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## HOUSE BILL NO. 6026

Offered June 23, 2008

A *BILL to amend and reenact §§ 15.2-4838, 15.2-4838.1, 15.2-4840, 33.1-23.03, 33.1-23.03:1, 33.1-23.03:2, 33.1-23.03:8, 33.1-23.03:10, as it shall become effective, 33.1-23.1, 33.1-44, 33.1-46.1, 46.2-694, as it shall become effective, 46.2-697, as it is currently effective, 46.2-702.1, 58.1-300, 58.1-520, 58.1-608.3, 58.1-612, 58.1-639, 58.1-802, 58.1-811, 58.1-2402, 58.1-2403, as it shall become effective, and 58.1-2425 of the Code of Virginia, to amend and reenact §§ 5 and 11 of the second enactment of Chapter 896 of the Acts of Assembly of 2007, and to amend and reenact the fifth enactment of Chapter 896 of the Acts of Assembly of 2007; to amend the Code of Virginia by adding in Chapter 48.2 of Title 15.2 a section numbered 15.2-4841, by adding sections numbered 33.1-23.1:1.1 and 58.1-603.1, and by adding in Article 1.1 of Chapter 1 of Title 33.1 sections numbered 33.1-23.5:3 and 33.1-23.5:4; and to repeal §§ 33.1-54, 33.1-255, 33.1-257, 46.2-755.1, 46.2-755.2, 46.2-1167.1, 58.1-625.1, 58.1-802.1, 58.1-2402.1, and 58.1-3825.1 of the Code of Virginia, to repeal Chapter 10.2 (§§ 33.1-391.6 through 33.1-391.15) of Title 33.1, Article 22 (§§ 58.1-540 through 58.1-549) of Chapter 3 of Title 58.1, and Article 4.1 (§§ 58.1-1724.2 through 58.1-1724.7) of Chapter 17 of Title 58.1 of the Code of Virginia, to repeal the third enactment of Chapter 593 of the Acts of Assembly of 2002, and to repeal the sixth, thirteenth, fourteenth, fifteenth, eighteenth, nineteenth, and twenty-second enactments of Chapter 896 of the Acts of Assembly of 2007, relating to transportation funding and administration, including taxes and fees for transportation funding.*

Patrons—Armstrong, Amundson, BaCote, Barlow, Brink, Bulova, Caputo, Dance, Ebbin, Eisenberg, Hall, Howell, A.T., Lewis, Marsden, Melvin, Moran, Morrissey, Plum, Scott, J.M., Shuler, Sickles, Spruill, Toscano, Vanderhye, Ward and Watts; Senators: Colgan, Houck, Locke, Lucas, Miller, Y.B., Northam, Puckett, Puller and Ticer

Referred to Committee on Rules

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

1. That the General Assembly of Virginia finds that (i) an adequate, efficient, and safe transportation system is important to the economic well-being of the Commonwealth, its regions, its localities, and its citizens; (ii) the increasing costs of and growing demands upon the Commonwealth's transportation system require additional funding from time to time so that an adequate, efficient, and safe transportation system is available throughout the Commonwealth; and (iii) the financing and operations of an adequate, efficient, and safe transportation system are state responsibilities with assistance from federal, regional, private, and local partners.

2. That the General Assembly of Virginia finds that (i) the federal government has recognized the importance of transportation planning and investment on a regional level in urban areas through the requirement to establish metropolitan planning organizations pursuant to § 134 of Title 23 of the United States Code, (ii) the demand for and use of transportation facilities within a region is dependent upon the population of the region and the vehicle miles traveled within the region, and (iii) when the population of a region and the vehicle miles traveled within a region increase to a certain level, a region requires additional funding and investment to provide an adequate, efficient, and safe transportation system.

3. That §§ 15.2-4838, 15.2-4838.1, 15.2-4840, 33.1-23.03, 33.1-23.03:1, 33.1-23.03:2, 33.1-23.03:8, 33.1-23.03:10, as it shall become effective, 33.1-23.1, 33.1-44, 33.1-46.1, 46.2-694, as it shall become effective, 46.2-697, as it is currently effective, 46.2-702.1, 58.1-300, 58.1-520, 58.1-608.3, 58.1-612, 58.1-639, 58.1-802, 58.1-811, 58.1-2402, 58.1-2403, as it shall become effective, and 58.1-2425 of the Code of Virginia are amended and reenacted and that the Code of Virginia is amended by adding in Chapter 48.2 of Title 15.2 a section numbered 15.2-4841, by adding sections numbered 33.1-23.1:1.1 and 58.1-603.1, and by adding in Article 1.1 of Chapter 1 of Title 33.1 sections numbered 33.1-23.5:3 and 33.1-23.5:4 as follows:

§ 15.2-4838. Responsibilities of Authority for long-range transportation planning.

A. The Authority shall be responsible for long-range transportation planning for regional transportation projects in *the Northern Virginia Region as defined in § 15.2-4841*. 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

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56 most cost-effective manner.

57 B. The Authority shall report annually on (i) the allocation and expenditure of all moneys deposited  
58 to the ~~Special Fund Account of the Northern Virginia Transportation Authority pursuant to subsection D~~  
59 ~~of § 58.1-604.5 Special Sales and Use Tax Fund Account of the Northern Virginia Region pursuant to~~  
60 ~~§ 15.2-4841; (ii) use of these moneys to reduce traffic congestion in the counties and cities described in~~  
61 ~~subsections A and B of § 58.1-604.5 Northern Virginia Region; and (iii) use of these moneys to improve~~  
62 ~~air quality in such counties and cities the Northern Virginia Region and in the Washington Metropolitan~~  
63 ~~Area.~~

64 § 15.2-4838.1. Use of certain revenues by the Authority.

65 A. All moneys received by the Authority and the proceeds of bonds issued pursuant to § 15.2-4839  
66 shall be used by the Authority solely for transportation purposes benefiting ~~those counties and cities that~~  
67 ~~are embraced by the Authority the Northern Virginia Region as defined in § 15.2-4841.~~

68 B. Forty percent of the revenues shall be distributed on a pro rata basis, with each locality's share  
69 being the total of ~~such fees and taxes assessed or imposed by the Authority and the revenues~~ received  
70 by the Authority that are generated or attributable to the locality divided by the total of ~~such fees and~~  
71 ~~taxes assessed or imposed by the Authority and revenues~~ received by the Authority. Of the revenues  
72 distributed pursuant to this subsection (i) in the Cities of Falls Church and Alexandria and the County of  
73 Arlington the first 50% shall be used solely for urban or secondary road construction and improvements  
74 and for public transportation purposes, and (ii) in the remaining localities, the first 50% shall be used  
75 solely for urban or secondary road construction and improvements. The remainder, as determined solely  
76 by the applicable locality, shall be used ~~either~~ for additional urban or secondary road construction; ~~for~~  
77 other transportation capital improvements ~~which that~~ have been approved ~~by~~ in the most recent long  
78 range transportation plan adopted by the Authority; ~~or for~~, and public transportation purposes ~~that have~~  
79 ~~been approved in the most recent long range transportation plan adopted by the Authority. Solely for~~  
80 ~~purposes of calculating the 40% of revenues to be distributed pursuant to this subsection, the revenue~~  
81 ~~generated pursuant to § 58.1-3221.3 and Article 8 (§ 15.2-2317 et seq.) of Chapter 22 of this title by the~~  
82 ~~counties and cities embraced by the Authority. The net revenues deposited into the Special Sales and Use~~  
83 ~~Tax Fund Account of the Northern Virginia Region shall be considered revenue of the Authority.~~

84 None of the revenue distributed ~~by~~ under this subsection may be used to repay debt issued before  
85 ~~July 1, 2007 September 30, 2008.~~ Each locality shall provide annually to the Northern Virginia  
86 Transportation Authority sufficient documentation as required by the Authority showing that the funds  
87 distributed under this subsection were used as required by this subsection.

88 C. The remaining 60% of the revenues from such sources shall be used by the Authority solely for  
89 transportation projects and purposes that benefit the ~~counties and cities embraced by the Authority~~  
90 ~~Northern Virginia Region.~~

91 1. The revenues under this subsection shall be used first to pay any debt service owing on any bonds  
92 issued pursuant to § 15.2-4839, and then as follows:

93 a. The next \$50 million each fiscal year shall be distributed to the Washington Metropolitan Area  
94 Transit Authority (WMATA) and shall be used for capital improvements benefiting the area embraced  
95 by the Authority for WMATA's transit service (Metro). The Authority shall first make use of that  
96 portion of such annual distribution as may be necessary under the requirements of federal law for the  
97 payment of federal funds to WMATA, but only if the matching federal funds are exclusive of and in  
98 addition to the amount of other federal funds appropriated for such purposes and are in an amount not  
99 less than the amount of such funds appropriated in the federal fiscal year ending September 30, 2007;.

100 For each year after 2018 any portion of the amount distributed pursuant to this subsection may be  
101 used for mass transit improvements in Prince William County; *and*

102 b. The next \$25 million each fiscal year shall be distributed to the Virginia Railway Express for  
103 operating and capital improvements *in the Northern Virginia Region*, including but not limited to track  
104 lease payments, construction of parking, dedicated rail on the Fredericksburg line, rolling stock,  
105 expanded service ~~in Prince William County; and service as may be needed as a result of the Base~~  
106 ~~Realignment and Closure Commission's action regarding Fort Belvoir in the Northern Virginia Region,~~  
107 ~~and construction of track and station improvements.~~

108 2. All transportation projects undertaken by the Northern Virginia Transportation Authority shall be  
109 completed by private contractors accompanied by performance measurement standards, and all contracts  
110 shall contain a provision granting the Authority the option to terminate the contract if contractors do not  
111 meet such standards. Notwithstanding the foregoing, any locality may provide engineering services or  
112 right-of-way acquisition for any project with its own forces. The Authority shall avail itself of the  
113 strategies permitted under the Public-Private Transportation Act (§ 56-556 et seq.) whenever feasible and  
114 advantageous. The Authority is independent of any state or local entity, including the Virginia  
115 Department of Transportation (VDOT) and the Commonwealth Transportation Board (CTB), but the  
116 Authority, VDOT, *any affected local jurisdiction*, and CTB shall consult with one another to avoid  
117 duplication of efforts and, at the option of the Authority, may combine efforts to complete specific

projects. Notwithstanding the foregoing, at the request of the Authority, VDOT *or the affected local jurisdiction* may provide the Authority with engineering services or right-of-way acquisition for the project with its own forces. When determining what projects to construct under this subsection, the Authority shall base its decisions on the combination that (i) equitably distributes the funds throughout the ~~localities, and Northern Virginia Region~~, (ii) constructs projects that move the most people or commercial traffic in the most cost-effective manner, (iii) *achieves the goals for the Northern Virginia Region established pursuant to the fifth enactment of Chapter 896 of the Acts of Assembly of 2007, as may be amended*, and (iv) on such other factors as approved by the Authority.

3. All revenues deposited to the credit of the Authority shall be used for projects benefiting the ~~localities embraced by the Authority, with each locality's total long-term benefits being approximately equal to the total of the fees and taxes received by the Authority that are generated by or attributable to the locality divided by the total of such fees and taxes received by the Authority~~ *Northern Virginia Region that achieve the goals established pursuant to the fifth enactment of Chapter 896 of the Acts of Assembly of 2007, as may be amended. The long-range plan adopted pursuant to § 15.2-4840 shall ensure that the total long-term benefits for each locality in the Northern Virginia Region shall be approximately equal to the total long-term estimate of the revenues to be received by the Authority from any tax imposed under § 58.1-603.1 that are generated by or attributable to the locality divided by the total long-term estimate of the total revenues to be received by the Authority from such tax in the Northern Virginia Region.*

D. For road construction and improvements pursuant to subsection B, the Department of Transportation may, on a reimbursement basis, provide the locality with planning, engineering, right-of-way, and construction services for projects funded in whole by the revenues ~~provided to the locality by the Authority~~ *available pursuant to § 15.2-4841.*

§ 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. 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 with revenues of the Authority or solely with revenues under the control of 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 such tolls to be used for programs and projects that are reasonably related to or benefit the users of the applicable facility, including, but not limited to, for the debt service and other costs of bonds whose proceeds are used for such construction or reconstruction;

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, 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.); *and*

12. To decide and vote to impose certain fees and taxes authorized under law for imposition or assessment by the Authority, provided that any such fee or tax assessed or imposed is assessed or imposed in all counties and cities embraced by the Authority. The revenues from such certain fees and taxes shall be kept in a separate account and shall be used only for the purposes provided in this chapter.

§ 15.2-4841. *Special Sales and Use Tax Fund Account of the Northern Virginia Region; use of funds deposited.*

A. As used in this section, unless the context clearly shows otherwise:

"Northern Virginia Region" means collectively the Commonwealth counties and cities wholly embraced within the National Capital Region metropolitan planning area as of January 1, 2008, pursuant to § 134 of Title 23 of the United States Code.

B. The revenues deposited into the Special Sales and Use Tax Fund Account of the Northern Virginia Region (the "Fund") pursuant to § 58.1-603.1 shall be used as provided in subsection D. For each month's deposit of such revenues, the Tax Commissioner shall in a timely manner provide a written certification to the Authority reporting such revenues attributable to each county and city comprising the Northern Virginia Region.

The Fund shall also consist of such other revenues appropriated by the General Assembly to the Fund or otherwise designated for the Fund from any other source, public or private, including the proceeds of bonds, which other revenues shall also be used for the purposes provided in subsection D.

C. At least monthly the trustee of the Fund shall provide to the Northern Virginia Transportation Authority a report on the revenue, expenses, and other financing sources of the Fund, including bond proceeds. The report shall be made public and posted on the Authority's website.

D. The moneys in the Fund shall be used by the Authority solely for the purposes under § 15.2-4838.1 for the benefit of the Northern Virginia Region.

E. The Auditor of Public Accounts or his legally authorized representative shall at least annually examine the accounts and books of the Authority, including, but not limited to, its receipts, disbursements, contracts, leases, sinking funds, investments, and any other matters relating to its finances. The cost of such audit shall be borne by the Authority.

§ 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~~ capacity needs for all ~~systems~~ transportation modes, 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 ~~transportation~~ 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 shall promote *safety, congestion reduction*, economic development and all transportation modes, intermodal connectivity, environmental quality, and accessibility for people and freight; ~~and transportation safety~~. The plan shall include quantifiable measures and achievable goals relating to, but not limited 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 per capita vehicle miles traveled. The Board shall consider such goals in evaluating and selecting transportation improvement projects *for future inclusion in the Six-Year Improvement Program pursuant to § 33.1-12*. The plan shall incorporate the approved long-range plans' measures and goals developed by ~~the Northern Virginia Transportation Authority and the Hampton Roads Transportation Authority~~ the metropolitan planning organization designated under federal law for any urban region, as defined in § 58.1-603.1, that has been charged under state law with developing such measures and goals for the urban region (or developed by a political subdivision of the Commonwealth in those cases in which the political subdivision has been charged under state law with developing such measures and goals for an urban region). 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.

§ 33.1-23.03:1. Transportation Trust Fund.

There is hereby created in the Department of the Treasury a special nonreverting fund to be known as the Transportation Trust Fund, consisting of:

1. Funds remaining for highway construction purposes, among the several highway systems pursuant to § 33.1-23.1.

2. [Repealed.]

3. The additional revenues generated by enactments of Chapters 11, 12 and 15 of the Acts of Assembly, 1986 Special Session, and designated for this fund (*but not including the one percent*

increase in the rates of taxes imposed on motor vehicles under subdivisions A 1 and A 2 of § 58.1-2402 as provided in Chapter 11, which is deposited into the Highway Maintenance and Operating Fund pursuant to subdivision A 1 of § 58.1-2425).

4. Tolls and other revenues derived from the projects financed or refinanced pursuant to this title which are payable into the state treasury and tolls and other revenues derived from other transportation projects, which may include upon the request of the applicable appointed governing body, as soon as their obligations have been satisfied, such tolls and revenue derived for transportation projects pursuant to § 33.1-253 (Chesapeake Bay Bridge and Tunnel District) and § 33.1-320 (Richmond Metropolitan Authority) or if the appointed governing body requests refunding or advanced refunding by the Board and such refunding or advanced refunding is approved by the General Assembly. Such funds shall be held in separate subaccounts of the Transportation Trust Fund to the extent required by law or the Board.

5. Tolls and other revenues derived from the Richmond-Petersburg Turnpike, provided that such funds shall be held in a separate subaccount of the Transportation Trust Fund and allocated as set forth in Chapter 574 of the Acts of Assembly of 1983 until expiration of that Act.

6. Such other funds as may be appropriated by the General Assembly from time to time, and designated for this fund.

7. All interest, dividends and appreciation which may accrue to the Transportation Trust Fund and the Highway Maintenance and ~~Construction~~ Operating Fund, except that interest on funds becoming part of the Transportation Trust Fund under subdivision 1 and the Highway Maintenance and Construction Fund shall not become part of the Transportation Trust Fund until July 1, 1988.

8. All amounts required by contract to be paid over to the Transportation Trust Fund.

9. Concession payments paid to the Commonwealth by a private entity pursuant to the Public-Private Transportation Act of 1995 (§ 56-556 et seq.), or a similar payment or contract.

§ 33.1-23.03:2. Commonwealth Port Fund, Commonwealth Airport Fund and Commonwealth Mass Transit Fund.

Of the funds becoming part of the Transportation Trust Fund pursuant to subdivision 3 of § 33.1-23.03:1, 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. The remaining ~~78.9 percent of the funds deposited into or held in the Transportation Trust Fund in fiscal year 1998-1999, and 78.7 percent of the funds deposited into or held in the Highway Construction Fund of the Transportation Trust Fund in fiscal year 1999-2000 and thereafter,~~ pursuant to subdivision 3 of § 33.1-23.03:1, together with funds deposited pursuant to subdivisions 1 and 6 of § 33.1-23.03:1, shall be expended *solely* for capital improvements including construction, reconstruction, maintenance *replacement required for congestion and safety*, and improvements of highways according to the provisions of § 33.1-23.1 B or to secure bonds issued for such purposes, as provided by the Board and the General Assembly.

§ 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;

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;

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

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

~~All~~ Subject to their appropriation by the General Assembly, all moneys in the Fund shall first be used for debt service payments on bonds or obligations for which the Fund is expressly 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 B of this section. Expenditures and disbursements from the Fund shall be made by the State Treasurer on warrants issued by the Comptroller.

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

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

§ 33.1-23.03:10. Tolls for use of Interstate Highway System components.

A. Notwithstanding any contrary provision of this title and in accordance with all applicable federal and state statutes and requirements, the Commonwealth Transportation Board may impose and collect tolls from all classes of vehicles in amounts established by the Board for the use of any component of the Interstate Highway System within the Commonwealth. However, prior approval of the General Assembly shall be required prior to the imposition and collection of any toll for use of all or any portion of Interstate Route 81. Such funds so collected shall be deposited into the Transportation Trust Fund established pursuant to § 33.1-23.03:1, subject to allocation by the Board as provided in this section.

B. The toll facilities authorized by this section shall be subject to the provisions of federal law for the purpose of tolling motor vehicles to finance interstate construction and reconstruction, promote efficiency in the use of highways, *maintain and operate the facilities*, reduce traffic congestion, improve air quality and for such other purposes as may be permitted by federal law.

C. In order to mitigate traffic congestion in the vicinity of the toll facilities, no toll facility shall be operated without high-speed automated toll collection technology designed to allow motorists to travel through the toll facilities without stopping to make payments. Nothing in this subsection shall be construed to prohibit a toll facility from retaining means of non-automated toll collection in some lanes of the facility. The Board shall also consider traffic congestion and mitigation thereof and the impact on local traffic movement as factors in determining the location of the toll facilities authorized pursuant to this section.

D. The revenues collected from each toll facility established pursuant to this section shall be deposited into segregated subaccounts in the Transportation Trust Fund and may be allocated by the Commonwealth Transportation Board as the Board deems appropriate to:

1. Pay or finance all or part of the costs of programs or projects, including without limitation the costs of planning, operation, maintenance and improvements incurred in connection with the toll facility provided that such allocations shall be limited to programs and projects that are reasonably related to or benefit the users of the toll facility. The priorities of metropolitan planning organizations, planning district commissions, local governments, and transportation corridors shall be considered by the Board in making project allocations from such revenues deposited into the Transportation Trust Fund.

2. Repay funds from the Toll Facilities Revolving Account or the Transportation Partnership Opportunity Fund.

3. Pay the Board's reasonable costs and expenses incurred in the administration and management of the Toll Facility.

§ 33.1-23.1. Allocation of funds among highway systems.

A. The Commonwealth Transportation Board shall allocate each year from all funds made available

for highway purposes such amount as it deems reasonable and necessary for the maintenance of roads within the interstate system of highways, the primary system of state highways, the secondary system of state highways and for city and town street maintenance payments made pursuant to § 33.1-41.1 and payments made to counties which have withdrawn or elect to withdraw from the secondary system of state highways pursuant to § 33.1-23.5:1.

B. After funds are set aside for administrative and general expenses and pursuant to other provisions in this title which provide for the disposition of funds prior to allocation for highway purposes, and after allocation is made pursuant to subsection A of this section, the Commonwealth Transportation Board may allocate each year up to 10% of the funds remaining for highway purposes for the undertaking and financing of rail projects that, in the Board's determination, will result in mitigation of highway congestion. After the forgoing allocations have been made, the Board shall allocate the remaining funds available for highway purposes, exclusive of federal funds for the interstate system, among the several highway systems for construction first pursuant to §§ 33.1-23.1:1, 33.1-23.1:1.1, and 33.1-23.1:2 and then as follows:

1. Forty percent of the remaining funds exclusive of federal-aid matching funds for the interstate system shall be allocated to the primary system of state highways, including the arterial network, and in addition, an amount shall be allocated to the primary system as interstate matching funds as provided in subsection B of § 33.1-23.2.

2. Thirty percent of the remaining funds exclusive of federal-aid matching funds for the interstate system shall be allocated to urban highways for state aid pursuant to § 33.1-44.

3. Thirty percent of the remaining funds exclusive of federal-aid matching funds for the interstate system shall be allocated to the secondary system of state highways.

C. In addition, the Commonwealth Transportation Board, from funds appropriated for such purpose in the general appropriation act, shall allocate additional funds to the Cities of Newport News, Norfolk, and Portsmouth and the County of Warren in such manner and apportion such funds among such localities as the Board may determine, unless otherwise provided in the general appropriation act. The localities shall use such funds to address highway maintenance and repair needs created by or associated with port operations in those localities.

D. Notwithstanding the foregoing provisions of this section, the General Assembly may, through the general appropriations act, permit the Governor to increase the amounts to be allocated to highway maintenance, highway construction, either or both.

*§ 33.1-23.1:1.1. Urban development area transportation set aside created; allocations.*

A. Prior to funds being allocated for distribution for highway construction pursuant to subdivisions B 1, B 2, and B 3 of § 33.1-23.1, funds shall be set aside solely for transportation purposes in urban development areas established pursuant to § 15.2-2223.1. The funds shall be set aside in each fiscal year in an amount equal to 5.67 percent of the sum of the total funds available in the fiscal year for highway construction under subdivisions B 1, B 2, and B 3 of § 33.1-23.1.

B. Funds set aside pursuant to subsection A shall be distributed to each locality that has established an urban development area pursuant to § 15.2-2223.1. The funds set aside shall be allocated to each such locality proportionally based upon a fraction, the numerator of which is the locality's projected residential population growth in the ensuing 10 calendar years and the denominator of which is the projected residential population growth in the ensuing 10 calendar years in all localities that have established urban development areas. Future growth shall be based on official estimates and projections of the Weldon Cooper Center for Public Service of the University of Virginia or other official government sources as approved by the Commonwealth Transportation Board.

*§ 33.1-23.5:3. Special Sales and Use Tax Fund Account of the Hampton Roads Region; projects for which funds deposited may be used.*

A. As used in this section, unless the context clearly shows otherwise:

"Hampton Roads Region" means collectively the counties and cities wholly embraced within the Hampton Roads metropolitan planning area as of January 1, 2008, pursuant to § 134 of Title 23 of the United States Code.

B. The revenues deposited into the Special Sales and Use Tax Fund Account of the Hampton Roads Region (the "Fund") pursuant to § 58.1-603.1 shall be used as provided in subsection D. The Fund shall also consist of such other revenues appropriated by the General Assembly to the Fund or otherwise designated for the Fund from any other source, public or private, including the proceeds of bonds, which other revenues shall also be used for the purposes provided in subsection D.

C. At least monthly the trustee of the Fund shall provide to the Commonwealth Transportation Board a report on the revenue, expenses, and other financing sources of the Fund, including bond proceeds. The report shall be made public and posted on the Board's website.

D. The moneys in the Fund shall be used solely for those transportation projects that are included in the federally mandated 2030 Regional Transportation Plan approved by the Hampton Roads

425 Metropolitan Planning Organization, or any successive plan except as provided herein. The following  
426 First Phase Projects shall be a priority such that moneys in the Fund shall not be used for the  
427 following Second Phase Projects until financing plans for the maintenance, operation, and construction  
428 for such First Phase Projects have been considered and acted upon by the Commonwealth  
429 Transportation Board in consultation with the Hampton Roads Metropolitan Planning Organization:

430 First Phase Projects: I-64 widening on the Peninsula public-private partnership; Downtown  
431 Tunnel/Midtown Tunnel/MLK extension public-private partnership; and the U.S. Route 460 upgrade  
432 public-private partnership.

433 Second Phase Projects: I-64 widening on the Southside; Southeastern Parkway/Dominion  
434 Boulevard/Route 17; I-664 widening in Newport News; I-664 widening on the Southside; I-664 Monitor  
435 Merrimac Memorial Bridge Tunnel widening; I-564 from I-64 to the Intermodal Connector; I-564  
436 Connector to the Monitor Merrimac Memorial Bridge Tunnel; Craney Island Connector; and  
437 construction/improvements/enhancements to the Hampton Roads Bridge-Tunnel.

438 Additionally, moneys in the Fund may be used for the payment of principal, interest, issuance costs,  
439 and other costs directly relating to bonds or other debt issued or entered into solely for the  
440 transportation projects described or set out in this subsection. The moneys in the Fund shall not be used  
441 for any other project included in the federally mandated 2030 Regional Transportation Plan approved  
442 by the Hampton Roads Metropolitan Planning Organization, or any successive plan until financing  
443 plans for the maintenance, operation, and construction for the First Phase Projects and the Second  
444 Phase Projects set out in this subsection have been considered and acted upon by the Commonwealth  
445 Transportation Board in consultation with the Hampton Roads Metropolitan Planning Organization.

446 To provide the fullest extent of financing options for the projects set out in this subsection, for each  
447 project the Commonwealth Transportation Board shall avail itself of the strategies permitted under the  
448 Public-Private Transportation Act of 1995 (§ 56-556 et seq.) to the extent that such action shall result in  
449 more efficient and timely project delivery.

450 E. The Auditor of Public Accounts or his legally authorized representatives shall at least annually  
451 examine the accounts and books of the trustee for the Special Sales and Use Tax Fund Account of the  
452 Hampton Roads Region in regard to all activities of the Fund, including, but not limited to, matters  
453 relating to receipts, disbursements, contracts, leases, sinking funds, investments and any other matters  
454 relating to the Fund. The cost of such audit shall be paid from the Fund.

455 § 33.1-23.5:4. Transportation Change Fund established.

456 A. There is hereby created in the state treasury a special nonreverting fund to be known as the  
457 Transportation Change Fund, hereafter referred to as "the Change Fund." The Change Fund shall be  
458 established on the books of the Comptroller. Revenues collected from the tax under § 58.1-802 at a rate  
459 of \$0.25 for each \$100 or fraction thereof as determined pursuant to subsection A of such section, net  
460 of the estimated applicable portion of any refunds to taxpayers, shall be paid into the state treasury and  
461 credited to the Change Fund. The Change Fund shall also consist of such other funds as may be  
462 appropriated by the General Assembly and all other moneys designated for the Change Fund from any  
463 other source, public or private. Interest earned on moneys in the Change Fund shall remain in the  
464 Change Fund and be credited to it. Any moneys remaining in the Change Fund, including interest  
465 thereon, at the end of each fiscal year shall not revert to the general fund but shall remain in the  
466 Change Fund.

467 The Comptroller shall distribute all moneys credited to the Change Fund as follows:

468 1. Sixty-five percent of such moneys shall be deposited into the Commonwealth Mass Transit Fund  
469 pursuant to subdivision A 4 of § 58.1-638;

470 2. Thirteen and one-half percent of such moneys shall be deposited into the Transportation  
471 Partnership Opportunity Fund established under § 33.1-221.1:8;

472 3. Ten percent of such moneys shall be used as follows: (i) up to one-third of such amount in each  
473 fiscal year shall be used to fund three-year grants for rail service operations with such grants  
474 distributed pursuant to guidelines established by the Commonwealth Transportation Board, and (ii) the  
475 remaining amount of such moneys shall be deposited into the Rail Enhancement Fund established under  
476 § 33.1-221.1:1.1;

477 4. Seven and one-half percent of such moneys shall be deposited into the Commonwealth Port Fund  
478 established under subdivision A 2 of § 58.1-638; and

479 5. Four percent of such moneys shall be deposited into the Commonwealth Airport Fund established  
480 under subdivision A 3 of § 58.1-638.

481 At least monthly the Comptroller shall distribute the balance in the Change Fund in accordance with  
482 the required distributions set forth in this section.

483 B. The Change Fund shall be a component of the Commonwealth Transportation Fund but not a  
484 component or subcomponent of the Transportation Trust Fund or the Highway Maintenance and  
485 Operating Fund. Provisions of this Code relating to the allocations or disbursements of proceeds of the  
486 Commonwealth Transportation Fund, the Transportation Trust Fund, or the Highway Maintenance and



*Operating Fund shall not apply to the Change Fund.*

§ 33.1-44. Matching highway funds; funding of urban system construction projects, generally.

A. In any case in which an act of Congress requires that federal-aid highway funds made available for the construction or improvement of federal or state highways be matched, the Commonwealth Transportation Board shall contribute such matching funds.

B. ~~However, in~~ In the case of municipalities of 3,500 or more population eligible for an allocation of construction funds for urban highways under § 33.1-23.3 and the Town of Wise, the Town of Lebanon, and the Town of Altavista, the Board may contribute toward the cost of construction of any federal-aid highway or street project ninety-eight percent of the necessary funds, including the federal portion, if the municipality contributes the other two percent, and provided further, that within such municipalities the Board may contribute all the required funds on highways in the interstate system.

In the case of municipalities of 3,500 or more population eligible for an allocation of construction funds for urban highways under § 33.1-23.3 and the Town of Wise, the Town of Lebanon, and the Town of Altavista, the Commonwealth Transportation Board may contribute toward the costs of construction or improvement of any highway or street project for which no federal-aid highway funds are made available ninety-eight percent of the necessary funds if the municipality contributes the other two percent.

*However, in the case of any such city or town that elects to take over responsibility for its construction program pursuant to subsection D of § 33.1-23.3, the municipality shall not be required to contribute the other two percent for new projects commencing on or after the first day of the month in which the city or town assumes such responsibility.*

C. For purposes of matching highway funds, such contributions shall continue to apply to such municipality regardless of any subsequent change in population and shall cease to apply only when so specifically provided by an act of the General Assembly. All actions taken prior to July 1, 2001, by municipalities meeting the criteria of the foregoing provisions of this section are hereby confirmed.

In the case of municipalities of less than 3,500 in population that on June 30, 1985, maintained certain streets under § 33.1-80 as then in effect, the Commonwealth Transportation Board shall contribute toward the costs of construction or improvement of any highway or street project 100 percent of the necessary funds. The contribution authorized by this paragraph shall be in addition to any other contribution, and projects established in reference to municipalities of less than 3,500 in population shall not in any way be interpreted to change any other formula or manner for the distribution of funds to such municipalities for construction, improvement or maintenance of highways or streets. The Board may accept from a municipality, for right-of-way purposes, contributions of real estate to be credited, at fair market value, against the matching obligation of such municipality under the provisions of this section.

The term "construction or improvement" means the supervising, inspecting, actual building, and all expenses incidental to the construction or reconstruction of a highway, including locating, surveying, design and mapping, costs of rights-of-way, signs, signals and markings, elimination of hazards of railroad grade crossings and expenses incidental to the relocation of any utility or its facilities owned by a municipality or by a public utility district or public utility authority.

If any municipality requesting such Commonwealth Transportation Board contribution subsequently decides to cancel such construction or improvement after the Board has initiated the project at the request of the municipality, such municipality shall reimburse the Board the net amount of all funds expended by the Board for planning, engineering, right-of-way acquisition, demolition, relocation and construction between the date of initiation by the municipality and the date of cancellation. The Board shall have the authority to waive all or any portions of such reimbursement at its discretion.

For purposes of this section, on any construction or improvement project in the Cities of Chesapeake, Hampton, Newport News, or Richmond and funded in accordance with subdivision 2 of subsection B of § 33.1-23.1, the additional cost for placing aboveground utilities below ground may be paid from funds allocated for that project. The maximum cost due to this action shall not exceed five million dollars. Nothing contained herein shall relieve utility owners of their responsibilities and costs associated with the relocation of their facilities when required to accommodate a construction or improvement project.

§ 33.1-46.1. Highway aid to mass transit.

In allocating highway funds the Commonwealth Transportation Board may use such funds for highway aid to mass transit facilities when such use will best accomplish the purpose of serving the transportation needs of the greatest number of people.

Highway aid to mass transit may be accomplished (i) by using highway funds to aid in paying transit operating costs borne by localities and/or (ii) by acquisition or construction of transit-related highway facilities such as exclusive bus lanes, bus turn-outs, bus passenger shelters, fringe parking facilities, including necessary access roads, to promote transit use and relieve highway congestion, off-street parking facilities to permit exclusive use of curb lane by buses, and by permitting mass transit facilities

548 to occupy highway median strips without the reimbursement required by § 33.1-97, all to the end that  
549 highway traffic may be relieved through the development of more efficient mass transit.

550 Expenditures of funds under the authority of this section shall be made from funds available for the  
551 construction of state highways within the construction district in which the transit facilities are wholly or  
552 partly located.

553 The Board may at its discretion contract with the governing bodies comprising a transportation  
554 district, or in its discretion, other local governing bodies *or political subdivisions of the Commonwealth*,  
555 for the accomplishment of a project to which funds have been allocated under the provisions of this  
556 section. Whenever such projects are being financed by advance annual allocation of funds, the Board  
557 may make such funds available to the contracting governing bodies in annual increments which may be  
558 used for other transit purposes until needed for the project for which allocated; however, the Board may  
559 require bond or other satisfactory assurance of final completion of the contract.

560 The Board ~~may~~ *shall* also, at the request of local governing bodies, use funds allocated for urban  
561 highways or secondary roads within their jurisdiction to accomplish the purposes of this section.

562 The General Assembly may, through the general appropriation act, (i) provide for limits on the  
563 amounts or purposes of allocations made under this section and (ii) provide for the transfer of  
564 allocations from one eligible recipient to another.

565 § 46.2-694. (Contingent expiration date - see Editor's note) Fees for vehicles designed and used for  
566 transportation of passengers; weights used for computing fees; burden of proof.

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

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

573 2. ~~Thirty-eight~~ *Forty-eight* dollars for each passenger car or motor home which weighs more than  
574 4,000 pounds, provided that it is not used for the transportation of passengers for compensation and is  
575 not kept or used for rent or for hire, or is not operated under a lease without a chauffeur.

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

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

585 5. Twenty-three dollars for each trailer or semitrailer designed for use as living quarters for human  
586 beings.

587 6. Thirteen dollars plus \$ 0.30 per 100 pounds or major fraction thereof for each motor vehicle,  
588 trailer, or semitrailer used as a common carrier of passengers, operating either intrastate or interstate.  
589 Interstate common carriers of interstate passengers may elect to be licensed and pay the fees prescribed  
590 in subdivision 7 of this subsection on submission to the Commissioner of a declaration of operations and  
591 equipment as he may prescribe. An additional \$5 shall be charged if the motor vehicle weighs more  
592 than 4,000 pounds.

593 7. Thirteen dollars plus \$ 0.70 per 100 pounds or major fraction thereof for each motor vehicle,  
594 trailer, or semitrailer used as a common carrier of interstate passengers if election is made to be licensed  
595 under this subsection. An additional \$5 shall be charged if the motor vehicle weighs more than 4,000  
596 pounds. In lieu of the foregoing fee of \$ 0.70 per 100 pounds, a motor carrier of passengers, operating  
597 two or more vehicles both within and outside the Commonwealth and registered for insurance purposes  
598 with the Surface Transportation Board of the United States Department of Transportation, Federal  
599 Highway Administration, may apply to the Commissioner for prorated registration. Upon the filing of  
600 such application, in such form as the Commissioner may prescribe, the Commissioner shall apportion the  
601 registration fees provided in this subsection so that the total registration fees to be paid for such vehicles  
602 of such carrier shall be that proportion of the total fees, if there were no apportionment, that the total  
603 number of miles traveled by such vehicles of such carrier within the Commonwealth bears to the total  
604 number of miles traveled by such vehicles within and outside the Commonwealth. Such total mileage in  
605 each instance is the estimated total mileage to be traveled by such vehicles during the license year for  
606 which such fees are paid, subject to the adjustment in accordance with an audit to be made by  
607 representatives of the Commissioner at the end of such license year, the expense of such audit to be  
608 borne by the carrier being audited. Each vehicle passing into or through Virginia shall be registered and  
609 licensed in Virginia and the annual registration fee to be paid for each such vehicle shall not be less

than \$33. For the purpose of determining such apportioned registration fees, only those motor vehicles, trailers, or semitrailers operated both within and outside the Commonwealth shall be subject to inclusion in determining the apportionment provided for herein.

8. Thirteen dollars plus \$ 0.80 per 100 pounds or major fraction thereof for each motor vehicle, trailer or semitrailer kept or used for rent or for hire or operated under a lease without a chauffeur for the transportation of passengers. An additional fee of \$5 shall be charged if the vehicle weighs more than 4,000 pounds. This subsection does not apply to vehicles used as common carriers.

9. Twenty-three dollars for a taxicab or other vehicle which is kept for rent or hire operated with a chauffeur for the transportation of passengers, and which operates or should operate under permits issued by the Department as required by law. An additional fee of \$5 shall be charged if the vehicle weighs more than 4,000 pounds. This subsection does not apply to vehicles used as common carriers.

10. ~~Eighteen~~ *Twenty-eight* dollars for a motorcycle, with or without a sidecar. To this fee shall be added a surcharge of \$3 which shall be distributed as provided in § 46.2-1191.

11. Twenty-three dollars for a bus used exclusively for transportation to and from church school, for the purpose of religious instruction, or church, for the purpose of divine worship. If the empty weight of the vehicle exceeds 4,000 pounds, the fee shall be \$28.

12. Thirteen dollars plus \$ 0.70 per 100 pounds or major fraction thereof for other passenger-carrying vehicles.

13. An additional fee of \$4.25 per year shall be charged and collected at the time of registration of each pickup or panel truck and each motor vehicle under subdivisions 1 through 12 of this subsection. All funds collected from \$4 of the \$4.25 fee shall be paid into the state treasury and shall be set aside as a special fund to be used only for emergency medical service purposes. The moneys in the special emergency medical services fund shall be distributed as follows:

a. Two percent shall be distributed to the State Department of Health to provide funding to the Virginia Association of Volunteer Rescue Squads to be used solely for the purpose of conducting volunteer recruitment, retention and training activities;

b. Thirty percent shall be distributed to the State Department of Health to support (i) emergency medical services training programs (excluding advanced life support classes); (ii) advanced life support training; (iii) recruitment and retention programs (all funds for such support shall be used to recruit and retain volunteer emergency medical services personnel only, including public awareness campaigns, technical assistance programs, and similar activities); (iv) emergency medical services system development, initiatives, and priorities based on needs identified by the State Emergency Medical Services Advisory Board; (v) local, regional, and statewide performance contracts for emergency medical services to meet the objectives stipulated in § 32.1-111.3; (vi) technology and radio communication 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.

All revenues generated by the remaining \$0.25 of the \$4.25 fee approved by the 2008 Session of the General Assembly shall be deposited into the Rescue Squad Assistance Fund and used only to pay for the costs associated with the certification and recertification training of emergency medical services personnel.

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.

§ 46.2-697. (Contingent expiration date - see Editor's note) 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 ~~\$23~~ \$33 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 ~~\$33~~ \$43 if its gross weight is 4,000 pounds or less, and ~~\$38~~ \$48 if its gross weight is 4,001 pounds through 6,500 pounds. The fee shall be ~~\$39~~ \$49 for any motor vehicle with a gross weight of 6,501 pounds through 10,000 pounds.

Fee Per Thousand Pounds of Gross Weight

| Gross Weight<br>Groups (pounds) | Private<br>Carriers | For Rent or<br>For Hire Carriers | - |
|---------------------------------|---------------------|----------------------------------|---|
| 10,001 - 11,000                 | \$3.17              | \$4.75                           |   |
| 11,001 - 12,000                 | 3.42                | 4.90                             |   |
| 12,001 - 13,000                 | 3.66                | 5.15                             |   |
| 13,001 - 14,000                 | 3.90                | 5.40                             |   |
| 14,001 - 15,000                 | 4.15                | 5.65                             |   |
| 15,001 - 16,000                 | 4.39                | 5.90                             |   |
| 16,001 - 17,000                 | 4.88                | 6.15                             |   |
| 17,001 - 18,000                 | 5.37                | 6.40                             |   |
| 18,001 - 19,000                 | 5.86                | 7.50                             |   |
| 19,001 - 20,000                 | 6.34                | 7.70                             |   |
| 20,001 - 21,000                 | 6.83                | 7.90                             |   |
| 21,001 - 22,000                 | 7.32                | 8.10                             |   |
| 22,001 - 23,000                 | 7.81                | 8.30                             |   |
| 23,001 - 24,000                 | 8.30                | 8.50                             |   |
| 24,001 - 25,000                 | 8.42                | 8.70                             |   |
| 25,001 - 26,000                 | 8.48                | 8.90                             |   |
| 26,001 - 27,000                 | 10.07               | 10.35                            |   |
| 27,001 - 28,000                 | 10.13               | 10.55                            |   |
| 28,001 - 29,000                 | 10.18               | 10.75                            |   |
| 29,001 - 40,000                 | 10.31               | 10.95                            |   |
| 40,001 - 45,000                 | 10.43               | 11.15                            |   |
| 45,001 - 50,000                 | 10.68               | 11.25                            |   |
| 50,001 - 55,000                 | 11.29               | 13.25                            |   |
| 55,001 - 76,000                 | 13.73               | 15.25                            |   |
| 76,001 - 80,000                 | 16.17               | 16.25                            |   |

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

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

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

D. Notwithstanding any other provision of law, no vehicle designed, equipped, and used to tow

disabled or inoperable motor vehicles shall be required to register in accordance with any gross weight other than the gross weight of the towing vehicle itself, exclusive of any vehicle being towed.

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

§ 46.2-702.1. (Contingent expiration - see Editor's note) Distribution of certain revenue.

A. *The revenues generated by increases in the registration fees under § 46.2-694 or 46.2-697 pursuant to enactments of the 1986 Special Session of the Virginia General Assembly, less the applicable portion of any refunds, shall be deposited into the Transportation Trust Fund.*

A B. 1. Except as provided in ~~subsection B~~ subdivision 2, the net additional revenues generated by increases in the registration fees under §§ 46.2-694, 46.2-694.1, ~~and~~ or 46.2-697 pursuant to (i) enactments of the 2007 Session of the General Assembly, ~~and~~ (ii) enactments of the 2008 Special Session II of the Virginia General Assembly shall be deposited into the Highway Maintenance and Operating Fund.

B 2. 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, ~~and~~ or 46.2-697 that are in regard to such vehicles pursuant to (i) enactments of the 2007 Session of the General Assembly and (ii) enactments of the 2008 Special Session II of the Virginia General Assembly shall be deposited into the Highway and Maintenance Operating Fund.

C. For purposes of this title, "net additional revenues" shall mean (i) the additional revenues provided pursuant to enactments of the 2007 Session of the General Assembly *minus the applicable portion of any refunds or remittances required to be paid* and (ii) the additional revenues provided pursuant to enactments of the 2008 Special Session II of the Virginia General Assembly *minus the applicable portion of any refunds or remittances required to be paid and the direct costs of administration by the Department of Motor Vehicles in collecting such additional revenues.*

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

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

§ 58.1-603.1. *Imposition of additional state retail sales and use taxes in certain urban regions.*

A. *As used in this section, unless the context clearly shows otherwise:*

"Metropolitan planning area" means the geographic area of any metropolitan planning area as of January 1, 2008, pursuant to § 134 of Title 23 of the United States Code.

"Urban region" means collectively the Commonwealth counties and cities wholly embraced within a metropolitan planning area.

B. *There is hereby levied and imposed, in addition to all other taxes and fees now imposed by law, a general retail sales and use tax at the rate of one percent in any urban region of the Commonwealth that has at any time (i) a population of at least 1.5 million as determined by the most recent United States decennial census of population and (ii) an aggregate of at least 35 million daily vehicle miles traveled in the area in accordance with the most recent written determinations of daily vehicle miles traveled by the Virginia Department of Transportation. Based solely on these requirements, the Tax Commissioner shall be responsible for making the written determination of whether an urban region has met the requirements of clauses (i) and (ii).*

791 *The tax shall be imposed in the urban region by the Commonwealth beginning on the first day of the*  
792 *fourth month that immediately follows the date of the Tax Commissioner's written determination.*

793 *The Tax Commissioner shall promptly provide a copy of any written determination to the Governor*  
794 *and the chairman of the House Committee on Appropriations, the House Committee on Finance, and the*  
795 *Senate Committee on Finance. The written determination shall include the date on which the tax shall*  
796 *be first imposed in the respective urban region.*

797 *C. The tax imposed under subsection B shall also apply to the tangible personal property described*  
798 *under §§ 58.1-604.1 and 58.1-614, mutatis mutandis.*

799 *D. The tax imposed under subsection B shall not apply to food purchased for human consumption as*  
800 *defined in § 58.1-611.1.*

801 *E. The tax imposed under subsection B shall be in addition to the state sales and use tax imposed*  
802 *under §§ 58.1-603, 58.1-604, 58.1-604.1, and 58.1-614.*

803 *F. The provisions of § 58.1-604 shall apply to the tax imposed under subsection B mutatis mutandis,*  
804 *except, as provided in subsection B, the rate of tax shall be one percent.*

805 *G. The tax imposed under subsection B shall be administered and collected by the Tax Commissioner*  
806 *in the same manner and subject to the same penalties as provided for the state retail sales and use tax*  
807 *except as specifically provided otherwise, mutatis mutandis.*

808 *H. The revenues from the tax imposed under subsection B shall be deposited by the Comptroller into*  
809 *a special nonreverting fund within the state treasury for the respective urban region entitled the*  
810 *"Revenue Fund for the Urban Region of ...." The Fund shall be established on the books of the*  
811 *Comptroller when the tax under subsection B is first imposed in the respective urban region. Interest*  
812 *earned on moneys in the Fund shall remain in the Fund and be credited to it. Any moneys remaining in*  
813 *the Fund, including interest thereon, at the end of each fiscal year shall not revert to the general fund*  
814 *but shall remain in the Fund.*

815 *For the purposes of depositing such revenues into the Fund, there shall be deposited into the Fund*  
816 *an estimate of such revenues to be received into the state treasury each month, net of the estimated*  
817 *applicable portion of any refunds to taxpayers and after subtraction of the direct costs of administration*  
818 *by the Department of Taxation. Such estimated deposits into the Fund shall be adjusted for the actual*  
819 *net revenues received in the preceding month.*

820 *The net revenues generated and collected from the tax imposed in any urban region shall be*  
821 *appropriated for transportation purposes that benefit the respective urban region. As soon as practicable*  
822 *after such revenues have been deposited into the Fund, the Comptroller shall distribute the revenues in*  
823 *the Fund into the "Special Sales and Use Tax Fund Account of the.. Region." The State Treasurer shall*  
824 *establish the special trust fund in a manner such that a financial institution in the respective urban*  
825 *region shall serve as the trustee of the Fund. The State Treasurer, or his designee, shall be responsible*  
826 *for selecting the trustee.*

827 *I. Except as otherwise specifically provided by law, the net revenues generated and collected from*  
828 *the tax imposed under subsection B shall be allocated by the Commonwealth Transportation Board*  
829 *solely for transportation projects in the respective urban region that are included in the federally*  
830 *mandated Regional Transportation Plan approved by the metropolitan planning organization for the*  
831 *respective urban region (or any successive plan).*

832 *§ 58.1-608.3. Entitlement to certain sales tax revenues.*

833 *A. As used in this section, the following words and terms have the following meanings, unless some*  
834 *other meaning is plainly intended:*

835 *"Bonds" means any obligations of a municipality for the payment of money.*

836 *"Cost," as applied to any public facility or to extensions or additions to any public facility, includes:*  
837 *(i) the purchase price of any public facility acquired by the municipality or the cost of acquiring all of*  
838 *the capital stock of the corporation owning the public facility and the amount to be paid to discharge*  
839 *any obligations in order to vest title to the public facility or any part of it in the municipality; (ii)*  
840 *expenses incident to determining the feasibility or practicability of the public facility; (iii) the cost of*  
841 *plans and specifications, surveys and estimates of costs and of revenues; (iv) the cost of all land,*  
842 *property, rights, easements and franchises acquired; (v) the cost of improvements, property or*  
843 *equipment; (vi) the cost of engineering, legal and other professional services; (vii) the cost of*  
844 *construction or reconstruction; (viii) the cost of all labor, materials, machinery and equipment; (ix)*  
845 *financing charges; (x) interest before and during construction and for up to one year after completion of*  
846 *construction; (xi) start-up costs and operating capital; (xii) payments by a municipality of its share of the*  
847 *cost of any multijurisdictional public facility; (xiii) administrative expense; (xiv) any amounts to be*  
848 *deposited to reserve or replacement funds; and (xv) other expenses as may be necessary or incident to*  
849 *the financing of the public facility. Any obligation or expense incurred by the public facility in*  
850 *connection with any of the foregoing items of cost may be regarded as a part of the cost.*

851 *"Municipality" means any county, city, town, authority, commission, or other public entity.*

852 *"Public facility" means (i) any auditorium, coliseum, convention center, or conference center, which*

is owned by a Virginia county, city, town, authority, or other public entity and where exhibits, meetings, conferences, conventions, seminars, or similar public events may be conducted; (ii) any hotel which is owned by a foundation whose sole purpose is to benefit a state-supported university and which is attached to and is an integral part of such facility, together with any lands reasonably necessary for the conduct of the operation of such events; or (iii) any hotel which is attached to and is an integral part of such facility. However, such public facility must be located in the City of Hampton, City of Newport News, City of Norfolk, City of Portsmouth, City of Roanoke, City of Salem, City of Staunton, or City of Suffolk. Any property, real, personal, or mixed, which is necessary or desirable in connection with any such auditorium, coliseum, convention center, or conference center, including, without limitation, facilities for food preparation and serving, parking facilities, and administration offices, is encompassed within this definition. However, structures commonly referred to as "shopping centers" or "malls" shall not constitute a public facility hereunder. A public facility shall not include residential condominiums, townhomes, or other residential units. In addition, only a new public facility, or a public facility which will undergo a substantial and significant renovation or expansion, shall be eligible under subsection B of this section. A new public facility is one whose construction began after December 31, 1991. A substantial and significant renovation entails a project whose cost is at least 50 percent of the original cost of the facility being renovated and shall have begun after December 31, 1991. A substantial and significant expansion entails an increase in floor space of at least 50 percent over that existing in the preexisting facility and shall have begun after December 31, 1991.

"Sales tax revenues" means such tax collections realized under the Virginia Retail Sales and Use Tax Act (§ 58.1-600 et seq.) of this title, as limited herein. "Sales tax revenues" does not include the revenue generated by the one-half percent sales and use tax increase enacted by the 1986 Special Session of the General Assembly which shall be paid to the Transportation Trust Fund as defined in § 33.1-23.03:1, nor shall it include the one percent of the state sales and use tax revenue distributed among the counties and cities of the Commonwealth pursuant to subsection D of § 58.1-638 on the basis of school age population. *In addition, "sales tax revenues" shall not include the revenue generated by any tax imposed under § 58.1-603.1.*

B. Any municipality which has issued bonds (i) after December 31, 1991, but before January 1, 1996, (ii) on or after January 1, 1998, but before July 1, 1999, (iii) on or after January 1, 1999, but before July 1, 2001, (iv) on or after July 1, 2000, but before July 1, 2003, (v) on or after July 1, 2001, but before July 1, 2005, or (vi) on or after July 1, 2004, but before July 1, 2007, to pay the cost, or portion thereof, of any public facility shall be entitled to all sales tax revenues generated by transactions taking place in such public facility. Such entitlement shall continue for the lifetime of such bonds, which entitlement shall not exceed 35 years, and all such sales tax revenues shall be applied to repayment of the bonds. The State Comptroller shall remit such sales tax revenues to the municipality on a quarterly basis, subject to such reasonable processing delays as may be required by the Department of Taxation to calculate the actual net sales tax revenues derived from the public facility. The State Comptroller shall make such remittances to eligible municipalities, as provided herein, notwithstanding any provisions to the contrary in the Virginia Retail Sales and Use Tax Act (§ 58.1-600 et seq.). No such remittances shall be made until construction is completed and, in the case of a renovation or expansion, until the governing body of the municipality has certified that the renovation or expansion is completed.

C. Nothing in this section shall be construed as authorizing the pledging of the faith and credit of the Commonwealth of Virginia, or any of its revenues, for the payment of any bonds. Any appropriation made pursuant to this section shall be made only from sales tax revenues derived from the public facility for which bonds may have been issued to pay the cost, in whole or in part, of such public facility.

§ 58.1-612. Tax collectible from dealers; "dealer" defined; jurisdiction.

A. The tax levied by §§ 58.1-603, 58.1-603.1, and 58.1-604 shall be collectible from all persons who are dealers, as hereinafter defined, and who have sufficient contact with the Commonwealth to qualify under subsections B and C hereof.

B. The term "dealer," as used in this chapter, shall include every person who:

1. Manufactures or produces tangible personal property for sale at retail, for use, consumption, or distribution, or for storage to be used or consumed in this Commonwealth;

2. Imports or causes to be imported into this Commonwealth tangible personal property from any state or foreign country, for sale at retail, for use, consumption, or distribution, or for storage to be used or consumed in this Commonwealth;

3. Sells at retail, or who offers for sale at retail, or who has in his possession for sale at retail, or for use, consumption, or distribution, or for storage to be used or consumed in this Commonwealth, tangible personal property;

4. Has sold at retail, used, consumed, distributed, or stored for use or consumption in this Commonwealth, tangible personal property and who cannot prove that the tax levied by this chapter has

914 been paid on the sale at retail, the use, consumption, distribution, or storage of such tangible personal  
915 property;

916 5. Leases or rents tangible personal property for a consideration, permitting the use or possession of  
917 such property without transferring title thereto;

918 6. Is the lessee or rentee of tangible personal property and who pays to the owner of such property a  
919 consideration for the use or possession of such property without acquiring title thereto;

920 7. As a representative, agent, or solicitor, of an out-of-state principal, solicits, receives and accepts  
921 orders from persons in this Commonwealth for future delivery and whose principal refuses to register as  
922 a dealer under § 58.1-613; or

923 8. Becomes liable to and owes this Commonwealth any amount of tax imposed by this chapter,  
924 whether he holds, or is required to hold, a certificate of registration under § 58.1-613.

925 C. A dealer shall be deemed to have sufficient activity within the Commonwealth to require  
926 registration under § 58.1-613 if he:

927 1. Maintains or has within this Commonwealth, directly or through an agent or subsidiary, an office,  
928 warehouse, or place of business of any nature;

929 2. Solicits business in this Commonwealth by employees, independent contractors, agents or other  
930 representatives;

931 3. Advertises in newspapers or other periodicals printed and published within this Commonwealth, on  
932 billboards or posters located in this Commonwealth, or through materials distributed in this  
933 Commonwealth by means other than the United States mail;

934 4. Makes regular deliveries of tangible personal property within this Commonwealth by means other  
935 than common carrier. A person shall be deemed to be making regular deliveries hereunder if vehicles  
936 other than those operated by a common carrier enter this Commonwealth more than twelve times during  
937 a calendar year to deliver goods sold by him;

938 5. Solicits business in this Commonwealth on a continuous, regular, seasonal, or systematic basis by  
939 means of advertising that is broadcast or relayed from a transmitter within this Commonwealth or  
940 distributed from a location within this Commonwealth;

941 6. Solicits business in this Commonwealth by mail, if the solicitations are continuous, regular,  
942 seasonal, or systematic and if the dealer benefits from any banking, financing, debt collection, or  
943 marketing activities occurring in this Commonwealth or benefits from the location in this  
944 Commonwealth of authorized installation, servicing, or repair facilities;

945 7. Is owned or controlled by the same interests which own or control a business located within this  
946 Commonwealth;

947 8. Has a franchisee or licensee operating under the same trade name in this Commonwealth if the  
948 franchisee or licensee is required to obtain a certificate of registration under § 58.1-613; or

949 9. Owns tangible personal property that is rented or leased to a consumer in this Commonwealth, or  
950 offers tangible personal property, on approval, to consumers in this Commonwealth.

951 D. Notwithstanding any other provision of this section, the following shall not be considered to  
952 determine whether a person who has contracted with a commercial printer for printing in the  
953 Commonwealth is a "dealer" and whether such person has sufficient contact with the Commonwealth to  
954 be required to register under § 58.1-613:

955 1. The ownership or leasing by that person of tangible or intangible property located at the Virginia  
956 premises of the commercial printer which is used solely in connection with the printing contract with the  
957 person;

958 2. The sale by that person of property of any kind printed at and shipped or distributed from the  
959 Virginia premises of the commercial printer;

960 3. Activities in connection with the printing contract with the person performed by or on behalf of  
961 that person at the Virginia premises of the commercial printer; and

962 4. Activities in connection with the printing contract with the person performed by the commercial  
963 printer within Virginia for or on behalf of that person.

964 E. In addition to the jurisdictional standards contained in subsection C of this section, nothing  
965 contained herein (other than subsection D) shall limit any authority which this Commonwealth may  
966 enjoy under the provisions of federal law or an opinion of the United States Supreme Court to require  
967 the collection of sales and use taxes by any dealer who regularly or systematically solicits sales within  
968 this Commonwealth. Furthermore, nothing contained in subsection C shall require any broadcaster,  
969 printer, outdoor advertising firm, advertising distributor, or publisher which broadcasts, publishes, or  
970 displays or distributes paid commercial advertising in this Commonwealth which is intended to be  
971 disseminated primarily to consumers located in this Commonwealth to report or impose any liability to  
972 pay any tax imposed under this chapter solely because such broadcaster, printer, outdoor advertising  
973 firm, advertising distributor, or publisher accepted such advertising contracts from out-of-state advertisers  
974 or sellers.

975 § 58.1-639. Transitional provisions.



A. To the extent of the ~~one-half percent increase in the state sales and use tax rate effective August 1, 2004, enacted by the 2004 Special Session I of the Virginia General Assembly tax paid pursuant to § 58.1-603.1,~~ the Tax Commissioner, upon application of the purchaser in accordance with regulations promulgated by the Commissioner, shall have the authority to refund state sales or use taxes paid on purchases of tangible personal property made pursuant to bona fide real estate construction contracts, contracts for the sale of tangible personal property, and leases, provided that the real estate construction contract, contract for the sale of tangible personal property or lease is entered into prior to the date of enactment of such increase in the state sales and use tax rate ~~that the tax under § 58.1-603.1 is first imposed in the respective urban region;~~ and further provided that the date of delivery of the tangible personal property is ~~on or before October 31, 2004 within 120 days after the tax under § 58.1-603.1 is first imposed in the respective urban region.~~ The term "bona fide contract," when used in this section in relation to real estate construction contracts, shall include but not be limited to those contracts which are entered into prior to the enactment of such increase in the state sales and use tax rate, provided that such contracts include plans and specifications.

B. Notwithstanding the foregoing ~~October 31, 2004,~~ delivery date requirement, with respect to bona fide real estate construction contracts which contain a specific and stated date of completion, the date of delivery of such tangible personal property shall be on or before the completion date of the applicable project.

C. Applications for refunds pursuant to this section shall be made in accordance with the provisions of § 58.1-1823. Interest computed in accordance with § 58.1-1833 shall be added to the tax refunded pursuant to this section.

§ 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 rate of the tax, when the consideration or value of the interest, whichever is greater, exceeds \$100, shall be ~~50 cents~~ \$0.35 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 (i) *at the rate of \$0.25 for each \$100 or fraction thereof as determined pursuant to subsection A, into the state treasury for deposit into the Transportation Change Fund established under § 33.1-23.5:4;* (ii) ~~one-half~~ *at the rate of \$0.05 for each \$100 or fraction thereof as determined pursuant to subsection A,* into the state treasury; and (iii) ~~one-half~~ *at the rate of \$0.05 for each \$100 or fraction thereof as determined pursuant to subsection A,* 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.

§ 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

1037 which qualifies for nonrecognition of gain or loss pursuant to § 351 of the Internal Revenue Code as it  
1038 exists at the time of the conveyance;

1039 7. From a corporation to its stockholders upon complete or partial liquidation of the corporation in a  
1040 transaction which qualifies for income tax treatment pursuant to § 331, 332, 333 or 337 of the Internal  
1041 Revenue Code as it exists at the time of liquidation;

1042 8. To the surviving or new corporation, partnership, limited partnership, business trust, or limited  
1043 liability company upon a merger or consolidation to which two or more such entities are parties, or in a  
1044 reorganization within the meaning of § 368 (a) (1) (C) and (F) of the Internal Revenue Code as  
1045 amended;

1046 9. To a subsidiary corporation from its parent corporation, or from a subsidiary corporation to a  
1047 parent corporation, if the transaction qualifies for nonrecognition of gain or loss under the Internal  
1048 Revenue Code as amended;

1049 10. To a partnership or limited liability company, when the grantors are entitled to receive not less  
1050 than 50 percent of the profits and surplus of such partnership or limited liability company; provided that  
1051 the transfer to a limited liability company is not a precursor to a transfer of control of the assets of the  
1052 company to avoid recordation taxes;

1053 11. From a partnership or limited liability company, when the grantees are entitled to receive not less  
1054 than 50 percent of the profits and surplus of such partnership or limited liability company; provided that  
1055 the transfer from a limited liability company is not subsequent to a transfer of control of the assets of  
1056 the company to avoid recordation taxes;

1057 12. To trustees of a revocable inter vivos trust, when the grantors in the deed and the beneficiaries of  
1058 the trust are the same persons, regardless of whether other beneficiaries may also be named in the trust  
1059 instrument, when no consideration has passed between the grantor and the beneficiaries; and to the  
1060 original beneficiaries of a trust from the trustees holding title under a deed in trust;

1061 13. When the grantor is the personal representative of a decedent's estate or trustee under a will or  
1062 inter vivos trust of which the decedent was the settlor, other than a security trust defined in § 55-58.1,  
1063 and the sole purpose of such transfer is to comply with a devise or bequest in the decedent's will or to  
1064 transfer title to one or more beneficiaries after the death of the settlor in accordance with a dispositive  
1065 provision in the trust instrument; or

1066 14. When the grantor is an organization exempt from taxation under § 501 (c) (3) of the Internal  
1067 Revenue Code that is organized and operated primarily to acquire land and purchase materials to erect  
1068 or rehabilitate low-cost homes on such land, which homes are sold at cost to persons who otherwise  
1069 would be unable to afford to buy a home through conventional means, located in Amherst County or the  
1070 City of Lynchburg.

1071 B. The taxes imposed by §§ 58.1-803 and 58.1-804 shall not apply to any deed of trust or mortgage:

1072 1. Given by an incorporated college or other incorporated institution of learning not conducted for  
1073 profit;

1074 2. Given by the trustee or trustees of a church or religious body or given by an incorporated church  
1075 or religious body, or given by a corporation mentioned in § 57-16.1;

1076 3. Given by any nonstock corporation organized exclusively for the purpose of owning and/or  
1077 operating a hospital or hospitals not for pecuniary profit;

1078 4. Given by any local governmental entity or political subdivision of the Commonwealth to secure a  
1079 debt payable to any other local governmental entity or political subdivision; or

1080 5. Securing a loan made by an organization described in subdivision 14 of subsection A of this  
1081 section.

1082 C. The tax imposed by § 58.1-802 ~~and the fees imposed by § 58.1-802.1~~ shall not apply to any:

1083 1. Transaction described in subdivisions 6 through 13 of subsection A of this section;

1084 2. Instrument or writing given to secure a debt;

1085 3. Deed conveying real estate from an incorporated college or other incorporated institution of  
1086 learning not conducted for profit;

1087 4. Deed conveying real estate from the United States, the Commonwealth or any county, city, town,  
1088 district or other political subdivision thereof;

1089 5. Conveyance of real estate to the Commonwealth or any county, city, town, district or other  
1090 political subdivision thereof, if such political unit is required by law to reimburse the parties taxable  
1091 pursuant to § 58.1-802 ~~or subject to the fee under § 58.1-802.1~~; or

1092 6. Deed conveying real estate from the trustee or trustees of a church or religious body or from an  
1093 incorporated church or religious body, or from a corporation mentioned in § 57-16.1.

1094 D. No recordation tax shall be required for the recordation of any deed of gift between a grantor or  
1095 grantors and a grantee or grantees when no consideration has passed between the parties. Such deed  
1096 shall state therein that it is a deed of gift.

1097 E. The tax imposed by § 58.1-807 shall not apply to any lease to the United States, the  
1098 Commonwealth, or any county, city, town, district or other political subdivision of the Commonwealth.

F. The taxes and fees 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.

§ 58.1-2402. Levy.

A. There is hereby levied, in addition to all other taxes and fees of every kind now imposed by law, a tax upon the sale or use of motor vehicles in Virginia, other than (i) vehicles with a gross vehicle weight rating or gross combination weight rating of 26,001 pounds or more, or (ii) a sale to or use by a person for rental as an established business or part of an established business or incidental or germane to such business.

There shall also be levied a tax upon the rental of a motor vehicle in Virginia, without regard to whether such vehicle is required to be licensed by the Commonwealth. However, such tax 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.

The amount of the tax to be collected shall be determined by the Commissioner by the application of the following rates against the gross sales price or gross proceeds:

1. *Three percent of the sale price of each motor vehicle sold in Virginia prior to January 1, 2009, three and a half percent of the sale price of each motor vehicle sold in Virginia on or after January 1, 2009 but prior to July 1, 2009, and four percent of the sale price of each motor vehicle sold in Virginia on or after July 1, 2009.* If such motor vehicle is a manufactured home as defined in § 36-85.3, the tax shall be three percent of the sale price of each such manufactured home sold in this Commonwealth; if such vehicle is a mobile office as defined in § 58.1-2401, the tax shall be two percent of the sale price of each mobile office sold in this Commonwealth.

2. *Three* Prior to January 1, 2009, three percent of the sale price of each motor vehicle not sold in Virginia but used or stored for use in this Commonwealth; or on or after January 1, 2009, but prior to July 1, 2009, three and a half percent of the sale price of each motor vehicle not sold in Virginia but used or stored for use in this Commonwealth; or on or after July 1, 2009, four percent of the sale price of each motor vehicle; not sold in Virginia but used or stored for use in this Commonwealth; or three percent of the sale price of each manufactured home as defined in § 36-85.3; not sold in Virginia but used or stored for use in this Commonwealth; or two percent of the sale price of each mobile office as defined in § 58.1-2401, not sold in Virginia but used or stored for use in this Commonwealth. When any such motor vehicle or manufactured home is first used or stored for use in Virginia six months or more after its acquisition, the tax shall be based on its current market value.

3. Four percent of the gross proceeds from the rental in Virginia of any motor vehicle, except those with a gross vehicle weight rating or gross combination weight rating of 26,001 pounds or more.

4. In addition to the tax levied pursuant to subdivision A 3, a tax of four percent of the gross proceeds shall be levied on the rental in Virginia of any daily rental vehicle, whether or not such vehicle is required to be licensed in the Commonwealth.

5. In addition to all other applicable taxes and fees, a fee of two percent of the gross proceeds shall be imposed on the rental in Virginia of any daily rental vehicle, whether or not such vehicle is required to be licensed in the Commonwealth. For purposes of this chapter, the rental fee shall be implemented, enforced, and collected in the same manner that rental taxes are implemented, enforced, and collected.

6. The minimum tax levied on the sale of any motor vehicle in the Commonwealth shall be \$35, except as provided by those exemptions defined in § 58.1-2403.

B. A transaction taxed under subdivision A 1 shall not also be taxed under subdivision A 2, nor shall the same transaction be taxed more than once under either subdivision. A motor vehicle subject to the tax imposed under subdivision A 3 shall be subject to the tax under either subdivision A 1 or A 2 when it ceases to be used for rental as an established business or part of an established business, or incidental or germane to such business.

C. Any motor vehicle, trailer or semitrailer exempt from this tax under subdivision 1 or 2 of § 58.1-2403 shall be subject to the tax, based on the current market value when such vehicle is no

1160 longer owned, rented or used by the United States government or any governmental agency, or the  
1161 Commonwealth of Virginia or any political subdivision thereof. Further, any motor vehicle, trailer or  
1162 semitrailer exempt from the tax imposed by this chapter under subdivision 11 of § 58.1-2403 or  
1163 §§ 46.2-663 through 46.2-674 shall be subject to the tax, based on the current market value, when such  
1164 vehicle is subsequently licensed to operate on the highways of this Commonwealth.

1165 D. Any person who with intent to evade or to aid another person to evade the tax provided for  
1166 herein, falsely states the selling price of a vehicle on a bill of sale, assignment of title, application for  
1167 title, or any other document or paper submitted to the Commissioner pursuant to any provisions of this  
1168 title or Title 46.2, shall be guilty of a Class 3 misdemeanor.

1169 E. Effective January 1, 1997, any amount designated as a "processing fee" and any amount charged  
1170 by a dealer for processing a transaction, which is required to be included on a buyer's order pursuant to  
1171 subdivision 10 of § 46.2-1530, shall be subject to the tax.

1172 § 58.1-2403. Exemptions.

1173 No tax shall be imposed as provided in § 58.1-2402 ~~or 58.1-2402.1~~ if the vehicle is:

1174 1. Sold to, rented or used by the United States government or any governmental agency thereof;  
1175 2. Sold to, rented or used by the Commonwealth of Virginia or any political subdivision thereof;  
1176 3. Registered in the name of a volunteer fire department or rescue squad not operated for profit;  
1177 4. Registered to any member of the Mattaponi, Pamunkey, or Chickahominy Indian tribes or any  
1178 other recognized Indian tribe of the Commonwealth living on the tribal reservation;

1179 5. Transferred incidental to repossession under a recorded lien and ownership is transferred to the  
1180 lienholder;

1181 6. A manufactured home permanently attached to real estate and included in the sale of real estate;

1182 7. A gift to the spouse, son, or daughter of the transferor. With the exception of a gift to a spouse,  
1183 this exemption shall not apply to any unpaid obligation assumed by the transferee incidental to the  
1184 transfer;

1185 8. Transferred from an individual or partnership to a corporation or limited liability company or from  
1186 a corporation or limited liability company to an individual or partnership if the transfer is incidental to  
1187 the formation, organization or dissolution of a corporation or limited liability company in which the  
1188 individual or partnership holds the majority interest;

1189 9. Transferred from a wholly owned subsidiary to the parent corporation or from the parent  
1190 corporation to a wholly owned subsidiary;

1191 10. Being registered for the first time in this Commonwealth and the applicant holds a valid,  
1192 assignable title or registration issued to him by another state or a branch of the United States Armed  
1193 Forces and (i) has owned the vehicle for longer than 12 months or (ii) has owned the vehicle for less  
1194 than 12 months and provides evidence of a sales tax paid to another state. However, when a vehicle has  
1195 been purchased by the applicant within the last 12 months and the applicant is unable to provide  
1196 evidence of a sales tax paid to another state, the applicant shall pay the Virginia sales tax based on the  
1197 fair market value of the vehicle at the time of registration in Virginia;

1198 11. a. Titled in a Virginia or non-Virginia motor vehicle dealer's name for resale; or

1199 b. Titled in the name of an automotive manufacturer having its headquarters in Virginia, except for  
1200 any commercially leased vehicle that is not described under subdivision 3 of § 46.2-602.2. For purposes  
1201 of this subdivision, "automotive manufacturer" and "headquarters" means the same as such terms are  
1202 defined in § 46.2-602.2;

1203 12. A motor vehicle having seats for more than seven passengers and sold to an urban or suburban  
1204 bus line the majority of whose passengers use the buses for traveling a distance of less than 40 miles,  
1205 one way, on the same day;

1206 13. Purchased in the Commonwealth by a nonresident and a Virginia title is issued for the sole  
1207 purpose of recording a lien against the vehicle if the vehicle will be registered in a state other than  
1208 Virginia;

1209 14. A motor vehicle designed for the transportation of 10 or more passengers, purchased by and for  
1210 the use of a church conducted not for profit;

1211 15. Loaned or leased to a private nonprofit institution of learning, for the sole purpose of use in the  
1212 instruction of driver's education when such education is a part of such school's curriculum for full-time  
1213 students;

1214 16. Sold to an insurance company or local government group self-insurance pool, created pursuant to  
1215 § 15.2-2703, for the sole purpose of disposition when such company has paid the registered owner of  
1216 such vehicle a total loss claim;

1217 17. Owned and used for personal or official purposes by accredited consular or diplomatic officers of  
1218 foreign governments, their employees or agents, and members of their families, if such persons are  
1219 nationals of the state by which they are appointed and are not citizens of the United States;

1220 18. A self-contained mobile computerized axial tomography scanner sold to, rented or used by a  
1221 nonprofit hospital or a cooperative hospital service organization as described in § 501 (e) of the United

States Internal Revenue Code;

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

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

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

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

23. A truck, tractor truck, trailer, or semitrailer, as severally defined in § 46.2-100, except trailers and semitrailers not designed or used to carry property and vehicles registered under § 46.2-700, with a gross vehicle weight rating or gross combination weight rating of 26,001 pounds or more, in which case no tax shall be imposed pursuant to subdivisions 1 and 3 of subsection A of § 58.1-2402;

24. Transferred to the trustees of a revocable inter vivos trust, when the individual titleholder of a Virginia titled motor vehicle and the beneficiaries of the trust are the same persons, regardless of whether other beneficiaries of the trust may also be named in the trust instrument, when no consideration has passed between the titleholder and the beneficiaries; and transferred to the original titleholder from the trustees holding title to the motor vehicle;

25. Transferred to trustees of a revocable inter vivos trust, when the owners of the vehicle and the beneficiaries of the trust are the same persons, regardless of whether other beneficiaries may also be named in the trust instrument, or transferred by trustees of such a trust to beneficiaries of the trust following the death of the grantor, when no consideration has passed between the grantor and the beneficiaries in either case;

26. Sold by a vehicle's lessor to its lessee upon the expiration of the term of the vehicle's lease, if the lessee is a natural person and this natural person has paid the tax levied pursuant to this chapter with respect to the vehicle when he leased it from the lessor, and if the lessee presents an original copy of the lease upon request of the Department of Motor Vehicles or other evidence that the sales tax has been paid to the Commonwealth by the lessee purchasing the vehicle; or

27. Titled in the name of a deceased person and transferred to the spouse or heir, or under the will, of such deceased person.

§ 58.1-2425. Distribution of revenues.

A. Except as provided in § 58.1-2402.1 funds collected hereunder by the Commissioner shall be forthwith paid into the state treasury. Except as otherwise provided in § 58.1-2402.1 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

1283 pursuant to the authority granted by the 2004 Session of the General Assembly.

1284 B. As provided in subsection A of § 58.1-638, of the funds becoming part of the Transportation  
1285 Trust Fund pursuant to clause (iii) of subsection A of this section, an aggregate of 4.2 percent shall be  
1286 set aside as the Commonwealth Port Fund; an aggregate of 2.4 percent shall be set aside as the  
1287 Commonwealth Airport Fund; and an aggregate of 14.5 percent in fiscal year 1998-1999 and 14.7  
1288 percent in fiscal year 1999-2000 and thereafter shall be set aside as the Commonwealth Mass Transit  
1289 Fund.

1290 A. Funds collected by the Commissioner pursuant to this chapter shall be deposited into the state  
1291 treasury in accordance with the following:

1292 1. The revenues collected from the tax imposed under subdivision A 1 or A 2 of § 58.1-2402 shall be  
1293 distributed as follows: (i) the revenues from the tax on motor vehicles shall be deposited into the  
1294 Highway Maintenance and Operating Fund, (ii) the revenues from the tax on manufactured homes shall  
1295 be deposited into the Commonwealth Transportation Fund and distributed to the city, town, or county  
1296 wherein such manufactured home is to be situated as a dwelling, and (iii) the revenues from the tax on  
1297 mobile offices shall be deposited into the Transportation Trust Fund established under § 33.1-23.03:1;

1298 2. The revenues collected from the tax imposed under subdivision A 3 of § 58.1-2402 shall be  
1299 distributed as follows: (i) the revenues from a three percent tax shall be deposited into the Rail  
1300 Enhancement Fund established by § 33.1-221.1:1.1, and (ii) the revenues from a one percent tax shall  
1301 be deposited into the Transportation Trust Fund established under § 33.1-23.03:1;

1302 3. The revenues collected from the tax imposed under subdivision A 4 of § 58.1-2402 shall be  
1303 distributed quarterly to the city, town, or county wherein such vehicle was delivered to the rentee;

1304 4. The revenues collected from the fee imposed under subdivision A 5 of § 58.1-2402 shall be used to  
1305 pay the debt service on the bonds issued by the Virginia Public Building Authority for the Statewide  
1306 Agencies Radio System (STARS) for the Department of State Police pursuant to the authority granted by  
1307 the 2004 Session of the General Assembly; and

1308 5. The revenues collected from the minimum tax imposed under subdivision A 6 of § 58.1-2402 shall  
1309 be deposited into the Highway Maintenance and Operating Fund.

1310 B. The revenues deposited under subdivisions A 1 through A 5 shall be net of the applicable portion  
1311 of any refunds.

1312 C. The revenues collected and deposited into the Highway Maintenance and Operating Fund from  
1313 the increases in the rates of taxes imposed on motor vehicles under § 58.1-2402 pursuant to enactments  
1314 of the 2008 Special Session II of the Virginia General Assembly shall be net of the direct costs of  
1315 administration by the Department in collecting such additional revenues.

1316 D. All other net additional revenues generated pursuant to enactments of the 1986 Special Session of  
1317 the Virginia General Assembly shall be paid solely into the Transportation Trust Fund established under  
1318 § 33.1-23.03:1 and solely distributed and allocated pursuant to subsection A of § 58.1-638 and for no  
1319 other purpose.

1320 4. That the revenues generated by the provisions of this act shall not be used to calculate or  
1321 reduce the share of local, federal, and state revenues otherwise available to participating  
1322 jurisdictions. Further, such revenues and moneys shall not be included in any computation of, or  
1323 formula for, a locality's ability to pay for public education, upon which appropriations of state  
1324 revenues to local governments for public education are determined.

1325 5. That the liabilities, assets, responsibilities, and functions of the Hampton Roads Transportation  
1326 Authority [former Chapter 10.2 (§ 33.1-391.6 et seq.) of Title 33.1 of the Code of Virginia], which  
1327 Authority has been abolished pursuant to the thirteenth enactment clause of this act, shall be  
1328 transferred as follows:

1329 (i) Any outstanding obligations of the Authority under any contract entered into by the Authority  
1330 prior to such abolition shall be transferred to and assumed by the Virginia Department of  
1331 Transportation, provided that any outstanding liabilities or debts of the Authority shall be satisfied  
1332 from funds in the Special Sales and Use Tax Fund Account of the Hampton Roads Region  
1333 described under § 33.1-23.5:3 of the Code of Virginia;

1334 (ii) Any and all planning responsibilities vested in the Authority prior to such abolition shall be  
1335 transferred to and assumed by the Hampton Roads Metropolitan Planning Organization  
1336 established pursuant to § 134 of Title 23 of the United States Code;

1337 (iii) Any assets of the Authority shall be deposited into the state treasury and as soon as  
1338 practicable after such deposit shall then be deposited by the Comptroller into the Special Sales  
1339 and Use Tax Fund Account of the Hampton Roads Region; and

1340 (iv) In all other regards, the Commonwealth, and where appropriate the Commonwealth  
1341 Transportation Board, shall be the successor in interest to the Hampton Roads Transportation  
1342 Authority.

1343 6. That § 5 of the second enactment of Chapter 896 of the Acts of Assembly of 2007 is amended  
1344 and reenacted as follows:

§ 5. The terms and structure of each issue of the Bonds shall be determined by the Commonwealth Transportation Board, subject to approval by the Treasury Board in accordance with § 2.2-2416 of the Code of Virginia, as amended. The Bonds of each issue shall be dated; shall be issued in a principal amount (subject to the limitations set forth in § 2 and in subsection C of § 33.1-23.03:8 of the Code of Virginia); shall bear interest at such rate or rates, which may be fixed, adjustable, variable or a combination thereof and may be determined by a formula or other method; shall mature at such time or times not exceeding 25 years from their date or dates; and may be made subject to purchase or redemption before their maturity or maturities, at such price or prices and under such terms and conditions, all as may be determined by the Commonwealth Transportation Board. The Commonwealth Transportation Board shall determine the form of the Bonds, whether the Bonds are certificated or uncertificated, and fix the authorized denomination or denominations of the Bonds and the place or places of payment of principal or purchase price of, and redemption premium, if any, and interest on the Bonds, which may be at the office of the State Treasurer or any bank or trust company within or without the Commonwealth. The principal or purchase price of, and redemption premium, if any, and interest on the Bonds shall be made payable in lawful money of the United States of America. Each issue of the Bonds may be issued under a system of book entry for recording the ownership and transfer of ownership of rights to receive payments of principal or purchase price of and redemption premium, if any, and interest on such Bonds. All Bonds shall have and are hereby declared to have, as between successive holders, all of the qualities and incidents of negotiable instruments under the negotiable instruments law of the Commonwealth.

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

7. That § 11 of the second enactment of Chapter 896 of the Acts of Assembly of 2007 is amended and reenacted as follows:

§ 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~~ *subject to their appropriation* 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) from 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 legally available funds.

8. That the fifth enactment of Chapter 896 of the Acts of Assembly of 2007 is amended and reenacted as follows:

5. That the Hampton Roads Authority established under ~~§ 33.1-391.7~~ of the Code of Virginia *metropolitan planning organization designated under federal law for any urban region in which the tax under § 58.1-603.1 of the Code of Virginia is imposed* shall develop as part of a long-range plan quantifiable measures and achievable goals for the area embraced by the Authority *urban region* relating to, but not limited to, congestion reduction and safety, transit and high-occupancy vehicle (HOV) usage, job-to-housing ratios, job and housing access to transit and pedestrian facilities, air quality, and per-capita vehicle miles traveled. ~~In addition, the Northern Virginia Transportation Authority established under § 15.2-4830 of the Code of Virginia shall also develop as part of a long-range plan quantifiable measures and achievable goals for the area embraced by the Authority relating to, but not limited to, congestion reduction and safety, transit and high-occupancy vehicle (HOV) usage, job-to-housing ratios, job and housing access to transit and pedestrian facilities, air quality, and per-capita vehicle miles traveled. Such goals shall be subject to the approval of the Commonwealth Transportation Board on a biennial basis. In any case in which a political subdivision of the Commonwealth has been charged under state law with developing a regional transportation plan for an urban region in which the tax under § 58.1-603.1 is imposed, then the political subdivision, and not the metropolitan planning organization, shall develop the quantifiable measures and achievable goals for such urban region.~~

*"Urban region" means the same as defined in § 58.1-603.1.*

9. That the Office of Intermodal Planning and Investment established under § 2.2-229 of the Code of Virginia shall develop guidelines and make recommendations to the Commonwealth Transportation Board for the allocation of funds available (i) pursuant to paragraphs 1 and 2 of Item 454 and paragraph B of Item 449 (the Transportation Efficiency Improvement Fund and

1406 Program) of Chapter 879 of the Acts of Assembly of 2008, and (ii) pursuant to subdivision A 4 c  
1407 (1) of § 58.1-638 of the Code of Virginia. Such guidelines shall facilitate the planning and execution  
1408 of transportation projects and programs that reduce congestion, address safety, enhance  
1409 operations, encourage transit and rail, and encourage experimentation with new technologies and  
1410 approaches through public-private partnerships.

1411 10. That notwithstanding the provisions of § 33.1-23.1:1.1 of the Code of Virginia, funds set aside  
1412 for transportation improvements in urban development areas pursuant to such section in the  
1413 Commonwealth's fiscal year beginning July 1, 2008, shall be distributed initially to a locality for  
1414 technical assistance pursuant to guidelines issued by the Office of Intermodal Planning and  
1415 Investment, provided that the governing body of the locality has taken formal action to establish  
1416 urban development areas.

1417 11. That the Director of the Department of Planning and Budget is hereby authorized to adjust  
1418 transportation appropriations under current law, as needed, to effectuate the provisions of this act.

1419 12. That (i) the additional state fees, taxes, or liquidated damages and the increases in the rates of  
1420 state fees, taxes, or liquidated damages in §§ 46.2-694, 46.2-694.1, 46.2-697, 46.2-1135, 58.1-802,  
1421 58.1-2217, 58.1-2249, 58.1-2402, and 58.1-2701 of the Code of Virginia pursuant to the provisions  
1422 of Chapter 896 of the Acts of Assembly of 2007 or pursuant to the provisions of this act, (ii) the  
1423 increase in the credit in § 58.1-2706 of the Code of Virginia pursuant to the provisions of Chapter  
1424 896 of the Acts of Assembly of 2007, (iii) all other amendments to §§ 46.2-1135 and 58.1-802  
1425 pursuant to the provisions of Chapter 896 of the Acts of Assembly of 2007 or pursuant to the  
1426 provisions of this act, and (iv) the provisions of subsection B of § 46.2-702.1, § 58.1-603.1,  
1427 subsection F of § 58.1-2289, and subsection C of § 58.1-2425 of the Code of Virginia shall expire  
1428 on December 31 of any year in which the General Assembly (a) appropriates, for a purpose other  
1429 than transportation, any portion of the net revenues generated and collected by the increases in, or  
1430 by the additional, state fees, taxes, or liquidated damages described in clause (i) of this enactment,  
1431 or (b) appropriates the net revenues generated and collected under § 58.1-603.1 in an urban region  
1432 for a purpose other than a transportation purpose benefiting the respective urban region (with the  
1433 exception of any appropriations to satisfy any outstanding liabilities or debts as provided in clause  
1434 (i) of the fifth enactment of this act).

1435 "Transportation" for purposes of clause (a) means (i) financing, acquiring, constructing,  
1436 improving, maintaining, or operating transportation systems or projects in the Commonwealth, or  
1437 all purposes incidental thereto; (ii) furthering the interests of the Commonwealth in highways,  
1438 public transportation, railways, seaports, or airports; or (iii) providing for the operations of state  
1439 agencies or authorities related to transportation.

1440 "Transportation" for purposes of clause (b) means (i) financing, acquiring, constructing,  
1441 improving, maintaining, or operating transportation systems or projects; (ii) furthering the  
1442 interests of an urban region, as defined in § 58.1-603.1, in highways, public transportation,  
1443 railways, seaports, or airports; (iii) any audit of the revenues generated and collected under  
1444 § 58.1-603.1 in an urban region; or (iv) providing for the operations of any political subdivision of  
1445 the Commonwealth charged with the day-to-day administration of such revenues.

1446 13. That §§ 33.1-54, 33.1-255, 33.1-257, 46.2-755.1, 46.2-755.2, 46.2-1167.1, 58.1-625.1, 58.1-802.1,  
1447 58.1-2402.1, and 58.1-3825.1; Chapter 10.2 (§§ 33.1-391.6 through 33.1-391.15) of Title 33.1; and  
1448 Article 4.1 (§§ 58.1-1724.2 through 58.1-1724.7) of Chapter 17 of Title 58.1 of the Code of Virginia  
1449 are repealed.

1450 14. That Article 22 (§§ 58.1-540 through 58.1-549) of Chapter 3 of Title 58.1 is repealed.

1451 15. That the sixth, thirteenth, fourteenth, fifteenth, eighteenth, nineteenth, and twenty-second  
1452 enactment clauses of Chapter 896 of the Acts of Assembly of 2007 are repealed.

1453 16. That should any portion of this act be held unconstitutional by a court of competent  
1454 jurisdiction, the remaining portions of this act shall remain in effect.