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SENATE BILL NO. 830

Offered January 10, 2007

Prefiled January 5, 2007

A BILL to amend and reenact §§ 15.2-4832, 15.2-4839, 58.1-300, 58.1-520, 58.1-811, 58.1-812, and 58.1-813 of the Code of Virginia; to amend the Code of Virginia by adding sections numbered 15.2-4838.1, 46.2-755.1, 58.1-605.1, and 58.1-606.1, by adding in Chapter 6 of Title 58.1 a section numbered 58.1-639.1, and by adding a section numbered 58.1-802.1; and to repeal Article 22 (§§ 58.1-540 through 58.1-549) of Chapter 3 of Title 58.1 of the Code of Virginia, relating to the administration and funding of transportation in Northern Virginia.

Patron—Devolites Davis

Referred to Committee on Finance

Be it enacted by the General Assembly of Virginia:

1. That §§ 15.2-4832, 15.2-4839, 58.1-300, 58.1-520, 58.1-811, 58.1-812, and 58.1-813 of the Code of Virginia are amended and reenacted and that the Code of Virginia is amended by adding sections numbered 15.2-4838.1, 46.2-755.1, 58.1-605.1, and 58.1-606.1, by adding in Chapter 6 of Title 58.1 a section numbered 58.1-639.1, and by adding a section numbered 58.1-802.1 as follows:

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

The Authority shall consist of ~~16~~ 20 members as follows:

The chief elected officer of the governing body of each county and city embraced by the Authority or, in the discretion of the chief elected officer, his designee, who shall be a current elected officer of such governing body;

~~Two~~ Four members of the House of Delegates who reside in different counties or cities embraced by the Authority, appointed by the Speaker of the House, to the extent practicable, from the membership of the House Committee on Appropriations, the House Committee on Finance, or the House Committee on Transportation;

~~One member~~ Two members of the Senate who ~~resides in a county or city~~ reside in different counties or cities embraced by the Authority, appointed by the Senate Committee on Rules, to the extent practicable, from the membership of the Senate Committee on Finance and the Senate Committee on Transportation; ~~and~~

One mayor of a town with a population of at least 3,500 that is within any county embraced by the Authority, appointed by the Governor, with future appointees to this position rotated equally among all such towns; and

Two citizens who reside in counties and cities embraced by the Authority, appointed by the Governor. One gubernatorial appointment shall include a member of the Commonwealth Transportation Board who resides in a county or city embraced by the Authority. The remaining gubernatorial appointment shall be a person who has significant experience in transportation planning, finance, engineering, construction, or management and shall be a resident of a county or city embraced by the Authority, but shall not be a resident of the same county or city as the other gubernatorial appointee to the Authority.

Legislative members shall serve terms coincident with their terms of office. The gubernatorial appointee who is not a member of the Commonwealth Transportation Board shall serve for a term of four years. *The mayor-of-a-town member shall serve for a term of two years.* Vacancies occurring other than by expiration of a term shall be filled for the unexpired term. Vacancies shall be filled in the same manner as the original appointments.

In addition, the following persons shall serve as nonvoting members of the Authority: the Director of the Virginia Department of Rail and Public Transportation, or his designee, and the Commonwealth Transportation Commissioner, or his designee.

The Authority shall appoint the chairman and vice-chairman.

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

All moneys received by the Authority pursuant to §§ 46.2-755.1, 58.1-605.1, 58.1-606.1, and 58.1-802.1 shall be used by the Authority solely for the primary benefit of those counties and cities that are imposing all of the taxes and fees set forth in such subsection and sections.

Notwithstanding any other provision of this chapter, all moneys received by the Authority pursuant to §§ 46.2-755.1, 58.1-605.1, 58.1-606.1, and 58.1-802.1 shall be used as follows:

1. The first \$50 million received from such moneys in each fiscal year shall be distributed to the Washington Metropolitan Area Transit Authority (WMATA) to provide funds to WMATA as may be

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59 required under federal law for the payment of certain federal funds to WMATA. The Northern Virginia
60 Transportation Authority shall make such annual distribution from such revenues (i) only to the extent
61 required under federal law for the payment of federal funds to WMATA, and (ii) only if the Counties of
62 Arlington and Fairfax and the City of Alexandria are, on and after March 1, 2008, imposing all of the
63 taxes and the fees authorized pursuant to §§ 46.2-755.1, 58.1-605.1, 58.1-606.1, and 58.1-802.1;

64 2. The next \$25 million received from such moneys by the Authority in each fiscal year shall be
65 distributed to the Virginia Railway Express for capital projects or operating costs directly relating to
66 transportation by rail, but only if Prince William County is, on and after March 1, 2008, imposing all
67 of the taxes and the fees authorized pursuant to §§ 46.2-755.1, 58.1-605.1, 58.1-606.1, and 58.1-802.1;
68 and

69 3. All other remaining revenues received pursuant to §§ 46.2-755.1, 58.1-605.1, 58.1-606.1, and
70 58.1-802.1 shall be used by the Authority solely for transportation projects for the localities that are
71 embraced by the Authority as determined by the Authority subject to all conditions under this chapter.

72 § 15.2-4839. Authority to issue bonds.

73 The Authority may issue bonds and other evidences of debt as may be authorized by law. The
74 provisions of Article 5 (§ 15.2-4519 et seq.) of Chapter 45 of this title shall apply, mutatis mutandis, to
75 the issuance of such bonds or other debt.

76 Notwithstanding any other provision of this chapter, the Authority shall not enter into any lease
77 agreement, obligation, or contractual arrangement that creates a direct or contingent financial
78 obligation of the Commonwealth unless such proposed agreement, obligation, or contractual
79 arrangement has first been submitted to the State Treasurer sufficiently prior to the execution of such
80 proposed agreement, obligation, or contractual arrangement to allow the State Treasurer to undertake a
81 review for the purposes of determining (i) whether the proposed agreement, obligation, or contractual
82 arrangement may constitute tax-supported debt of the Commonwealth and (ii) the potential impact of the
83 proposed agreement, obligation, or contractual arrangement on the debt capacity and credit ratings of
84 the Commonwealth. If after such review the State Treasurer determines that the proposed agreement,
85 obligation, or contractual arrangement may constitute tax-supported debt of the Commonwealth, or may
86 have an adverse impact on the debt capacity or the credit ratings of the Commonwealth, the Authority
87 shall be prohibited from entering into such lease agreement, obligation, or contractual arrangement. The
88 State Treasurer shall make his written findings available to the members of the Authority as soon as
89 practical.

90 § 46.2-755.1. Additional initial license fees in certain localities.

91 In addition to taxes and license fees imposed pursuant to §§ 46.2-752 and 46.2-753 and to all other
92 fees permitted by law, each of the governing bodies of the Counties of Arlington, Fairfax, Loudoun, and
93 Prince William, and the Cities of Alexandria, Fairfax, Falls Church, Manassas, and Manassas Park is
94 authorized to charge an initial, one-time license fee on all vehicles for which the locality is authorized
95 under this chapter to collect a license fee, at the rate of 0.50% of the average retail value of the vehicle
96 according to the National Automobile Dealers Association, or successor thereto, at the time the vehicle
97 is first registered in the locality by or on behalf of the owner of the vehicle. If the model and year of an
98 individual vehicle is not listed by the National Automobile Dealers Association, the individual vehicle
99 may be valued on the basis of percentage or percentages of original cost. License fees authorized by
100 this section shall be imposed only once, so long as the ownership of the vehicle upon which they are
101 imposed remains unchanged.

102 The license fee shall not be imposed for any vehicle owned by a demolisher, rebuilder, salvage
103 dealer, salvage pool, scrap metal processor, or vehicle removal operator, as such terms are defined in
104 § 46.2-1600, provided that such vehicle is acquired by such person for (i) demolition or salvage; (ii)
105 repairing into a rebuilt or repaired vehicle as defined in § 46.2-1600; or (iii) resale to a demolisher,
106 scrap metal processor, or salvage dealer as defined in § 46.2-1600.

107 The governing body of the city or county shall transfer the revenues collected from the additional
108 fees imposed pursuant to this section to the Northern Virginia Transportation Authority established
109 under § 15.2-4830 as soon as practical. The Authority shall use such funds solely for the purposes as
110 provided in § 15.2-4838.1.

111 No locality imposing the initial, one-time license fee pursuant to this section shall cease to impose
112 such fee so long as the Northern Virginia Transportation Authority (i) is currently engaged in a
113 transportation project within the boundaries of the locality, (ii) has entered into a binding commitment
114 to begin a transportation project within the boundaries of the locality, or (iii) has issued bonds or
115 incurred other evidence of debt that has not been satisfied or paid in full and that relates to a
116 transportation project undertaken by the Authority within the boundaries of the locality.

117 § 58.1-300. Incomes not subject to local taxation.

118 Except as provided in § 58.1-540, no county, city, town or other political subdivision of this
119 Commonwealth shall impose any tax or levy upon incomes, incomes being hereby segregated for state
120 taxation only.

§ 58.1-520. Definitions.

As used in this article:

"Claimant agency" means any administrative unit of state, county, city or town government, including department, institution, commission, authority, or the office of Executive Secretary of the Supreme Court, any circuit or district court and the Internal Revenue Service. All state agencies and institutions shall participate in the setoff program.

"Debtor" means any individual having a delinquent debt or account with any claimant agency which obligation has not been satisfied by court order, set aside by court order, or discharged in bankruptcy.

"Delinquent debt" means any liquidated sum due and owing any claimant agency, or any restitution ordered paid to a clerk of the court pursuant to Title 19.2, including any amount of court costs or fines which have accrued through contract, subrogation, tort, operation of law, or any other legal theory regardless of whether there is an outstanding judgment for that sum which is legally collectible and for which a collection effort has been or is being made.

"Mailing date of notice" means the date of notice appearing thereon.

"Refund" means any individual's Virginia state or local income tax refund payable pursuant to §§ 58.1-309 and 58.1-546 § 58.1-309. This term also includes any refund belonging to a debtor resulting from the filing of a joint income tax return or a refund belonging to a debtor resulting from the filing of a return where husband and wife have elected to file a combined return and separately state their Virginia taxable incomes under the provisions of § 58.1-324 B 2.

§ 58.1-605.1. Additional local sales tax.

A. In addition to any other taxes, fees, or other charges imposed under law, each of the governing bodies 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 sales 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. 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 sales tax imposed pursuant to the authority granted under § 58.1-605 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 subsection. 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 sales tax.

B. Any ordinance imposing the local retail sales tax authorized under this section shall be effective on the first day of the 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 within 10 days after its adoption.

C. The revenue generated and collected pursuant to the tax authorized under this section, 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 Fund Account of the Northern Virginia Transportation Authority." The State Treasurer shall distribute the amounts deposited in the special trust fund monthly to the Northern Virginia Transportation Authority. The Authority shall use such funds solely for the purposes as provided in § 15.2-4838.1.

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

§ 58.1-606.1. Additional local use tax.

A. In addition to any other taxes, fees, or other charges imposed under law, each of the governing bodies 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 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. 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 subsection. 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.

182 B. Any ordinance imposing the local use tax authorized under this section shall be effective on the
183 first day of the month that is at least 60 days subsequent to the adoption of the ordinance. A certified
184 copy of such ordinance shall be forwarded to the Tax Commissioner so that it will be received within
185 10 days after its adoption.

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

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

198 § 58.1-639.1. Exemptions for local sales and use tax.

199 Any exemption set forth in this chapter, or established pursuant to the administrative process under
200 § 58.1-609.11, for a state sales or use tax or a local sales or use tax under § 58.1-605 or 58.1-606 shall
201 also apply to the taxes imposed pursuant to §§ 58.1-605.1 and 58.1-606.1.

202 § 58.1-802.1. Additional local tax paid by grantor; collection.

203 A. In addition to the tax imposed by § 58.1-802 and any other fee, tax, or other charge imposed
204 under law, each of the governing bodies of the Counties of Arlington, Fairfax, Loudoun, and Prince
205 William and the Cities of Alexandria, Fairfax, Falls Church, Manassas, and Manassas Park may, by
206 ordinance, impose a tax on each deed, instrument, or writing by which lands, tenements or other realty
207 sold (located in the county or city) is granted, assigned, transferred, or otherwise conveyed to, or vested
208 in the purchaser, or any other person, by such purchaser's direction, provided that the governing body
209 of the county or city authorizes the clerk of the court to transfer the revenues collected from such tax to
210 the Northern Virginia Transportation Authority established under § 15.2-4830. The rate of the tax, when
211 the consideration or value of the interest exceeds \$100, shall be \$0.05 for each \$100 or fraction thereof,
212 exclusive of the value of any lien or encumbrance remaining thereon at the time of the sale, whether
213 such lien is assumed or the realty is sold subject to such lien or encumbrance.

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

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

221 B. The tax shall be collected pursuant to subsection B of § 58.1-802. However, the clerk shall return
222 all taxes collected pursuant to the authority granted under this section to the Northern Virginia
223 Transportation Authority. The Authority shall use such funds solely for the purposes as provided in
224 § 15.2-4838.1.

225 C. The tax imposed pursuant to the authority granted under this section on property that is located
226 in more than one jurisdiction shall be collected by the clerk in proportion to the value of the property
227 located in each locality when recorded therein.

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

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

236 § 58.1-811. Exemptions.

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

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

242 2. To an incorporated church or religious body or to the trustee or trustees of any church or religious
243 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 section.

C. The ~~tax~~ taxes imposed by §§ 58.1-802 and 58.1-802.1 shall not apply to any:

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

2. Instrument or writing given to secure a debt;

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

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

5. Conveyance of real estate to the Commonwealth or any county, city, town, district or other

political subdivision thereof, if such political unit is required by law to reimburse the parties taxable pursuant to § 58.1-802 *or* 58.1-802.1; or

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

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

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

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

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

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

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

§ 58.1-812. Payment prerequisite to recordation; exceptions; assessment and collection of tax; penalty for misrepresentation.

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

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

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

§ 58.1-813. Collection of tax by Department.

The Department may assess and collect any tax imposed by this chapter *or imposed pursuant to the authority granted under § 58.1-802.1*, which has remained uncollected for thirty days. The Department, prior to collecting such tax, shall give notice to the clerk of court in whose office the tax was to be collected. The Department may then proceed to assess and collect the unpaid tax in the same manner and by the same methods used for the collection of any state tax administered by the Department.

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

2. That each county or city that imposes taxes or fees pursuant to § 46.2-755.1, 58.1-605.1, 58.1-606.1, or 58.1-802.1 of the Code of Virginia shall for each fiscal year in which it imposes such taxes or fees expend or disburse for transportation purposes an amount (computed without regard to any revenues generated in the fiscal year from such taxes or fees) that is at least equal to the total amount expended or disbursed for transportation purposes by the county or city in its fiscal year that began in calendar year 2006.

3. That any revenues distributed to the Northern Virginia Transportation Authority pursuant to § 46.2-755.1, 58.1-605.1, 58.1-606.1, or 58.1-802.1 of the Code of Virginia shall not be used to calculate or reduce the share of local, federal, and state revenues otherwise available to any county or city set forth in subsection A of § 58.1-605.1 or subsection A of § 58.1-606.1 of the Code of

367 Virginia or otherwise available to the Northern Virginia Transportation District. Further, such
368 revenues and moneys shall not be included in any computation of, or formula for, a locality's
369 ability to pay for public education, upon which appropriations of state revenues to local
370 governments for public education are determined.
371 4. That Article 22 (§§ 58.1-540 through 58.1-549) of Chapter 3 of Title 58.1 of the Code of Virginia
372 is repealed.

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