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HOUSE BILL NO. 507

Offered January 9, 2008

Prefiled January 7, 2008

A BILL to amend and reenact §§ 33.1-391.9, 33.1-391.10, 46.2-755.1, 46.2-755.2, 58.1-605, 58.1-606, 58.1-625.1, 58.1-802.1, 58.1-1724.3, 58.1-2402.1, and 58.1-3221.3 of the Code of Virginia, relating to the Hampton Roads Transportation Authority and taxes and fees imposed in counties and cities embraced by the Authority.

 Patron—Hamilton

Referred to Committee on Transportation

Be it enacted by the General Assembly of Virginia:

1. That §§ 33.1-391.9, 33.1-391.10, 46.2-755.1, 46.2-755.2, 58.1-605, 58.1-606, 58.1-625.1, 58.1-802.1, 58.1-1724.3, 58.1-2402.1, and 58.1-3221.3 of the Code of Virginia are amended and reenacted as follows:

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

The Authority shall consist of the following members: (i) the chief elected officer of the governing body (or in the discretion of the chief elected officer, his designee, who shall be a current elected officer of such governing body) of each of the Counties of Isle of Wight, James City, and York and the Cities of Chesapeake, Hampton, Newport News, Norfolk, Poquoson, Portsmouth, Suffolk, Virginia Beach, and Williamsburg, who shall serve with voting privileges; (ii) a member of the Commonwealth Transportation Board who resides in a county or city embraced by the Authority appointed by the Governor who shall serve ex officio without a vote; (iii) the Director of the Virginia Department of Rail and Public Transportation, or his designee, who shall serve ex officio without a vote; (iv) the Commonwealth Transportation Commissioner, or his designee, who shall serve ex officio without a vote; (v) two members of the Virginia House of Delegates each of whom shall reside in a city or county whose governing body has a voting member on the Authority, neither of whom shall reside in the same city or county, appointed by the Speaker of the House of Delegates, who shall serve ex officio without a vote; and (vi) one member of the Senate of Virginia who shall reside in a city or county whose governing body has a voting member on the Authority, appointed by the Senate Committee on Rules who shall serve ex officio without a vote. 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 appoint a chairman and vice-chairman from among its voting membership.

~~A majority~~ *Three-quarters* of the voting members of the Authority shall constitute a quorum for the transaction of business.

Decisions of the Authority shall require a quorum and shall be in accordance with voting procedures established by the Authority. Decisions of the Authority shall require the affirmative vote of a ~~majority~~ *three-quarters* of the voting members of the Authority ~~present and voting and such members present and voting in the affirmative shall be representatives of counties and cities that collectively include at least 51% of the population embraced by the Authority at the time of the vote.~~ The population of counties and cities embraced by the Authority shall be the population as determined by the most recently preceding decennial census, except that after July 1 of the fifth year following such census, the population of each county and city shall be adjusted, based on final population estimates made by the Weldon Cooper Center for Public Service of the University of Virginia.

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

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59 purchase of insurance, participation in an insurance plan, or the creation of a self-insurance plan by the
60 Authority shall not be deemed a waiver or relinquishment of any sovereign immunity to which the
61 Authority or its officers, directors, employees, or agents are otherwise entitled;

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

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

67 6. To acquire real and personal property or any interest therein by purchase, lease, gift, or otherwise
68 for purposes consistent with this chapter; and to hold, encumber, sell, or otherwise dispose of such land
69 or interest for purposes consistent with this chapter;

70 7. To acquire by purchase, lease, contract, or otherwise, highways, bridges, tunnels, railroads, rolling
71 stock, and transit and rail facilities and other transportation-related facilities; and to construct the same
72 by purchase, lease, contract, or otherwise;

73 8. In consultation with the Commonwealth Transportation Board and with each city or county in
74 which the facility or any part thereof is or is to be located, to repair, expand, enlarge, construct,
75 reconstruct, or renovate any or all of the transportation facilities referred to in this section, and to
76 acquire any real or personal property needed for any such purpose;

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

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

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

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

87 13. To decide and vote to impose all of the fees and taxes authorized under law for use by the
88 Authority. Furthermore, no such fee or tax shall apply to Accomack or Northampton County until such
89 time that the Chesapeake Bay Bridge-Tunnel facilities become subject to the control of the Authority as
90 provided under § 33.1-391.12; and

91 14. To the extent not inconsistent with the other provisions of this chapter, and without limiting or
92 restricting the powers otherwise given the Authority, to exercise all of the powers given to transportation
93 district commissions by §§ 15.2-4518 and 15.2-4519. The Authority shall only undertake those
94 transportation projects that are included in the federally mandated 2030 Regional Transportation Plan
95 approved by the Metropolitan Planning Organization, or any successive plan, and that are located in, or
96 which provide a benefit to, the counties and cities that are members of the Authority, subject to the
97 limitations related to those projects contained in this section.

98 The Authority shall phase construction of the transportation projects that are included in the federally
99 mandated 2030 Regional Transportation Plan, or any successive plan. ~~Except as specifically provided~~
100 ~~herein, projects listed in the second phase shall not be undertaken until the Authority has considered and~~
101 ~~acted upon a financing plan for the maintenance, operation, and construction for the projects listed in the~~
102 ~~first phase that meet the requirements of this section.~~

103 *First Phase Projects and the following projects:*

104 *Hampton Roads Bridge-Tunnel Expansion, including a new or widened Interstate Route 64 extension*
105 *into the City of Norfolk; Route 460 Upgrade; I-64 Widening on the Peninsula; I-64 Widening on the*
106 *Southside; Downtown Tunnel/Midtown Tunnel/MLK Extension; Southeastern Parkway/Dominion*
107 *Blvd/Route 17; I-664 Widening in Newport News; I-664 Widening on the Southside; I-664 Monitor*
108 *Merrimac Memorial Bridge Tunnel Widening.*

109 *Second Phase Projects:*

110 *I-564 from I-64 to the Intermodal Connector; I-564 Connector to the Monitor Merrimac Memorial*
111 *Bridge Tunnel; Craney Island Connector.*

112 § 46.2-755.1. Additional annual license fees in certain localities.

113 In addition to taxes and license fees imposed pursuant to § 46.2-752 and to all other taxes and fees
114 permitted by law, ~~the Hampton Roads Transportation Authority established pursuant to § 33.1-391.7 and~~
115 ~~the Northern Virginia Transportation Authority established pursuant to § 15.2-4830~~ *are is* authorized to
116 charge an additional non-refundable annual license fee in the amount of \$10 for each vehicle registered
117 in any county or city that is embraced by the respective Authority, for such vehicles subject to state
118 registration fees under this Title *and the Hampton Roads Transportation Authority established pursuant*
119 *to § 33.1-391.7 is authorized to charge an additional non-refundable annual license fee in the amount of*
120 *\$50 for each vehicle registered in any county or city that is embraced by the respective Authority, for*

such vehicles subject to state registration fees under this Title. Such additional license fees shall not, however, be charged for any vehicle registered under the International Registration Plan developed by International Registration Plan, Inc.

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

In addition to taxes and license fees imposed pursuant to § 46.2-752 and to all other taxes and fees permitted by law, ~~the Hampton Roads Transportation Authority established pursuant to § 33.1-391.7 and the Northern Virginia Transportation Authority established pursuant to § 15.2-4830~~ *are is* authorized to charge an additional non-refundable initial, one-time registration fee on any vehicle registered in any county or city that is embraced by the respective Authority, for such vehicles subject to state registration fees under this Title. The fee shall be imposed at a rate of 1% of the value of the vehicle at the time the vehicle is first registered in such county or city by the owner of the vehicle. The value of the vehicle shall be determined on the same basis as is or would be used to determine the basis for motor vehicle sales and use tax as set forth in Chapter 24 (§ 58.1-2400 et seq.) of Title 58.1. The fee authorized by this section shall be assessed at the time the vehicle is first registered in the county or city embraced by the ~~respective~~ Authority by the owner of the vehicle, and shall be imposed only once, so long as the ownership of the vehicle upon which they are imposed remains unchanged.

The fee authorized by this section shall not be imposed upon (i) vehicles registered prior to January 1, 2008 unless the ownership of the vehicle changes on or after January 1, 2008; (ii) vehicles registered under the International Registration Plan developed by International Registration Plan, Inc.; and (iii) any vehicle for which the sole basis for imposing the fee would be a change in the ownership of the vehicle due to (a) a gift to the spouse, son, or daughter of the transferor, (b) a transfer to a spouse, heir under the will, or heir at law by intestate succession as a result of the death of the owner of the vehicle, or (c) the addition or removal of a spouse.

§ 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 general governmental purposes the proper proportionate amount received by him in the ratio that the school age population of each such town bears to the school age population of the entire county, based on the latest statewide school census. The preceding requirement pertaining to the time interval between compliance with election provisions and adoption of the sales tax ordinance shall not apply to a tier-city. If the school age population of any such town not constituting a separate special school district is increased by the annexation of territory or otherwise 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.

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

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

K. 1. Notwithstanding the other provisions of this chapter, ~~the Hampton Roads Transportation Authority and the Northern Virginia Transportation Authority~~ may impose a retail sales 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 provided within a city or county embraced by the ~~respective~~ Authority.

2. The revenue generated and collected pursuant to the tax authorized under this subsection, less the applicable portion of any refunds to taxpayers and after subtraction of the direct costs of administration by the Department, 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 or the Northern Virginia Transportation Authority~~ as appropriate.

3. 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 sales tax.

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

A. The council of any city and the governing body of any county which has levied or may hereafter levy a city or county sales tax under § 58.1-605 may levy a city or county use 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 use tax imposed by this chapter and shall be subject to all the provisions of this chapter, and all amendments thereof, and the rules and regulations published with respect thereto, except that no discount under § 58.1-622 shall be allowed on a local use tax.

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

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

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

C. Any local use 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 use tax.

D. The local use tax authorized by this section shall not apply to transactions to which the sales tax applies, the situs of which for state and local sales tax purposes is 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. However, the local use tax authorized by this section shall apply to tangible personal property purchased without this Commonwealth for use or consumption within the city or county imposing the local use tax, or stored within the city or county for use or consumption, where the property would have been subject to the sales tax if it had been purchased within this Commonwealth. The local use tax shall also apply to leases or rentals of tangible personal property where the place of business of the lessor is without this Commonwealth and such leases or rentals are subject to the state tax. Moreover, the local use tax shall apply in all cases in which the state use tax applies.

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

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

2. The revenue generated and collected pursuant to the tax authorized under this subsection, less the applicable portion of any refunds to taxpayers and after subtraction of the direct costs of administration by the Department, 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 or the Northern Virginia Transportation Authority as appropriate.~~

3. 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.

§ 58.1-625.1. Certain dealers required to separately state labor or service charges in the repair of

305 motor vehicles.

306 Any dealer or other person required to collect any tax imposed under this chapter, or pursuant to any
307 authority granted under this chapter, who is located in any county or city embraced by the Northern
308 Virginia Transportation Authority established under § 15.2-4830 ~~or the Hampton Roads Transportation~~
309 ~~Authority established under § 33.1-391.7~~, shall separately state on any bill, invoice, ticket, or other
310 billing statement the amount charged by such dealer or person for labor or services performed in the
311 repair of motor vehicles. This section shall apply only in the counties or cities embraced by the
312 Northern Virginia Transportation Authority if the Authority is imposing the taxes authorized pursuant to
313 subsection K of § 58.1-605 and subsection H of § 58.1-606; ~~or in the counties or cities embraced by the~~
314 ~~Hampton Roads Transportation Authority if the Authority is imposing the taxes authorized pursuant to~~
315 ~~subsection K of § 58.1-605 and subsection H of § 58.1-606.~~

316 § 58.1-802.1. Regional congestion relief fee.

317 In addition to any other tax imposed under the provisions of this chapter, ~~the Hampton Roads~~
318 ~~Transportation Authority established pursuant to § 33.1-391.7 and~~ the Northern Virginia Transportation
319 Authority established pursuant to § 15.2-4830 may impose a fee, delineated as the "Regional congestion
320 relief fee," on each deed, instrument, or writing by which lands, tenements, or other realty located in
321 any county or city embraced by the ~~respective~~ Authority is sold and is granted, assigned, transferred, or
322 otherwise conveyed to or vested in the purchaser or any other person, by such purchaser's direction. The
323 rate of the fee, when the consideration or value of the interest, whichever is greater, equals or exceeds
324 \$100, shall be \$0.40 for each \$100 or fraction thereof, exclusive of the value of any lien or
325 encumbrance remaining thereon at the time of the sale, whether such lien is assumed or the realty is
326 sold subject to such lien or encumbrance.

327 The fee imposed by this section shall be paid by the grantor, or any person who signs on behalf of
328 the grantor, of any deed, instrument, or writing subject to the fee imposed by this section.

329 Fees imposed by this section shall be collected pursuant to subsection B of § 58.1-802. However, the
330 compensation allowed to the clerk of the court under such subsection shall not be applicable with regard
331 to the fee collected under this section. The clerk shall return all fees collected pursuant to the authority
332 granted under this section to the ~~Hampton Roads Transportation Authority or the Northern Virginia~~
333 ~~Transportation Authority; as appropriate, as soon as practicable.~~

334 § 58.1-1724.3. Sales tax on fuel in certain localities.

335 A. In addition to all other taxes, fees, and other charges imposed on fuels subject to tax under
336 Chapter 22 (§ 58.1-2200 et seq.) of this title, the Hampton Roads Transportation Authority may impose
337 a sales tax of ~~2%~~ 5% of the retail price of such fuels sold at retail within any county or city embraced
338 by the Authority. The Commissioner shall transfer the revenues collected to the Hampton Roads
339 Transportation Authority established under § 33.1-391.7. As used in this section "sold at retail" means a
340 sale to a consumer or to any person for any purpose other than resale.

341 B. The tax imposed under this section shall be subject to the provisions of the Virginia Retail Sales
342 and Use Tax Act (§ 58.1-600 et seq.), except that the exemption provided for motor vehicle fuels under
343 § 58.1-609.1, and the bracket system provided in such act, shall not be applicable.

344 § 58.1-2402.1. Local rental car transportation fee.

345 A. In addition to all other taxes, fees, and other charges imposed under law, ~~the Hampton Roads~~
346 ~~Transportation Authority established pursuant to § 33.1-391.7 and~~ the Northern Virginia Transportation
347 Authority established pursuant to § 15.2-4830; may impose a fee of 2% of the gross proceeds on the
348 daily rental of a vehicle in any county or city embraced by the ~~respective~~ Authority wherein the daily
349 rental of the vehicle occurs, regardless of whether such vehicle is required to be licensed in the
350 Commonwealth. *In addition to all other taxes, fees, and other charges imposed under law, the Hampton*
351 *Roads Transportation Authority established pursuant to § 33.1-391.7 may impose a fee of 5% of the*
352 *gross proceeds on the daily rental of a vehicle in any county or city embraced by the Authority wherein*
353 *the daily rental of the vehicle occurs, regardless of whether such vehicle is required to be licensed in*
354 *the Commonwealth.* The fee shall not be levied upon a rental to a person for re-rental as an established
355 business or part of an established business or incidental or germane to such business.

356 B. After subtraction of the direct costs of administration by the Department, the Commissioner shall
357 transfer the revenues collected pursuant to this section to the Hampton Roads Transportation Authority
358 and the Northern Virginia Transportation Authority, as appropriate.

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

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

364 § 58.1-3221.3. Classification of certain commercial and industrial real property and taxation of such
365 property by certain localities included in the Northern Virginia Transportation Authority.

366 A. Beginning January 1, 2008, and solely for the purposes of imposing the tax authorized pursuant to

this section, in the counties and cities that are embraced by the Northern Virginia Transportation Authority and the Hampton Roads Transportation Authority, all real property used for or zoned to permit commercial or industrial uses is hereby declared to be a separate class of real property for local taxation. Such classification of real property shall exclude all residential uses and all multifamily residential uses, including but not limited to single family residential units, cooperatives, condominiums, townhouses, apartments, or homes in a subdivision when leased on a unit by unit basis even though these units may be part of a larger building or parcel of real estate containing more than four residential units.

B. In addition to all other taxes and fees permitted by law, (i) the governing body of any locality embraced by the Northern Virginia Transportation Authority may, by ordinance, annually impose on all real property in the locality specially classified in subsection A: an amount of real property tax, in addition to such amount otherwise authorized by law, at a rate not to exceed \$0.25 per \$100 of assessed value as the governing body may, by ordinance, impose upon the annual assessed value of all real property used for or zoned to permit commercial or industrial uses; and (ii) the governing body of any locality embraced by the Hampton Roads Transportation Authority may, by ordinance, annually impose on all real property in the locality specially classified in subsection A: an amount of real property tax, in addition to such amount otherwise authorized by law, at a rate not to exceed \$0.10 per \$100 of assessed value as the governing body may, by ordinance, impose upon the annual assessed value of all real property used for or zoned to permit commercial or industrial uses. The authority granted in this subsection shall be subject to the following conditions:

(1) Upon appropriation, all revenues generated from the additional real property tax imposed shall be used exclusively for transportation purposes that benefit the locality imposing the tax; and

(2) The additional real property tax imposed shall be levied, administered, enforced, and collected in the same manner as set forth in Subtitle III of Title 58.1 for the levy, administration, enforcement, and collection of local taxes. In addition, the local assessor shall separately assess and set forth upon the locality's land book the fair market value of that portion of property that is defined as a separate class of real property for local taxation in accordance with the provisions of this section.

C. Beginning January 1, 2008, in lieu of the authority set forth in subsections A and B above and solely for the purposes of imposing the tax authorized pursuant to this section, in the counties and cities embraced by the Northern Virginia Transportation Authority and the Hampton Roads Transportation Authority, all real property used for or zoned to permit commercial or industrial uses is hereby declared to be a separate class of real property for local taxation. Such classification of real property shall exclude all residential uses and all multifamily residential uses, including but not limited to single family residential units, cooperatives, condominiums, townhouses, apartments, or homes in a subdivision when leased on a unit by unit basis even though these units may be part of a larger building or parcel of real estate containing more than four residential units.

D. In addition to all other taxes and fees permitted by law, (i) the governing body of any locality embraced by the Northern Virginia Transportation Authority may, by ordinance, create within its boundaries, one or more special regional transportation tax districts and, thereafter, may, by ordinance, impose upon the real property located in special regional transportation tax districts specially classified in subsection C within such special regional transportation tax districts: an amount of real property tax, in addition to such amounts otherwise authorized by law, at a rate not to exceed \$0.25 per \$100 of assessed value as the governing body may, by ordinance, impose upon the annual assessed value of all real property used for or zoned to permit commercial or industrial uses; and, (ii) the governing body of any locality embraced by the Hampton Roads Transportation Authority may, by ordinance, create within its boundaries, one or more special regional transportation tax districts and, thereafter, may, by ordinance, impose upon the real property specially classified in subsection C within such special regional transportation tax districts: an amount of real property tax, in addition to such amounts otherwise authorized by law, at a rate not to exceed \$0.10 per \$100 of assessed value as the governing body may, by ordinance, impose upon the annual assessed value of all real property used for or zoned to permit commercial or industrial uses. The authority granted in this subsection shall be subject to the following conditions:

(1) Notwithstanding any other provisions of law to the contrary, upon appropriation, all revenues generated from the additional real property taxes imposed in accordance with subsection C and this subsection shall be used for transportation purposes that benefit the special regional transportation tax district to which such revenue is attributable;

(2) Any local ordinance adopted in accordance with the provisions of subsection C and this subsection shall include the requirement that the additional real property taxes so authorized are to be imposed annually in accordance with applicable law;

(3) Any locality that imposes the additional real property taxes set forth in subsections A and B shall not be permitted to also impose the additional real property taxes set forth in subsection C and this

subsection. In addition, any locality electing to impose the additional real property taxes on all real property located in such locality that is specially classified in subsections A and B must do so in the manner prescribed in subsections A and B and not by creation of a special transportation tax district as set forth in subsection C and this subsection. The creation of such special regional transportation tax districts shall not, however, affect the authority of a locality to establish tax districts pursuant to other provisions of law;

(4) The total revenues generated from the additional real property taxes imposed in accordance with subsection C and this subsection shall not be less than 85% of the revenues estimated to be generated when imposing the additional real property taxes in accordance with subsections A and B at the rate of \$0.25 per \$100 of assessed value in any locality embraced by the Northern Virginia Transportation Authority and at the rate of \$0.10 per \$100 of assessed value in any locality embraced by the Hampton Roads Transportation Authority; and

(5) The additional real property taxes imposed pursuant to subsection C and this subsection shall be levied, administered, enforced, and collected, in the same manner as set forth in Subtitle III of Title 58.1 for the levy, administration, enforcement, and collection of all local taxes. In addition, the local assessor shall separately assess and set forth upon the locality's land book the fair market value of that portion of property that is defined as separate class of real property for local taxation in accordance with the provisions of this section.