subsequent to such date, then, at such time or times the county or city is not imposing the additional, annual license fee, there is hereby levied and imposed an annual license fee in the amount of \$10 for each vehicle registered in the county or city that is subject to state registration fees under this title to be imposed at the time the vehicle is registered with the Department or when its registration is renewed. Such additional license fees shall not, however, be charged for any vehicle registered under the International Registration Plan developed by International Registration Plan, Inc.

2. If the governing body of the County of Accomack or the County of Northampton is not imposing the additional annual license fee under subdivision A 2 as of the first day of the sixth month following the date the county was first authorized to impose such fee, or is not imposing such additional fee at any time subsequent to the first day of the sixth month following such initial authorization, then, at such time or times the respective county is not imposing the additional annual license fee, there is hereby levied and imposed an additional license fee in the amount of \$10 for each vehicle registered in the respective county that is subject to state registration fees under this title to be imposed at the time the vehicle is registered with the Department or when its registration is renewed. Such additional license fees shall not, however, be charged for any vehicle registered under the International Registration Plan developed by International Registration Plan, Inc.

3. The additional annual license fee imposed under this subsection shall be collected by the Department of Motor Vehicles. Except as provided in this subsection, the fee shall otherwise be imposed, administered, and collected under the same terms and conditions as set forth for the fee in subsection A. All revenues collected pursuant to this subsection shall be deposited by the Comptroller in the Hampton Roads Transportation Authority Revenues Fund established under § 33.1-391.18.

4. The fee pursuant to subsection A shall not be imposed in any county or city for which the fee under this subsection is being imposed.

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

A. In addition to taxes and license fees imposed pursuant to § 46.2-752 and to all other taxes and fees permitted by law, beginning January 1, 2008, the governing body of each of the Counties of Accomack, Isle of Wight, James City, Northampton, and York and the Cities of Chesapeake, Hampton, Newport News, Norfolk, Portsmouth, Suffolk, Virginia Beach, and Williamsburg may by ordinance charge an additional initial, one-time license fee on all vehicles for which the locality is authorized to collect an annual license fee, at the rate of 1% of the retail value of the vehicle according to the National Automobile Dealers Association at the time the vehicle is first registered in the locality by the

owner of the vehicle or in the name of the owner of the vehicle.

B. If the model and year of an individual vehicle is not listed by the National Automobile Dealers Association, the retail value of an individual vehicle may be determined on the basis of the original cost, without any allowance or deduction for trade-ins, prior rental, or any other transaction of like nature, or using such publications, sources or information, and other data as are customarily employed in ascertaining the retail value of such vehicle.

C. The license fee shall not be imposed for any vehicle owned by a demolisher, rebuilder, salvage dealer, salvage pool, scrap metal processor, or vehicle removal operator, as such terms are defined in § 46.2-1600, provided that such vehicle is acquired by such person for (i) demolition or salvage; (ii) repairing into a rebuilt or repaired vehicle as such terms are defined in § 46.2-1600; or (iii) resale to a demolisher, scrap metal processor, or salvage dealer as such terms are defined in § 46.2-1600.

D. License fees authorized by this section shall be imposed only once, so long as the ownership of the vehicle upon which they are imposed remains unchanged, regardless of whether the fee has been collected by another locality. In addition, no such license fee shall be imposed under this section on any vehicle that was registered in a county or city of the Commonwealth immediately prior to the registration of such vehicle in another county or city of the Commonwealth, so long as the ownership of the vehicle remains unchanged.

E. All such additional license fees shall be paid to and collected by the Department of Motor Vehicles or its agent. All fees collected in a particular month shall be remitted by the Department or its agent to the appropriate county or city imposing the fee no later than the fifteenth of the immediately following month. The fee shall be paid and collected at the time of initial registration, including at the time of the sale of any vehicle.

F. Any county or city imposing the fee under this section shall use all revenues from the fee solely for local or regional projects directly relating to transportation. Such transportation projects may include debt service payments on obligations and other evidences of debt issued or entered into to finance or fund transportation projects, but only for such obligations or debt that has not been authorized and is not outstanding as of July 1, 2007.

§ 46.2-755.3. Additional initial license fees in certain Northern Virginia localities.

A. In addition to taxes and license fees imposed pursuant to § 46.2-752 and to all other taxes and fees permitted by law, the governing body of each county or city that is included in the Northern Virginia Transportation Authority established pursuant to § 15.2-4830 may by ordinance charge an additional initial, one-time license fee on all vehicles for which the locality is authorized to collect an annual license fee, at the rate of 1% of the retail value of the vehicle according to the National Automobile Dealers Association at the time the vehicle is first registered in the locality by the owner of the vehicle or in the name of the owner of the vehicle, provided that the governing body authorizes the Commissioner to transfer the revenues collected to the Northern Virginia Transportation Authority established under § 15.2-4830 to be used for the purposes set forth in § 15.2-4838.1. If the model and year of an individual vehicle is not listed by the National Automobile Dealers Association, the retail value of an individual vehicle may be determined on the basis of the original cost, without any allowance or deduction for trade-ins, prior rental, or any other transaction of like nature, or using such publications, sources or information, and other data as are customarily employed in ascertaining the retail value of such vehicle. License fees authorized by this section shall be imposed only once, so long as the ownership of the vehicle upon which they are imposed remains unchanged, regardless of whether the fee has been collected by another locality. In addition, no such license fee shall be imposed under this section on any vehicle that was registered in a county or city of the Commonwealth immediately prior to the registration of such vehicle in another county or city of the Commonwealth, so long as the ownership of the vehicle remains unchanged.

B. The license fee shall not be imposed for any vehicle owned by a demolisher, rebuilder, salvage dealer, salvage pool, scrap metal processor, or vehicle removal operator, as such terms are defined in § 46.2-1600, provided that such vehicle is acquired by such person for (i) demolition or salvage; (ii) repairing into a rebuilt or repaired vehicle as such terms are defined in § 46.2-1600; or (iii) resale to a demolisher, scrap metal processor, or salvage dealer as such terms are defined in § 46.2-1600.

C. All such additional license fees shall be paid to and collected by the Department of Motor Vehicles or its agent. The fee shall be paid and collected at the time of initial registration, including at the time of the sale of any vehicle.

D. Any and all fees collected by the Department of Motor Vehicles or its agent under this section shall be remitted on a monthly basis to the Northern Virginia Transportation Authority established under § 15.2-4830 to be used for the purposes set forth in § 15.2-4838.1. The Commissioner shall maintain records of the fee imposed and collected and the locality and address where each vehicle is registered.

E. No locality imposing the local retail sales tax pursuant to this section shall cease to impose such

2148 tax so long as the Northern Virginia Transportation Authority (i) is currently engaged in a
 2149 transportation project within the boundaries of the locality, or that benefits the locality, (ii) has entered
 2150 into a binding commitment to begin a transportation project within the boundaries of the locality, or
 2151 that benefits the locality, or (iii) has issued bonds or incurred other evidence of debt that has not been
 2152 satisfied or paid in full and that relates to a transportation project undertaken by the Authority within
 2153 the boundaries of the locality, or that benefits the locality.

2154 § 46.2-755.4. Additional statewide initial license fee.

2155 A. In addition to taxes and license fees imposed pursuant to this article and under law, there is
 2156 hereby imposed an initial, one-time \$150 fee at the time a motor vehicle is first registered in the
 2157 Commonwealth or in the name of the owner of the vehicle.

2158 B. The license fee shall not be imposed for any vehicle owned by a demolisher, rebuilder, salvage
 2159 dealer, salvage pool, scrap metal processor, or vehicle remover operator, as such terms are defined in
 2160 § 46.2-1600, provided that such vehicle is acquired by such person for (i) demolition or salvage; (ii)
 2161 repairing into a rebuilt or repaired vehicle as such terms are defined in § 46.2-1600; or (iii) resale to a
 2162 demolisher, scrap metal processor, or salvage dealer as such terms are defined in § 46.2-1600.

2163 C. The license fee shall be paid to and collected by the Department of Motor Vehicles or its agent.
 2164 The fee shall be paid and collected at the time of initial registration, including at the time of the sale of
 2165 any vehicle.

2166 D. Any and all fees collected by the Department of Motor Vehicles or its agent under this section
 2167 shall be deposited by the Comptroller in the Highway Maintenance and Operating Fund.

2168 § 46.2-1135. Liquidated damages for violation of weight limits.

2169 A. Any person violating any weight limit as provided in this chapter or in any permit issued pursuant
 2170 to Article 18 (§ 46.2-1139 et seq.) of this chapter by the Department or its designee or by local
 2171 authorities pursuant to this chapter shall be assessed liquidated damages. The amount of those damages
 2172 shall be:

2173	Excess weight over	
2174	the prescribed	
2175	or permitted	Assessed
2176	axle weight	amount per
2177	limits	pound

2178 ~~4,000 pounds or less — 1 cent per pound —~~

2179 ~~4,001 to 8,000 pounds — 10 cents per pound~~

2180 ~~8,001 to 12,000 pounds — 20 cents per pound~~

2181 ~~12,001 pounds or more — 30 cents per pound~~

2182 2,000 pounds or less 5 cents per pound

2183 2,001 to 4,000 pounds 10 cents per pound

2184 4,001 to 8,000 pounds 15 cents per pound

2185 8,001 to 12,000 pounds 25 cents per pound

2186 12,001 pounds or more 35 cents per pound

2187	Excess weight over	Assessed
2188	the prescribed	amount per
2189	gross weight	pound
2190	limit	

2191

2192 ~~4,000 pounds or less — 1 cent per pound —~~

2193 ~~4,001 to 8,000 pounds — 5 cents per pound~~

2194 ~~8,001 to 12,000 pounds — 10 cents per pound~~

2195 ~~12,001 pounds or more — 15 cents per pound~~

2196 2,000 pounds or less 5 cents per pound

2197 2,001 to 4,000 pounds 10 cents per pound

2198 4,001 to 8,000 pounds 15 cents per pound

2199 8,001 to 12,000 pounds 20 cents per pound

2200 All gross permit violations shall be assessed \$.20 per pound over the permitted weight limit.

2201 In addition to all damages assessed herein, for every violation of any weight limit as provided in this
 2202 chapter or in any permit issued pursuant to Article 18 (§ 46.2-1139 et seq.) of this chapter, there shall
 2203 be assessed additional liquidated damages of \$20.

2204 If a person has no prior violations under the motor vehicle weight laws, and the excess weight does
 2205 not exceed 2,500/1,500 pounds, the general district court may waive the liquidated damages against such
 2206 person. Except as provided by § 46.2-1138, such assessment shall be entered by the court or by the

2207 Department as a judgment for the Commonwealth, the entry of which shall constitute a lien upon the
 2208 overweight vehicle. Except as provided by § 46.2-1138, such sums shall be paid to the Department or
 2209 collected by the attorney for the Commonwealth and forwarded to the State Treasurer and allocated to
 2210 the fund appropriated for the construction and maintenance of state highways.

2211 B. If the gross weight of the vehicle exceeds lawful limits by at least 25 percent but no more than
 2212 50 percent, the amount of the liquidated damages shall be two times the amount provided for in the
 2213 foregoing provisions of this section; if the gross weight of the vehicle exceeds lawful limits by more
 2214 than 50 percent, the amount of the liquidated damages shall be three times the amount provided for in
 2215 the foregoing provisions of this section. The provisions of this subsection shall not apply to pickup or
 2216 panel trucks.

2217 C. *The increases in the liquidated damages under subsection A pursuant to enactments of the 2007*
 2218 *Session of the General Assembly shall not be applicable to any motor vehicle hauling forest products*
 2219 *from the place where such products are first produced, cut, harvested, or felled to the location where*
 2220 *they are first processed. The amount of liquidated damages assessed against such motor vehicles shall*
 2221 *be:*

2222		
2223	Excess weight over	
2224	the prescribed or	Assessed
2225	permitted axle	amount per
2226	weight limits	pound
2227		
2228		
2229	4,000 pounds or less	1 cent per pound
2230	4,001 to 8,000 pounds	10 cents per pound
2231	8,001 to 12,000 pounds	20 cents per pound
2232	12,001 pounds or more	30 cents per pound

2233		
2234		
2235	Excess weight over	Assessed
2236	the prescribed gross	amount per
2237	weight limit	pound
2238		
2239		
2240	4,000 pounds or less	1 cent per pound
2241	4,001 to 8,000 pounds	5 cents per pound
2242	8,001 to 12,000 pounds	10 cents per pound
2243	12,001 pounds or more	15 cents per pound

2244
 2245
 2246 D. Notwithstanding any other provision in this section, except as provided by § 46.2-1138, one-third
 2247 of the revenues generated by the liquidated damages assessed under this section paid to the Department,
 2248 or collected by the attorney for the Commonwealth and forwarded to the State Treasurer, shall be
 2249 deposited into the Highway Maintenance and Operating Fund. For the revenues paid to the Department,
 2250 the Commissioner of the Department shall make such written certifications as are necessary for the
 2251 Comptroller to make the required deposit into the Highway Maintenance and Operating Fund as soon
 2252 as practicable.

2253 § 46.2-1167.1. Additional fee permitted in certain counties and cities.

2254 A. 1. In addition to all other charges and fees permitted by law, beginning January 1, 2008, the
 2255 governing body of each of the Counties of Isle of Wight, James City, and York and the Cities of
 2256 Chesapeake, Hampton, Newport News, Norfolk, Portsmouth, Suffolk, Virginia Beach, and Williamsburg
 2257 may by ordinance charge an additional fee at the time of inspection in the amount of \$10 for all
 2258 vehicles for which an amount is permitted to be charged for inspection pursuant to § 46.2-1167,
 2259 providing that the governing body authorizes the transfer of the revenues collected to the Hampton
 2260 Roads Transportation Authority established under § 33.1-391.7 to be used for the purposes set forth in
 2261 § 33.1-391.16.

2262 2. At such time as the Chesapeake Bay Bridge-Tunnel becomes subject to the control of the Hampton
 2263 Roads Transportation Authority as provided in § 33.1-391.12, the governing body of each of the
 2264 Counties of Accomack and Northampton may by ordinance impose the additional \$10 fee at the time of
 2265 inspection of such vehicles, provided that the governing body authorizes the transfer of the revenues

2266 collected from such fee to the Hampton Roads Transportation Authority established under § 33.1-391.7
2267 to be used for the purposes set forth in § 33.1-391.16.

2268 3. Any and all fees imposed pursuant to this subsection shall be collected by the official safety
2269 inspection station at the time of inspection and shall be remitted on a monthly basis to the appropriate
2270 county or city. All fees collected in a particular month shall be remitted by the official safety inspection
2271 station to the appropriate county or city no later than the fifteenth of the immediately following month.
2272 The official safety inspection station shall maintain records of the fees imposed and collected.

2273 4. The governing body of any county or city imposing the fee pursuant to this subsection shall pay
2274 the revenues collected from such fee to the Hampton Roads Transportation Authority as soon as
2275 practicable.

2276 B. 1. For each county or city that is authorized to impose the additional \$10 fee at the time of
2277 inspection for certain vehicles under subdivision A 1, but that is not imposing such fee as of April 1,
2278 2008, or at any time subsequent to such date, then, at such time or times the county or city is not
2279 imposing the additional \$10 fee, there is hereby levied and imposed in the county or city an additional
2280 fee at the time of inspection in the amount of \$10 for all vehicles for which an amount is permitted to
2281 be charged for inspection pursuant to § 46.2-1167.

2282 2. If the governing body of the County of Accomack or the County of Northampton is not imposing
2283 the additional \$10 fee at the time of inspection for certain vehicles under subdivision A 2 as of the first
2284 day of the sixth month following the date the county was first authorized to impose such fee, or is not
2285 imposing such additional fee at any time subsequent to the first day of the sixth month following such
2286 initial authorization, then, at such time or times the respective county is not imposing the additional \$10
2287 fee at the time of inspection, there is hereby levied and imposed in the respective county an additional
2288 fee at the time of inspection in the amount of \$10 for all vehicles for which an amount is permitted to
2289 be charged for inspection pursuant to § 46.2-1167.

2290 3. The additional \$10 fee at the time of inspection imposed under this subsection shall be collected
2291 by the official safety inspection station at the time of inspection and shall be remitted on a monthly
2292 basis to the Commissioner of the Department of Motor Vehicles. The official safety inspection station
2293 shall maintain records of the fees imposed and collected.

2294 Except as provided in this subsection, the fee shall otherwise be imposed, administered, and collected
2295 under the same terms and conditions as set forth for the fee in subsection A. All revenues collected
2296 pursuant to this subsection shall be deposited by the Comptroller in the Hampton Roads Transportation
2297 Authority Revenues Fund established under § 33.1-391.18.

2298 4. The fee pursuant to subsection A shall not be imposed in any county or city for which the fee
2299 under this subsection is being imposed.

2300 § 58.1-540. Levy of the tax.

2301 A. Any county having a population of more than 500,000, as determined by the 1980 U. S. Census,
2302 any county or city adjacent thereto, and any city contiguous to such an adjacent county or city, or any
2303 city with a population of at least 265,000, is hereby authorized to levy a local income tax at any
2304 increment of one-quarter percent up to a maximum rate of one percent upon the Virginia taxable income
2305 as determined in § 58.1-322 for an individual, § 58.1-361 for a fiduciary of an estate or trust, or
2306 § 58.1-402 for a corporation, for each taxable year of every resident of such county or city or
2307 corporation having income from sources within such county or city, subject to the limitations of
2308 subsection B of this section. The same rate shall apply to individuals, fiduciaries and corporations.

2309 B. The authority to levy a local income tax as provided in subsection A may be exercised by a
2310 county or city governing body only if (i) the county or city is not imposing any of the taxes and fees
2311 authorized, or such taxes and fees are not being imposed, under § 46.2-332.1, § 46.2-755.1,
2312 § 46.2-755.3, § 46.2-1167.1, subsection K of § 58.1-605, § 58.1-605.1, § 58.1-605.2, subsection H of
2313 § 58.1-606, § 58.1-606.1, § 58.1-606.2, § 58.1-802.1, § 58.1-2402.1, § 58.1-2402.2, § 58.1-3221.2, or
2314 § 58.1-3825.1, and (ii) approved in a referendum within the county or city. The referendum shall be
2315 held in accordance with § 24.2-684. The referendum may be initiated either by a resolution of the
2316 governing body of the county or city or on the filing of a petition signed by a number of registered
2317 voters of the county or city equal in number to ten percent of the number of voters registered in the
2318 county or city on January 1 of the year in which the petition is filed with the circuit court of such
2319 county or city. The clerk of the circuit court shall publish notice of the election in a newspaper of
2320 general circulation in the county or city once a week for three consecutive weeks prior to the election.
2321 The ballot used shall be printed to read as follows:

2322 "Shall the governing body of (...name of county or city...) have the authority to levy a local income
2323 tax of up to one percent for transportation purposes in accordance with § 58.1-540 of the Code of
2324 Virginia?

2325 _ Yes

2326 _ No"

2327 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.

§ 58.1-605. To what extent and under what conditions cities and counties may levy local sales taxes; collection thereof by Commonwealth and return of revenue to each city or county entitled thereto.

A. No county, city or town shall impose any local general sales or use tax or any local general retail sales or use tax except as authorized by this section.

B. The council of any city and the governing body of any county may levy a general retail sales tax at the rate of one percent to provide revenue for the general fund of such city or county. Such tax shall be added to the rate of the state sales tax imposed by §§ 58.1-603 and 58.1-604 and shall be subject to all the provisions of this chapter and the rules and regulations published with respect thereto. No discount under § 58.1-622 shall be allowed on a local sales tax.

C. The council of any city and the governing body of any county desiring to impose a local sales tax under this section may do so by the adoption of an ordinance stating its purpose and referring to this section, and providing that such ordinance shall be effective on the first day of a month at least 60 days after its adoption. A certified copy of such ordinance shall be forwarded to the Tax Commissioner so that it will be received within five days after its adoption.

D. Any local sales tax levied under this section shall be administered and collected by the Tax Commissioner in the same manner and subject to the same penalties as provided for the state sales tax.

E. All local sales tax moneys collected by the Tax Commissioner under this section shall be paid into the state treasury to the credit of a special fund which is hereby created on the Comptroller's books under the name "Collections of Local Sales Taxes." Such local sales tax moneys shall be credited to the account of each particular city or county levying a local sales tax under this section. The basis of such credit shall be the city or county in which the sales were made as shown by the records of the Department and certified by it monthly to the Comptroller, namely, the city or county of location of each place of business of every dealer paying the tax to the Commonwealth without regard to the city or county of possible use by the purchasers. If a dealer has any place of business located in more than one political subdivision by reason of the boundary line or lines passing through such place of business, the amount of sales tax paid by such a dealer with respect to such place of business shall be treated for the purposes of this section as follows: one-half shall be assignable to each political subdivision where two are involved, one-third where three are involved, and one-fourth where four are involved.

F. As soon as practicable after the local sales tax moneys have been paid into the state treasury in any month for the preceding month, the Comptroller shall draw his warrant on the Treasurer of Virginia in the proper amount in favor of each city or county entitled to the monthly return of its local sales tax moneys, and such payments shall be charged to the account of each such city or county under the special fund created by this section. If errors are made in any such payment, or adjustments are otherwise necessary, whether attributable to refunds to taxpayers, or to some other fact, the errors shall be corrected and adjustments made in the payments for the next six months as follows: one-sixth of the total adjustment shall be included in the payments for the next six months. In addition, the payment shall include a refund of amounts erroneously not paid to the city or county and not previously refunded during the three years preceding the discovery of the error. A correction and adjustment in payments described in this subsection due to the misallocation of funds by the dealer shall be made within three years of the date of the payment error.

G. Such payments to counties are subject to the qualification that in any county wherein is situated any incorporated town constituting a special school district and operated as a separate school district under a town school board of three members appointed by the town council, the county treasurer shall pay into the town treasury for general governmental purposes the proper proportionate amount received by him in the ratio that the school age population of such town bears to the school age population of the entire county. If the school age population of any town constituting a separate school district is increased by the annexation of territory since the last preceding school age population census, such increase shall, for the purposes of this section, be added to the school age population of such town as shown by the last such census and a proper reduction made in the school age population of the county or counties from which the annexed territory was acquired.

H. One-half of such payments to counties are subject to the further qualification, other than as set out in subsection G above, that in any county wherein is situated any incorporated town not constituting a separate special school district which has complied with its charter provisions providing for the election of its council and mayor for a period of at least four years immediately prior to the adoption of the sales tax ordinance, the county treasurer shall pay into the town treasury of each such town for

2389 general governmental purposes the proper proportionate amount received by him in the ratio that the
2390 school age population of each such town bears to the school age population of the entire county, based
2391 on the latest statewide school census. The preceding requirement pertaining to the time interval between
2392 compliance with election provisions and adoption of the sales tax ordinance shall not apply to a tier-city.
2393 If the school age population of any such town not constituting a separate special school district is
2394 increased by the annexation of territory or otherwise since the last preceding school age population
2395 census, such increase shall, for the purposes of this section, be added to the school age population of
2396 such town as shown by the last such census and a proper reduction made in the school age population
2397 of the county or counties from which the annexed territory was acquired.

2398 I. Notwithstanding the provisions of subsection H, the board of supervisors of a county may, in its
2399 discretion, appropriate funds to any incorporated town not constituting a separate school district within
2400 such county which has not complied with the provisions of its charter relating to the elections of its
2401 council and mayor, an amount not to exceed the amount it would have received from the tax imposed
2402 by this chapter if such election had been held.

2403 J. It is further provided that if any incorporated town which would otherwise be eligible to receive
2404 funds from the county treasurer under subsection G or H of this section be located in a county which
2405 does not levy a general retail sales tax under the provisions of this law, such town may levy a general
2406 retail sales tax at the rate of one percent to provide revenue for the general fund of the town, subject to
2407 all the provisions of this section generally applicable to cities and counties. Any tax levied under the
2408 authority of this subsection shall in no case continue to be levied on or after the effective date of a
2409 county ordinance imposing a general retail sales tax in the county within which such town is located.

2410 K. 1. Notwithstanding the other provisions of this chapter, beginning January 1, 2008, the governing
2411 body of each of the Counties of Isle of Wight, James City, and York and the Cities of Chesapeake,
2412 Hampton, Newport News, Norfolk, Portsmouth, Suffolk, Virginia Beach, and Williamsburg may, by
2413 ordinance, impose a retail sales tax at the rate of 5% on (i) charges for separately stated labor or
2414 services in the repair of motor vehicles, and (ii) charges for the repair of a motor vehicle in cases in
2415 which the true object of the repair is a service, provided that the governing body of the locality
2416 authorizes the Tax Commissioner to transfer the revenues collected from such tax to the Hampton Roads
2417 Transportation Authority established under § 33.1-391.7 to be used for the purposes set forth in
2418 § 33.1-391.16.

2419 2. At such time as the Chesapeake Bay Bridge-Tunnel becomes subject to the control of the Hampton
2420 Roads Transportation Authority as provided in § 33.1-391.12, the governing body of each of the
2421 Counties of Accomack and Northampton may by ordinance impose the tax described under subdivision
2422 1, provided that the governing body of the respective county authorizes the Tax Commissioner to
2423 transfer the revenues collected from such tax to the Hampton Roads Transportation Authority
2424 established under § 33.1-391.7 to be used for the purposes set forth in § 33.1-391.16.

2425 3. The revenue generated and collected pursuant to the tax authorized under this subsection, less the
2426 applicable portion of any refunds to taxpayers, shall be deposited and held in a special trust fund under
2427 the control of the State Treasurer entitled "Special Sales and Use Tax Motor Vehicle Repair Fund." The
2428 State Treasurer on a monthly basis shall distribute the amounts deposited in the special trust fund to the
2429 Hampton Roads Transportation Authority.

2430 4. No discount under § 58.1-622 shall be allowed for the tax described under this subsection. Except
2431 as otherwise provided herein, the tax under this subsection shall be administered and collected in the
2432 same manner and subject to the same penalties as provided for the local retail sales tax.

2433 § 58.1-605.1. Additional sales tax in certain counties and cities in Hampton Roads.

2434 1. For each county or city that is authorized to impose the additional sales tax under subdivision K
2435 1 of § 58.1-605, but that is not imposing such tax as of April 1, 2008, or at any time subsequent to such
2436 date, then, at such time or times the county or city is not imposing such tax, there is hereby levied and
2437 imposed in the county or city a retail sales tax at the rate of 5% on (i) charges for separately stated
2438 labor or services in the repair of motor vehicles, and (ii) charges for the repair of a motor vehicle in
2439 cases in which the true object of the repair is a service.

2440 2. If the governing body of the County of Accomack or the County of Northampton is not imposing
2441 the additional sales tax under subdivision K 2 of § 58.1-605 as of the first day of the sixth month
2442 following the date the county was first authorized to impose such tax, or is not imposing such additional
2443 tax at any time subsequent to the first day of the sixth month following such initial authorization, then,
2444 at such time or times the respective county is not imposing the additional tax, there is hereby levied and
2445 imposed in the respective county a retail sales tax at the rate of 5% on (i) charges for separately stated
2446 labor or services for the repair of motor vehicles, and (ii) charges for the repair of a motor vehicle in
2447 cases in which the true object of the repair is a service.

2448 3. No discount under § 58.1-622 shall be allowed for the tax described under this section. Except as
2449 otherwise provided herein, the tax under this section shall be administered and collected in the same
2450 manner and subject to the same penalties as provided for the state retail sales tax.

2451 4. The tax pursuant to subsection K of § 58.1-605 shall not be imposed in any county or city for
2452 which the tax under this section is being imposed.

2453 § 58.1-605.2. Additional local sales tax in Northern Virginia.

2454 A. In addition to any other taxes, fees, or other charges imposed under law, the governing body of
2455 each of the Counties of Arlington, Fairfax, Loudoun, and Prince William and the Cities of Alexandria,
2456 Fairfax, Falls Church, Manassas, and Manassas Park may by ordinance levy a local retail sales tax at
2457 the rate of 0.50% to generate revenue for transportation, provided that the governing body of the county
2458 or city authorizes the Tax Commissioner to transfer the revenues collected from such tax to the
2459 Northern Virginia Transportation Authority established under § 15.2-4830.

2460 B. Such tax shall not be levied upon food purchased for human consumption as defined in
2461 § 58.1-611.1. Such tax shall be added to the rate of the local sales tax imposed pursuant to the
2462 authority granted under § 58.1-605 and shall be subject to all the provisions of this chapter and the
2463 rules and regulations published with respect thereto. No discount under § 58.1-622 shall be allowed for
2464 the tax described under this section. Such tax shall be administered and collected by the Tax
2465 Commissioner in the same manner and subject to the same penalties as provided for the state sales tax.

2466 C. Any ordinance imposing the local retail sales tax authorized under this section shall be effective
2467 on the first day of the first month that is at least 60 days subsequent to the adoption of the ordinance. A
2468 certified copy of such ordinance shall be forwarded to the Tax Commissioner so that it will be received
2469 within 10 days after its adoption.

2470 D. The revenue generated and collected pursuant to the tax authorized under this section, less the
2471 applicable portion of any refunds to taxpayers, shall be deposited and held in a special trust fund under
2472 the control of the State Treasurer entitled "Special Sales and Use Tax Fund Account of the Northern
2473 Virginia Transportation Authority." The State Treasurer shall distribute on a monthly basis the amounts
2474 deposited into the special trust fund to the Northern Virginia Transportation Authority. The Authority
2475 shall use such revenues for the purposes as set forth in § 15.2-4838.1.

2476 E. No locality imposing the local retail sales tax pursuant to this section shall cease to impose such
2477 tax so long as the Northern Virginia Transportation Authority (i) is currently engaged in a
2478 transportation project within the boundaries of the locality, or that benefits the locality, (ii) has entered
2479 into a binding commitment to begin a transportation project within the boundaries of the locality, or
2480 that benefits the locality, or (iii) has issued bonds or incurred other evidence of debt that has not been
2481 satisfied or paid in full and that relates to a transportation project undertaken by the Authority within
2482 the boundaries of the locality, or that benefits the locality.

2483 § 58.1-605.3. Additional local sales tax.

2484 A. In addition to any other taxes, fees, or other charges imposed under law, the governing body of a
2485 county or city that is included in a regional transportation authority established pursuant to Chapter
2486 48.3 (§ 15.2-4841 et seq.) of Title 15.2 may by ordinance levy a local retail sales tax at the rate of 1%,
2487 to generate revenue for transportation, provided that the governing body of the county or city authorizes
2488 the Tax Commissioner to transfer the revenues collected from such tax to the regional transportation
2489 authority of which it is a member. Such tax shall not be levied upon food purchased for human
2490 consumption as defined in § 58.1-611.1. Such tax shall be added to the rate of the local sales tax
2491 imposed pursuant to the authority granted under § 58.1-605 and shall be subject to all the provisions of
2492 this chapter and the rules and regulations published with respect thereto. No discount under § 58.1-622
2493 shall be allowed for the tax described under this section. Such tax shall be administered and collected
2494 by the Tax Commissioner in the same manner and subject to the same penalties as provided for the
2495 state sales tax.

2496 B. No ordinance adopted by a county or city pursuant to this section shall become effective unless
2497 all counties and cities included in the regional transportation authority adopt an ordinance levying the
2498 local retail sales tax authorized under this section. Any ordinance imposing the local retail sales tax
2499 authorized under this section shall be effective on the first day of the month that is at least 60 days
2500 subsequent to the adoption of the ordinance by all such counties and cities. A certified copy of each
2501 such ordinance shall be forwarded to the Tax Commissioner so that it will be received within 10 days
2502 after its adoption.

2503 C. The revenue generated and collected pursuant to the tax authorized under this section, less the
2504 applicable portion of any refunds to taxpayers, shall be deposited and held in a special trust fund under
2505 the control of the State Treasurer entitled "Special Sales and Use Tax Fund Account of the ———
2506 Regional Transportation Authority." The State Treasurer shall distribute the amounts deposited into such
2507 special trust fund monthly to the respective regional transportation authority. The regional
2508 transportation authority shall use such funds solely for the purposes as provided in Chapter 48.3
2509 (§ 15.2-4841 et seq.) of Title 15.2.

2510 D. No county or city imposing the local retail sales tax pursuant to this section shall cease to impose
2511 such tax so long as the respective regional transportation authority (i) is currently engaged in a

2512 *transportation project within the boundaries of the county or city, or that benefits the county or city, (ii)*
2513 *has entered into a binding commitment to begin a transportation project within the boundaries of the*
2514 *county or city, or that benefits the county or city, or (iii) has issued bonds or incurred other evidence of*
2515 *debt that has not been satisfied or paid in full and that relates to a transportation project undertaken by*
2516 *the regional transportation authority within the boundaries of the county or city, or that benefits the*
2517 *county or city.*

2518 *E. The provisions of this section shall not be applicable to any county or city as provided in*
2519 *§ 15.2-4843.*

2520 § 58.1-606. To what extent and under what conditions cities and counties may levy local use tax;
2521 collection thereof by Commonwealth and return of revenues to the cities and counties.

2522 A. The council of any city and the governing body of any county which has levied or may hereafter
2523 levy a city or county sales tax under § 58.1-605 may levy a city or county use tax at the rate of one
2524 percent to provide revenue for the general fund of such city or county. Such tax shall be added to the
2525 rate of the state use tax imposed by this chapter and shall be subject to all the provisions of this chapter,
2526 and all amendments thereof, and the rules and regulations published with respect thereto, except that no
2527 discount under § 58.1-622 shall be allowed on a local use tax.

2528 B. The council of any city and the governing body of any county desiring to impose a local use tax
2529 under this section may do so in the manner following:

2530 1. If the city or county has previously imposed the local sales tax authorized by § 58.1-605, the local
2531 use tax may be imposed by the council or governing body by the adoption of a resolution by a majority
2532 of all the members thereof, by a recorded yea and nay vote, stating its purpose and referring to this
2533 section, and providing that the local use tax shall become effective on the first day of a month at least
2534 60 days after the adoption of the resolution. A certified copy of such resolution shall be forwarded to
2535 the Tax Commissioner so that it will be received within five days after its adoption. The resolution
2536 authorized by this paragraph may be adopted in the manner stated notwithstanding any other provision
2537 of law, including any charter provision.

2538 2. If the city or county has not imposed the local sales tax authorized by § 58.1-605, the local use
2539 tax may be imposed by ordinance together with the local sales tax in the manner set out in subsections
2540 B and C of § 58.1-605.

2541 C. Any local use tax levied under this section shall be administered and collected by the Tax
2542 Commissioner in the same manner and subject to the same penalties as provided for the state use tax.

2543 D. The local use tax authorized by this section shall not apply to transactions to which the sales tax
2544 applies, the situs of which for state and local sales tax purposes is the city or county of location of each
2545 place of business of every dealer paying the tax to the Commonwealth without regard to the city or
2546 county of possible use by the purchasers. However, the local use tax authorized by this section shall
2547 apply to tangible personal property purchased without this Commonwealth for use or consumption
2548 within the city or county imposing the local use tax, or stored within the city or county for use or
2549 consumption, where the property would have been subject to the sales tax if it had been purchased
2550 within this Commonwealth. The local use tax shall also apply to leases or rentals of tangible personal
2551 property where the place of business of the lessor is without this Commonwealth and such leases or
2552 rentals are subject to the state tax. Moreover, the local use tax shall apply in all cases in which the state
2553 use tax applies.

2554 E. Out-of-state dealers who hold certificates of registration to collect the use tax from their customers
2555 for remittance to this Commonwealth shall, to the extent reasonably practicable, in filing their monthly
2556 use tax returns with the Tax Commissioner, break down their shipments into this Commonwealth by
2557 cities and counties so as to show the city or county of destination. If, however, the out-of-state dealer is
2558 unable accurately to assign any shipment to a particular city or county, the local use tax on the tangible
2559 personal property involved shall be remitted to the Commonwealth by such dealer without attempting to
2560 assign the shipment to any city or county.

2561 F. Local use tax revenue shall be distributed among the cities and counties for which it is collected,
2562 respectively, as shown by the records of the Department, and the procedure shall be the same as that
2563 prescribed for distribution of local sales tax revenue under § 58.1-605. The local use tax revenue that is
2564 not accurately assignable to a particular city or county shall be distributed monthly by the appropriate
2565 state authorities among the cities and counties in this Commonwealth imposing the local use tax upon
2566 the basis of taxable retail sales in the respective cities and counties in which the local sales and use tax
2567 was in effect in the taxable month involved, as shown by the records of the Department, and computed
2568 with respect to taxable retail sales as reflected by the amounts of the local sales tax revenue distributed
2569 among such cities and counties, respectively, in the month of distribution. Notwithstanding any other
2570 provision of this section, the Tax Commissioner shall develop a uniform method to distribute local use
2571 tax. Any significant changes to the method of local use tax distribution shall be phased in over a
2572 five-year period. Distribution information shall be shared with the affected localities prior to
2573 implementation of the changes.

G. All local use tax revenue shall be used, applied or disbursed by the cities and counties as provided in § 58.1-605 with respect to local sales tax revenue.

H. 1. Notwithstanding the other provisions of this chapter, beginning January 1, 2008, the governing body of each of the Counties of Isle of Wight, James City, and York and the Cities of Chesapeake, Hampton, Newport News, Norfolk, Portsmouth, Suffolk, Virginia Beach, and Williamsburg may, by ordinance, impose a retail use tax at the rate of 5% on (i) charges for separately stated labor or services for the repair of motor vehicles, and (ii) charges for the repair of a motor vehicle in cases in which the true object of the repair is a service, provided that the governing body of the locality authorizes the Tax Commissioner to transfer the revenues collected from such tax to the Hampton Roads Transportation Authority established under § 33.1-391.7 to be used for the purposes set forth in § 33.1-391.16.

2. At such time as the Chesapeake Bay Bridge-Tunnel becomes subject to the control of the Hampton Roads Transportation Authority as provided in § 33.1-391.12, the governing body of each of the Counties of Accomack and Northampton may by ordinance impose the tax described under subdivision 1, provided that the governing body of the respective county authorizes the Tax Commissioner to transfer the revenues collected from such tax to the Hampton Roads Transportation Authority established under § 33.1-391.7 to be used for the purposes set forth in § 33.1-391.16.

3. The revenue generated and collected pursuant to the tax authorized under this subsection, less the applicable portion of any refunds to taxpayers, shall be deposited and held in a special trust fund under the control of the State Treasurer entitled "Special Sales and Use Tax Motor Vehicle Repair Fund." The State Treasurer on a monthly basis shall distribute the amounts deposited in the special trust fund to the Hampton Roads Transportation Authority.

4. No discount under § 58.1-622 shall be allowed for the tax described under this subsection. Except as otherwise provided herein, the tax under this subsection shall be administered and collected in the same manner and subject to the same penalties as provided for the local retail use tax.

§ 58.1-606.1. Additional use tax in certain counties and cities in Hampton Roads.

1. For each county or city that is authorized to impose the additional use tax under subdivision H 1 of § 58.1-606, but that is not imposing such tax as of April 1, 2008, or at any time subsequent to such date, then, at such time or times the county or city is not imposing such tax, there is hereby levied and imposed in the county or city a retail use tax at the rate of 5% on (i) charges for separately stated labor or services in the repair of motor vehicles, and (ii) charges for the repair of a motor vehicle in cases in which the true object of the repair is a service.

2. If the governing body of the County of Accomack or the County of Northampton is not imposing the additional use tax under subdivision H 2 of § 58.1-606 as of the first day of the sixth month following the date the county was first authorized to impose such tax, or is not imposing such additional tax at any time subsequent to the first day of the sixth month following such initial authorization, then, at such time or times the respective county is not imposing the additional tax, there is hereby levied and imposed in the respective county a retail use tax at the rate of 5% on (i) charges for separately stated labor or services in the repair of motor vehicles, and (ii) charges for the repair of a motor vehicle in cases in which the true object of the repair is a service.

3. No discount under § 58.1-622 shall be allowed for the tax described under this section. Except as otherwise provided herein, the tax under this section shall be administered and collected in the same manner and subject to the same penalties as provided for the state retail use tax.

4. The tax pursuant to subsection H of § 58.1-606 shall not be imposed in any county or city for which the tax under this section is being imposed.

§ 58.1-606.2. Additional local use tax in Northern Virginia.

A. In addition to any other taxes, fees, or other charges imposed under law, the governing body of each of the Counties of Arlington, Fairfax, Loudoun, and Prince William and the Cities of Alexandria, Fairfax, Falls Church, Manassas, and Manassas Park may by ordinance levy a local retail use tax at the rate of 0.50% to generate revenue for transportation, provided that the governing body of the county or city authorizes the Tax Commissioner to transfer the revenues collected from such tax to the Northern Virginia Transportation Authority established under § 15.2-4830.

B. Such tax shall not be levied upon food purchased for human consumption as defined in § 58.1-611.1. Such tax shall be added to the rate of the local use tax imposed pursuant to the authority granted under § 58.1-606 and shall be subject to all the provisions of this chapter and the rules and regulations published with respect thereto. No discount under § 58.1-622 shall be allowed for the tax described under this section. Such tax shall be administered and collected by the Tax Commissioner in the same manner and subject to the same penalties as provided for the state use tax.

C. Any ordinance imposing the local retail use tax authorized under this section shall be effective on the first day of the first month that is at least 60 days subsequent to the adoption of the ordinance. A certified copy of such ordinance shall be forwarded to the Tax Commissioner so that it will be received

2635 within 10 days after its adoption.

2636 D. The revenue generated and collected pursuant to the tax authorized under this section, less the
2637 applicable portion of any refunds to taxpayers, shall be deposited and held in a special trust fund under
2638 the control of the State Treasurer entitled "Special Sales and Use Tax Fund Account of the Northern
2639 Virginia Transportation Authority." The State Treasurer shall distribute on a monthly basis the amounts
2640 deposited into the special trust fund to the Northern Virginia Transportation Authority. The Authority
2641 shall use such revenues for the purposes as set forth in § 15.2-4838.1.

2642 E. No locality imposing the local retail use tax pursuant to this section shall cease to impose such
2643 tax so long as the Northern Virginia Transportation Authority (i) is currently engaged in a
2644 transportation project within the boundaries of the locality, or that benefits the locality, (ii) has entered
2645 into a binding commitment to begin a transportation project within the boundaries of the locality, or
2646 that benefits the locality, or (iii) has issued bonds or incurred other evidence of debt that has not been
2647 satisfied or paid in full and that relates to a transportation project undertaken by the Authority within
2648 the boundaries of the locality, or that benefits the locality.

2649 § 58.1-606.3. Additional local use tax.

2650 A. In addition to any other taxes, fees, or other charges imposed under law, the governing body of a
2651 county or city that is included in a regional transportation authority established pursuant to Chapter
2652 48.3 (§ 15.2-4841 et seq.) of Title 15.2 may by ordinance levy a local use tax at the rate of 1%, to
2653 generate revenue for transportation, provided that the governing body of the county or city authorizes
2654 the Tax Commissioner to transfer the revenues collected from such tax to the regional transportation
2655 authority of which it is a member. Such tax shall not be levied upon food purchased for human
2656 consumption as defined in § 58.1-611.1. Such tax shall be added to the rate of the local use tax imposed
2657 pursuant to the authority granted under § 58.1-606 and shall be subject to all the provisions of this
2658 chapter and the rules and regulations published with respect thereto. No discount under § 58.1-622 shall
2659 be allowed for the tax described under this section. Such tax shall be administered and collected by the
2660 Tax Commissioner in the same manner and subject to the same penalties as provided for the state use
2661 tax.

2662 B. No ordinance adopted by a county or city pursuant to this section shall become effective unless
2663 all counties and cities included in the regional transportation authority adopt an ordinance levying the
2664 local use tax authorized under this section. Any ordinance imposing the local use tax authorized under
2665 this section shall be effective on the first day of the month that is at least 60 days subsequent to the
2666 adoption of the ordinance by all such counties and cities. A certified copy of each such ordinance shall
2667 be forwarded to the Tax Commissioner so that it will be received within 10 days after its adoption.

2668 C. The revenue generated and collected pursuant to the tax authorized under this section, less the
2669 applicable portion of any refunds to taxpayers, shall be deposited and held in a special trust fund under
2670 the control of the State Treasurer entitled "Special Sales and Use Tax Fund Account of the ———
2671 Regional Transportation Authority." The State Treasurer shall distribute the amounts deposited into such
2672 special trust fund monthly to the respective regional transportation authority. The regional
2673 transportation authority shall use such funds solely for the purposes as provided in Chapter 48.3
2674 (§ 15.2-4841 et seq.) of Title 15.2.

2675 D. No county or city imposing the local use tax pursuant to this section shall cease to impose such
2676 tax so long as the respective regional transportation authority (i) is currently engaged in a
2677 transportation project within the boundaries of the county or city, or that benefits the county or city, (ii)
2678 has entered into a binding commitment to begin a transportation project within the boundaries of the
2679 county or city, or that benefits the county or city, or (iii) has issued bonds or incurred other evidence of
2680 debt that has not been satisfied or paid in full and that relates to a transportation project undertaken by
2681 the regional transportation authority within the boundaries of the county or city, or that benefits the
2682 county or city.

2683 E. The provisions of this section shall not be applicable to any county or city as provided in
2684 § 15.2-4843.

2685 § 58.1-609.5. Service exemptions.

2686 A. The tax imposed by this chapter or pursuant to the authority granted in § 58.1-605 or § 58.1-606
2687 shall not apply to the following:

2688 1. Professional, insurance, or personal service transactions which involve sales as inconsequential
2689 elements for which no separate charges are made; services rendered by repairmen for which a separate
2690 charge is made; and services not involving an exchange of tangible personal property which provide
2691 access to or use of the Internet and any other related electronic communication service, including
2692 software, data, content and other information services delivered electronically via the Internet.

2693 2. An amount separately charged for labor or services rendered in installing, applying, remodeling or
2694 repairing property sold.

2695 3. Transportation charges separately stated.

2696 4. Separately stated charges for alterations to apparel, clothing and garments.

5. Charges for gift wrapping services performed by a nonprofit organization.
6. An amount separately charged for labor or services rendered in connection with the modification of prewritten programs as defined in § 58.1-602.
7. Custom programs as defined in § 58.1-602.
8. The sale or charges for any room or rooms, lodgings, or accommodations furnished to transients for more than 90 continuous days by any hotel, motel, inn, tourist camp, tourist cabin, camping grounds, club, or any other place in which rooms, lodging, space or accommodations are regularly furnished to transients for a consideration.
9. Beginning January 1, 1996, maintenance contracts, the terms of which provide for both repair or replacement parts and repair labor, shall be subject to tax upon one-half of the total charge for such contracts only. Persons providing maintenance pursuant to such a contract may purchase repair or replacement parts under a resale certificate of exemption. Warranty plans issued by an insurance company, which constitute insurance transactions, are subject to the provisions of subdivision 1 above.
- B. In general, separately stated charges for labor or services in the repair of motor vehicles shall be exempt from taxation under this chapter and also shall not be taxed under any local ordinance adopted pursuant to any authority granted under this chapter. In general, charges for the repair of a motor vehicle in cases in which the true object of the repair is a service shall be exempt from taxation under this chapter and also shall not be taxed under any local ordinance adopted pursuant to any authority granted under this chapter.*
- However, notwithstanding any other provision of this section, the general exemptions under this subsection shall not be applicable as provided in subsection K of § 58.1-605, § 58.1-605.1, subsection H of § 58.1-606, and § 58.1-606.1.*
- § 58.1-625.1. Certain dealers required to separately state labor or service charges in the repair of motor vehicles.*
- Any dealer or other person required to collect any tax imposed under this chapter, or pursuant to any authority granted under this chapter, who is located in any county or city set forth in subdivision K 1 or subdivision K 2 of § 58.1-605, shall separately state on any bill, invoice, ticket, or other billing statement the amount charged by such dealer or person for labor or services performed in the repair of motor vehicles.*
- § 58.1-638. Disposition of state sales and use tax revenue; localities' share; Game Protection Fund.
- A. The Comptroller shall designate a specific revenue code number for all the state sales and use tax revenue collected under the preceding sections of this chapter.
1. The sales and use tax revenue generated by the one-half percent sales and use tax increase enacted by the 1986 Special Session of the General Assembly shall be paid, in the manner hereinafter provided in this section, to the Transportation Trust Fund as defined in § 33.1-23.03:1. Of the funds paid to the Transportation Trust Fund, an aggregate of 4.2 percent shall be set aside as the Commonwealth Port Fund as provided in this section; an aggregate of 2.4 percent shall be set aside as the Commonwealth Airport Fund as provided in this section; and an aggregate of 14.5 percent in fiscal year 1998-1999 and 14.7 percent in fiscal year 1999-2000 and thereafter shall be set aside as the Commonwealth Mass Transit Fund as provided in this section. The Fund's share of such net revenue shall be computed as an estimate of the net revenue to be received into the state treasury each month, and such estimated payment shall be adjusted for the actual net revenue received in the preceding month. All payments shall be made to the Fund on the last day of each month.
2. There is hereby created in the Department of the Treasury a special nonreverting fund which shall be a part of the Transportation Trust Fund and which shall be known as the Commonwealth Port Fund.
- a. The Commonwealth Port Fund shall be established on the books of the Comptroller and the funds remaining in such Fund at the end of a biennium shall not revert to the general fund but shall remain in the Fund. Interest earned on such funds shall remain in the Fund and be credited to it. Funds may be paid to any authority, locality or commission for the purposes hereinafter specified.
- b. The amounts allocated pursuant to this section shall be allocated by the Commonwealth Transportation Board to the Board of Commissioners of the Virginia Port Authority to be used to support port capital needs and the preservation of existing capital needs of all ocean, river, or tributary ports within the Commonwealth.
- c. Commonwealth Port Fund revenue shall be allocated by the Board of Commissioners to the Virginia Port Authority in order to foster and stimulate the flow of maritime commerce through the ports of Virginia, including but not limited to the ports of Richmond, Hopewell and Alexandria.
3. There is hereby created in the Department of the Treasury a special nonreverting fund which shall be part of the Transportation Trust Fund and which shall be known as the Commonwealth Airport Fund. The Commonwealth Airport Fund shall be established on the books of the Comptroller and any funds remaining in such Fund at the end of a biennium shall not revert to the general fund but shall remain in the Fund. Interest earned on the funds shall be credited to the Fund. The funds so allocated shall be

2758 allocated by the Commonwealth Transportation Board to the Virginia Aviation Board. The funds shall
2759 be allocated by the Virginia Aviation Board to any Virginia airport which is owned by the
2760 Commonwealth, a governmental subdivision thereof, or a private entity to which the public has access
2761 for the purposes enumerated in § 5.1-2.16, or is owned or leased by the Metropolitan Washington
2762 Airports Authority (MWAA), as follows:

2763 Any new funds in excess of \$12.1 million which are available for allocation by the Virginia Aviation
2764 Board from the Commonwealth Transportation Fund, shall be allocated as follows: 60 percent to
2765 MWAA, up to a maximum annual amount of \$2 million, and 40 percent to air carrier airports as
2766 provided in subdivision A 3 a. Except for adjustments due to changes in enplaned passengers, no air
2767 carrier airport sponsor, excluding MWAA, shall receive less funds identified under subdivision A 3 a
2768 than it received in fiscal year 1994-1995.

2769 Of the remaining amount:

2770 a. Forty percent of the funds shall be allocated to air carrier airports, except airports owned or leased
2771 by MWAA, based upon the percentage of enplanements for each airport to total enplanements at all air
2772 carrier airports, except airports owned or leased by MWAA. No air carrier airport sponsor, however,
2773 shall receive less than \$50,000 nor more than \$2 million per year from this provision.

2774 b. Forty percent of the funds shall be allocated by the Aviation Board for air carrier and reliever
2775 airports on a discretionary basis, except airports owned or leased by MWAA.

2776 c. Twenty percent of the funds shall be allocated by the Aviation Board for general aviation airports
2777 on a discretionary basis.

2778 4. There is hereby created in the Department of the Treasury a special nonreverting fund which shall
2779 be a part of the Transportation Trust Fund and which shall be known as the Commonwealth Mass
2780 Transit Fund.

2781 a. The Commonwealth Mass Transit Fund shall be established on the books of the Comptroller and
2782 any funds remaining in such Fund at the end of the biennium shall not revert to the general fund but
2783 shall remain in the Fund. Interest earned on such funds shall be credited to the Fund. Funds may be
2784 paid to any local governing body, transportation district commission, or public service corporation for
2785 the purposes hereinafter specified.

2786 b. The amounts allocated pursuant to this section shall be used to support the public transportation
2787 administrative costs and the costs borne by the locality for the purchase of fuels, lubricants, tires and
2788 maintenance parts and supplies for public transportation at a state share of 80 percent in 2002 and 95
2789 percent in 2003 and succeeding years. These amounts may be used to support up to 95 percent of the
2790 local or nonfederal share of capital project costs for public transportation and ridesharing equipment,
2791 facilities, and associated costs. Capital costs may include debt service payments on local or agency
2792 transit bonds. The term "borne by the locality" means the local share eligible for state assistance
2793 consisting of costs in excess of the sum of fares and other operating revenues plus federal assistance
2794 received by the locality.

2795 c. Commonwealth Mass Transit Fund revenue shall be allocated by the Commonwealth
2796 Transportation Board as follows:

2797 (1) Funds for special programs, which shall include ridesharing, experimental transit, and technical
2798 assistance, shall not exceed 1.5 percent of the Fund.

2799 (2) The Board may allocate these funds to any locality or planning district commission to finance up
2800 to 80 percent of the local share of all costs associated with the development, implementation, and
2801 continuation of ridesharing programs.

2802 (3) Funds allocated for experimental transit projects may be paid to any local governing body,
2803 transportation district commission, or public corporation or may be used directly by the Department of
2804 Rail and Public Transportation for the following purposes:

2805 (a) To finance up to 95 percent of the capital costs related to the development, implementation and
2806 promotion of experimental public transportation and ridesharing projects approved by the Board.

2807 (b) To finance up to 95 percent of the operating costs of experimental mass transportation and
2808 ridesharing projects approved by the Board for a period of time not to exceed 12 months.

2809 (c) To finance up to 95 percent of the cost of the development and implementation of any other
2810 project designated by the Board where the purpose of such project is to enhance the provision and use
2811 of public transportation services.

2812 d. Funds allocated for public transportation promotion and operation studies may be paid to any local
2813 governing body, planning district commission, transportation district commission, or public transit
2814 corporation, or may be used directly by the Department of Rail and Public Transportation for the
2815 following purposes and aid of public transportation services:

2816 (1) At the approval of the Board to finance a program administered by the Department of Rail and
2817 Public Transportation designed to promote the use of public transportation and ridesharing throughout
2818 Virginia.

2819 (2) To finance up to 50 percent of the local share of public transportation operations planning and

technical study projects approved by the Board.

e. At least 73.5 percent of the Fund shall be distributed to each transit property in the same proportion as its operating expenses bear to the total statewide operating expenses and shall be spent for the purposes specified in subdivision 4 b.

f. The remaining 25 percent shall be distributed for capital purposes on the basis of 95 percent of the nonfederal share for federal projects and 95 percent of the total costs for nonfederal projects. In the event that total capital funds available under this subdivision are insufficient to fund the complete list of eligible projects, the funds shall be distributed to each transit property in the same proportion that such capital expenditure bears to the statewide total of capital projects.

g. There is hereby created in the Department of the Treasury a special nonreverting fund known as the Commonwealth Transit Capital Fund. The Commonwealth Transit Capital Fund shall be part of the Commonwealth Mass Transit Fund. The Commonwealth Transit Capital Fund subaccount shall be established on the books of the Comptroller and consist of such moneys as are appropriated to it by the General Assembly and of all donations, gifts, bequests, grants, endowments, and other moneys given, bequeathed, granted, or otherwise made available to the Commonwealth Transit Capital Fund. Any funds remaining in the Commonwealth Transit Capital Fund at the end of the biennium shall not revert to the general fund, but shall remain in the Commonwealth Transit Capital Fund. Interest earned on funds within the Commonwealth Transit Capital Fund shall remain in and be credited to the Commonwealth Transit Capital Fund. Proceeds of the Commonwealth Transit Capital Fund may be paid to any political subdivision, another public entity created by an act of the General Assembly, or a private entity as defined in § 56-557 and for purposes as enumerated in subdivision 4c of § 33.1-269 or expended by the Department of Rail and Public Transportation for the purposes specified in this subdivision. Revenues of the Commonwealth Transit Capital Fund shall be used to support capital expenditures involving the establishment, improvement, or expansion of public transportation services through specific projects approved by the Commonwealth Transportation Board. Projects financed by the Commonwealth Transit Capital Fund shall receive local, regional or private funding for at least 20 percent of the nonfederal share of the total project cost.

5. Funds for Metro shall be paid by the Northern Virginia Transportation Commission (NVTC) to the Washington Metropolitan Area Transit Authority (WMATA) and be a credit to the Counties of Arlington and Fairfax and the Cities of Alexandria, Falls Church and Fairfax in the following manner:

a. Local obligations for debt service for WMATA rail transit bonds apportioned to each locality using WMATA's capital formula shall be paid first by NVTC. NVTC shall use 95 percent state aid for these payments.

b. The remaining funds shall be apportioned to reflect WMATA's allocation formulas by using the related WMATA-allocated subsidies and relative shares of local transit subsidies. Capital costs shall include 20 percent of annual local bus capital expenses. Hold harmless protections and obligations for NVTC's jurisdictions agreed to by NVTC on November 5, 1998, shall remain in effect.

Appropriations from the Commonwealth Mass Transit Fund are intended to provide a stable and reliable source of revenue as defined by Public Law 96-184.

B. The sales and use tax revenue generated by a one percent sales and use tax shall be distributed among the counties and cities of this Commonwealth in the manner provided in subsections C and D.

C. The localities' share of the net revenue distributable under this section among the counties and cities shall be apportioned by the Comptroller and distributed among them by warrants of the Comptroller drawn on the Treasurer of Virginia as soon as practicable after the close of each month during which the net revenue was received into the state treasury. The distribution of the localities' share of such net revenue shall be computed with respect to the net revenue received into the state treasury during each month, and such distribution shall be made as soon as practicable after the close of each such month.

D. The net revenue so distributable among the counties and cities shall be apportioned and distributed upon the basis as certified to the Comptroller by the Department of Education, of the number of children in each county and city according to the most recent statewide census of school population taken by the Department of Education pursuant to § 22.1-284, as adjusted in the manner hereinafter provided. No special school population census, other than a statewide census, shall be used as the basis of apportionment and distribution except that in any calendar year in which a statewide census is not reported, the Department of Education shall adjust such school population figures by the same percent of annual change in total population estimated for each locality by The Center for Public Service. The revenue so apportionable and distributable is hereby appropriated to the several counties and cities for maintenance, operation, capital outlays, debt and interest payments, or other expenses incurred in the operation of the public schools, which shall be considered as funds raised from local resources. In any county, however, wherein is situated any incorporated town constituting a school division, the county treasurer shall pay into the town treasury for maintenance, operation, capital outlays, debt and interest

payments, or other expenses incurred in the operation of the public schools, the proper proportionate amount received by him in the ratio that the school population of such town bears to the school population of the entire county. If the school population of any city or of any town constituting a school division is increased by the annexation of territory since the last preceding school population census, such increase shall, for the purposes of this section, be added to the school population of such city or town as shown by the last such census and a proper reduction made in the school population of the county or counties from which the annexed territory was acquired.

E. Beginning July 1, 2000, of the remaining sales and use tax revenue, the revenue generated by a two percent sales and use tax, up to an annual amount of \$13 million, collected from the sales of hunting equipment, auxiliary hunting equipment, fishing equipment, auxiliary fishing equipment, wildlife-watching equipment, and auxiliary wildlife-watching equipment in Virginia, as estimated by the most recent U.S. Department of the Interior, Fish and Wildlife Service and U.S. Department of Commerce, Bureau of the Census National Survey of Fishing, Hunting, and Wildlife-Associated Recreation, shall be paid into the Game Protection Fund established under § 29.1-101 and shall be used, in part, to defray the cost of law enforcement. Not later than 30 days after the close of each quarter, the Comptroller shall transfer to the Game Protection Fund the appropriate amount of collections to be dedicated to such Fund. At any time that the balance in the Capital Improvement Fund, established under § 29.1-101.1, is equal to or in excess of \$35 million, any portion of sales and use tax revenues that would have been transferred to the Game Protection Fund, established under § 29.1-101, in excess of the net operating expenses of the Board, after deduction of other amounts which accrue to the Board and are set aside for the Game Protection Fund, shall remain in the general fund until such time as the balance in the Capital Improvement Fund is less than \$35 million.

F. 1. Of the net revenue generated from the one-half percent increase in the rate of the state sales and use tax effective August 1, 2004, pursuant to enactments of the 2004 Special Session I of the General Assembly, the Comptroller shall transfer from the general fund of the state treasury to the Public Education Standards of Quality/Local Real Estate Property Tax Relief Fund established under § 58.1-638.1 an amount equivalent to one-half of the net revenue generated from such one-half percent increase as provided in this subdivision. The transfers to the Public Education Standards of Quality/Local Real Estate Property Tax Relief Fund under this subdivision shall be for one-half of the net revenue generated (and collected in the succeeding month) from such one-half percent increase for the month of August 2004 and for each month thereafter.

2. For the purposes of the Comptroller making the required transfers under subdivision 1, the Tax Commissioner shall make a written certification to the Comptroller no later than the twenty-fifth of each month certifying the sales and use tax revenues generated in the preceding month. Within three calendar days of receiving such certification, the Comptroller shall make the required transfers to the Public Education Standards of Quality/Local Real Estate Property Tax Relief Fund.

G. *Of the net revenue generated from the 5% sales and use taxes under §§ 58.1-605.1 and 58.1-606.1 on (i) charges for separately stated labor or services in the repair of motor vehicles, and (ii) charges for the repair of a motor vehicle in cases in which the true object of the repair is a service, the Comptroller shall deposit all such net revenues collected in the Hampton Roads Transportation Authority Revenues Fund established under § 33.1-391.18. For the purposes of the Comptroller making such required deposits, the Tax Commissioner shall make a written certification to the Comptroller no later than the 25th of each month certifying the sales and use tax revenues generated in the preceding month from the taxes imposed under §§ 58.1-605.1 and 58.1-606.1. Within three calendar days of receiving such certification, the Comptroller shall make the required deposits to the Hampton Roads Transportation Authority Revenues Fund.*

GH. If errors are made in any distribution, or adjustments are otherwise necessary, the errors shall be corrected and adjustments made in the distribution for the next quarter or for subsequent quarters.

HI. The term "net revenue," as used in this section, means the gross revenue received into the general fund or the Transportation Trust Fund of the state treasury under the preceding sections of this chapter, less refunds to taxpayers.

§ 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 or local sales or use tax shall also apply to the taxes imposed by subsection K of § 58.1-605, § 58.1-605.1, § 58.1-605.2, § 58.1-605.3, subsection H of § 58.1-606, § 58.1-606.1, § 58.1-606.2, and § 58.1-606.3.

§ 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~~*Except as provided in subsection C, 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 pursuant to subsection A.*

C. *The rate of the tax imposed pursuant to this section, when the consideration or value of the interest exceeds \$100, shall be 50 cents for each \$100 or fraction thereof for such realty that is located in the Counties of Arlington, Fairfax, Loudoun, and Prince William and the Cities of Alexandria, Fairfax, Falls Church, Manassas, and Manassas Park, 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 clerk shall return taxes collected hereunder for realty that is located in the counties and cities set forth in this subsection as follows: (i) taxes collected at the rate of 40 cents for each \$100 or fraction thereof as determined pursuant to subsection A shall be returned by the clerk to the state treasury, and such revenues shall be deposited by the Comptroller into the Special Transportation Fund for Northern Virginia established under § 15.2-4838.2 as soon as practical; (ii) taxes collected at the rate of 5 cents for each \$100 or fraction thereof shall be returned by the clerk to the state treasury, and such revenues shall be deposited by the Comptroller into the general fund of the state treasury; and (iii) taxes collected at the rate of 5 cents for each \$100 or fraction thereof shall be returned into the treasury of such county or city in which the realty is located. For such deposits into the Special Transportation Fund for Northern Virginia, the Comptroller shall establish subfunds for each such county and city and shall deposit such revenues generated by virtue of realty located in such counties and cities into the respective subfund.

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

§ 58.1-802.1. *Additional fee authorized in Hampton Roads.*

A. 1. *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 of Isle of Wight, James City, and York and the Cities of Chesapeake, Hampton, Newport News, Norfolk, Portsmouth, Suffolk, Virginia Beach, and Williamsburg may by ordinance impose a fee, on each deed, instrument, or writing by which lands, tenements, or other realty (located in the county or city) 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, provided that the governing body authorizes the clerk of the court to transfer the revenues collected to the Hampton Roads Transportation Authority established under § 33.1-391.7 to be used for the purposes set forth in § 33.1-391.16. The rate of the fee, when the consideration or value of the interest equals or exceeds \$100, shall be \$0.30 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.*

2. *At such time as the Chesapeake Bay Bridge-Tunnel becomes subject to the control of the Hampton Roads Transportation Authority as provided in § 33.1-391.12, the governing body of each of the Counties of Accomack and Northampton may by ordinance impose the fee described in subdivision A 1 for lands, tenements, or other realty located in the respective county, provided that the governing body authorizes the clerk of the court to transfer the revenues collected to the Hampton Roads Transportation Authority established under § 33.1-391.7 to be used for the purposes set forth in § 33.1-391.16.*

3. *The fee imposed pursuant to this subsection 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 pursuant to this subsection.*

No such deed, instrument, or other writing shall be admitted to record without certification of the

3004 clerk of the court wherein first recorded having been affixed thereto that the fee imposed pursuant to
3005 this subsection has been paid. The clerk shall include within the certificate the amount of such fee
3006 collected thereon.

3007 4. The fee shall be collected pursuant to subsection B of § 58.1-802. However, the compensation
3008 allowed to the clerk of the court under such subsection shall not be applicable with regard to the fee
3009 collected under this subsection. The clerk shall return all fees collected pursuant to the authority
3010 granted under this subsection to the Hampton Roads Transportation Authority as soon as practicable.

3011 B. 1. For each county or city that is authorized to impose the grantor's fee under subdivision A 1,
3012 but that is not imposing such fee as of April 1, 2008, or at any time subsequent to such date, then, at
3013 such time or times the county or city is not imposing the grantor's fee, there is hereby levied and
3014 imposed in the county or city a fee, on each deed, instrument, or writing by which lands, tenements, or
3015 other realty (located in the county or city) is sold and is granted, assigned, transferred, or otherwise
3016 conveyed to, or vested in the purchaser, or any other person, by such purchaser's direction. The fee
3017 shall be imposed at the same rate that the fee under subdivision A 1 is imposed.

3018 2. If the governing body of the County of Accomack or the County of Northampton is not imposing
3019 the grantor's fee under subdivision A 2 as of the first day of the sixth month following the date the
3020 county was first authorized to impose such fee, or is not imposing such grantor's fee at any time
3021 subsequent to the first day of the sixth month following such initial authorization, then, at such time or
3022 times the respective county is not imposing the grantor's fee, there is hereby levied and imposed in the
3023 respective county a fee, on each deed, instrument, or writing by which lands, tenements, or other realty
3024 (located in the respective county) is sold and is granted, assigned, transferred, or otherwise conveyed to,
3025 or vested in the purchaser, or any other person, by such purchaser's direction. The fee shall be imposed
3026 at the same rate that the fee under subdivision A 1 is imposed.

3027 3. The fee imposed pursuant to this subsection shall be paid by the grantor, or any person who signs
3028 on behalf of the grantor, of any deed, instrument, or writing subject to the fee imposed pursuant to this
3029 subsection.

3030 4. The fee shall be collected pursuant to subsection B of § 58.1-802. However, the compensation
3031 allowed to the clerk of the court under such subsection shall not be applicable with regard to the fee
3032 collected under this subsection. The clerk shall return all revenues from such fee pursuant to this
3033 subsection into the state treasury.

3034 Except as provided in this subsection, the fee shall otherwise be imposed, administered, and collected
3035 under the same terms and conditions as set forth for the fee in subsection A. All revenues collected shall
3036 be deposited by the Comptroller in the Hampton Roads Transportation Authority Revenues Fund
3037 established under § 33.1-391.18.

3038 5. The fee pursuant to subsection A shall not be imposed in any county or city for which the fee
3039 under this subsection is being imposed.

3040 § 58.1-802.2. Additional local fee authorized.

3041 A. In addition to any other tax imposed under the provisions of this chapter, the governing body of a
3042 county or city may by ordinance impose a fee, on each deed, instrument, or writing by which lands,
3043 tenements, or other realty (located in the county or city) is sold and is granted, assigned, transferred,
3044 or otherwise conveyed to, or vested in the purchaser, or any other person, by such purchaser's
3045 direction. The rate of the fee, when the consideration of the value of the interest equals or exceeds
3046 \$100, shall be \$0.10 for each \$100 or fraction thereof, exclusive of the value of any lien or
3047 encumbrance remaining thereon at the time of the sale, whether such lien is assumed or the reality is
3048 sold subject to such lien or encumbrance.

3049 B. The fee imposed pursuant to this section shall be paid by the grantor, or any person who signs on
3050 behalf of the grantor, or any deed, instrument, or writing subject to the fee imposed pursuant to this
3051 section.

3052 No such deed, instrument, or other writing shall be admitted to record without certification of the
3053 clerk of the court wherein first recorded having been affixed thereto that the fee imposed pursuant to
3054 this section has been paid. The clerk shall include within the certificate the amount of such fee collected
3055 thereon.

3056 C. The fee shall be collected pursuant to subsection B of § 58.1-802. However, the compensation
3057 allowed to the clerk of the court under such subsection shall not be applicable with regard to the fee
3058 collected under this section. The clerk shall return all fees collected pursuant to the authority granted
3059 under this section to the treasury of the locality. The locality shall use such revenues solely for local or
3060 regional projects directly related to transportation. Such transportation projects may include debt
3061 service payments on obligations and other evidences of debt issued or entered into to finance or fund
3062 transportation projects, but only for such obligations or debt that has not been authorized and is not
3063 outstanding as of July 1, 2007.

3064 D. The provisions of this section shall not be applicable to any county or city that is (i) embraced by
3065 the Northern Virginia Transportation Authority established under § 15.2-4830, or (ii) in any county or

city described under clause (i) of § 15.2-4843.

§ 58.1-811. Exemptions.

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

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

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

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

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

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

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

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

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

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

10. To a partnership or limited liability company, when the grantors are entitled to receive not less than 50 percent of the profits and surplus of such partnership or limited liability company; provided that the transfer to a limited liability company is not a precursor to a transfer of control of the assets of the company to avoid recordation taxes;

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

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

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

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

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

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

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

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

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

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

3127 section.

3128 C. The tax imposed by § 58.1-802 *and the fees imposed by §§ 58.1-802.1 and 58.1-802.2* shall not
3129 apply to any:

3130 1. Transaction described in subdivisions 6 through 13 of subsection A of this section;

3131 2. Instrument or writing given to secure a debt;

3132 3. Deed conveying real estate from an incorporated college or other incorporated institution of
3133 learning not conducted for profit;

3134 4. Deed conveying real estate from the United States, the Commonwealth or any county, city, town,
3135 district or other political subdivision thereof;

3136 5. Conveyance of real estate to the Commonwealth or any county, city, town, district or other
3137 political subdivision thereof, if such political unit is required by law to reimburse the parties taxable
3138 pursuant to § 58.1-802 *or subject to the fee under § 58.1-802.1 or 58.1-802.2*; or

3139 6. Deed conveying real estate from the trustee or trustees of a church or religious body or from an
3140 incorporated church or religious body, or from a corporation mentioned in § 57-16.1.

3141 D. No recordation tax shall be required for the recordation of any deed of gift between a grantor or
3142 grantors and a grantee or grantees when no consideration has passed between the parties. Such deed
3143 shall state therein that it is a deed of gift.

3144 E. The tax imposed by § 58.1-807 shall not apply to any lease to the United States, the
3145 Commonwealth, or any county, city, town, district or other political subdivision of the Commonwealth.

3146 F. The taxes *and fees* imposed by §§ 58.1-801, 58.1-802, 58.1-802.1, 58.1-802.2, 58.1-807, 58.1-808
3147 and 58.1-814 shall not apply to (i) any deed of gift conveying real estate or any interest therein to The
3148 Nature Conservancy or (ii) any lease of real property or any interest therein to The Nature Conservancy,
3149 where such deed of gift or lease of real estate is intended to be used exclusively for the purpose of
3150 preserving wilderness, natural or open space areas.

3151 G. The words "trustee" or "trustees," as used in subdivision 2 of subsection A, subdivision 2 of
3152 subsection B, and subdivision 6 of subsection C, include the trustees mentioned in § 57-8 and the
3153 ecclesiastical officers mentioned in § 57-16.

3154 H. No recordation tax levied pursuant to this chapter shall be levied on the release of a contractual
3155 right, if the release is contained within a single deed that performs more than one function, and at least
3156 one of the other functions performed by the deed is subject to the recordation tax.

3157 I. No recordation tax levied pursuant to this chapter shall be levied on a deed, lease, easement,
3158 release, or other document recorded in connection with a concession pursuant to the Public-Private
3159 Transportation Act of 1995 (§ 56-556 et seq.) or similar federal law.

3160 § 58.1-812. Payment prerequisite to recordation; exceptions; assessment and collection of taxes and
3161 fees; penalty for misrepresentation.

3162 A. Except as otherwise provided in this chapter, no deed, deed of trust, contract or other instrument
3163 shall be admitted to record without the payment of the tax imposed thereon by law and the fee pursuant
3164 to § 58.1-802.1, 58.1-802.2, *and* 58.1-817, as applicable. However, after payment of the tax imposed by
3165 this chapter *and, as applicable, the fee under § 58.1-802.1 or 58.1-802.2*, when an instrument is first
3166 offered for recordation, such instrument may thereafter be recorded in the office of any other clerk
3167 without the payment of any tax *or fee* except any local recordation tax as provided in Article 1
3168 (§ 58.1-3800 et seq.) of Chapter 38 of this title. Any instrument may also be recorded free of tax and
3169 fee in the office of the clerk where such instrument was originally recorded when the record containing
3170 such instrument has been destroyed.

3171 B. The tax *or fee* on every deed, deed of trust, contract or other instrument shall be determined and
3172 collected by the clerk in whose office the instrument is first offered for recordation. The clerk may
3173 ascertain the consideration of the deed or of the instrument, the actual value of the property conveyed,
3174 and the qualification of the deed or instrument for any exemption claimed by inquiry, affidavit,
3175 declaration or other extrinsic evidence acceptable to the clerk. The fee shall be \$1 on every recorded
3176 deed pursuant to § 58.1-817 and shall be collected by the clerk in whose office the deed is offered for
3177 recordation.

3178 C. Any person who knowingly misrepresents any of the information requested by the clerk of court
3179 pursuant to this section shall be guilty of a Class 2 misdemeanor.

3180 § 58.1-813. Collection by Department.

3181 The Department may assess and collect any tax *or fee* imposed by this chapter which has remained
3182 uncollected for thirty days. The Department, prior to collecting such tax *or fee*, shall give notice to the
3183 clerk of court in whose office the tax *or fee* was to be collected. The Department may then proceed to
3184 assess and collect the unpaid tax *or fee* in the same manner and by the same methods used for the
3185 collection of any state tax administered by the Department.

3186 Any local tax *or fee* collected hereunder in conjunction with the collection of a state tax by the
3187 Department shall be deposited into the state treasury. The Comptroller shall, by warrant drawn on the
3188 Treasurer of Virginia, remit to the proper city or county any amounts due to such city or county.

§ 58.1-2217. Taxes levied; rate.

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

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

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

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

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

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

§ 58.1-2249. Tax on alternative fuel.

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

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

§ 58.1-2289. Disposition of tax revenue generally.

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

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

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

B. ~~The~~ *Except as provided in subsection F, the* tax collected on each gallon of aviation fuel sold and delivered or used in this Commonwealth, less refunds, shall be paid into a special fund of the state treasury. Proceeds of this special fund within the Commonwealth Transportation Fund shall be disbursed

upon order of the Department of Aviation, on warrants of the Comptroller, to defray the cost of the administration of the laws of this Commonwealth relating to aviation, for the construction, maintenance and improvement of airports and landing fields to which the public now has or which it is proposed shall have access, and for the promotion of aviation in the interest of operators and the public generally.

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

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

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

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

F. *The additional revenues, as determined by the Commissioner, generated by increases in the rate of taxes under this chapter pursuant to enactments of the 2007 Session of the General Assembly shall be deposited by the Comptroller into the Highway Maintenance and Operating Fund.*

The Commissioner shall provide a monthly certification to the Comptroller reporting such additional revenues generated in each month. The certification for each month shall be provided to the Comptroller no later than the twentieth day of the second month succeeding the month in which the revenues were generated. The Comptroller shall make the deposit into the Highway Maintenance and Operating Fund for each month's revenues no later than the last day of the second month succeeding the month in which the revenues were generated.

§ 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 each 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 daily rental of a vehicle in the locality wherein the daily rental of the vehicle occurred regardless of whether such vehicle is required to be licensed in the Commonwealth, provided that the governing body authorizes the Commissioner to transfer the revenues collected to the Northern Virginia Transportation Authority established under § 15.2-4830. 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. *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, or that benefits the locality, (ii) has entered into a binding commitment to begin a transportation project within the boundaries of the locality, or that benefits 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, or that benefits the locality.

C. Any and all fees imposed pursuant to this section shall be collected by the Department of Motor Vehicles on behalf of the Authority and shall be transferred to the Northern Virginia Transportation Authority on a monthly basis. The Commissioner shall maintain records of the fee imposed and collected by the locality. From such revenues as are collected, the Commissioner may retain a reasonable amount for reimbursement of the direct costs of the collection of such revenue.

D. 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.

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

A. 1. Beginning January 1, 2008, in addition to all other taxes, fees, and other charges imposed under law, the governing body of each of the Counties of Isle of Wight, James City, and York and the Cities of Chesapeake, Hampton, Newport News, Norfolk, Portsmouth, Suffolk, Virginia Beach, and Williamsburg may, by ordinance, impose a fee of 2% of the gross proceeds on the daily rental of a vehicle in the locality wherein the daily rental of the vehicle occurred regardless of whether such vehicle is required to be licensed in the Commonwealth, provided that the governing body authorizes the Commissioner to transfer the revenues collected to the Hampton Roads Transportation Authority established under § 33.1-391.7 to be used for the purposes set forth in § 33.1-391.16. 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.

2. At such time as the Chesapeake Bay Bridge-Tunnel becomes subject to the control of the Hampton Roads Transportation Authority as provided in § 33.1-391.12, the governing body of each of the Counties of Accomack and Northampton may by ordinance impose the additional fee of 2% of the gross proceeds on the daily rental of a vehicle in the locality wherein the daily rental of the vehicle occurred, provided that the governing body authorizes the Commissioner to transfer the revenues collected to the Hampton Roads Transportation Authority established under § 33.1-391.7 to be used for the purposes set forth in § 33.1-391.16.

3. Any and all fees imposed pursuant to this subsection shall be collected by the Department of Motor Vehicles on behalf of the Authority and shall be transferred to the Hampton Roads Transportation Authority on a monthly basis. The Commissioner shall maintain records of the fee imposed and collected by the locality. From such revenues as are collected, the Commissioner may retain a reasonable amount for reimbursement of the direct costs of the collection of such revenue.

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

B. 1. For each county or city that is authorized under subdivision A 1 to impose the additional fee of 2% of the gross proceeds on the daily rental of a vehicle in the locality wherein the daily rental of the vehicle occurred, but that is not imposing such fee as of April 1, 2008, or at any time subsequent to such date, then, at such time or times the county or city is not imposing the additional fee, there is hereby levied and imposed in the county or city a fee of 2% of the gross proceeds on the daily rental of a vehicle in the locality wherein the daily rental of the vehicle occurred regardless of whether such vehicle is required to be licensed in the Commonwealth.

2. If the governing body of the County of Accomack or the County of Northampton is not imposing the additional fee under subdivision A 2 of 2% of the gross proceeds on the daily rental of a vehicle in the county wherein the daily rental of the vehicle occurred as of the first day of the sixth month following the date the county was first authorized to impose such fee, or is not imposing such additional fee at any time subsequent to the first day of the sixth month following such initial authorization, then, at such time or times the respective county is not imposing the additional fee, there is hereby levied and imposed in the respective county an additional fee of 2% of the gross proceeds on the daily rental of a vehicle in the county wherein the daily rental of the vehicle occurred regardless of whether such vehicle is required to be licensed in the Commonwealth.

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

Except as provided in this subsection, the fee shall otherwise be imposed, implemented, enforced, and collected under the same terms and conditions as set forth for the fee in subsection A. All revenues collected pursuant to this subsection shall be deposited by the Comptroller in the Hampton Roads Transportation Authority Revenues Fund established under § 33.1-391.18.

4. The fee pursuant to subsection A shall not be imposed in any county or city for which the fee

3373 *under this subsection is being imposed.*

3374 § 58.1-2403. Exemptions.

3375 No tax shall be imposed as provided in § 58.1-2402, 58.1-2402.1, or 58.1-2402.2 if the vehicle is:

3376 1. Sold to, rented or used by the United States government or any governmental agency thereof;

3377 2. Sold to, rented or used by the Commonwealth of Virginia or any political subdivision thereof;

3378 3. Registered in the name of a volunteer fire department or rescue squad not operated for profit;

3379 4. Registered to any member of the Mattaponi, Pamunkey, or Chickahominy Indian tribes or any
3380 other recognized Indian tribe of the Commonwealth living on the tribal reservation;

3381 5. Transferred incidental to repossession under a recorded lien and ownership is transferred to the
3382 lienholder;

3383 6. A manufactured home permanently attached to real estate and included in the sale of real estate;

3384 7. A gift to the spouse, son, or daughter of the transferor. With the exception of a gift to a spouse,
3385 this exemption shall not apply to any unpaid obligation assumed by the transferee incidental to the
3386 transfer;

3387 8. Transferred from an individual or partnership to a corporation or limited liability company or from
3388 a corporation or limited liability company to an individual or partnership if the transfer is incidental to
3389 the formation, organization or dissolution of a corporation or limited liability company in which the
3390 individual or partnership holds the majority interest;

3391 9. Transferred from a wholly owned subsidiary to the parent corporation or from the parent
3392 corporation to a wholly owned subsidiary;

3393 10. Being registered for the first time in this Commonwealth and the applicant holds a valid,
3394 assignable title or registration issued to him by another state or a branch of the United States Armed
3395 Forces and (i) has owned the vehicle for longer than 12 months or (ii) has owned the vehicle for less
3396 than 12 months and provides evidence of a sales tax paid to another state. However, when a vehicle has
3397 been purchased by the applicant within the last 12 months and the applicant is unable to provide
3398 evidence of a sales tax paid to another state, the applicant shall pay the Virginia sales tax based on the
3399 fair market value of the vehicle at the time of registration in Virginia;

3400 11. Titled in a Virginia or non-Virginia motor vehicle dealer's name for resale;

3401 12. A motor vehicle having seats for more than seven passengers and sold to an urban or suburban
3402 bus line the majority of whose passengers use the buses for traveling a distance of less than 40 miles,
3403 one way, on the same day;

3404 13. Purchased in the Commonwealth by a nonresident and a Virginia title is issued for the sole
3405 purpose of recording a lien against the vehicle if the vehicle will be registered in a state other than
3406 Virginia;

3407 14. A motor vehicle designed for the transportation of 10 or more passengers, purchased by and for
3408 the use of a church conducted not for profit;

3409 15. Loaned or leased to a private nonprofit institution of learning, for the sole purpose of use in the
3410 instruction of driver's education when such education is a part of such school's curriculum for full-time
3411 students;

3412 16. Sold to an insurance company or local government group self-insurance pool, created pursuant to
3413 § 15.2-2703, for the sole purpose of disposition when such company has paid the registered owner of
3414 such vehicle a total loss claim;

3415 17. Owned and used for personal or official purposes by accredited consular or diplomatic officers of
3416 foreign governments, their employees or agents, and members of their families, if such persons are
3417 nationals of the state by which they are appointed and are not citizens of the United States;

3418 18. A self-contained mobile computerized axial tomography scanner sold to, rented or used by a
3419 nonprofit hospital or a cooperative hospital service organization as described in § 501 (e) of the United
3420 States Internal Revenue Code;

3421 19. A motor vehicle having seats for more than seven passengers and sold to a restricted common
3422 carrier or common carrier of passengers;

3423 20. Beginning July 1, 1989, a self-contained mobile unit designed exclusively for human diagnostic
3424 or therapeutic service, sold to, rented to, or used by a nonprofit hospital, or a cooperative hospital
3425 service organization as described in § 501 (e) of the United States Internal Revenue Code, or a nonprofit
3426 corporation as defined in § 501 (c) (3) of the Internal Revenue Code, established for research in,
3427 diagnosis of, or therapy for human ailments;

3428 21. Transferred, as a gift or through a sale to an organization exempt from taxation under § 501 (c)
3429 (3) of the Internal Revenue Code, provided the motor vehicle is not titled and tagged for use by such
3430 organization;

3431 22. A motor vehicle sold to an organization which is exempt from taxation under § 501 (c) (3) of the
3432 Internal Revenue Code and which is organized for the primary purpose of distributing food, clothing,
3433 medicines and other necessities of life to, and providing shelter for, needy persons in the United States
3434 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.

§ 58.1-2425. Disposition of revenues.

A. ~~All~~ Except as provided in § 58.1-2402.1 and 58.1-2402.2 all funds collected hereunder by the Commissioner shall be forthwith paid into the state treasury. Except as otherwise provided in § 58.1-2402.1, 58.1-2402.2, and in this section, these funds shall constitute special funds within the Commonwealth Transportation Fund. Any balances remaining in these funds at the end of the year shall be available for use in subsequent years for the purposes set forth in this chapter, and any interest income on such funds shall accrue to these funds. The revenue so derived, after refunds have been deducted, is hereby allocated for the construction, reconstruction and maintenance of highways and the regulation of traffic thereon and for no other purpose. However, (i) all funds collected pursuant to the provisions of this chapter from manufactured homes, as defined in § 46.2-100, shall be distributed to the city, town, or county wherein such manufactured home is to be situated as a dwelling; (ii) all funds collected from the additional tax imposed by subdivision A 4 of § 58.1-2402 on the rental of daily rental vehicles shall be distributed quarterly to the city, town, or county wherein such vehicle was delivered to the rentee; (iii) effective January 1, 1987, an amount equivalent to the net additional revenues generated by enactments of the 1986 Special Session of the Virginia General Assembly which amended §§ 46.2-694, 46.2-697, 58.1-2401, 58.1-2402 and this section shall be distributed to and paid into the Transportation Trust Fund, a special fund within the Commonwealth Transportation Fund, and are hereby appropriated to the Commonwealth Transportation Board for transportation needs; (iv) except as otherwise provided in clause (iii) of this sentence, all moneys collected from the tax on the gross proceeds from the rental in Virginia of any motor vehicle pursuant to subdivision A 3 of § 58.1-2402 at the tax rate in effect on December 31, 1986, shall be paid by the Commissioner into the state treasury and shall be paid into the Rail Enhancement Fund established by § 33.1-221.1:1.1; and (v) all additional revenues resulting from the fee imposed under subdivision A 5 of § 58.1-2402 as enacted by the 2004 Session of the General Assembly shall be used to pay the debt service on the bonds issued by the Virginia Public Building Authority for the Statewide Agencies Radio System (STARS) for the Department of State Police pursuant to the authority granted by the 2004 Session of the General Assembly.

B. As provided in subsection A of § 58.1-638, of the funds becoming part of the Transportation Trust Fund pursuant to clause (iii) of subsection A of this section, an aggregate of 4.2 percent shall be set aside as the Commonwealth Port Fund; an aggregate of 2.4 percent shall be set aside as the Commonwealth Airport Fund; and an aggregate of 14.5 percent in fiscal year 1998-1999 and 14.7 percent in fiscal year 1999-2000 and thereafter shall be set aside as the Commonwealth Mass Transit Fund.

§ 58.1-2531. Distribution of certain revenue.

A. All revenues collected by the Commission from the tax imposed under this chapter shall be deposited by the Comptroller into the Priority Transportation Fund established under § 33.1-23.03:8 until the amount deposited into the Fund pursuant to this section equals one-third of the revenues collected from such tax for the immediately preceding calendar year less one-third of the total amount of such tax refunded in the immediately preceding calendar year.

B. For purposes of the Comptroller's deposits under this section, the Commissioner of the Bureau of

3496 *Insurance shall, no later than July 15 of each year, provide a written certification to the Comptroller*
3497 *that reports the amount to be deposited into the Priority Transportation Fund in the fiscal year as*
3498 *required under this section. After the required amount has been deposited into such Fund, the*
3499 *Comptroller shall deposit all remaining revenues collected in the fiscal year from the taxes imposed*
3500 *under this chapter into the general fund of the state treasury. The Comptroller shall make all deposits*
3501 *under this section as soon as practicable.*

3502 § 58.1-2701. Amount of tax.

3503 A. Except as provided in subsection B, every motor carrier shall pay a road tax equivalent to
3504 ~~nineteen and one-half~~ *twenty-one* cents per gallon calculated on the amount of motor fuel, diesel fuel or
3505 liquefied gases (which would not exist as liquids at a temperature of sixty degrees Fahrenheit and a
3506 pressure of 14.7 pounds per square inch absolute), used in its operations within the Commonwealth.

3507 The tax imposed by this chapter shall be in addition to all other taxes of whatever character imposed
3508 on a motor carrier by any other provision of law.

3509 B. In lieu of the tax imposed in subsection A, motor carriers registering qualified highway vehicles
3510 that are not registered under the International Registration Plan shall pay a fee of ~~\$100~~ *\$150* per year
3511 for each qualified highway vehicle. The fee is due and payable when the vehicle registration fees are
3512 paid pursuant to the provisions of Article 7 (§ 46.2-685 et seq.) of Chapter 6 of Title 46.2.

3513 If a vehicle becomes a qualified highway vehicle before the end of its registration period, the fee due
3514 at the time the vehicle becomes a qualified highway vehicle shall be prorated monthly to the registration
3515 expiration month. Fees paid under this subsection shall not be refunded unless a full refund of the
3516 registration fee paid is authorized by law.

3517 C. All taxes and fees paid under the provisions of this chapter shall be credited to the Highway
3518 Maintenance and Operating Fund, a special fund within the Commonwealth Transportation Fund.

3519 § 58.1-2706. Credit for payment of motor fuel, diesel fuel or liquefied gases tax.

3520 A. Every motor carrier subject to the road tax shall be entitled to a credit on such tax equivalent to
3521 ~~sixteen~~ *seventeen and one-half* cents per gallon on all motor fuel, diesel fuel and liquefied gases
3522 purchased by such carrier within the Commonwealth for use in its operations either within or without
3523 the Commonwealth and upon which the motor fuel, diesel fuel or liquefied gases tax imposed by the
3524 laws of the Commonwealth has been paid by such carrier. Evidence of the payment of such tax in such
3525 form as may be required by, or is satisfactory to, the Department shall be furnished by each carrier
3526 claiming the credit herein allowed.

3527 B. When the amount of the credit to which any motor carrier is entitled for any quarter exceeds the
3528 amount of the tax for which such carrier is liable for the same quarter, the excess may: (i) be allowed as
3529 a credit on the tax for which such carrier would be otherwise liable for any of the eight succeeding
3530 quarters or (ii) be refunded, upon application, duly verified and presented and supported by such
3531 evidence as may be satisfactory to the Department.

3532 C. The Department may allow a refund upon receipt of proper application and review. It shall be at
3533 the discretion of the Department to determine whether an audit is required.

3534 D. The refund may be allowed without a formal hearing if the amount of refund is agreed to by the
3535 applicant. Otherwise, a formal hearing on the application shall be held by the Department after notice of
3536 not less than ten days to the applicant and the Attorney General.

3537 E. Whenever any refund is ordered it shall be paid out of the Highway Maintenance and
3538 Construction Fund.

3539 F. Whenever a person operating under lease to a motor carrier to perform transport services on
3540 behalf of the carrier purchases motor fuel, diesel fuel or liquefied gases relating to such services, such
3541 payments or purchases may, at the discretion of the Department, be considered payment or purchases by
3542 the carrier.

3543 § 58.1-3221.2. *Classification of commercial real property in certain Hampton Roads localities;*
3544 *transportation impact commercial real property tax.*

3545 A. *Solely for the purposes of imposing the tax authorized pursuant to this section, in the Counties of*
3546 *Isle of Wight, James City, and York and the Cities of Chesapeake, Hampton, Newport News, Norfolk,*
3547 *Portsmouth, Suffolk, Virginia Beach, and Williamsburg, commercial real estate is hereby declared to be*
3548 *a separate class of property solely for the purpose of funding regional transportation improvements*
3549 *pursuant to Chapter 10.2 (§ 33.1-391.6 et seq.) of Title 33.1. As used in this section "commercial real*
3550 *estate" means any real estate other than (i) real estate containing one to four residential units, (ii) real*
3551 *estate on which no buildings are located, or (iii) real estate classified for assessment purposes under the*
3552 *provisions of Article 4 (§ 58.1-3230 et seq.) of Chapter 32 of Title 58.1. Commercial real estate shall*
3553 *not include single family residential units, including condominiums, townhouses, apartments or homes in*
3554 *a subdivision when leased on a unit by unit basis even though these units may be part of a larger*
3555 *building or parcel of real estate containing more than four residential units.*

3556 *In addition to all other taxes and fees permitted by law, the governing body of any such locality*
3557 *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 0.2% of the fair market value of such commercial real estate, provided that the governing body of the locality appropriates the revenues collected from such tax to the Hampton Roads Transportation Authority established under § 33.1-391.7 to be used by the Authority for the purpose of funding regional transportation improvements pursuant to Chapter 10.2 (§ 33.1-391.6 et seq.) of Title 33.1. If the local governing body adopts such ordinance, the ordinance shall provide for the tax to be imposed annually.

B. Solely for the purpose of imposing the tax authorized under this section, at such time as the Chesapeake Bay Bridge-Tunnel becomes subject to the control of the Hampton Roads Transportation Authority as provided in § 33.1-391.12, (i) commercial real estate, as defined in this section, in the Counties of Accomack and Northampton shall be a separate class of property, and (ii) the governing body of each of the Counties and Accomack and Northampton may declare the entire, respective county a special regional transportation tax district with commercial real estate located in the respective county subject to the annual 0.2% transportation impact commercial real property tax imposed on fair market value. As a condition of imposing such tax, the respective county shall appropriate the revenues collected from such tax to the Hampton Roads Transportation Authority established under § 33.1-391.7 to be used by the Authority for the purpose of funding regional transportation improvements pursuant to Chapter 10.2 (§ 33.1-391.6 et seq.) of Title 33.1.

C. 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.

§ 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 2 percent 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 to the Northern Virginia Transportation Authority. Such revenues shall be used according to the provisions of § 15.2-4838.1.

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, or that benefits the locality, (ii) has entered into a binding commitment to begin a transportation project within the boundaries of the locality, or that benefits 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, or that benefits the locality.

§ 58.1-3825.2. Additional transient occupancy tax in certain counties and cities included in regional transportation authorities.

A. In addition to such transient occupancy taxes as are authorized by this chapter, the governing body of a county or city that is included in a regional transportation authority established pursuant to Chapter 48.3 (§ 15.2-4841 et seq.) of Title 15.2 may impose an additional transient occupancy tax at the rate of 3% of the amount of charge for the occupancy of any room or space occupied, provided that the county or city transfers the revenues collected from such tax to the regional transportation authority of which it is a member as soon as practical for use solely for the purposes as provided in Chapter 48.3 (§ 15.2-4841 et seq.) of Title 15.2.

No ordinance adopted by a county or city pursuant to this section shall become effective unless all counties and cities included in the regional transportation authority adopt an ordinance levying the tax authorized under this section.

B. No county or city imposing the tax pursuant to this section shall cease to impose such tax so long as the respective regional transportation authority (i) is currently engaged in a transportation project within the boundaries of the county or city, or that benefits the county or city, (ii) has entered into a binding commitment to begin a transportation project within the boundaries of the county or city, or that benefits the county or city, 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 regional transportation authority within the boundaries of the county or city, or that benefits the county or city.

C. The provisions of this section shall not be applicable to any county or city as provided in § 15.2-4843.

2. That the Commonwealth Transportation Board is authorized to issue bonds to fund transportation projects throughout the Commonwealth as follows:

§ 1. Title. This act shall be known and may be cited as the "Commonwealth Transportation Priority Projects Bond Act of 2007."

§ 2. The Commonwealth Transportation Board is hereby authorized, by and with the consent of the Governor, to issue, pursuant to the provisions of the State Revenue Bond Act (§ 33.1-267 et seq. of the

3619 Code of Virginia) as amended from time to time, revenue obligations of the Commonwealth to be
3620 designated "Commonwealth of Virginia Transportation Capital Projects Revenue Bonds, Series .." at one
3621 or more times in an aggregate principal amount not to exceed \$2,000,000,000, after all costs; provided
3622 that the aggregate principal amount issued in any one fiscal year shall not exceed \$300,000,000,
3623 excluding any refunding bonds. If, the aggregate principal amount issued in any fiscal year is less than
3624 \$300,000,000, then the amount by which such issuance is less than \$300,000,000 may be issued in a
3625 subsequent fiscal year in addition to the \$300,000,000 authorized in the subsequent fiscal year. The
3626 issuance of any Bonds under this Act is subject to the provisions of subsection C of § 33.1-23.03:8 of
3627 the Code of Virginia.

3628 § 3. The Commonwealth Transportation Board shall allocate, use, and distribute the net proceeds of
3629 the Bonds as follows: (i) a minimum of 20 shall be used for transit capital, and (ii) the remaining
3630 amount of the bond proceeds shall be used for paying the costs incurred or to be incurred for
3631 construction or funding of priority transportation projects, excluding maintenance projects, as
3632 determined by the Commonwealth Transportation Board, provided that the Board shall first use such
3633 remaining amount pursuant to the provisions of § 33.1-23.1:2. Costs incurred or to be incurred for
3634 construction or funding of priority transportation projects shall include, but is not limited to,
3635 environmental and engineering studies, rights-of-way acquisition, improvements to all modes of
3636 transportation, acquisition, construction and related improvements, and any financing costs and other
3637 financing expenses relating to the Bonds. Such costs may include the payment of interest on the Bonds
3638 for a period during construction and not exceeding one year after completion of construction of the
3639 relevant project.

3640 § 4. The proceeds of the Bonds, including any premium received on the sale thereof, shall be made
3641 available by the Commonwealth Transportation Board to pay costs of the projects and, where
3642 appropriate, may be paid to any authority, locality, commission, or other entity for the purposes of
3643 paying for costs of the projects. The proceeds of the Bonds may be used together with any federal,
3644 local, or private funds that may be made available for such purpose. The proceeds of the Bonds,
3645 together with any investment earnings thereon, may, at the discretion of the Commonwealth
3646 Transportation Board, secure the payment of principal or purchase price of and redemption premium, if
3647 any, and interest on the Bonds.

3648 § 5. The terms and structure of each issue of the Bonds shall be determined by the Commonwealth
3649 Transportation Board, subject to approval by the Treasury Board in accordance with § 2.2-2416 of the
3650 Code of Virginia, as amended. The Bonds of each issue shall be dated; shall be issued in a principal
3651 amount (subject to the limitations set forth in § 2 and in subsection C of § 33.1-23.03:8 of the Code of
3652 Virginia); shall bear interest at such rate or rates, which may be fixed, adjustable, variable or a
3653 combination thereof and may be determined by a formula or other method; shall mature at such time or
3654 times not exceeding 20 years after the issuance thereof; and may be made subject to purchase or
3655 redemption before their maturity or maturities, at such price or prices and under such terms and
3656 conditions, all as may be determined by the Commonwealth Transportation Board. The Commonwealth
3657 Transportation Board shall determine the form of the Bonds, whether the Bonds are certificated or
3658 uncertificated, and fix the authorized denomination or denominations of the Bonds and the place or
3659 places of payment of principal or purchase price of, and redemption premium, if any, and interest on
3660 the Bonds, which may be at the office of the State Treasurer or any bank or trust company within or
3661 without the Commonwealth. The principal or purchase price of, and redemption premium, if any, and
3662 interest on the Bonds shall be made payable in lawful money of the United States of America. Each
3663 issue of the Bonds may be issued under a system of book entry for recording the ownership and transfer
3664 of ownership of rights to receive payments of principal or purchase price of and redemption premium, if
3665 any, and interest on such Bonds. All Bonds shall have and are hereby declared to have, as between
3666 successive holders, all of the qualities and incidents of negotiable instruments under the negotiable
3667 instruments law of the Commonwealth.

3668 The Commonwealth Transportation Board may sell the Bonds from time to time at public or private
3669 sale, by competitive bidding, negotiated sale, or private placement, for such price or prices as it may
3670 determine to be in the best interests of the Commonwealth.

3671 § 6. The Bonds shall be signed on behalf of the Commonwealth Transportation Board by the
3672 chairman or vice-chairman of the Commonwealth Transportation Board, or shall bear the facsimile
3673 signature of such officer, and shall bear the official seal of the Board, which shall be attested to by the
3674 manual or facsimile signature of the secretary or assistant secretary of the Commonwealth
3675 Transportation Board. In the event that the Bonds shall bear the facsimile signature of the chairman or
3676 vice-chairman of the Commonwealth Transportation Board, such Bonds shall be signed by such
3677 administrative assistant as the chairman of the Transportation Board shall determine or by any
3678 registrar/paying agent who may be designated by the Commonwealth Transportation Board. In case any
3679 officer whose signature or a facsimile of whose signature appears on any Bonds shall cease to be such
3680 officer before the delivery of such Bonds, such signature or facsimile signature nevertheless shall be

valid and sufficient for all purposes as if such officer had remained in office until such delivery.

§ 7. All expenses incurred under this Act or in connection with the issuance of the Bonds shall be paid from the proceeds of such Bonds or from any available funds as the Commonwealth Transportation Board shall determine.

§ 8. The Commonwealth Transportation Board is hereby authorized to borrow money at such rate or rates through the execution and issuance of the Bonds for the same, but only in the following circumstances and under the following conditions:

a. In anticipation of the sale of the Bonds, the issuance of which shall have been authorized by the Commonwealth Transportation Board and shall have been approved by the Governor, if the Commonwealth Transportation Board shall deem it advisable to postpone the issuance of such Bonds; or

b. For the renewal of any anticipation notes herein authorized.

§ 9. The proceeds of the Bonds and of any anticipation notes herein authorized (except the proceeds of the Bonds the issuance of which has been anticipated by such anticipation notes) shall be placed by the State Treasurer in a special fund in the state treasury, or may be placed with a trustee in accordance with § 33.1-283 of the Code of Virginia, as amended, and shall be disbursed only for the purpose for which such Bonds and such anticipation notes shall be issued; provided, however, that proceeds derived from the sale of the Bonds herein authorized shall be first used in the payment of any anticipation notes that may have been issued in anticipation of the sale of such Bonds and any renewals of such Bonds. The proceeds of the Bonds and of any anticipation notes herein authorized, together with any investment earnings thereon, shall not be taken into account in computing, and shall be in addition to funds allocated pursuant to the allocation formulas set forth under Title 33.1 of the Code of Virginia, as amended.

§ 10. The Commonwealth Transportation Board is hereby authorized to receive any other funds that may be made available to pay costs of the projects and, subject to appropriation, to make available the same to the payment of the principal or purchase price of, and redemption premium, if any, and interest on the Bonds authorized hereby and to enter into the appropriate agreements to allow for those funds to be paid into the state treasury, or to a trustee in accordance with § 33.1-283 of the Code of Virginia, as amended, to pay a part of the costs of the projects or to pay principal or purchase price of, and redemption premium, if any, and interest on the Bonds.

§ 11. The Commonwealth Transportation Board, in connection with the issuance of the Bonds, shall establish a fund in accordance with § 33.1-286 of the Code of Virginia, as amended, either in the state treasury or with a trustee in accordance with § 33.1-283 of the Code of Virginia, as amended, which shall secure and be used for the payment of the Bonds to the credit of which there shall be deposited such amounts, appropriated therefor by the General Assembly, as are required to pay principal or purchase price of, and redemption premium, if any, and interest on the Bonds, as and when due and payable, (i) first from revenues in the Priority Transportation Fund pursuant to § 33.1-23.03:8 of the Code of Virginia; (ii) then, at the discretion of the Commonwealth Transportation Board, to the extent required, from legally available revenues of the Transportation Trust Fund; and (iii) then from such other funds, if any, that may be designated by the General Assembly for such purpose.

§ 12. Bond proceeds and moneys in any reserve funds and sinking funds in respect of the Bonds shall be invested by the State Treasurer in accordance with the provisions of general law relating to the investment of such funds belonging to or in the control of the Commonwealth, or by a trustee in accordance with § 33.1-283 of the Code of Virginia, as amended.

§ 13. The interest income from and any profit made on the sale of the obligations issued under the provisions of this Act shall at all times be free and exempt from taxation by the Commonwealth and by any municipality, county, or other political subdivision thereof.

§ 14. All obligations issued under the provisions of this Act are hereby made securities in which all persons and entities listed in § 33.1-280 of the Code of Virginia, as amended, may properly and legally invest funds under their control.

3. 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.

4. That prior to December 1 each year beginning 2008, the Washington Metropolitan Area Transit Authority shall submit to the Auditor of Public Accounts its annual audit report and financially audited statements for the most recent fiscal year.

5. That each governing body of a county or city adopting by ordinance any of the fees or taxes authorized under § 46.2-332.1, § 46.2-755.1, § 46.2-755.2, § 46.2-755.3, § 46.2-1167.1, subsection K of § 605, § 58.1-605.1, § 58.1-605.2, § 58.1-605.3, subsection H of § 58.1-606, § 58.1-606.1,

3742 § 58.1-606.2, § 58.1-606.3, § 58.1-802.1, § 58.1-802.2, § 58.1-2402.1, § 58.1-2402.2, § 58.1-3221.2,
3743 § 58.1-3825.1, or § 58.1-3825.2 of the Code of Virginia shall provide a copy of the ordinance to the
3744 Clerk of the House of Delegates and the Clerk of the Senate as soon as practicable.

3745 6. That each county or city that imposes any of the fees or taxes authorized under § 46.2-332.1,
3746 § 46.2-755.1, § 46.2-755.2, § 46.2-755.3, § 46.2-1167.1, subsection K of § 605, § 58.1-605.1,
3747 § 58.1-605.2, § 58.1-605.3, subsection H of § 58.1-606, § 58.1-606.1, § 58.1-606.2, § 58.1-606.3,
3748 § 58.1-802.1, § 58.1-802.2, § 58.1-2402.1, § 58.1-2402.2, § 58.1-3221.2, § 58.1-3825.1, or § 58.1-3825.2
3749 pursuant to the provisions of this act shall for each fiscal year in which it imposes such fee or tax
3750 expend or disburse for transportation purposes an amount (computed without regard to any
3751 revenues generated in the fiscal year from such fees or taxes) that is at least equal to the total
3752 amount expended or disbursed for transportation purposes by the county or city in its fiscal year
3753 that began in calendar year 2006.

3754 7. That, if the Hampton Roads Transportation Authority becomes effective January 1, 2008,
3755 pursuant to the eighth enactment of this act, the Authority shall develop as part of a long-range
3756 transportation plan performance measures for the area encompassed by the Authority relating to,
3757 but not limited to, transportation congestion reduction, transit and high-occupancy vehicle (HOV)
3758 usage, job/housing ratios, job and housing access to transit and pedestrian facilities, air quality,
3759 and per-capita vehicle miles traveled. In addition, the Northern Virginia Transportation Authority
3760 established under § 15.2-4830 of the Code of Virginia shall also develop as part of a long-range
3761 transportation plan performance measures for the area encompassed by the Authority relating to,
3762 but not limited to, transportation congestion reduction, transit and high-occupancy vehicle (HOV)
3763 usage, job/housing ratios, job and housing access to transit and pedestrian facilities, air quality,
3764 and per-capita vehicle miles traveled. Such performance measures shall be subject to the approval
3765 of the Commonwealth Transportation Board on a biennial basis.

3766 8. That §§ 33.1-391.6 through 33.1-391.18 of the Code of Virginia, and the fees and taxes set forth
3767 under § 46.2-332.1, § 46.2-755.1, § 46.2-1167.1, subsection K of § 58.1-605, § 58.1-605.1, subsection
3768 H of § 58.1-606, § 58.1-606.1, § 58.1-802.1, § 58.1-2402.2, and § 58.1-3221.2 of the Code of Virginia
3769 are conditional upon the following: (i) at least six of the governing bodies of each of the counties
3770 and cities set forth in subdivision A 1 of § 46.2-332.1 each pass a duly adopted ordinance on or
3771 before September 1, 2007, that indicates the local governing body is joining the Hampton Roads
3772 Transportation Authority (§ 33.1-391.6 et seq.) and that designates the member of the local
3773 governing body who shall serve on the Authority upon its creation; (ii) each such ordinance also
3774 adopts and imposes, effective January 1, 2008, all of the taxes and fees set forth under subdivision
3775 A 1 of § 46.2-332.1, subdivision A 1 of § 46.2-755.1, subdivision A 1 of § 46.2-1167.1, subdivision K
3776 1 of § 58.1-605, subdivision H 1 of § 58.1-606, subdivision A 1 of § 58.1-802.1, and subdivision A 1
3777 of § 58.1-2402.2; and (iii) each such ordinance also adopts and imposes, effective January 1, 2009,
3778 the tax set forth under subsection A of § 58.1-3221.2.

3779 Each county and city passing such ordinance by September 1, 2007, shall provide a copy of
3780 the ordinance to the Clerk of the House of Delegates and the Clerk of the Senate as soon as
3781 practicable.

3782 9. That \$161 million is appropriated and shall be transferred in the Commonwealth's fiscal year
3783 starting on July 1, 2007, from the general fund to the Priority Transportation Fund established
3784 under § 33.1-23.03:8 of the Code of Virginia. Notwithstanding any other provision of
3785 § 33.1-23.03:8, such amount shall be used solely for debt service payments on bonds or other
3786 obligations issued, or entered into, by the Commonwealth Transportation Board for which the
3787 Fund is expressly required for making the related debt service payments.

3788 10. That the Commissioner of the Department of Taxation shall develop guidelines for purposes of
3789 implementation of the taxes under subsection K of § 58.1-605, § 58.1-605.1, § 58.1-605.2, § 58.1-
3790 605.3, subsection H of § 58.1-606, § 58.1-606.1, § 58.1-606.2, and § 58.1-606.3 of the Code of
3791 Virginia. The guidelines shall be made publicly available no later than October 1, 2007.

3792 11. That the Virginia Department of Transportation, with the advice and consent of the
3793 Commonwealth Transportation Board, shall, on or before January 1, 2009, submit to the
3794 Governor and the General Assembly a plan to reassign the various highways, bridges, and other
3795 facilities comprising the state primary, secondary, and urban highway systems so that the
3796 assignment of components to such systems is based, to the maximum degree practicable, on the
3797 components' functional classification. Such plan shall include an analysis of the costs, benefits, and
3798 programmatic and other implications of such reassignment.

3799 12. That the Virginia Department of Transportation shall, on or before January 1, 2008, submit a
3800 written report to the General Assembly on its plans to create opportunities to enhance mobility
3801 and free-flowing traffic on Department-controlled toll facilities by embracing technological
3802 advances.

3803 13. That nothing in this act shall be construed to prohibit any county or city that imposes any of

3804 the fees or taxes authorized under § 46.2-332.1, § 46.2-755.1, § 46.2-755.2, § 46.2-755.3,
 3805 § 46.2-1167.1, subsection K of § 605, § 58.1-605.1, § 58.1-605.2, § 58.1-605.3, subsection H of
 3806 § 58.1-606, § 58.1-606.1, § 58.1-606.2, § 58.1-606.3, § 58.1-802.1, § 58.1-802.2, § 58.1-2402.1,
 3807 § 58.1-2402.2, § 58.1-3221.2, § 58.1-3825.1, or § 58.1-3825.2 pursuant to the provisions of this act,
 3808 from reducing or repealing any other fees or taxes.

3809 14. That counties shall have until July 1, 2011, to amend their comprehensive plans in accordance
 3810 with the provisions of § 15.2-2223.1 of the Code of Virginia pursuant to this act.

3811 15. That should any portion of this act be held unconstitutional by a court of competent
 3812 jurisdiction, the remaining portions of this act shall remain in effect.

3813 16. That no later than July 1, 2008, the Secretary of Transportation shall report to the Senate
 3814 Committees on Finance and Transportation and the House Committees on Appropriations and
 3815 Transportation on the state policies, state funding, and other incentives necessary to encourage
 3816 counties to elect to withdraw from the secondary system of state highways. As part of the report,
 3817 the Secretary shall identify and invite specific counties to assist in pursuing a pilot program or
 3818 programs. The report shall also include, but not be limited to, the material, equipment, and
 3819 staffing required for counties to assume maintenance responsibilities as well as the minimum level
 3820 of maintenance service counties must provide.

3821 17. That the provisions of the Administrative Process Act (§ 2.2-4000 et seq. of the Code of
 3822 Virginia) shall not apply to initial regulations promulgated by the Commonwealth Transportation
 3823 Board pursuant to the requirements of § 33.1-70.3 of the Code of Virginia as set forth in this act,
 3824 but such exemption shall not apply to subsequent regulations or amendments thereto promulgated
 3825 by the Board. The Board shall solicit and consider public comment in the development of the
 3826 regulations. Until such time as initial regulations establishing secondary street acceptance
 3827 requirements are adopted pursuant to § 33.1-70.3, the subdivision street requirements and the
 3828 process and criteria for taking such streets into the state secondary system in effect on January 1,
 3829 2007, shall continue to apply.

3830 18. That the Senate Committees on Finance and Local Government and the House Committees on
 3831 Appropriations and Counties, Cities, and Towns shall assess the authority of local governments
 3832 and the sources of local revenues for the funding of roads and streets. The assessment shall
 3833 include conditional zoning and impact fees authority, urban transportation service districts,
 3834 community development authorities, and other existing or potential sources of local revenue to
 3835 fund transportation infrastructure. The Committees shall consult with interested parties deemed
 3836 appropriate by them, and shall report their findings no later than December 1, 2007.

3837 19. That in conjunction with the construction of rail mass transit in the right of way of the Dulles
 3838 Access/Toll Road Connector (DATRC), sound walls shall be constructed along residential
 3839 properties from the beginning of the DATRC to Dulles International Airport.

3840 20. That the revenue generated by this act shall be used solely for transportation purposes.

3841 21. That the tenth enactment clauses of Chapter 1019 and Chapter 1044 of the Acts of Assembly
 3842 of 2000 are repealed effective July 1, 2007.

3843 22. That the provisions of this act, including the fees and taxes hereunder, shall expire on
 3844 December 31 of any year in which the General Assembly appropriates any of the revenue
 3845 generated for the Highway Maintenance and Operating Fund and the Priority Transportation
 3846 Fund under this act for any purpose other than transportation.