

079348784

SENATE BILL NO. 1026

Offered January 10, 2007

Prefiled January 9, 2007

A BILL to amend and reenact §§ 33.1-84.1 and 58.1-1719 of the Code of Virginia and to amend the Code of Virginia by adding in Chapter 17 of Title 58.1 an article numbered 4.1, consisting of sections numbered 58.1-1724.2 and 58.1-1724.3, relating to assumption by certain counties of responsibility for planning, construction, operation, and maintenance of state secondary highway system components, and local-optional retail sales taxes on motor fuel.

Patron—O'Brien

Referred to Committee on Finance

Be it enacted by the General Assembly of Virginia:

1. That §§ 33.1-84.1 and 58.1-1719 of the Code of Virginia are amended and reenacted and that the Code of Virginia is amended by adding in Chapter 17 of Title 58.1 an article numbered 4.1, consisting of sections numbered 58.1-1724.2 and 58.1-1724.3, as follows:

§ 33.1-84.1. Resumption of responsibility for secondary highways by counties.

A. Notwithstanding any provisions of § 11 of Chapter 415 of the Acts of Assembly of 1932, the Commonwealth Transportation Commissioner, following receipt of a resolution adopted by the Board of Supervisors of a county requesting such action, may enter into an agreement with any county that desires to resume responsibility over any portion of the state secondary system of highways within such county's boundaries for the purposes of planning, constructing, maintaining, and operating such highways. Such agreement shall specify the equipment, facilities, personnel, and funding that will be provided in order to implement such agreement's provisions.

B. Prior to July 1, 2012, every county having a population of 50,000 or more, according to the last preceding United States census, shall enter into an agreement pursuant to subsection A to assume responsibility for overall planning, construction, operation, and maintenance of state secondary system highways within its boundaries. Any such agreement may provide for a gradual transfer of responsibilities for secondary highway system components at specified dates, or may provide for transfer of total responsibility on a single specified date, provided total responsibility shall have been transferred to the county prior to July 1, 2012.

§ 58.1-1719. Rules and regulations; bracket system.

The Tax Commissioner shall promulgate rules and regulations for the registration of dealers and the procedures for filing returns for the payment of the tax imposed pursuant to this article and Article 4.1 (§ 58.1-1724.2 et seq.) of this chapter. Such regulations shall include provisions for a bracket system, designed so that the tax will appear on the fuel pump as a part of the total cost of a unit of fuel, whether the unit is a gallon or other measure. The bracket system shall state the tax per unit measure in tenths of a cent, and shall be in increments of no more than 2 1/2¢.

Article 4.1.**Additional Motor Vehicle Fuel Sales Tax.**

§ 58.1-1724.2. Sales tax on fuel in certain counties.

Upon entering into an agreement to assume responsibility for overall planning, construction, operation, and maintenance of state secondary system highways within its boundaries as provided under subsection B of § 33.1-84.1, the local governing body of the county is hereby authorized to impose a sales tax at a rate of up to 2 % of the retail price of fuels that are subject to the tax under Chapter 22 (§ 58.1-2200 et seq.) and that are sold at retail within such county. The tax shall be imposed in increments of 0.50%. As used in this section "retail sale" means a sale to a consumer or to any person for any purpose other than resale.

The tax imposed under this section shall be effective on the first day of the first month that is at least 60 days after the date upon which the local governing body of the county has adopted the local ordinance imposing the tax under this section.

The tax imposed under this section shall be subject to the provisions of the Virginia Retail Sales and Use Tax Act (§ 58.1-600 et seq.), except that the exemption provided for motor vehicle fuels under subdivision 1 of § 58.1-609.1, and the bracket system provided in such act, shall not be applicable. The tax shall be collected and administered in the same manner as the tax under Article 4 (§ 58.1-1719 et seq.) of this chapter.

All taxes paid to the Tax Commissioner pursuant to this article, after subtraction of the direct costs of administration by the Department of Taxation, shall be deposited in a special fund, which is hereby

INTRODUCED

SB1026

59 *created on the Comptroller's books under the name "Special Fuels Tax Account of the County of*
60 *. . . " Such local fuels tax moneys shall be credited to the account of each county imposing the tax under*
61 *this section. The amounts deposited in the special fund shall be distributed monthly to the respective*
62 *county or counties imposing the tax.*
63 *The provisions of §§ 58.1-1722, 58.1-1723, and 58.1-1724.1 shall apply, mutatis mutandis, to the tax*
64 *imposed under this article.*
65 *§ 58.1-1724.3. Use of revenues.*
66 *All revenues from the tax imposed under this article shall be used for the planning, construction,*
67 *operation, and maintenance of state secondary system highways within the boundaries of the county.*