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HOUSE BILL NO. 6042

Offered June 23, 2008

A *BILL to amend and reenact §§ 15.2-4838.1, 15.2-4840, 46.2-332, 46.2-755.1, 46.2-1167.1, 58.1-540, 58.1-605, 58.1-606, 58.1-802.1, 58.1-2402.1, 58.1-3221.3, and 58.1-3825.1; to amend the Code of Virginia by adding sections numbered 30-134.1 and 33.1-391.17; and to repeal Chapter 10.2 (§§ 33.1-391.6 through 33.1-391.15) of Title 33.1, § 58.1-625.1, and Article 4.1 (§§ 58.1-1724.2 through 58.1-1724.7) of Chapter 17 of Title 58.1 of the Code of Virginia, and the fifth, sixth, thirteenth, fourteenth, fifteenth, eighteenth, nineteenth, and twentieth enactments of Chapter 896 of the Acts of Assembly of 2007, relating to modifications to those portions of Chapter 896 of the Acts of Assembly of 2007 (HB 3202) dealing with the Northern Virginia and Hampton Roads areas.*

Patrons—Albo and Rust

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 districts; 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, the 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 differ, now, therefore,

The General Assembly declares it to be in the public interest that the economic development needs 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:

That §§ 15.2-4838.1, 15.2-4840, 46.2-332, 46.2-755.1, 46.2-1167.1, 58.1-540, 58.1-605, 58.1-606, 58.1-802.1, 58.1-2402.1, and 58.1-3825.1 of the Code of Virginia are amended and reenacted and that the Code of Virginia is amended by adding §§ 30-134.1 and 33.1-391.17 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 the fees and taxes assessed or imposed by the Authority by the Commonwealth pursuant to subsection B of § 46.2-332 and §§ 46.2-755.1, 46.2-755.2, 46.2-1167.1, 58.1-802.1, 58.1-2402.1, and 58.1-3825.1 that and are received by the Authority that and are generated or

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59 attributable to the locality divided by the total of such fees and taxes assessed or imposed by the
60 Authority Commonwealth and received by the Authority *that are attributable to all localities to which*
61 *such taxes and fees apply.* Of the revenues distributed pursuant to this subsection (i) in the Cities of
62 Falls Church and Alexandria and the County of Arlington the first 50% shall be used solely for urban or
63 secondary road construction and improvements and for public transportation purposes, and (ii) in the
64 remaining localities, the first 50% shall be used solely for urban or secondary road construction and
65 improvements *in consultation with members of the General Assembly representing any locality that*
66 *receives any such revenue.* The remainder, as determined solely by the applicable locality, shall be used
67 either for additional urban or secondary road construction; for other transportation capital improvements
68 which have been approved by the most recent long range transportation plan adopted by the Authority;
69 or for public transportation purposes. ~~Solely for purposes of calculating the 40% of revenues to be~~
70 ~~distributed pursuant to this subsection, the revenue generated pursuant to § 58.1-3221.3 and Article 8~~
71 ~~(§ 15.2-2317 et seq.) of Chapter 22 of this title by the counties and cities embraced by the Authority~~
72 ~~shall be considered revenue of the Authority.~~ None of the revenue distributed by this subsection may be
73 used to repay debt issued before July 1, 2007 2008. Each locality shall provide annually to the Northern
74 Virginia Transportation Authority sufficient documentation as required by the Authority showing that the
75 funds distributed under this subsection were used as required by this subsection. *The funds under this*
76 *subsection shall be conditioned on the following:*

77 1. *That for cities, urban road construction funded in whole or in part under this subsection be*
78 *performed by cities pursuant to subsection D of § 33.1-23.3; and*

79 2. *That for counties receiving funds under this section or benefiting from transportation projects from*
80 *funds under this section, all state secondary road construction funding due such county shall be*
81 *transferred to such county, and the county shall assume full responsibility for planning and constructing*
82 *secondary roads pursuant to § 33.1-75.3. Such county may contract with the Virginia Department of*
83 *Transportation, or any other entity to aid in the planning and construction.*

84 C. The remaining 60% of the revenues from such sources shall be used by the Authority solely for
85 transportation projects and purposes that benefit the counties and cities embraced by the Authority *in*
86 *consultation with members of the General Assembly and as may be required by any other law.*

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

90 a. The next \$50 million each fiscal year shall be distributed to the Washington Metropolitan Area
91 Transit Authority (WMATA) and shall be used for capital improvements benefiting the area embraced
92 by the Authority for WMATA's transit service (Metro). The Authority shall first make use of that
93 portion of such annual distribution as may be necessary under the requirements of federal law for the
94 payment of federal funds to WMATA, but only if the matching federal funds are exclusive of and in
95 addition to the amount of other federal funds appropriated for such purposes and are in an amount not
96 less than the amount of such funds appropriated in the federal fiscal year ending September 30, 2007
97 2008;

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

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

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

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

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

§ 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 *exclusively in connection with the facility for the use of which they are collected* ~~for programs and projects that are reasonably related to or benefit the users of the applicable facility, including, but not limited to, for the debt service and other costs of bonds whose proceeds are used for such construction or reconstruction;~~

8. General oversight of regional transportation issues of a multijurisdictional nature, including but not limited to intelligent transportation systems, signalization, and preparation for and response to emergencies;

9. Serving as an advocate for the transportation needs of Northern Virginia before the state and federal governments;

10. Applying to and negotiating with the government of the United States, the Commonwealth of Virginia, or any agency, instrumentality, or political subdivision thereof, for grants and any other funds available to carry out the purposes of this chapter and receiving, holding, accepting, and administering from any source gifts, bequests, grants, aid, or contributions of money, property, labor, or other things of value to be held, used and applied to carry out the purposes of this chapter subject, however, to any conditions upon which gifts, bequests, grants, aid, or contributions are made. Unless otherwise restricted by the terms of the gift, bequest, or grant, the Authority may sell, exchange, or otherwise dispose of such money, securities, or other property given or bequeathed to it in furtherance of its purposes; *and*

11. Acting as a "responsible public entity" for the purpose of the acquisition, construction, improvement, maintenance and/or operation of a "qualifying transportation facility" under the Public-Private Transportation Act of 1995 (§ 56-556 et seq.); *and*.

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

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

The Authority shall phase construction of the transportation projects that are included in the federally mandated 2030 Regional Transportation Plan, or any successive plan. Except as specifically provided

herein, projects listed in the second phase shall not be undertaken until the Authority has considered and acted upon a financing plan for the maintenance, operation, and construction has determined that there is a viable plan of construction for the projects listed in the first phase that meet the requirements of this section.

First Phase Projects:

Route 460 Upgrade; I-64 Widening on the Peninsula; I-64 Widening on the Southside; Downtown Tunnel/Midtown Tunnel/MLK Extension; Southeastern Parkway/Dominion Blvd/Route 17; I-664 Widening in Newport News; I-664 Widening on the Southside; and I-664 Monitor Merrimac Memorial Bridge Tunnel Widening.

Second Phase Projects:

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

§ 30-134.1. Performance audit of transportation programs; scope of audit; interim report; final report.

A. The Auditor of Public Accounts shall administer an operational and programmatic performance audit focusing on the agencies within the Transportation Secretariat, with primary emphasis on the Department of Transportation and the Department of Rail and Public Transportation. The purpose of this audit shall be to provide an objective and independent cost savings assessment of the Commonwealth's organizational structure and the efficiency and effectiveness of the Commonwealth's transportation programs in order to provide information to the Governor and the General Assembly on ways to reduce duplication of effort and implement cost savings measures and programmatic efficiencies in the operation of state transportation programs. In order to achieve its overall purpose, the audit may consist of a series of concurrent audits concentrating on specified categories or groupings.

The audit shall be conducted by a private management consulting firm with experience in conducting governmental performance audits. An interim report on the findings of the performance audit shall be submitted to the Joint Commission on Transportation Accountability and the Governor no later than December 15, 2008, and a final report no later than August 1, 2009.

B. At a minimum, the interim report shall identify any deficiencies in the current processes for distributing, staffing, and funding among maintenance, administration, operations, and engineering activities at the respective departments as well as the efficiency of the current distribution of in-house and out-sourced work by activity and transportation district.

C. The final report shall consist of detailed findings and recommendations, including but not limited to the following subject areas:

1. Improvements that may result in both increased efficiency and cost savings in programs and services, including organization structure and staffing levels;

2. Identification and recognition of best practices;

3. Funding for programs and services that may be eliminated or reduced;

4. Analysis of current asset management activities that are less financially advantageous to the Commonwealth than maintenance of effort approaches;

5. Programs and services that may be enhanced, consolidated, reduced, eliminated, or transferred to the private sector;

6. Identification of gaps and overlaps in programs and services and suggestions for improving, blending, or separating of functions to correct any identified gaps or overlaps and reduce duplication of effort;

7. Changes to the definition of activities undertaken by the departments, particularly with respect to the definition of maintenance of transportation infrastructure;

8. Methods to verify the reliability and validity of performance data, self-assessments, and performance-measurement systems used by the departments; and

9. Amendment or repeal of statutes, regulations, rules, and policy directives necessary to ensure that the departments carry out their statutory responsibilities.

D. Any monetary savings realized from the implementation of recommendations of the performance audit shall be applied to the Highway Maintenance and Operating Fund.

E. The audit shall take into consideration results of any prior studies, audits, or reviews conducted by (i) the General Assembly, the Joint Legislative Audit and Review Commission, or the Auditor of Public Accounts; (ii) any Governor-appointed commission or other like entity; or (iii) any other independent entity that address the structure and operation of state government and have identified monetary savings, reduced duplication of effort, or efficiencies leading to a reduction in costs.

§ 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.

A. 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, except a motorcycle endorsement, there shall be an additional fee of one dollar per year; for a motorcycle endorsement, 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.

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.

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

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

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

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

B. Beginning October 1, 2008, in addition to all other fees authorized by this chapter, there is hereby imposed by the Commonwealth an additional fee of \$100 for the initial issuance of a driver's license for people who reside in the counties and cities embraced by the Northern Virginia Transportation Authority to be collected by the Commissioner and deposited into the state treasury.

1. The Comptroller shall transfer from the general fund of the state treasury to the Northern Virginia Transportation Authority all net fees collected under this section. 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.

2. Within three calendar days of receiving such certification, the Comptroller shall make the required transfers to the Northern Virginia Transportation Authority the net revenue from the fees. 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.

C. The additional fee imposed pursuant to subsection B shall not, however, be imposed for the issuance of a driver's license to any person to whom a Virginia driver's license was previously issued but whose Virginia driver's license had expired or had been suspended or revoked. Furthermore, the amount of such additional fee, for any minor who presents proof thereof satisfactory to the Commissioner, shall be waived for the successful completion of a driver safety course approved by the Department. Any and all fees imposed pursuant to subsection B shall be collected by the Department of Motor Vehicles at the time the initial license is issued. The Commissioner shall maintain records of the fee imposed and collected per person and the locality where each person resides.

D. This section shall supersede conflicting provisions of this chapter.

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

A. 1. In addition to taxes and license fees imposed pursuant to § 46.2-752 and to all other taxes and fees permitted by law, *there is hereby imposed by the Commonwealth an additional non-refundable annual license fee in the amount of \$20 for each vehicle registered 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* ~~Hampton Roads Transportation Authority established pursuant to § 33.1-391.7 and the Northern Virginia Transportation Authority established pursuant to § 15.2-4830~~ are authorized to charge an additional non-refundable annual license fee in the amount of \$10 for each vehicle registered in any county or city that is embraced by the respective Authority, for such vehicles subject to state registration fees under *other provisions* in this Title. Such additional license fees shall not, however, be charged for any vehicle registered under the International Registration Plan developed by International Registration Plan, Inc.

B. *Any and all fees imposed pursuant to this section shall be collected by the Department of Motor Vehicles at the time the vehicle is registered with the Department or when its registration is renewed. Each fee shall be deposited into the state treasury. All such fees shall be remitted by the Comptroller on a monthly basis from the general fund of the state treasury to the Hampton Roads Transportation Revenue Fund established by § 33.1-391.17. The Commissioner shall maintain records of the fee imposed and collected and the locality where each vehicle is registered.*

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

A. In addition to all other charges and fees permitted by law, *there is hereby imposed by the Commonwealth an additional fee at the time of inspection in the amount of \$20 for all vehicles inspected 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, for which an amount is permitted to be charged for inspection pursuant to § 46.2-1167* ~~Hampton Roads Transportation Authority and the Northern Virginia Transportation Authority. are authorized to charge an additional fee at the time of inspection in the amount of \$10 for all vehicles for which an amount is permitted to be charged for inspection pursuant to § 46.2-1167 in the area embraced by the respective Authority and which shall be transmitted to the respective Authority.~~

B. *Any and all fees imposed pursuant to this section shall be deposited into the state treasury. All such fees shall be remitted by the Comptroller on a monthly basis from the general fund of the state treasury to the Hampton Roads Transportation Revenue Fund established by § 33.1-391.17. The Commissioner shall maintain records of the fee imposed and collected and the locality where each vehicle is registered.*

§ 58.1-540. Levy of the tax.

A. Any county having a population of more than 500,000, as determined by the 1980 U. S. Census, any county or city adjacent thereto, and any city contiguous to such an adjacent county or city, or any city with a population of at least 265,000, is hereby authorized to levy a local income tax at any increment of one-quarter percent up to a maximum rate of one percent upon the Virginia taxable income as determined in § 58.1-322 for an individual, § 58.1-361 for a fiduciary of an estate or trust, or § 58.1-402 for a corporation, for each taxable year of every resident of such county or city or corporation having income from sources within such county or city, subject to the limitations of subsection B of this section. The same rate shall apply to individuals, fiduciaries and corporations.

B. The authority to levy a local income tax as provided in subsection A may be exercised by a county or city governing body only if (i) *the county or city is not receiving or benefiting from the taxes and fees imposed pursuant to subsection B of § 46.2-332 and §§ 46.2-755.1, 46.2-755.2, 46.2-1167.1, 58.1-802.1, 58.1-2402.1, 58.1-3221.3, and 58.1-3825.1* and (ii) approved in a referendum within the county or city. The referendum shall be held in accordance with § 24.2-684. The referendum may be initiated either by a resolution of the governing body of the county or city or on the filing of a petition signed by a number of registered voters of the county or city equal in number to ten percent of the number of voters registered in the county or city on January 1 of the year in which the petition is filed with the circuit court of such county or city. The clerk of the circuit court shall publish notice of the election in a newspaper of general circulation in the county or city once a week for three consecutive weeks prior to the election. The ballot used shall be printed to read as follows:

"Shall the governing body of (...name of county or city...) have the authority to levy a local income tax of up to one percent for transportation purposes in accordance with § 58.1-540 of the Code of Virginia?

— Yes

— No"

If the voters by a majority vote approve the authority of the local governing body to levy a local income tax, the tax may be imposed by the adoption of an ordinance by the governing body of the county or city in accordance with general or special law, and the tax may be thereafter enacted,

modified or repealed as any other tax the governing body is empowered to levy subject only to the limitations herein. No ordinance levying a local income tax shall be repealed unless and until all debts or other obligations of the county or city to which such revenues are pledged or otherwise committed have been paid or provision made for payment.

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

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

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

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

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

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

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

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

H. One-half of such payments to counties are subject to the further qualification, other than as set out in subsection G above, that in any county wherein is situated any incorporated town not constituting a separate special school district which has complied with its charter provisions providing for the election of its council and mayor for a period of at least four years immediately prior to the adoption of the sales tax ordinance, the county treasurer shall pay into the town treasury of each such town for general governmental purposes the proper proportionate amount received by him in the ratio that the school age population of each such town bears to the school age population of the entire county, based

428 on the latest statewide school census. The preceding requirement pertaining to the time interval between
429 compliance with election provisions and adoption of the sales tax ordinance shall not apply to a tier-city.
430 If the school age population of any such town not constituting a separate special school district is
431 increased by the annexation of territory or otherwise since the last preceding school age population
432 census, such increase shall, for the purposes of this section, be added to the school age population of
433 such town as shown by the last such census and a proper reduction made in the school age population
434 of the county or counties from which the annexed territory was acquired.

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

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

447 K. 1. Notwithstanding the other provisions of this chapter, the Hampton Roads Transportation
448 Authority and the Northern Virginia Transportation Authority may impose a retail sales tax at the rate of
449 5% on (i) charges for separately stated labor or services in the repair of motor vehicles and (ii) charges
450 for the repair of a motor vehicle in cases in which the true object of the repair is a service provided
451 within a city or county embraced by the respective Authority.

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

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

461 § 58.1-606. To what extent and under what conditions cities and counties may levy local use tax;
462 collection thereof by Commonwealth and return of revenues to the cities and counties.

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

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

471 1. If the city or county has previously imposed the local sales tax authorized by § 58.1-605, the local
472 use tax may be imposed by the council or governing body by the adoption of a resolution by a majority
473 of all the members thereof, by a recorded yea and nay vote, stating its purpose and referring to this
474 section, and providing that the local use tax shall become effective on the first day of a month at least
475 60 days after the adoption of the resolution. A certified copy of such resolution shall be forwarded to
476 the Tax Commissioner so that it will be received within five days after its adoption. The resolution
477 authorized by this paragraph may be adopted in the manner stated notwithstanding any other provision
478 of law, including any charter provision.

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

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

484 D. The local use tax authorized by this section shall not apply to transactions to which the sales tax
485 applies, the situs of which for state and local sales tax purposes is the city or county of location of each
486 place of business of every dealer paying the tax to the Commonwealth without regard to the city or
487 county of possible use by the purchasers. However, the local use tax authorized by this section shall
488 apply to tangible personal property purchased without this Commonwealth for use or consumption
489 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.

§ 58.1-802.1. Regional congestion relief fee.

A. 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 Commonwealth hereby imposes a fee, delineated as the "regional congestion relief fee," on each deed, instrument, or writing by which lands, tenements, or other realty located in any county or city 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 in the counties and cities embraced by the Northern Virginia Transportation Authority established pursuant to § 15.2-4830. may impose a fee, delineated as the "Regional 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 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.

B. 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. The clerk shall ~~return~~ send all fees collected pursuant to

the authority granted under this section to the Commonwealth and the fees shall be deposited in the state treasury 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.

§ 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 by the Commonwealth 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 § 33.1-391.16. 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.

§ 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 C. 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 E 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 E 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 E 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 E 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 E and this subsection. In addition, any locality electing to impose the additional real property taxes on all real property located in such locality that is specially classified in subsections A and B must~~

do so in the manner prescribed in subsections A and B and not by creation of a special transportation tax district as set forth in ~~subsection C and~~ this subsection. The creation of such special regional transportation tax districts shall not, however, affect the authority of a locality to establish tax districts pursuant to other provisions of law;

(4) The total revenues generated from the additional real property taxes imposed in accordance with subsection ~~C and~~ this subsection shall not be less than 85% of the revenues estimated to be generated when imposing the additional real property taxes in accordance with ~~subsections A and 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 C and~~ this subsection shall be levied, administered, enforced, and collected, in the same manner as set forth in Subtitle III of Title 58.1 for the levy, administration, enforcement, and collection of all local taxes. In addition, the local assessor shall separately assess and set forth upon the locality's land book the fair market value of that portion of property that is defined as separate class of real property for local taxation in accordance with the provisions of this section

§ 58.1-3825.1. Additional transient occupancy tax in certain counties and cities in Northern Virginia.

In addition to such transient occupancy taxes as are authorized by this chapter, *there is hereby imposed by the Commonwealth an additional transient occupancy tax at the rate of two percent of the amount of charge for the occupancy of any room or space occupied, provided that such room or space is located within a county or city embraced by the Northern Virginia Transportation Authority established under § 15.2-4830. may impose an additional transient occupancy tax at the rate of 2% of the amount of charge for the occupancy of any room or space occupied provided that such room or space is located within a county or city embraced by the Authority. Such revenues shall be used according to the provisions of § 15.2-4838.1. Such taxes shall be deposited in the state treasury and the Comptroller shall transfer from the general fund of the state treasury to the Northern Virginia Transportation Authority the amount of such fees.*

2. That Chapter 10.2 (§§ 33.1-391.6 through 33.1-391.15) of Title 33.1, § 58.1-625.1, and Article 4.1 (§§ 58.1-1724.2 through 58.1-1724.7) of Chapter 17 of Title 58.1 of the Code of Virginia are repealed 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 § 33.1-391.17 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 as may be specified in law, 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, and, then, if all funds are not needed for such purpose, the remaining funds shall be used directly for the projects as may be specified in law.

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

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

6. That each county or city that receives revenue from or benefits from the taxes and fees imposed pursuant to 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, 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, 58.1-3221.3, and 58.1-3825.1 of the Code of Virginia pursuant to the provisions of this act shall for each fiscal year in which it receives such revenue or benefits, expend or disburse for transportation purposes an amount (computed without regard to any revenues generated in the fiscal year from such taxes) that is at least equal to the total amount expended or disbursed for transportation purposes by the county or city in its fiscal year that began in calendar year 2006.

7. That unless otherwise specifically delineated in this act, the revenue generated by this act shall

736 be used solely for (i) new transportation construction or (ii) public transit construction and
737 operating costs.
738 8. That the costs to conduct the review required by § 30-134.1, as added to the Code of Virginia
739 by this act, shall be funded from existing appropriations to agencies for which the Secretary of
740 Transportation is responsible under § 2.2-228 of the Code of Virginia, as determined by the
741 Secretary of Transportation. The procurement of the consultant required by § 30-134.1 shall not
742 be subject to § 2.2-4304 of the Code of Virginia but shall be based on competitive principles. The
743 Auditor of Public Accounts shall issue a Request for Proposals to initiate the procurement process
744 for the private consultant within 30 days of the passage of this act.
745 9. That should any portion of this act be held unconstitutional by a court of competent
746 jurisdiction, the remaining portions of this act shall remain in effect.

INTRODUCED

HB6042