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HOUSE BILL NO. 6029

Offered June 23, 2008

A BILL to amend and reenact §§ 15.2-4831, 15.2-4838.1, 15.2-4839, 15.2-4840, 33.1-23.03, 46.2-332, 46.2-694, as it shall become effective, 46.2-694.1, as it is currently effective, 46.2-697, as it is currently effective, 46.2-755.1, 46.2-1167.1, 58.1-603, 58.1-604, 58.1-605, 58.1-606, 58.1-638, 58.1-802.1, 58.1-2402.1, and 58.1-3221.3 of the Code of Virginia; to amend and reenact Item 473 of Chapter 879 of the Acts of Assembly of 2008; to amend the Code of Virginia by adding sections numbered 16.1-69.48:1.02, 17.1-275.12, and 33.1-23.03:6.1, by adding in Chapter 10.2 of Title 33.1 sections numbered 33.1-391.16 and 33.1-391.17, and by adding in Chapter 17 of Title 58.1 an article numbered 8, consisting of a section numbered 58.1-1731; and to repeal §§ 33.1-391.6 through 33.1-391.15, 58.1-625.1, 58.1-755.2, and 58.1-3825.1 of the Code of Virginia, Article 4.1 (§§ 58.1-1724.2 through 58.1-1724.7) of Chapter 17 of Title 58.1 of the Code of Virginia, and the fifth, sixth, thirteenth, fourteenth, fifteenth, eighteenth, nineteenth, and twentieth enactments of Chapter 896 of the Acts of Assembly of 2007, relating to transportation funding and administration.

Patrons—Albo, Rust and May

Referred to Committee on Rules

Whereas, the demand for and use of transportation facilities within a region increase as the population and density of development increase, and the rate of increase in population and density of development is far greater in the Northern Virginia Transportation District and the Hampton Roads Transportation District; and

Whereas, the federal government has recognized the importance of transportation planning on a regional basis; and

Whereas, as of January 1, 2008, only the localities wholly embraced within the study area of the Hampton Roads Metropolitan Planning Organization and the Metropolitan Washington Transportation Planning Board within the Commonwealth have on an aggregate basis a population density greater than 800 people per square mile and 300 housing units per square mile based on the 2000 United States Census, far more than any other transportation districts; and

Whereas, the General Assembly has established the Hampton Roads Transportation District and the Northern Virginia Transportation District for planning and construction of transportation projects within the localities embraced by these districts; and

Whereas, the two most populous regions of the Commonwealth are embraced by the Hampton Roads Transportation District and the Northern Virginia Transportation District; and

Whereas, the highways within the localities embraced by the Hampton Roads Transportation District and the Northern Virginia Transportation District have more daily vehicle miles traveled per lane mile than any other highways embraced by any other transportation districts in the Commonwealth; and

Whereas, there are more than 37,500,000 and more than 48,900,000 daily vehicle miles traveled in the localities embraced by the Hampton Roads Transportation District and the Northern Virginia Transportation District, respectively, which is far more than any other transportation district; and

Whereas, more than 22 percent of the daily vehicle miles traveled in the Commonwealth are in the localities embraced by the Northern Virginia Transportation District; and

Whereas, Northern Virginia and Hampton Roads areas characteristics differ (for example they have different economies, demographics, land values, and number of vehicles), and each area's ability to raise revenue for transportation improvements differs, now, therefore,

The General Assembly declares it to be in the public interest that the economic development need and economic growth potential of Hampton Roads and Northern Virginia be addressed by special transportation revenues to provide for the costs of providing an adequate, modern, safe, and efficient transportation network in Hampton Roads and Northern Virginia and hereby enacts the following legislation to provide for the same.

Be it enacted by the General Assembly of Virginia:

1. That §§ 15.2-4838.1, 15.2-4839, 15.2-4840, 33.1-23.03, 46.2-332, 46.2-694, as it shall become effective, 46.2-694.1, as it is currently effective, 46.2-697, as it is currently effective, 46.2-755.1, 46.2-1167.1, 58.1-603, 58.1-604, 58.1-605, 58.1-606, 58.1-638, 58.1-802.1, 58.1-2402.1, and 58.1-3221.3 of the Code of Virginia are amended and reenacted and that the Code of Virginia is amended by adding sections numbered 16.1-69.48:1.02, 17.1-275.12, and 33.1-23.03:6.1, by adding in Chapter 10.2 of Title 33.1 sections numbered 33.1-391.16 and 33.1-391.17, and by adding in Chapter 17 of Title 58.1 an article numbered 8, consisting of a section numbered

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58.1-1731, as follows:

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

A. All moneys received by the Authority and the proceeds of bonds issued pursuant to § 15.2-4839 shall be used by the Authority solely for transportation purposes benefiting those counties and cities that are embraced by the Authority.

B. Forty percent of the revenues shall be distributed on a pro rata basis, with each locality's share being the total of such fees and taxes assessed or imposed by the Authority and received by the Authority that are generated or attributable to the locality divided by the total of such fees and taxes assessed or imposed by the Authority and received by the Authority. Of the revenues distributed pursuant to this subsection (i) in the Cities of Falls Church and Alexandria and the County of Arlington the first 50% shall be used solely for urban or secondary road construction and improvements and for public transportation purposes, and (ii) in the remaining localities, the first 50% shall be used solely for urban or secondary road construction and improvements. The remainder, as determined solely by the applicable locality, shall be used either for additional urban or secondary road construction; for other transportation capital improvements which have been approved by the most recent long range transportation plan adopted by the Authority; or for public transportation purposes. Solely for purposes of calculating the 40% of revenues to be distributed pursuant to this subsection, the revenue generated pursuant to § 58.1-3221.3 and Article 8 (§ 15.2-2317 et seq.) of Chapter 22 of this title by the counties and cities embraced by the Authority shall be considered revenue of the Authority. None of the revenue distributed by this subsection may be used to repay debt issued before July 1, 2007. Each locality shall provide annually to the Northern Virginia Transportation Authority sufficient documentation as required by the Authority showing that the funds distributed under this subsection were used as required by this subsection.

C. ~~The remaining 60% of the~~ *B. The revenues from such sources shall be used by the Authority solely for transportation projects for the localities embraced by the Authority, as determined by the Authority in consultation with members of the governing bodies of such localities, and members of the General Assembly representing any such locality, or as may be required by any other law, solely for transportation projects for such localities.*

1. *Notwithstanding any other provision of this chapter, The revenues under this subsection shall be used first to pay any debt service owing on any bonds issued pursuant to § 15.2-4839, and then as follows:*

a. The next \$50 million each fiscal year shall be distributed to the Washington Metropolitan Area Transit Authority (WMATA) and shall be used for capital improvements benefiting *Virginia the area* embraced by the Authority for WMATA's transit service (Metro). The Authority shall first make use of that portion of such annual distribution as may be necessary under the requirements of federal law for the payment of federal funds to WMATA, but only if the matching federal funds are exclusive of and in addition to the amount of other federal funds appropriated for such purposes and to the Commonwealth for transportation and such other federal funds are in an amount not less than the amount of such funds appropriated in the federal fiscal year ending September to the Commonwealth in the fiscal year ending June 30, 2007 2008;

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

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

c. *Beginning at the time phase two of the Dulles Rail project begins construction, at least \$20 million shall be dedicated annually for the Dulles Rail project;*

d. *The next \$2 million each fiscal year shall be distributed for Loudoun County transit service.*

2. All transportation projects undertaken by the Northern Virginia Transportation Authority shall be completed by private contractors accompanied by performance measurement standards, and all contracts shall contain a provision granting the Authority the option to terminate the contract if contractors do not meet such standards. Notwithstanding the foregoing, any locality may provide engineering services or right-of-way acquisition for any project with its own forces. The Authority shall avail itself of the strategies permitted under the Public-Private Transportation Act (§ 56-556 et seq.) whenever feasible and advantageous. The Authority is independent of any state or local entity, including the Virginia Department of Transportation (VDOT) and the Commonwealth Transportation Board (CTB), but the Authority, VDOT and CTB shall consult with one another to avoid 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 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 (ii) constructs projects that move the most people or commercial traffic in the most cost-effective manner, and 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.

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.

§ 15.2-4839. Authority to issue bonds.

The Authority may issue bonds and other evidences of debt as may be authorized by this section or other law. The provisions of Article 5 (§ 15.2-4519 et seq.) of Chapter 45 of this title shall apply, mutatis mutandis, to the issuance of such bonds or other debt. The Authority may issue bonds or other debt in such amounts as it deems appropriate. The bonds may be supported by any funds available ~~except that funds including those from tolls imposed and collected pursuant to subdivision 7 of § 15.2-4840 shall be used only as provided in that subdivision as authorized under § 15.2-4840.~~

§ 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

182 chapter.

183 § 16.1-69.48:1.02. *Additional fee assessed for conviction of certain offenses; Highway Maintenance*
184 *and Operating Fund.*

185 *Beginning October 1, 2008, in addition to the fees provided for by § 16.1-69.48:1 and any fees*
186 *otherwise required, there shall be assessed as court costs a fee of \$20 upon conviction of any and each*
187 *charge of a violation of §§ 18.2-35, if a motor vehicle was used in the commission of the offense,*
188 *18.2-36, if a motor vehicle was used in the commission of the offense, 18.2-36.1, 18.2-51.4, 18.2-266,*
189 *18.2-266.1, 18.2-268.3, 18.2-270, 18.2-272, any traffic infraction, misdemeanor or felony offense under*
190 *Title 46.2, or any similar local ordinance. All fees collected pursuant to this section shall be paid into*
191 *the Highway Maintenance and Operating Fund.*

192 § 17.1-275.12. *Additional fee assessed for conviction of certain offenses; Highway Maintenance and*
193 *Operating Fund.*

194 *Beginning October 1, 2008, in addition to the fees provided for by §§ 17.1-275.1, 17.1-275.2,*
195 *17.1-275.3, 17.1-275.4, 17.1-275.5, 17.1-275.7, 17.1-275.8, and 17.1-275.9 and any fees otherwise*
196 *required, there shall be assessed as court costs a fee of \$20 upon conviction of any and each charge of*
197 *a violation of §§ 18.2-35, if a motor vehicle was used in the commission of the offense, 18.2-36, if a*
198 *motor vehicle was used in the commission of the offense, 18.2-36.1, 18.2-51.4, 18.2-266, 18.2-266.1,*
199 *18.2-268.3, 18.2-270, 18.2-272, any traffic infraction, misdemeanor or felony offense under Title 46.2, or*
200 *any similar local ordinance. The fees collected pursuant to this section shall be paid into the Highway*
201 *Maintenance and Operating Fund.*

202 § 33.1-23.03. Board to develop and update Statewide Transportation Plan.

203 The Commonwealth Transportation Board shall conduct a comprehensive review of statewide
204 transportation needs in a Statewide Transportation Plan setting forth an inventory of all construction
205 needs for all systems, and based upon this inventory, establishing goals, objectives, and priorities
206 covering a twenty-year planning horizon, in accordance with federal transportation planning
207 requirements. This plan shall embrace all modes of transportation and include technological initiatives.
208 This Statewide Transportation Plan shall be updated as needed, but no less than once every five years.
209 The plan shall promote economic development and all transportation modes, intermodal connectivity,
210 environmental quality, accessibility for people and freight, and transportation safety. The plan shall
211 include quantifiable measures and achievable goals relating to, but not limited to, congestion reduction
212 and safety, transit and high-occupancy vehicle facility use, job-to-housing ratios, job and housing access
213 to transit and pedestrian facilities, air quality, and per capita vehicle miles traveled. The Board shall
214 consider such goals in evaluating and selecting transportation improvement projects. The plan shall
215 incorporate the approved long-range plans' measures and goals developed by the Northern Virginia
216 Transportation Authority and the Hampton Roads Transportation Authority. Each such plan shall be
217 summarized in a public document and made available to the general public upon presentation to the
218 Governor and General Assembly.

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

222 § 33.1-23.03:6.1. *Special Highway Maintenance Fund.*

223 *There is hereby established the Special Highway Maintenance Fund, into which shall be deposited*
224 *all increased revenues generated as the result of the indexing of vehicle registration fees provided for in*
225 *§§ 46.2-694, 46.2-694.1, and 46.2-697. Any funds remaining in the Fund at the end of a biennium shall*
226 *not revert to the general fund but shall remain in the Fund. Interest earned on the Fund shall be*
227 *credited to the Fund. The monies in the Fund shall be allocated by the Commonwealth Transportation*
228 *Board for maintenance of state primary, secondary, and urban system components in the county, city, or*
229 *town within which the increased revenues generated as the result of the indexing of such fees with*
230 *monies collected in a given locality allocated exclusively for projects in that locality.*

231 § 33.1-391.16. *Transfer of responsibilities and functions upon abolition of Hampton Roads*
232 *Transportation Authority.*

233 *In the event of the abolition or termination of the Hampton Roads Transportation Authority:*

234 1. Any obligations of the Authority under any contract entered into by the Authority prior to its
235 abolition or termination shall be transferred to and assumed by the Virginia Department of
236 Transportation;

237 2. Any and all planning responsibilities and functions vested in the Authority prior to its abolition or
238 termination shall be transferred to and assumed by the Hampton Roads Metropolitan Planning
239 Organization;

240 3. Power to impose and collect tolls for use of highways, bridges, and tunnels granted the Authority
241 prior to its abolition or termination shall be transferred to and assumed by the Commonwealth
242 Transportation Board and, in addition, the Board shall have the power to impose and collect tolls for
243 use of both the Midtown and Downtown Tunnels connecting the Cities of Norfolk and Portsmouth if

improvements are made to either such tunnel that increase its traffic-carrying capacity;

4. Power to enter into contracts under the Public-Private Transportation Act of 1995 (§ 56-556 *et seq.*) or on a design-build basis or otherwise, in connection with any of the following projects: U.S. Route 460 Upgrade; I-64 Widening on the Peninsula; I-64 Widening South of Hampton Roads; Downtown Tunnel/Midtown Tunnel/MLK Extension; Southeastern Parkway/Dominion Boulevard/Route 17; I-664 Widening in Newport News; I-664 Widening on the Southside; I-664 Monitor-Merrimac Memorial Bridge-Tunnel Widening; I-564 from I-64 to the Intermodal Connector; I-564 Connector to the Monitor-Merrimac Memorial Bridge-Tunnel; and Craney Island Connector, hitherto vested in the Authority, as well as the determination of the feasibility of an expansion of the Hampton Roads Bridge-Tunnel, shall be transferred to and vested in the Virginia Department of Transportation; and

5. Any assets of the Authority shall be deposited into the Hampton Roads Transportation Revenue Fund established pursuant to § 33.1-391.17.

§ 33.1-391.17. Hampton Roads Transportation Revenue Fund established.

There is hereby created in the state treasury a special nonreverting fund to be known as the Hampton Roads Transportation Revenue Fund, hereafter referred to as "the Fund." The Fund shall be established on the books of the Comptroller. The Fund shall consist of fees and taxes imposed pursuant to §§ 46.2-755.1, 46.2-1167.1, and subdivision B (3) of § 58.1-2402 in the Counties of Isle of Wight, James City, and York and the Cities of Chesapeake, Hampton, Newport News, Norfolk, Poquoson, Portsmouth, Suffolk, Virginia Beach, and Williamsburg, and any other funds that may be deposited into the Fund. Interest earned on moneys in the Fund shall remain in the Fund and be credited to it. Any moneys remaining in the Fund, including interest thereon, at the end of each fiscal year shall not revert to the general fund but shall remain in the Fund. Moneys in the Fund shall be used solely for new transportation construction projects in the Counties of Isle of Wight, James City, and York and the Cities of Chesapeake, Hampton, Newport News, Norfolk, Poquoson, Portsmouth, Suffolk, Virginia Beach, and Williamsburg.

§ 46.2-332. Fees.

On and after January 1, 1990, the fee for each driver's license other than a commercial driver's license shall be two dollars and forty cents per year. If the license is a commercial driver's license or seasonal restricted commercial driver's license, the fee shall be six dollars per year. Persons twenty-one years old or older may be issued a scenic driver's license, learner's permit, or commercial driver's license for an additional fee of five dollars. For any one or more driver's license endorsements or classifications, except a motorcycle classification, there shall be an additional fee of one dollar per year; for a motorcycle classification, there shall be an additional fee of two dollars per year. For any and all driver's license classifications, there shall be an additional fee of one dollar per year. For any revalidation of a seasonal restricted commercial driver's license, the fee shall be five dollars.

In addition to any other fees provided for in this section, the Department shall impose and collect a one-time fee of \$150 for the initial issuance of any Virginia driver's license issued to any person 18 years old or older to whom a Virginia driver's license has never before been issued. Such additional fee shall not be imposed for the issuance of a Virginia driver's license to any person to whom a Virginia driver's license had been issued, but the license has expired. The fees collected pursuant to this one-time fee shall be paid into the Highway Maintenance and Operating Fund. Any person who is less than 18 years of age and who has successfully completed a safe driving course that has been approved by the Division of Motor Vehicles, is exempt from paying this one-time fee.

A reexamination fee of two dollars shall be charged for each administration of the knowledge portion of the driver's license examination taken by an applicant who is eighteen years of age or older if taken more than once within a fifteen-day period. The reexamination fee shall be charged each time the examination is administered until the applicant successfully completes the examination, if taken prior to the fifteenth day.

An applicant who is less than eighteen years of age who does not successfully complete the knowledge portion of the driver's license examination shall not be permitted to take the knowledge portion more than once in fifteen days.

A fee of \$50 shall be charged each time an applicant for a commercial driver's license fails to keep a scheduled skills test appointment, unless such applicant cancels his appointment with the assigned driver's license examiner at least 24 hours in advance of the scheduled appointment. The Commissioner may, on a case-by-case basis, waive such fee for good cause shown. All such fees shall be paid by the Commissioner into the state treasury and set aside as a special fund to be used to meet the necessary expenses incurred by the Department.

If the applicant for a driver's license is an employee of the Commonwealth, or of any county, city, or town who drives a motorcycle or a commercial motor vehicle solely in the line of his duty, he shall be exempt from the additional fee otherwise assessable for a motorcycle classification or a commercial motor vehicle endorsement. The Commissioner may prescribe the forms as may be requisite for

305 completion by persons claiming exemption from additional fees imposed by this section.

306 No additional fee above two dollars and forty cents per year shall be assessed for the driver's license
307 or commercial driver's license required for the operation of a school bus.

308 Excluding the two-dollar reexamination fee, one dollar and fifty cents of all fees collected for each
309 original or renewal driver's license shall be paid into the driver education fund of the state treasury and
310 expended as provided by law. Unexpended funds from the driver education fund shall be retained in the
311 fund and be available for expenditure in ensuing years as provided therein.

312 All fees for motorcycle classifications shall be distributed as provided in § 46.2-1191.

313 This section shall supersede conflicting provisions of this chapter.

314 § 46.2-694. Fees for vehicles designed and used for transportation of passengers; weights used for
315 computing fees; burden of proof.

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

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

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

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

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

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

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

342 7. Thirteen dollars plus \$ 0.70 per 100 pounds or major fraction thereof for each motor vehicle,
343 trailer, or semitrailer used as a common carrier of interstate passengers if election is made to be licensed
344 under this subsection. An additional \$5 shall be charged if the motor vehicle weighs more than 4,000
345 pounds. In lieu of the foregoing fee of \$ 0.70 per 100 pounds, a motor carrier of passengers, operating
346 two or more vehicles both within and outside the Commonwealth and registered for insurance purposes
347 with the Surface Transportation Board of the United States Department of Transportation, Federal
348 Highway Administration, may apply to the Commissioner for prorated registration. Upon the filing of
349 such application, in such form as the Commissioner may prescribe, the Commissioner shall apportion the
350 registration fees provided in this subsection so that the total registration fees to be paid for such vehicles
351 of such carrier shall be that proportion of the total fees, if there were no apportionment, that the total
352 number of miles traveled by such vehicles of such carrier within the Commonwealth bears to the total
353 number of miles traveled by such vehicles within and outside the Commonwealth. Such total mileage in
354 each instance is the estimated total mileage to be traveled by such vehicles during the license year for
355 which such fees are paid, subject to the adjustment in accordance with an audit to be made by
356 representatives of the Commissioner at the end of such license year, the expense of such audit to be
357 borne by the carrier being audited. Each vehicle passing into or through Virginia shall be registered and
358 licensed in Virginia and the annual registration fee to be paid for each such vehicle shall not be less
359 than \$33. For the purpose of determining such apportioned registration fees, only those motor vehicles,
360 trailers, or semitrailers operated both within and outside the Commonwealth shall be subject to inclusion
361 in determining the apportionment provided for herein.

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

366 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 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.

E. Beginning on January 1, 2009, the amount of any fee imposed and collected pursuant to any

provision of this section shall be indexed annually by an amount equal to the percentage change in the U.S. Department of Labor's Producer Price Index for Highway and Street Construction from April 1 through March 31 of the immediately preceding year. Any and all increased revenues generated as the result of such indexing shall be deposited in the Special Highway Maintenance Fund established pursuant to § 33.1-23.03:6.1.

§ 46.2-694.1. Fees for trailers and semitrailers not designed and used for transportation of passengers. Unless otherwise specified in this title, the registration fees for trailers and semitrailers not designed and used for the transportation of passengers on the highways in the Commonwealth shall be as follows:

Registered Gross Weight	1-Year Fee	2-Year Fee	Permanent Fee
0-1,500 lbs	\$18.00	\$36.00	\$70.00
1,501-4,000 lbs	\$28.50	\$57.00	\$75.00
4,001 lbs & above	\$40.00	\$80.00	\$100.00

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

Beginning on January 1, 2009, the amount of any fee imposed and collected pursuant to any provision of this section shall be indexed annually by an amount equal to the percentage change in the U.S. Department of Labor's Producer Price Index for Highway and Street Construction from April 1 through March 31 of the immediately preceding year. Any and all increased revenues generated as the result of such indexing shall be deposited in the Special Highway Maintenance Fund established pursuant to § 33.1-23.03:6.1.

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

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

487	29,001 - 40,000	10.31	10.95
488	40,001 - 45,000	10.43	11.15
489	45,001 - 50,000	10.68	11.25
490	50,001 - 55,000	11.29	13.25
491	55,001 - 76,000	13.73	15.25
492	76,001 - 80,000	16.17	16.25

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

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

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

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

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

506 *F. Beginning on January 1, 2009, the amount of any fee imposed and collected pursuant to any*
507 *provision of this section shall be indexed annually by an amount equal to the percentage change in the*
508 *U.S. Department of Labor's Producer Price Index for Highway and Street Construction from April 1*
509 *through March 31 of the immediately preceding year. Any and all increased revenues generated as the*
510 *result of such indexing shall be deposited in the Special Highway Maintenance Fund established*
511 *pursuant to § 33.1-23.03:6.1.*

512 § 46.2-755.1. Additional State annual license fees in certain localities.

513 A. In addition to taxes and license fees imposed pursuant to § 46.2-752 and to all other taxes and
514 fees permitted by law, *for such vehicles subject to other state registration fees under this title, there is*
515 *hereby imposed an additional non-refundable annual state license fee in the amount of \$20 for each*
516 *vehicle registered in the Hampton Roads Transportation Authority established pursuant to § 33.1-391.7*
517 *and the Northern Virginia Transportation Authority established pursuant to § 15.2-4830 are authorized to*
518 *charge an additional non-refundable annual license fee in the amount of \$10 for each vehicle registered*
519 *in any county or city that is embraced by the respective Authority, for such vehicles subject to state*
520 *registration fees under this Title the Counties of Isle of Wight, James City, and York and the Cities of*
521 *Chesapeake, Hampton, Newport News, Norfolk, Poquoson, Portsmouth, Suffolk, Virginia Beach, and*
522 *Williamsburg. Such additional license fees shall not, however, be charged for any vehicle registered*
523 *under the International Registration Plan developed by International Registration Plan, Inc.*

524 B. *Any and all fees imposed pursuant to this section shall be collected by the Department of Motor*
525 *Vehicles at the time the vehicle is registered with the Department or when its registration is renewed*
526 *and shall be deposited into the state treasury.*

527 *The Comptroller shall transfer the amount so deposited from the general fund of the state treasury to*
528 *the Hampton Roads Transportation Revenue Fund established by § 33.1-391.17. Such net revenue shall*
529 *be transferred by warrants of the Comptroller drawn on the Treasurer of Virginia as soon as*
530 *practicable after the close of each month during which the net revenue was received into the state*
531 *treasury. For the purposes of the Comptroller making the required transfers, the Commissioner shall*
532 *make a written certification to the Comptroller no later than the twenty-fifth of each month certifying*
533 *the amount of such revenue generated in the preceding month. Within three calendar days of receiving*
534 *such certification, the Comptroller shall make the required transfers to the Hampton Roads*
535 *Transportation Revenue Fund.*

536 § 46.2-1167.1. Additional state fee permitted in certain counties and cities.

537 In addition to all other charges and fees permitted by law, ~~the Hampton Roads Transportation~~
538 ~~Authority and the Northern Virginia Transportation Authority are authorized to charge there is hereby~~
539 ~~imposed an additional state fee at the time of inspection in the amount of \$10 \$20 for all vehicles for~~
540 ~~which an amount is permitted to be charged for inspection pursuant to § 46.2-1167 in the Counties of~~
541 ~~Isle of Wight, James City, and York and the Cities of Chesapeake, Hampton, Newport News, Norfolk,~~
542 ~~Poquoson, Portsmouth, Suffolk, Virginia Beach, and Williamsburg the area embraced by the respective~~
543 ~~Authority and which shall be transmitted to the respective Authority. The fee imposed pursuant to this~~
544 ~~section shall be deposited into the state treasury.~~

545 *The Comptroller shall transfer the amount so deposited from the general fund of the state treasury to*
546 *the Hampton Roads Transportation Revenue Fund established by § 33.1-391.17. Such net revenue shall*
547 *be transferred by warrants of the Comptroller drawn on the Treasurer of Virginia as soon as*

548 practicable after the close of each month during which the revenue was received into the state treasury.
549 For the purposes of the Comptroller making the required transfers, the Commissioner shall make a
550 written certification to the Comptroller no later than the twenty-fifth of each month certifying the
551 amount of such revenue generated in the preceding month. Within three calendar days of receiving such
552 certification, the Comptroller shall make the required transfers to the Hampton Roads Transportation
553 Revenue Fund.

554 § 58.1-603. Imposition of sales tax.

555 There is hereby levied and imposed, in addition to all other taxes and fees of every kind now
556 imposed by law, a license or privilege tax upon every person who engages in the business of selling at
557 retail or distributing tangible personal property in this Commonwealth, or who rents or furnishes any of
558 the things or services taxable under this chapter, or who stores for use or consumption in this
559 Commonwealth any item or article of tangible personal property as defined in this chapter, or who
560 leases or rents such property within this Commonwealth, in the amount of three and one-half percent
561 through midnight on July 31, 2004; ~~and~~ four percent beginning on ~~and~~ after August 1, 2004; *in any*
562 *county or city embraced by the Northern Virginia Transportation Authority established pursuant to*
563 *§ 15.2-4830 four and one-half percent beginning on October 1, 2008:*

564 1. Of the gross sales price of each item or article of tangible personal property when sold at retail or
565 distributed in this Commonwealth.

566 2. Of the gross proceeds derived from the lease or rental of tangible personal property, where the
567 lease or rental of such property is an established business, or part of an established business, or the
568 same is incidental or germane to such business.

569 3. Of the cost price of each item or article of tangible personal property stored in this
570 Commonwealth for use or consumption in this Commonwealth.

571 4. Of the gross proceeds derived from the sale or charges for rooms, lodgings or accommodations
572 furnished to transients as set out in the definition of "retail sale" in § 58.1-602.

573 5. Of the gross sales of any services which are expressly stated as taxable within this chapter.

574 § 58.1-604. Imposition of use tax.

575 There is hereby levied and imposed, in addition to all other taxes and fees now imposed by law, a
576 tax upon the use or consumption of tangible personal property in this Commonwealth, or the storage of
577 such property outside the Commonwealth for use or consumption in this Commonwealth, in the amount
578 of three and one-half percent through midnight on July 31, 2004, ~~and~~ four percent beginning on ~~and~~
579 *after* August 1, 2004; *in any county or city embraced by the Northern Virginia Transportation Authority*
580 *established pursuant to § 15.2-4830 four and one-half percent beginning on October 1, 2008:*

581 1. Of the cost price of each item or article of tangible personal property used or consumed in this
582 Commonwealth. Tangible personal property which has been acquired for use outside this Commonwealth
583 and subsequently becomes subject to the tax imposed hereunder shall be taxed on the basis of its cost
584 price if such property is brought within this Commonwealth for use within six months of its acquisition;
585 but if so brought within this Commonwealth six months or more after its acquisition, such property shall
586 be taxed on the basis of the current market value (but not in excess of its cost price) of such property at
587 the time of its first use within this Commonwealth. Such tax shall be based on such proportion of the
588 cost price or current market value as the duration of time of use within this Commonwealth bears to the
589 total useful life of such property (but it shall be presumed in all cases that such property will remain
590 within this Commonwealth for the remainder of its useful life unless convincing evidence is provided to
591 the contrary).

592 2. Of the cost price of each item or article of tangible personal property stored outside this
593 Commonwealth for use or consumption in this Commonwealth.

594 3. A transaction taxed under § 58.1-603 shall not also be taxed under this section, nor shall the same
595 transaction be taxed more than once under either section.

596 4. The use tax shall not apply with respect to the use of any article of tangible personal property
597 brought into this Commonwealth by a nonresident individual, visiting in Virginia, for his personal use,
598 while within this Commonwealth.

599 5. The use tax shall not apply to out-of-state mail order catalog purchases totaling \$100 or less
600 during any calendar year.

601 § 58.1-605. To what extent and under what conditions cities and counties may levy local sales taxes;
602 collection thereof by Commonwealth and return of revenue to each city or county entitled thereto.

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

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

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

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

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

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

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

H. One-half of such payments to counties are subject to the further qualification, other than as set out in subsection G above, that in any county wherein is situated any incorporated town not constituting a separate special school district which has complied with its charter provisions providing for the election of its council and mayor for a period of at least four years immediately prior to the adoption of the sales tax ordinance, the county treasurer shall pay into the town treasury of each such town for general governmental purposes the proper proportionate amount received by him in the ratio that the school age population of each such town bears to the school age population of the entire county, based on the latest statewide school census. The preceding requirement pertaining to the time interval between compliance with election provisions and adoption of the sales tax ordinance shall not apply to a tier-city. If the school age population of any such town not constituting a separate special school district is increased by the annexation of territory or otherwise since the last preceding school age population census, such increase shall, for the purposes of this section, be added to the school age population of such town as shown by the last such census and a proper reduction made in the school age population of the county or counties from which the annexed territory was acquired.

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

J. It is further provided that if any incorporated town which would otherwise be eligible to receive

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

K. 1. Notwithstanding the other provisions of this chapter, the Hampton Roads Transportation Authority and the Northern Virginia Transportation Authority may impose a retail sales tax at the rate of 5% on (i) charges for separately stated labor or services in the repair of motor vehicles and (ii) charges for the repair of a motor vehicle in cases in which the true object of the repair is a service provided within a city or county embraced by the respective Authority.

2. The revenue generated and collected pursuant to the tax authorized under this subsection, less the applicable portion of any refunds to taxpayers and after subtraction of the direct costs of administration by the Department, shall be deposited and held in a special trust fund under the control of the State Treasurer entitled "Special Sales and Use Tax Motor Vehicle Repair Fund." The State Treasurer on a monthly basis shall distribute the amounts deposited in the special trust fund to the Hampton Roads Transportation Authority or the Northern Virginia Transportation Authority as appropriate.

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

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

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

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

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

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

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

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

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

F. Local use tax revenue shall be distributed among the cities and counties for which it is collected,

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

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

H. 1. Notwithstanding the other provisions of this chapter, the Hampton Roads Transportation Authority and the Northern Virginia Transportation Authority may impose a retail use tax at the rate of 5% on (i) charges for separately stated labor or services for the repair of motor vehicles and (ii) charges for the repair of a motor vehicle in cases in which the true object of the repair is a service provided within a city or county embraced by the respective Authority.

2. The revenue generated and collected pursuant to the tax authorized under this subsection, less the applicable portion of any refunds to taxpayers and after subtraction of the direct costs of administration by the Department, shall be deposited and held in a special trust fund under the control of the State Treasurer entitled "Special Sales and Use Tax Motor Vehicle Repair Fund." The State Treasurer on a monthly basis shall distribute the amounts deposited in the special trust fund to the Hampton Roads Transportation Authority or the Northern Virginia Transportation Authority as appropriate.

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

§ 58.1-638. Disposition of state sales and use tax revenue; localities' share; Game Protection Fund.

A. The Comptroller shall designate a specific revenue code number for all the state sales and use tax revenue collected under the preceding sections of this chapter.

1. The sales and use tax revenue generated by the one-half percent sales and use tax increase enacted by the 1986 Special Session of the General Assembly shall be paid, in the manner hereinafter provided in this section, to the Transportation Trust Fund as defined in § 33.1-23.03:1. Of the funds paid to the Transportation Trust Fund, an aggregate of 4.2 percent shall be set aside as the Commonwealth Port Fund as provided in this section; an aggregate of 2.4 percent shall be set aside as the Commonwealth Airport Fund as provided in this section; and an aggregate of 14.5 percent in fiscal year 1998-1999 and 14.7 percent in fiscal year 1999-2000 and thereafter shall be set aside as the Commonwealth Mass Transit Fund as provided in this section. The Fund's share of such net revenue shall be computed as an estimate of the net revenue to be received into the state treasury each month, and such estimated payment shall be adjusted for the actual net revenue received in the preceding month. All payments shall be made to the Fund on the last day of each month.

2. There is hereby created in the Department of the Treasury a special nonreverting fund which shall be a part of the Transportation Trust Fund and which shall be known as the Commonwealth Port Fund.

a. The Commonwealth Port Fund shall be established on the books of the Comptroller and the funds remaining in such Fund at the end of a biennium shall not revert to the general fund but shall remain in the Fund. Interest earned on such funds shall remain in the Fund and be credited to it. Funds may be paid to any authority, locality or commission for the purposes hereinafter specified.

b. The amounts allocated pursuant to this section shall be allocated by the Commonwealth Transportation Board to the Board of Commissioners of the Virginia Port Authority to be used to support port capital needs and the preservation of existing capital needs of all ocean, river, or tributary ports within the Commonwealth.

c. Commonwealth Port Fund revenue shall be allocated by the Board of Commissioners to the Virginia Port Authority in order to foster and stimulate the flow of maritime commerce through the ports of Virginia, including but not limited to the ports of Richmond, Hopewell and Alexandria.

3. There is hereby created in the Department of the Treasury a special nonreverting fund which shall be part of the Transportation Trust Fund and which shall be known as the Commonwealth Airport Fund. The Commonwealth Airport Fund shall be established on the books of the Comptroller and any funds remaining in such Fund at the end of a biennium shall not revert to the general fund but shall remain in the Fund. Interest earned on the funds shall be credited to the Fund. The funds so allocated shall be allocated by the Commonwealth Transportation Board to the Virginia Aviation Board. The funds shall

794 be allocated by the Virginia Aviation Board to any Virginia airport which is owned by the
795 Commonwealth, a governmental subdivision thereof, or a private entity to which the public has access
796 for the purposes enumerated in § 5.1-2.16, or is owned or leased by the Metropolitan Washington
797 Airports Authority (MWAA), as follows:

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

804 Of the remaining amount:

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

854 (2) To finance up to 50 percent of the local share of public transportation operations planning and
855 technical study projects approved by the Board.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

G. The Comptroller shall transfer from the general fund of the state treasury to the Northern Virginia Transportation Authority the net revenue generated from the one-half percent increase in the rate of the state sales and use tax in the counties and cities embraced by the Northern Virginia Transportation Authority pursuant to enactments of the 2008 Special Session II of the General Assembly. Such net revenue shall be transferred by warrants of the Comptroller drawn on the Treasurer of Virginia as soon as practicable after the close of each month during which the net revenue was received into the state treasury. For the purposes of the Comptroller making the required transfers, the Tax Commissioner shall make a written certification to the Comptroller no later than the twenty-fifth of each month certifying the sales and use tax revenues generated in the preceding month. Within three calendar days of receiving such certification, the Comptroller shall make the required transfers to the Northern Virginia Transportation Authority. The Northern Virginia Transportation Authority shall use such funds to the fullest extent practicable to support the repayment of bonds pursuant to § 15.2-4839.

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

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

§ 58.1-802.1. State congestion relief fee in certain localities.

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

the time of the sale, whether such lien is assumed or the realty is sold subject to such lien or encumbrance.

The fee 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 fee imposed by this section.

Fees imposed by this section shall be collected pursuant to subsection B of § 58.1-802. However, the compensation allowed to the clerk of the court under such subsection shall not be applicable with regard to the fee collected under this section, *and the entire amount shall be deposited into the state treasury.* The clerk shall return all fees collected pursuant to the authority granted under this section to the Hampton Roads Transportation Authority or the Northern Virginia Transportation Authority, as appropriate, as soon as practicable.

The Comptroller shall transfer from the general fund of the state treasury to the Northern Virginia Transportation Authority the total amount of the fees collected under this section. Such revenue shall be transferred by warrants of the Comptroller drawn on the Treasurer of Virginia as soon as practicable after the close of each month during which the revenue was received into the state treasury.

The Northern Virginia Transportation Authority shall use the amount of revenue it receives from the fee imposed under this section to the fullest extent practicable to support the repayment of bonds pursuant to § 15.2-4839.

Article 8.

Virginia Transient Occupancy Tax.

§ 58.1-1731. *Statewide transient occupancy tax.*

Beginning January 1, 2009, in addition to such transient occupancy taxes as are authorized under the Code of Virginia, there is hereby imposed an additional transient occupancy tax at a rate of two and one-half percent on the amount of charge for the occupancy of any room, lodging space, or accommodation furnished to transients for less than 90 continuous days by any hotel, motel, inn, tourist camp, tourist cabin, camping ground, club, or any other place in which rooms, lodging spaces, or accommodations are regularly furnished to transients for a consideration throughout the Commonwealth. The tax shall be collected under the same regulations, rules, and policies that are applicable to the retail sales tax on rooms, lodgings, and accommodations described in subdivision 4 of § 58.1-603 and shall be collected in the same manner as such retail sales tax. No discount shall be allowed to any person for accounting for and remitting the tax levied by this article. The fees collected pursuant to this section shall be paid into the Highway Maintenance and Operating Fund.

§ 58.1-2402.1 *State rental car transportation fee in certain localities.*

A. In addition to all other taxes, fees, and other charges imposed under law, ~~the Hampton Roads Transportation Authority established pursuant to § 33.1-391.7~~ there is hereby imposed a fee of two percent of the gross proceeds on the daily rental of a vehicle regardless of whether such vehicle is required to be licensed in the Commonwealth, in the Counties of Isle of Wight, James City, and York and the Cities of Chesapeake, Hampton, Newport News, Norfolk, Poquoson, Portsmouth, Suffolk, Virginia Beach, and Williamsburg, and in each county, city, and town embraced by the Northern Virginia Transportation Authority established pursuant to § 15.2-4830, ~~may impose a fee of 2% of the gross proceeds on the daily rental of a vehicle in any county or city embraced by the respective Authority wherein the daily rental of the vehicle occurs, regardless of whether such vehicle is required to be licensed in the Commonwealth.~~ The fee shall not be levied upon a rental to a person for re-rental as an established business or part of an established business or incidental or germane to such business.

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

1. *The Comptroller shall transfer from the general fund of the state treasury to the Northern Virginia Transportation Authority that portion of the fees attributable to the fees collected in the counties and cities embraced by the Northern Virginia Transportation Authority, and shall transfer those fees attributable to the fees collected in the Counties of Isle of Wight, James City, and York and the Cities of Chesapeake, Hampton, Newport News, Norfolk, Poquoson, Portsmouth, Suffolk, Virginia Beach, and Williamsburg into the Hampton Roads Transportation Revenue Fund established by § 33.1-391.17. Such net revenue shall be transferred by warrants of the Comptroller drawn on the Treasurer of Virginia as soon as practicable after the close of each month during which the net revenue was received into the state treasury. For the purposes of the Comptroller making the required transfers, the Commissioner shall make a written certification to the Comptroller no later than the twenty-fifth of each month certifying the net fees generated in the preceding month, segregated according to the portion attributable to (i) the fees collected in the counties and cities embraced by the Northern Virginia Transportation Authority, and (ii) those fees attributable to the fees collected in the Counties of Isle of Wight, James City, and York and the Cities of Chesapeake, Hampton, Newport News, Norfolk, Poquoson, Portsmouth, Suffolk, Virginia Beach, and Williamsburg.*

2. Within three calendar days of receiving such certification, the Comptroller shall make the required transfers to the Northern Virginia Transportation Authority for the amount attributable to the net fees collected in the counties and cities embraced by the Northern Virginia Transportation Authority. The Northern Virginia Transportation Authority shall use such amounts to the fullest extent practicable to support the repayment of bonds pursuant to § 15.2-4839.

3. Within three calendar days of receiving such certification, the Comptroller shall make the required transfers to the Hampton Roads Transportation Revenue Fund established by § 33.1-391.17. for the amount attributable to the fees collected in the Counties of Isle of Wight, James City, and York and the Cities of Chesapeake, Hampton, Newport News, Norfolk, Poquoson, Portsmouth, Suffolk, Virginia Beach, and Williamsburg.

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

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

§ 58.1-3221.3. Classification of certain commercial and industrial real property and taxation of such property by certain localities.

A. Beginning January 1, 2008, and solely for the purposes of imposing the tax authorized pursuant to this section, in the counties and cities that are embraced by the Northern Virginia Transportation Authority and the Hampton Roads Transportation Authority, and in the Counties of Isle of Wight, James City, and York and the Cities of Chesapeake, Hampton, Newport News, Norfolk, Poquoson, Portsmouth, Suffolk, Virginia Beach, and Williamsburg all real property used for or zoned to permit commercial or industrial uses is hereby declared to be a separate class of real property for local taxation. Such classification of real property shall exclude all residential uses and all multifamily residential uses, including but not limited to single family residential units, cooperatives, condominiums, townhouses, apartments, or homes in a subdivision when leased on a unit by unit basis even though these units may be part of a larger building or parcel of real estate containing more than four residential units.

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

(1) Upon appropriation, all revenues generated from the additional real property tax imposed shall be used exclusively for (i) new transportation purposes construction or (ii) public transit construction or operating expenses that benefit the locality imposing the tax; and

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

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

D. In lieu of the authority set forth in subsection B, and in addition to all other taxes and fees permitted by law, (i) the governing body of any locality embraced by the Northern Virginia Transportation Authority may, by ordinance, create within its boundaries, one or more special regional transportation tax districts and, thereafter, may, by ordinance, impose upon the real property located in

special regional transportation tax districts specially classified in subsection ~~€~~ A within such special regional transportation tax districts: an amount of real property tax, in addition to such amounts otherwise authorized by law, at a rate not to exceed \$0.25 per \$100 of assessed value as the governing body may, by ordinance, impose upon the annual assessed value of all real property used for or zoned to permit commercial or industrial uses; and, (ii) the governing body of ~~any locality embraced by the Hampton Roads Transportation Authority~~ *each of the Counties of Isle of Wight, James City, and York and the Cities of Chesapeake, Hampton, Newport News, Norfolk, Poquoson, Portsmouth, Suffolk, Virginia Beach, and Williamsburg* may, by ordinance, create within its boundaries, one or more special regional transportation tax districts and, thereafter, may, by ordinance, impose upon the real property specially classified in subsection ~~€~~ A within such special regional transportation tax districts: an amount of real property tax, in addition to such amounts otherwise authorized by law, at a rate not to exceed \$0.10 per \$100 of assessed value as the governing body may, by ordinance, impose upon the annual assessed value of all real property used for or zoned to permit commercial or industrial uses. The authority granted in this subsection shall be subject to the following conditions:

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

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

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

(4) The total revenues generated from the additional real property taxes imposed in accordance with subsection ~~€~~ and this subsection shall not be less than 85% of the revenues estimated to be generated when imposing the additional real property taxes in accordance with ~~subsections A and subsection B~~ at the rate of \$0.25 per \$100 of assessed value in any locality embraced by the Northern Virginia Transportation Authority and at the rate of \$0.10 per \$100 of assessed value in ~~any locality embraced by the Hampton Roads Transportation Authority~~ *the Counties of Isle of Wight, James City, and York and the Cities of Chesapeake, Hampton, Newport News, Norfolk, Poquoson, Portsmouth, Suffolk, Virginia Beach, and Williamsburg*; and

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

2. That §§ 33.1-391.6 through 33.1-391.15, 46.2-755.2, 58.1-625.1, and 58.1-3825.1 of the Code of Virginia, Article 4.1 (§§ 58.1-1724.2 through 58.1-1724.7) of Chapter 17 of Title 58.1 of the Code of Virginia, and the fifth, sixth, thirteenth, fourteenth, fifteenth, eighteenth, nineteenth, and twentieth enactments of Chapter 896 of the Acts of Assembly of 2007 are repealed.

3. That funds in the Hampton Roads Transportation Revenue Fund established pursuant to § 58.1-606.1. of the Code of Virginia shall be used, and are hereby appropriated, until July 1, 2011, solely for any feasibility, environmental, preliminary engineering, and design work on the projects listed in subsection 4 of § 33.1-391.16 of the Code of Virginia, with first priority given, if feasible, to I-64 Widening on the Peninsula, the Downtown Tunnel/Midtown Tunnel/MLK Extension, and the U.S. Route 460 Upgrade. On and after July 1, 2011, the additional revenue shall be used first for paying the costs and debt service on bonds issued for the projects set forth in subsection 4 of § 33.1-391.16, and, then, if all funds are not needed for such purpose, the remaining funds shall be used directly for the projects set forth in subsection 4 of § 33.1-391.16.

4. That any county, city, or town that is embraced by the Northern Virginia Transportation Authority established pursuant to § 15.2-4830 of the Code of Virginia or that is set forth in § 58.1-3221.3 of the Code of Virginia that imposes or assesses the tax pursuant to 58.1-3221.3 of the Code of Virginia shall no later than January 1 following the close of the relevant fiscal year furnish a written report to the chairmen of the House and Senate Committees on Transportation

1163 detailing for such fiscal year the revenues generated from such tax and the transportation projects
 1164 funded from such revenues reported by each such tax or fee.

1165 5. That the revenues generated by the provisions of this act shall not be used to calculate or
 1166 reduce the share of local, federal, and state revenues otherwise available to any locality. Further,
 1167 such revenues and moneys shall not be included in any computation of, or formula for, a locality's
 1168 ability to pay for public education, upon which appropriations of state revenues to local
 1169 governments for public education are determined.

1170 6. That prior to December 1 each year beginning 2008, the Washington Metropolitan Transit
 1171 Authority shall submit to the Auditor of Public Accounts its annual audit report and financially
 1172 audited statements for the most recent fiscal year.

1173 7. That each county or city that receives revenues or benefits from such revenues pursuant to
 1174 subsection B of § 46.2-332; §§ 46.2-755.1, 46.2-755.2, and 46.2-1167.1; subsection K of § 58.1-605,
 1175 subsection H of § 58.1-606; and §§ 58.1-802.1, 58.1-802-2, 58.1-1724.3, 58.1-2402.2, 58.1-3221.2,
 1176 58.1-3221.3, and 58.1-3825.1 of the Code of Virginia pursuant to the provisions of this act shall for
 1177 each fiscal year in which it receives such revenue or benefits expend or disburse for transportation
 1178 purposes an amount (computed without regard to any revenues generated in the fiscal year from
 1179 such taxes) that is at least equal to the total amount expended or disbursed for transportation
 1180 purposes by the county or city in its fiscal year that began in calendar year 2007.

1181 8. Within two years of the effective date of this act, the Virginia Department of Transportation
 1182 shall reduce its operations and administration expenditures by at least five percent of the amount
 1183 of such annual expenditures on the effective date of this act.

1184 9. The Virginia Department of Transportation shall contract with a private firm to perform a
 1185 performance audit. Such firm shall report directly to the Transportation Accountability
 1186 Commission. The audit of the maintenance operations shall be due no later than December 1,
 1187 2008.

1188 10. The Virginia Department of Transportation (VDOT) shall set performance standards for its
 1189 maintenance operations. No later than January 1, 2014, VDOT shall have privatized at least 80
 1190 percent of its secondary road maintenance operations.

1191 11. That Item 473 of Chapter 879 of the Acts of Assembly of 2008 is amended and reenacted as
 1192 follows:

1193 473. Payments for Special or
 1194 Unanticipated Expenditures (75800) 22,956,806 43,016,406
 1195 Miscellaneous Contingency
 1196 Reserve Account (75801) 1,500,000 1,500,000
 1197 Economic Development Assistance (75804) 3,300,000 11,400,000
 1198 Base Realignment and Closure
 1199 Assistance (75805) 7,500,000 19,500,000
 1200 Undistributed Support for Designated
 1201 State Agency Activities (75806) 10,656,806 10,616,406
 1202 Fund Sources: General 22,956,806 43,016,406

1203 Authority: Discretionary Inclusion.

1204 A. The Governor is hereby authorized to allocate sums from this appropriation, in addition to an
 1205 amount not to exceed \$2,000,000 from the unappropriated balance derived by subtracting the
 1206 general fund appropriations from the projected general fund revenues in this act, to provide for
 1207 supplemental funds pursuant to paragraph D hereof. Transfers from this Item shall be made only
 1208 when (1) sufficient funds are not available within the agency's appropriation and (2) additional
 1209 funds must be provided prior to the end of the next General Assembly Session.

1210 B.1. The Governor is authorized to allocate from the unappropriated general fund balance in this
 1211 act such amounts as are necessary to provide for unbudgeted cost increases to state agencies
 1212 incurred as a result of actions to enhance homeland security, combat terrorism, and to provide for
 1213 costs associated with the payment of a salary supplement for state classified employees ordered to
 1214 active duty as part of a reserve component of the Armed Forces of the United States or the
 1215 Virginia National Guard. Any salary supplement provided to state classified employees ordered to
 1216 active duty, shall apply only to employees who would otherwise earn less in salary and other cash
 1217 allowances while on active duty as compared to their base salary as a state classified employee.
 1218 Guidelines for such payments shall be developed by the Department of Human Resource
 1219 Management in conjunction with the Departments of Accounts and Planning and Budget.

1220 2. The Governor shall submit a report within thirty days to the Chairmen of House
 1221 Appropriations and Senate Finance Committees which itemizes any disbursements made from this
 1222 Item for such costs.

1223 3. The governing authority of the agencies listed in this subparagraph may, at its discretion and

from existing appropriations, provide such payments to their employees ordered to active duty as part of a reserve component of the Armed Forces of the United States or the Virginia National Guard, as are necessary to provide comparable pay supplements to its employees.

a. Agencies in the Legislative and Judicial Departments;

b. The State Corporation Commission, the Virginia Workers' Compensation Commission, the Virginia Retirement System, the State Lottery Department, Virginia College Savings Plan, and the Virginia Office for Protection and Advocacy;

c. The Office of the Attorney General and the Department of Law; and

d. State-supported institutions of higher education.

C. The Governor is authorized to expend from the unappropriated general fund balance in this act such amounts as are necessary, up to \$1,500,000, to provide for indemnity payments to growers, producers, and owners for losses sustained as a result of an infectious disease outbreak or natural disaster in livestock and poultry populations in the Commonwealth. These indemnity payments will compensate growers, producers, and owners for a portion of the difference between the appraised value of each animal destroyed or slaughtered or animal product destroyed in order to control or eradicate an animal disease outbreak and the total of any salvage value plus any compensation paid by the federal government.

D. Out of the appropriation for this Item is included \$1,200,000 each year from the general fund to be used by the Governor as he may determine to be needed for the following purposes:

1. To address the six conditions listed in § 4-1.03 c 5 of this act.

2. To provide for unbudgeted and unavoidable increases in costs to state agencies for essential commodities and services which cannot be absorbed within agency appropriations to include unbudgeted benefits associated with Workforce Transition Act requirements.

3. To secure federal funds in the event that additional matching funds are needed for Virginia to participate in the federal Superfund program.

4. The Department of Planning and Budget shall submit a quarterly report of any disbursements made from, commitments made against, and requests made for such sums authorized for allocation pursuant to this paragraph to the Chairmen of the House Appropriations and Senate Finance Committees. This report shall identify each of the conditions specified in this paragraph for which the transfer is made.

5. In addition, if the amounts appropriated in this item are insufficient to meet the unanticipated events enumerated, the Governor may utilize up to \$1,000,000 in the first year and \$1,000,000 in the second year from the general fund amounts appropriated for the Governor's Opportunity Fund for the unanticipated purposes set forth in paragraph D.1. through paragraph D.4. of this item.

6. To make additional payments to public institutions of higher education pursuant to Item 467 of this Act, up to a maximum of \$1,000,000, in the event that amounts appropriated for that purpose are insufficient.

7. To provide a payment of up to \$100,000 to the Military Order of the Purple Heart, for the continued operation of the National Purple Heart Hall of Honor, provided that at least half of other states have made similar grants.

E. Included in this appropriation is \$300,000 each year from the general fund to pay for private legal services and the general fund share of unbudgeted costs for enforcement of the 1998 Tobacco Master Settlement Agreement. Transfers for private legal services shall be made by the Director, Department of Planning and Budget upon prior written authorization of the Governor or the Attorney General, pursuant to § 2.2-510, Code of Virginia or Item 56, Paragraph D of this act. Transfers for enforcement of the Master Settlement Agreement shall be made by the Director, Department of Planning and Budget at the request of the Attorney General, pursuant to Item 56, Paragraph B of this act.

F. Any unexpended balance remaining in this Item on June 30, 2009, shall be carried forward on the books of the Comptroller and shall be available for expenditure in the second year of the current biennium. Any unexpended balance remaining in this Item on June 30, 2010, shall be carried forward on the books of the Comptroller and shall be available for expenditures in the next biennium.

G. Notwithstanding the provisions of § 58.1-608.3B.(v), Code of Virginia, any municipality which has issued bonds on or after July 1, 2001, but before July 1, 2006, to pay the cost, or portion thereof, of any public facility pursuant to § 58.1-608.3, Code of Virginia, shall be entitled to all sales tax revenues generated by transactions taking place in such public facility.

H.1. Out of the appropriation for this Item, \$7,500,000 in the first year and \$19,500,000 the second year from the general fund is included to assist impacted localities in funding needs associated with the implementation of and response to the recommendations of the 2005 Base Realignment

1285 and Closure Commission (BRAC) which were subsequently agreed to by the President and the
1286 United States' Congress. Grants allocated from this appropriation shall be aimed at fostering
1287 collaborative efforts among state agencies, local governments and regional entities to address
1288 quantifiable costs or impacts resulting from specific actions to implement the recommendations of
1289 the BRAC or to protect the Commonwealth's strategic, homeland security, and economic interests
1290 in response to such implementation and similar actions. Individual grants may be for either
1291 operating or capital expenses but shall be matched by either cash or in-kind contributions.
1292 Moreover, no grant shall be used to supplant funding currently provided by other levels of
1293 government or by private sources.

1294 2. Notwithstanding 1.B of Chapter 266 of the 2006 Acts of Assembly, any locality in which a
1295 United States Navy Master Jet Base is located may use state and local funds set aside for this
1296 purpose and administered by the Virginia National Defense Industrial Authority to mitigate
1297 adverse affects on any military operations caused by the encroachment of incompatible land uses.

1298 3. The Governor shall approve all grants from this appropriation based on a written evaluation of
1299 the proposals received. The evaluation shall be prepared by staff from the Office of
1300 Commonwealth Preparedness, the Office of the Secretary of Commerce and Trade, the Office of
1301 the Secretary of Finance and the Virginia National Defense Industrial Authority, and among other
1302 factors, shall consider the significance of the impact being addressed, the likelihood that the
1303 proposal will achieve its intended objective, and the amount and type of commitment to match
1304 state funds. In allocating state funds, priority shall be given first to any locality in which a United
1305 States Navy Master Jet Base is located, to assist in the retention of the Defense Advanced
1306 Research Projects Agency to assist in improvements resulting from the expansion of Fort Lee, and
1307 then to proposals which have regional impact. From the amounts provided in paragraph H.1. of
1308 this item, \$10,000,000 in the second year shall be provided to assist in the retention of DARPA
1309 and \$2,000,000 in the second year shall be provided for improvements related to the expansion of
1310 Fort Lee. The Governor shall notify the chairmen of the House Appropriations Committee and the
1311 Senate Finance Committee of the recipient and the purpose of each approved grant at least 15
1312 days prior to the actual distribution of funds.

1313 I. It is the intent of the General Assembly to fulfill the commitment made to provide incentive
1314 payments for the location of a research-related entity in accordance with the time frames set out
1315 in § 2.2-2240.1 D, Code of Virginia.

1316 J. Out of the appropriation for this Item, the Governor is authorized to expend \$1,300,000 the
1317 first year and \$9,400,000 the second year from the general fund to provide an incentive for the
1318 location of an aerospace engine manufacturer to the Commonwealth.

1319 K.1. Out of the appropriation for this Item, \$1,151,352 in the first year and \$1,110,952 in the
1320 second year from the general fund is provided for the increased cost of rent payments for state
1321 agencies under the Department of General Services rent plan at the Seat of Government.

1322 2. The Director, Department of Planning and Budget, is authorized to transfer these funds to the
1323 impacted state agencies and between agencies as required, based upon new rental rates approved
1324 by the Joint Legislative Audit and Review Commission.

1325 L. Out of the appropriation for this Item, up to \$9,505,454 the first year and \$9,505,454 the
1326 second year from the general fund is provided to state agencies for costs incurred as the result of
1327 new decentralized rates for information technology services charged by the Virginia Information
1328 Technologies Agency. The Director, Department of Planning and Budget, is authorized to transfer
1329 these funds to the impacted state agencies based upon information provided by the Virginia
1330 Information Technologies Agency. Also, the Director, Department of Planning and Budget, is
1331 authorized to transfer funds between Executive Branch agencies based on these new decentralized
1332 rates approved by the Joint Legislative Audit and Review Commission. Transfers may be made if
1333 current funding exceeds actual charges.

1334 M. Out of the general fund appropriation for this Item, the Governor is authorized to expend
1335 \$2,000,000 the first year and \$2,000,000 the second year to provide an incentive for the location of
1336 a research-related entity in accordance with § 2.2-2240.1, Code of Virginia.

1337 *N. The Governor is hereby authorized to allocate \$5,000,000 from an amount not to exceed*
1338 *\$5,000,000 from the unappropriated balance derived by subtracting the general fund appropriations*
1339 *from the projected general fund revenues in this act, to pay the cost for a performance audit of the*
1340 *Virginia Department of Transportation by an appropriate private entity according to enactment 12.*

1341 12. That should any portion of this act be held unconstitutional by a court of competent
1342 jurisdiction, the remaining portions of this act shall remain in effect.