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**HOUSE BILL NO. 1579**

Offered January 14, 2009

Prefiled July 23, 2008

A *BILL to amend and reenact §§ 15.2-4838.1, 15.2-4840, 33.1-23.03, 58.1-811, 58.1-2403, 58.1-2425, and 58.1-3221.3 of the Code of Virginia and to amend and reenact the fifth and sixteenth enactments of Chapter 896 of the Acts of Assembly of 2007; to amend the Code of Virginia by adding in Chapter 48.2 of Title 15.2 a section numbered 15.2-4841, and by adding in Title 33.1 a chapter numbered 10.3, consisting of sections numbered 33.1-391.17 and 33.1-391.18, a chapter numbered 10.4, consisting of sections numbered 33.1-391.19 and 33.1-391.20, and a chapter numbered 10.5, consisting of sections numbered 33.1-391.21 and 33.1-391.22; and to repeal Chapter 10.2 (§§ 33.1-391.6 through 33.1-391.15) of Title 33.1, §§ 46.2-755.1, 46.2-755.2, 46.2-1167.1, 58.1-625.1, 58.1-802.1, 58.1-2402.1, and 58.1-3825.1, 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 sixth, thirteenth, fourteenth, fifteenth, eighteenth, and nineteenth enactments of Chapter 896 of the Acts of Assembly of 2007, relating to transportation funding and administration in the Northern Virginia and Hampton Roads areas, and in the Richmond Highway Construction District, and the Staunton Highway Construction District.*

Patrons—Oder, Albo, Athey, Cole, Gear, Hamilton, Hugo, Iaquinto, Knight, Lingamfelter, Miller, J.H., Pogge and Rust

Referred to Committee on Transportation

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

1. That §§ 15.2-4838.1, 15.2-4840, 33.1-23.03, 58.1-811, 58.1-2403, 58.1-2425, and 58.1-3221.3 of the Code of Virginia are amended and reenacted, and that the Code of Virginia is amended by adding in Chapter 48.2 of Title 15.2 a section numbered 15.2-4841, and by adding in Title 33.1 a chapter numbered 10.3, consisting of sections numbered 33.1-391.17 and 33.1-391.18, a chapter numbered 10.4, consisting of sections numbered 33.1-391.19 and 33.1-391.20, and a chapter numbered 10.5, consisting of sections numbered 33.1-391.21 and 33.1-391.22, 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.

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

1. ~~The~~ *Notwithstanding any other provisions of this chapter,* 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

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58 Transit Authority (WMATA) and shall be used for capital improvements benefiting the area embraced  
59 by the Authority for WMATA's transit service (Metro). The Authority shall first make use of that  
60 portion of such annual distribution as may be necessary under the requirements of federal law for the  
61 payment of federal funds to WMATA, but only if the matching federal funds are exclusive of and in  
62 addition to the amount of other federal funds appropriated for such purposes and are in an amount not  
63 less than the amount of such funds appropriated in the federal fiscal year ending September 30, 2007  
64 2008;

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

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

72 2. All transportation projects undertaken by the Northern Virginia Transportation Authority shall be  
73 completed by private contractors accompanied by performance measurement standards, and all contracts  
74 shall contain a provision granting the Authority the option to terminate the contract if contractors do not  
75 meet such standards. Notwithstanding the foregoing, any locality may provide engineering services or  
76 right-of-way acquisition for any project with its own forces. The Authority shall avail itself of the  
77 strategies permitted under the Public-Private Transportation Act (§ 56-556 et seq.) whenever feasible and  
78 advantageous. The Authority is independent of any state or local entity, including the Virginia  
79 Department of Transportation (VDOT) and the Commonwealth Transportation Board (CTB), but the  
80 Authority, VDOT and CTB shall consult with one another to avoid duplication of efforts and, at the  
81 option of the Authority, may combine efforts to complete specific projects. Notwithstanding the  
82 foregoing, at the request of the Authority, VDOT may provide the Authority with engineering services  
83 or right-of-way acquisition for the project with its own forces. When determining what projects to  
84 construct under this subsection, the Authority shall base its decisions *on what project most efficiently*  
85 *reduces congestion and then* on the combination that (i) equitably distributes the funds throughout the  
86 localities, and (ii) constructs projects that move the most people or commercial traffic in the most  
87 cost-effective manner, and on such other factors as approved by the Authority.

88 3. All revenues deposited to the credit of the Authority shall be used for projects benefiting the  
89 localities embraced by the Authority.

90 DC. For road construction and improvements pursuant to subsection B, the Department of  
91 Transportation may, on a reimbursement basis, provide the locality with planning, engineering,  
92 right-of-way, and construction services for projects funded in whole by the revenues provided to the  
93 locality by the Authority.

94 § 15.2-4840. Other duties and responsibilities of Authority.

95 In addition to other powers herein granted, the Authority shall have the following duties and  
96 responsibilities:

97 1. General oversight of regional programs involving mass transit or congestion mitigation, including,  
98 but not necessarily limited to, carpooling, vanpooling, and ridesharing;

99 2. Long-range regional planning, both financially constrained and unconstrained;

100 3. Recommending to state, regional, and federal agencies regional transportation priorities, including  
101 public-private transportation projects, and funding allocations;

102 4. Developing, in coordination with affected counties and cities, regional priorities and policies to  
103 improve air quality;

104 5. Allocating to priority regional transportation projects any funds made available to the Authority  
105 and, at the discretion of the Authority, directly overseeing such projects;

106 6. Recommending to the Commonwealth Transportation Board priority regional transportation  
107 projects for receipt of federal and state funds;

108 7. Imposing, collecting, and setting the amount of tolls for use of facilities in the area embraced by  
109 the Authority, when the facility is either newly constructed or reconstructed solely with revenues of the  
110 Authority or solely with revenues under the control of the Authority in such a way as to increase the  
111 facility's traffic capacity, with the amount of any tolls variable by time of day, day of the week, vehicle  
112 size or type, number of axles, or other factors as the Authority may deem proper, and with all such tolls  
113 to be used for programs and projects that are reasonably related to or benefit the users of the applicable  
114 facility, including, but not limited to, for the debt service and other costs of bonds whose proceeds are  
115 used for such construction or reconstruction;

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

119 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;

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

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

§ 15.2-4841. Revenues attributable to economic growth from Dulles International Airport and the Ronald Reagan National Airport appropriated to the Northern Virginia Transportation Authority.

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

"Airports" means the Dulles International Airport and the Ronald Reagan National Airport.

"Base number of passengers and cargo containers" means the passengers and cargo containers in the Commonwealth's fiscal year beginning July 1, 2008.

"Cargo container" means the number of cargo containers loaded onto, or unloaded from, airplanes in the airports for commerce in a fiscal year, measured in 20-foot-equivalent units.

"Net revenues" means the gross revenues less the applicable portion of any refunds.

"State tax revenues" means the net revenues collected from the (i) state sales tax pursuant to Chapter 6 (§ 58.1-600 et seq.) of Title 58.1, (ii) individual income tax pursuant to Chapter 3 (§ 58.1-300 et seq.) of Title 58.1, (iii) corporate income tax pursuant to Chapter 3 (§ 58.1-300 et seq.) of Title 58.1, plus (iv) insurance license tax pursuant to Chapter 25 (§ 58.1-2500 et seq.) of Title 58.1 for the Commonwealth's fiscal year beginning July 1, 2008.

B. There is hereby appropriated to the Northern Virginia Transportation Authority ("Authority") a portion of the growth in state taxes attributable to economic activity generated or facilitated by the Dulles International Airport and the Ronald Reagan National Airport. The amount appropriated in each fiscal year shall be determined using the following revenue ratio: state tax revenues attributable to economic activity generated or facilitated by the airports/Base number of passengers and cargo containers.

The General Assembly intends for the revenue ratio to be a measure of the state revenues attributable to economic activity of the airports on a per passenger and per cargo container basis.

Appropriations to the Authority shall begin in the Commonwealth's fiscal year starting on July 1, 2010. For such fiscal year, the amount deposited to the Authority shall be computed by:

1. First multiplying the revenue ratio by the increase in passengers and cargo containers for the most recently ended fiscal year over the base number of passengers and cargo containers, and

2. Second multiplying such product by 30 percent (.30).

As a result, the amount appropriated to the Authority for the Commonwealth's fiscal year starting on July 1, 2010, shall be computed using the following formula: revenue ratio X (Increase in passengers and cargo containers in Fiscal Year 2009-2010 over the base number of passengers and cargo containers) X .30.

For the fiscal year starting on July 1, 2011, and for each fiscal year thereafter, the amount appropriated shall be computed using such formula except that the passengers and cargo containers in the most recently ended fiscal year shall be used for determining the increase over the base number of passengers and cargo containers.

C. The Secretary of Finance, in consultation with the Secretary of Transportation, shall determine the revenue ratio. In determining the numerator of the revenue ratio or the state tax revenues attributable to economic activity generated or facilitated by the airports, the Secretary shall include state tax revenues from (i) operations at the airports; (ii) the production in Virginia of goods exported through the airports; (iii) imports sold to citizens of the Commonwealth or used as inputs by businesses located in the Commonwealth or by Virginia state and local governmental entities; and (iv) employee compensation, fuel costs, business and professional services, power, and communications relating to the factors set forth in clauses (i) through (iii). The Secretary shall determine the revenue ratio no later than January 1, 2010, and shall promptly report the same to the chairmen of the House Committee on

181 *Appropriations, House Committee on Finance, and the Senate Committee on Finance.*

182 *D. The Secretary of Finance, in consultation with the Secretary of Transportation, shall determine*  
 183 *the amount to be transferred to the Authority in each fiscal year in accordance with the provisions of*  
 184 *this section. The Secretary of Finance shall provide a written certification of the same to the*  
 185 *Comptroller by August 31 each year. The Comptroller shall then transfer such amount to the Authority*  
 186 *by making four equal deposits into the Fund on the 15th of September, December, March, and June.*

187 *E. Notwithstanding any other provision of this section, the amount transferred to the Authority*  
 188 *pursuant to this section shall not exceed \$600 million in any fiscal year.*

189 *§ 33.1-23.03. Board to develop and update Statewide Transportation Plan.*

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

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

#### 209 210 *CHAPTER 10.3.*

#### 211 *HAMPTON ROADS TRANSPORTATION FUNDING.*

212 *§ 33.1-391.17. Hampton Roads Transportation Revenue Fund established.*

213 *There is hereby created in the state treasury a special nonreverting fund to be known as the*  
 214 *Hampton Roads Transportation Revenue Fund, hereafter referred to as "the Fund." The Fund shall be*  
 215 *established on the books of the Comptroller. Interest earned on moneys in the Fund shall remain in the*  
 216 *Fund and be credited to it. Any moneys remaining in the Fund, including interest thereon, at the end of*  
 217 *each fiscal year shall not revert to the general fund but shall remain in the Fund. Moneys in the Fund*  
 218 *shall be used solely for new transportation construction projects in the Counties of Isle of Wight, James*  
 219 *City, and York and the Cities of Chesapeake, Hampton, Newport News, Norfolk, Poquoson, Portsmouth,*  
 220 *Suffolk, Virginia Beach, and Williamsburg, as required by law; and then as determined by the Hampton*  
 221 *Roads Metropolitan Planning Organization.*

222 *§ 33.1-391.18. Revenues attributable to economic growth from cargo marine terminals deposited into*  
 223 *the Hampton Roads Transportation Revenue Fund.*

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

225 *"Base number of cargo containers" means the cargo containers in the Commonwealth's fiscal year*  
 226 *beginning July 1, 2008.*

227 *"Cargo container" means the number of cargo containers loaded onto, or unloaded from, ships in*  
 228 *the ports for commerce in a fiscal year, measured in 20-foot-equivalent units.*

229 *"Net revenues" means the gross revenues less the applicable portion of any refunds.*

230 *"Ports" means the public and private general cargo marine terminals located in Hampton Roads.*

231 *"State tax revenues" means the net revenues collected from the (i) state sales tax pursuant to Chapter*  
 232 *6 (§ 58.1-600 et seq.) of Title 58.1, (ii) individual income tax pursuant to Chapter 3 (§ 58.1-300 et seq.)*  
 233 *of Title 58.1, (iii) corporate income tax pursuant to Chapter 3 (§ 58.1-300 et seq.) of Title 58.1, plus*  
 234 *(iv) insurance license tax pursuant to Chapter 25 (§ 58.1-2500 et seq.) of Title 58.1 for the*  
 235 *Commonwealth's fiscal year beginning July 1, 2008.*

236 *B. There shall be deposited into the Hampton Roads Transportation Revenue Fund established under*  
 237 *§ 33.1-391.17 a portion of the growth in state taxes attributable to economic activity generated or*  
 238 *facilitated by the ports of Hampton Roads. The amount deposited into the Fund in each fiscal year shall*  
 239 *be determined using the following revenue ratio: state tax revenues attributable to economic activity*  
 240 *generated or facilitated by the ports/Base number of cargo containers.*

241 *The General Assembly intends for the revenue ratio to be a measure of the state revenues*  
 242 *attributable to economic activity of the ports on a per-cargo-container basis.*

Deposits to the Fund shall begin in the Commonwealth's fiscal year starting on July 1, 2010. For such fiscal year, the amount deposited to the Fund shall be computed by:

1. First multiplying the revenue ratio by the increase in cargo containers for the most recently ended fiscal year over the base number of cargo containers, and

2. Second multiplying such product by 30 percent (.30).

As a result, the amount deposited into the Fund for the Commonwealth's fiscal year starting on July 1, 2010, shall be computed using the following formula: revenue ratio X (Increase in cargo containers in Fiscal Year 2009-2010 over the base number of cargo containers) X .30.

For the fiscal year starting on July 1, 2011, and for each fiscal year thereafter, the amount deposited into the Fund shall be computed using such formula except that the cargo containers in the most recently ended fiscal year shall be used for determining the increase over the base number of cargo containers.

C. The Secretary of Finance, in consultation with the Secretary of Transportation, shall determine the revenue ratio. In determining the numerator of the revenue ratio or the state tax revenues attributable to economic activity generated or facilitated by the ports, the Secretary shall include state tax revenues from (i) port operations, including but not limited to revenues from pilots, longshoremen, truck and rail transportation, insurance, warehousing, storage, and ship servicing; (ii) the production in Virginia of goods exported through the ports; (iii) imports sold to citizens of the Commonwealth or used as inputs by businesses located in the Commonwealth or by Virginia state and local governmental entities; and (iv) employee compensation, fuel costs, business and professional services, power, and communications relating to the factors set forth in clauses (i) through (iii). The Secretary shall determine the revenue ratio no later than January 1, 2010, and shall promptly report the same to the chairmen of the House Committee on Appropriations, House Committee on Finance, and the Senate Committee on Finance.

D. The Secretary of Finance, in consultation with the Secretary of Transportation, shall determine the amount to be deposited into the Fund in each fiscal year in accordance with the provisions of this section. The Secretary of Finance shall provide a written certification of the same to the Comptroller by August 31 each year. The Comptroller shall then deposit such amount into the Fund by making four equal deposits into the Fund on the 15th of September, December, March, and June.

E. Notwithstanding any other provision of this section, the amount deposited into the Fund pursuant to this section shall not exceed \$300 million in any fiscal year.

#### CHAPTER 10.4.

#### STAUNTON HIGHWAY CONSTRUCTION DISTRICT TRANSPORTATION FUNDING.

§ 33.1-391.19. Staunton Highway Construction District Transportation Revenue Fund established.

There is hereby created in the state treasury a special nonreverting fund to be known as the Staunton Highway Construction District Transportation Revenue Fund, hereafter referred to as "the Fund." The Fund shall be established on the books of the Comptroller. Interest earned on moneys in the Fund shall remain in the Fund and be credited to it. 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 Staunton Highway Construction District as determined by the Commonwealth Transportation Board.

§ 33.1-391.20. Revenues attributable to economic growth from cargo commerce deposited into the Staunton Highway Construction District Transportation Revenue Fund.

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

"Base number of cargo containers" means the cargo containers in the Commonwealth's fiscal year beginning July 1, 2008.

"Cargo container" means the number of cargo containers loaded onto, or unloaded at the port for commerce in a fiscal year, measured in 20-foot-equivalent units.

"Net revenues" means the gross revenues less the applicable portion of any refunds.

"Port" means the Inland Port at Front Royal.

"State tax revenues" means the net revenues collected from the (i) state sales tax pursuant to Chapter 6 (§ 58.1-600 et seq.) of Title 58.1, (ii) individual income tax pursuant to Chapter 3 (§ 58.1-300 et seq.) of Title 58.1, (iii) corporate income tax pursuant to Chapter 3 (§ 58.1-300 et seq.) of Title 58.1, plus (iv) insurance license tax pursuant to Chapter 25 (§ 58.1-2500 et seq.) of Title 58.1 for the Commonwealth's fiscal year beginning July 1, 2008.

B. There shall be deposited into the Staunton Highway Construction District Transportation Revenue Fund established under § 33.1-391.19 a portion of the growth in state taxes attributable to economic activity generated or facilitated by the port. The amount deposited into the Fund in each fiscal year shall be determined using the following revenue ratio: state tax revenues attributable to economic activity generated or facilitated by the port/Base number of cargo containers.

The General Assembly intends for the revenue ratio to be a measure of the state revenues

304 attributable to economic activity of the port on a per-cargo-container basis.

305 Deposits to the Fund shall begin in the Commonwealth's fiscal year starting on July 1, 2010. For  
306 such fiscal year, the amount deposited to the Fund shall be computed by:

307 1. First multiplying the revenue ratio by the increase in cargo containers for the most recently ended  
308 fiscal year over the base number of cargo containers, and

309 2. Second multiplying such product by 30 percent (.30).

310 As a result, the amount deposited into the Fund for the Commonwealth's fiscal year starting on July  
311 1, 2010, shall be computed using the following formula: revenue ratio X (Increase in cargo containers  
312 in Fiscal Year 2009-2010 over the base number of cargo containers) X .30.

313 For the fiscal year starting on July 1, 2011, and for each fiscal year thereafter, the amount  
314 deposited into the Fund shall be computed using such formula except that the cargo containers in the  
315 most recently ended fiscal year shall be used for determining the increase over the base number of  
316 cargo containers.

317 C. The Secretary of Finance, in consultation with the Secretary of Transportation, shall determine  
318 the revenue ratio. In determining the numerator of the revenue ratio or the state tax revenues  
319 attributable to economic activity generated or facilitated by the port, the Secretary shall include state  
320 tax revenues from (i) port operations, including but not limited to revenues from truck and rail  
321 transportation, insurance, warehousing, and storage; (ii) the production in Virginia of goods carried  
322 from the port for export; (iii) imports sold to citizens of the Commonwealth or used as inputs by  
323 businesses located in the Commonwealth or by Virginia state and local governmental entities; and (iv)  
324 employee compensation, fuel costs, business and professional services, power, and communications  
325 relating to the factors set forth in clauses (i) through (iii). The Secretary shall determine the revenue  
326 ratio no later than January 1, 2010, and shall promptly report the same to the chairmen of the House  
327 Committee on Appropriations, House Committee on Finance, and the Senate Committee on Finance.

328 D. The Secretary of Finance, in consultation with the Secretary of Transportation, shall determine  
329 the amount to be deposited into the Fund in each fiscal year in accordance with the provisions of this  
330 section. The Secretary of Finance shall provide a written certification of the same to the Comptroller by  
331 August 31 each year. The Comptroller shall then deposit such amount into the Fund by making four  
332 equal deposits into the Fund on the 15th of September, December, March, and June.

333 E. Notwithstanding any other provision of this section, the amount deposited into the Fund pursuant  
334 to this section shall not exceed \$50 million in any fiscal year.

#### 335 CHAPTER 10.5.

#### 336 RICHMOND HIGHWAY CONSTRUCTION DISTRICT TRANSPORTATION FUNDING.

337 § 33.1-391.21. Richmond Highway Construction District Transportation Revenue Fund established.

338 There is hereby created in the state treasury a special nonreverting fund to be known as the  
339 Richmond Highway Construction District Transportation Revenue Fund, hereafter referred to as "the  
340 Fund." The Fund shall be established on the books of the Comptroller. Interest earned on moneys in the  
341 Fund shall remain in the Fund and be credited to it. Any moneys remaining in the Fund, including  
342 interest thereon, at the end of each fiscal year shall not revert to the general fund but shall remain in  
343 the Fund. Moneys in the Fund shall be used solely for new transportation construction projects in the  
344 Richmond Highway Construction District as determined by the Commonwealth Transportation Board.

345 § 33.1-391.22. Revenues attributable to economic growth from cargo marine terminals deposited into  
346 the Richmond Highway Construction District.

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

348 "Base number of cargo containers" means the cargo containers in the Commonwealth's fiscal year  
349 beginning July 1, 2008.

350 "Cargo container" means the number of cargo containers loaded onto, or unloaded from, ships in  
351 the port for commerce in a fiscal year, measured in 20-foot-equivalent units.

352 "Net revenues" means the gross revenues less the applicable portion of any refunds.

353 "Port" means the Port of Richmond.

354 "State tax revenues" means the net revenues collected from the (i) state sales tax pursuant to Chapter  
355 6 (§ 58.1-600 et seq.) of Title 58.1, (ii) individual income tax pursuant to Chapter 3 (§ 58.1-300 et seq.)  
356 of Title 58.1, (iii) corporate income tax pursuant to Chapter 3 (§ 58.1-300 et seq.) of Title 58.1, plus  
357 (iv) insurance license tax pursuant to Chapter 25 (§ 58.1-2500 et seq.) of Title 58.1 for the  
358 Commonwealth's fiscal year beginning July 1, 2008.

359 B. There shall be deposited into the Richmond Highway Construction District Transportation  
360 Revenue Fund established under § 33.1-391.21 a portion of the growth in state taxes attributable to  
361 economic activity generated or facilitated by the port. The amount deposited into the Fund in each fiscal  
362 year shall be determined using the following revenue ratio: state tax revenues attributable to economic  
363 activity generated or facilitated by the port/Base number of cargo containers.

364 The General Assembly intends for the revenue ratio to be a measure of the state revenues  
365 attributable to economic activity of the port on a per-cargo-container basis.

Deposits to the Fund shall begin in the Commonwealth's fiscal year starting on July 1, 2010. For such fiscal year, the amount deposited to the Fund shall be computed by:

1. First multiplying the revenue ratio by the increase in cargo containers for the most recently ended fiscal year over the base number of cargo containers, and

2. Second multiplying such product by 30 percent (.30).

As a result, the amount deposited into the Fund for the Commonwealth's fiscal year starting on July 1, 2010, shall be computed using the following formula: revenue ratio X (Increase in cargo containers in Fiscal Year 2009-2010 over the base number of cargo containers) X .30.

For the fiscal year starting on July 1, 2011, and for each fiscal year thereafter, the amount deposited into the Fund shall be computed using such formula except that the cargo containers in the most recently ended fiscal year shall be used for determining the increase over the base number of cargo containers.

C. The Secretary of Finance, in consultation with the Secretary of Transportation, shall determine the revenue ratio. In determining the numerator of the revenue ratio or the state tax revenues attributable to economic activity generated or facilitated by the port, the Secretary shall include state tax revenues from (i) port operations, including but not limited to revenues from pilots, longshoremen, truck and rail transportation, insurance, warehousing, storage, and ship servicing; (ii) the production in Virginia of goods exported through the port; (iii) imports sold to citizens of the Commonwealth or used as inputs by businesses located in the Commonwealth or by Virginia state and local governmental entities; and (iv) employee compensation, fuel costs, business and professional services, power, and communications relating to the factors set forth in clauses (i) through (iii). The Secretary shall determine the revenue ratio no later than January 1, 2010, and shall promptly report the same to the chairmen of the House Committee on Appropriations, House Committee on Finance, and the Senate Committee on Finance.

D. The Secretary of Finance, in consultation with the Secretary of Transportation, shall determine the amount to be deposited into the Fund in each fiscal year in accordance with the provisions of this section. The Secretary of Finance shall provide a written certification of the same to the Comptroller by August 31 each year. The Comptroller shall then deposit such amount into the Fund by making four equal deposits into the Fund on the 15th of September, December, March, and June.

E. Notwithstanding any other provision of this section, the amount deposited into the Fund pursuant to this section shall not exceed \$50 million in any fiscal year.

§ 58.1-811. Exemptions.

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

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

2. To an incorporated church or religious body or to the trustee or trustees of any church or religious body, or a corporation mentioned in § 57-16.1, where such real estate is intended to be used exclusively for religious purposes, or for the residence of the minister of any such church or religious body;

3. To the United States, the Commonwealth, or to any county, city, town, district or other political subdivision of the Commonwealth;

4. To the Virginia Division of the United Daughters of the Confederacy;

5. To any nonstock corporation organized exclusively for the purpose of owning or operating a hospital or hospitals not for pecuniary profit;

6. To a corporation upon its organization by persons in control of the corporation in a transaction which qualifies for nonrecognition of gain or loss pursuant to § 351 of the Internal Revenue Code as it exists at the time of the conveyance;

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

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

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

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

427 company to avoid recordation taxes;

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

474 F. The taxes and fees imposed by §§ 58.1-801, 58.1-802, ~~58.1-802.1~~, 58.1-807, 58.1-808 and  
475 58.1-814 shall not apply to (i) any deed of gift conveying real estate or any interest therein to The  
476 Nature Conservancy or (ii) any lease of real property or any interest therein to The Nature Conservancy,  
477 where such deed of gift or lease of real estate is intended to be used exclusively for the purpose of  
478 preserving wilderness, natural or open space areas.

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

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

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

488 § 58.1-2403. Exemptions.



- 489 No tax shall be imposed as provided in § 58.1-2402 ~~or 58.1-2402.1~~ if the vehicle is:
- 490 1. Sold to, rented or used by the United States government or any governmental agency thereof;
- 491 2. Sold to, rented or used by the Commonwealth of Virginia or any political subdivision thereof;
- 492 3. Registered in the name of a volunteer fire department or rescue squad not operated for profit;
- 493 4. Registered to any member of the Mattaponi, Pamunkey, or Chickahominy Indian tribes or any
- 494 other recognized Indian tribe of the Commonwealth living on the tribal reservation;
- 495 5. Transferred incidental to repossession under a recorded lien and ownership is transferred to the
- 496 lienholder;
- 497 6. A manufactured home permanently attached to real estate and included in the sale of real estate;
- 498 7. A gift to the spouse, son, or daughter of the transferor. With the exception of a gift to a spouse,
- 499 this exemption shall not apply to any unpaid obligation assumed by the transferee incidental to the
- 500 transfer;
- 501 8. Transferred from an individual or partnership to a corporation or limited liability company or from
- 502 a corporation or limited liability company to an individual or partnership if the transfer is incidental to
- 503 the formation, organization or dissolution of a corporation or limited liability company in which the
- 504 individual or partnership holds the majority interest;
- 505 9. Transferred from a wholly owned subsidiary to the parent corporation or from the parent
- 506 corporation to a wholly owned subsidiary;
- 507 10. Being registered for the first time in this Commonwealth and the applicant holds a valid,
- 508 assignable title or registration issued to him by another state or a branch of the United States Armed
- 509 Forces and (i) has owned the vehicle for longer than 12 months or (ii) has owned the vehicle for less
- 510 than 12 months and provides evidence of a sales tax paid to another state. However, when a vehicle has
- 511 been purchased by the applicant within the last 12 months and the applicant is unable to provide
- 512 evidence of a sales tax paid to another state, the applicant shall pay the Virginia sales tax based on the
- 513 fair market value of the vehicle at the time of registration in Virginia;
- 514 11. a. Titled in a Virginia or non-Virginia motor vehicle dealer's name for resale; or
- 515 b. Titled in the name of an automotive manufacturer having its headquarters in Virginia, except for
- 516 any commercially leased vehicle that is not described under subdivision 3 of § 46.2-602.2. For purposes
- 517 of this subdivision, "automotive manufacturer" and "headquarters" means the same as such terms are
- 518 defined in § 46.2-602.2;
- 519 12. A motor vehicle having seats for more than seven passengers and sold to an urban or suburban
- 520 bus line the majority of whose passengers use the buses for traveling a distance of less than 40 miles,
- 521 one way, on the same day;
- 522 13. Purchased in the Commonwealth by a nonresident and a Virginia title is issued for the sole
- 523 purpose of recording a lien against the vehicle if the vehicle will be registered in a state other than
- 524 Virginia;
- 525 14. A motor vehicle designed for the transportation of 10 or more passengers, purchased by and for
- 526 the use of a church conducted not for profit;
- 527 15. Loaned or leased to a private nonprofit institution of learning, for the sole purpose of use in the
- 528 instruction of driver's education when such education is a part of such school's curriculum for full-time
- 529 students;
- 530 16. Sold to an insurance company or local government group self-insurance pool, created pursuant to
- 531 § 15.2-2703, for the sole purpose of disposition when such company has paid the registered owner of
- 532 such vehicle a total loss claim;
- 533 17. Owned and used for personal or official purposes by accredited consular or diplomatic officers of
- 534 foreign governments, their employees or agents, and members of their families, if such persons are
- 535 nationals of the state by which they are appointed and are not citizens of the United States;
- 536 18. A self-contained mobile computerized axial tomography scanner sold to, rented or used by a
- 537 nonprofit hospital or a cooperative hospital service organization as described in § 501 (e) of the United
- 538 States Internal Revenue Code;
- 539 19. A motor vehicle having seats for more than seven passengers and sold to a restricted common
- 540 carrier or common carrier of passengers;
- 541 20. Beginning July 1, 1989, a self-contained mobile unit designed exclusively for human diagnostic
- 542 or therapeutic service, sold to, rented to, or used by a nonprofit hospital, or a cooperative hospital
- 543 service organization as described in § 501 (e) of the United States Internal Revenue Code, or a nonprofit
- 544 corporation as defined in § 501 (c) (3) of the Internal Revenue Code, established for research in,
- 545 diagnosis of, or therapy for human ailments;
- 546 21. Transferred, as a gift or through a sale to an organization exempt from taxation under § 501 (c)
- 547 (3) of the Internal Revenue Code, provided the motor vehicle is not titled and tagged for use by such
- 548 organization;
- 549 22. A motor vehicle sold to an organization which is exempt from taxation under § 501 (c) (3) of the

550 Internal Revenue Code and which is organized for the primary purpose of distributing food, clothing,  
551 medicines and other necessities of life to, and providing shelter for, needy persons in the United States  
552 and throughout the world;

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

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

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

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

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

574 § 58.1-2425. Disposition of revenues.

575 A. ~~Except as provided in § 58.1-2402.1 funds~~ Funds collected hereunder by the Commissioner shall  
576 be forthwith paid into the state treasury. Except as otherwise provided in ~~§ 58.1-2402.1 and~~ in this  
577 section, these funds shall constitute special funds within the Commonwealth Transportation Fund. Any  
578 balances remaining in these funds at the end of the year shall be available for use in subsequent years  
579 for the purposes set forth in this chapter, and any interest income on such funds shall accrue to these  
580 funds. The revenue so derived, after refunds have been deducted, is hereby allocated for the  
581 construction, reconstruction and maintenance of highways and the regulation of traffic thereon and for  
582 no other purpose. However, (i) all funds collected pursuant to the provisions of this chapter from  
583 manufactured homes, as defined in § 46.2-100, shall be distributed to the city, town, or county wherein  
584 such manufactured home is to be situated as a dwelling; (ii) all funds collected from the additional tax  
585 imposed by subdivision A 4 of § 58.1-2402 on the rental of daily rental vehicles shall be distributed  
586 quarterly to the city, town, or county wherein such vehicle was delivered to the rentee; (iii) effective  
587 January 1, 1987, an amount equivalent to the net additional revenues generated by enactments of the  
588 1986 Special Session of the Virginia General Assembly which amended §§ 46.2-694, 46.2-697,  
589 58.1-2401, 58.1-2402 and this section shall be distributed to and paid into the Transportation Trust  
590 Fund, a special fund within the Commonwealth Transportation Fund, and are hereby appropriated to the  
591 Commonwealth Transportation Board for transportation needs; (iv) except as otherwise provided in  
592 clause (iii) of this sentence, all moneys collected from the tax on the gross proceeds from the rental in  
593 Virginia of any motor vehicle pursuant to subdivision A 3 of § 58.1-2402 at the tax rate in effect on  
594 December 31, 1986, shall be paid by the Commissioner into the state treasury and shall be paid into the  
595 Rail Enhancement Fund established by § 33.1-221.1:1.1; and (v) all additional revenues resulting from  
596 the fee imposed under subdivision A 5 of § 58.1-2402 as enacted by the 2004 Session of the General  
597 Assembly shall be used to pay the debt service on the bonds issued by the Virginia Public Building  
598 Authority for the Statewide Agencies Radio System (STARS) for the Department of State Police  
599 pursuant to the authority granted by the 2004 Session of the General Assembly.

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

606 § 58.1-3221.3. Classification of certain commercial and industrial real property and taxation of such  
607 property by certain localities.

608 A. Beginning January 1, 2008, and solely for the purposes of imposing the tax authorized pursuant to  
609 this section, in the counties and cities that are embraced by the Northern Virginia Transportation  
610 Authority, and ~~the Hampton Roads Transportation Authority in the Counties of Isle of Wight, James~~  
611 *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 transportation purposes that benefit the locality imposing the tax; and

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

C. Beginning January 1, 2008, in lieu of the authority set forth in subsections A and B above and solely for the purposes of imposing the tax authorized pursuant to this section, in the counties and cities embraced by the Northern Virginia Transportation Authority and ~~the Hampton Roads Transportation Authority~~ *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.

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

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

(2) Any local ordinance adopted in accordance with the provisions of subsection C and this

subsection shall include the requirement that the additional real property taxes so authorized are to be imposed annually in accordance with applicable law;

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

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

*2. § 1. That within 90 days of the effective date of this act, the Virginia Department of Transportation (VDOT) shall develop and distribute requests for proposals for the following under the Public-Private Transportation Act of 1995 (§ 56-556 et seq. of the Code of Virginia), either as concession agreements or otherwise:*

*1. Construction of the Third Crossing of Hampton Roads, linking the City of Newport News to the City of Suffolk and the City of Norfolk;*

*2. Construction of the Southeastern Expressway/Dominion Boulevard system in the City of Chesapeake and the City of Virginia Beach;*

*3. Widening of Interstate Route 64 in the City of Chesapeake from Battlefield Boulevard to Bowers Hill, including the High Rise Bridge over the Southern Branch of the Elizabeth River;*

*4. Widening of Interstate Route 64 from Bland Boulevard in the City of Newport News to Virginia Route 199 in James City County;*

*5. Widening of Interstate Route 64 from Virginia Route 199 in James City County to exit 200 to I-295 in New Kent County; and*

*6. Expansion of the Hampton Roads Bridge-Tunnel between the City of Hampton and the City of Norfolk by construction of a third bridge-tunnel structure.*

*§ 2. All requests for proposals developed and distributed pursuant to this act shall allow for individual project submissions, multiple project submissions, and cooperative agreements from corporations that may wish to cooperate in responding to these requests for proposals.*

*All such requests for proposals issued by VDOT under this act shall require that proposals submitted in response to such requests be submitted within 60 days of the issuance of the request for proposal to which it is a response.*

*§ 3. Notwithstanding any contrary provision of the Public-Private Transportation Act of 1995, all proposals submitted for the Hampton Roads area pursuant to this act shall be reviewed by a committee comprised as follows:*

*Three members of the Commonwealth Transportation Board appointed by the Commonwealth Transportation Commissioner; one Senator from the Peninsula and one Senator from Southside Hampton Roads, appointed by the Senate Committee on Rules; two Delegates from the Peninsula and two Delegates from Southside Hampton Roads, appointed by the Speaker of the House of Delegates; the Virginia Secretary of Transportation; the District Administrator of the Suffolk highway construction district; the chairman of the Hampton Roads Metropolitan Planning Organization; and two residents of Hampton Roads, appointed by the Governor.*

*This committee will review the proposals and decide which, if any, proposals it will accept, and provide to the General Assembly, VDOT, and the Commonwealth Transportation Board no later than 60 days after submissions are closed, a list of the proposals it will accept. Such proposals shall then be accepted and carried out by VDOT and the Commonwealth Transportation Board. Any funds that may be needed by VDOT and the Commonwealth Transportation Board to carry out the approved recommendations may be withdrawn from the Hampton Roads Transportation Revenue Fund established*

by § 33.1-391.17 of the Code of Virginia, in addition to using any other funds appropriated for the projects.

§ 4. Any funds received from private entities pursuant to the concession agreements, or other similar agreements, for the projects set forth in § 1, shall be deposited into the state treasury. All such funds 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 of the Code of Virginia.

3. That Chapter 10.2 (§§ 33.1-391.6 through 33.1-391.15) of Title 33.1, §§ 46.2-755.1, 46.2-755.2, 46.2-1167.1, 58.1-625.1, 58.1-802.1, 58.1-2402.1, and 58.1-3825.1, 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 sixth, thirteenth, fourteenth, fifteenth, eighteenth, and nineteenth enactments of Chapter 896 of the Acts of Assembly of 2007 are repealed.

4. 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.

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

(i) Any outstanding obligations of the Authority under any contract entered into by the Authority prior to such abolition shall be transferred to and assumed by the Virginia Department of Transportation, provided that any outstanding liabilities or debts of the Authority shall be satisfied from funds in the Hampton Roads Transportation Revenue Fund established under § 33.1-391.17 of the Code of Virginia;

(ii) Any and all planning responsibilities vested in the Authority prior to such abolition, except as otherwise provided by law, shall be transferred to and assumed by the Hampton Roads Metropolitan Planning Organization;

(iii) Any assets of the Authority shall be deposited into the state treasury and as soon as practicable after such deposit shall then be deposited by the Comptroller into the Hampton Roads Transportation Revenue Fund; and

(iv) In all other regards, including, but not limited to the authority to issue bonds, the Commonwealth Transportation Board, shall be the successor in interest to the Hampton Roads Transportation Authority, except as otherwise provided by law.

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

5. That the Hampton Roads Authority established under ~~§ 33.1-391.7~~ of the Code of Virginia Metropolitan Planning Organization shall develop as part of a long-range plan quantifiable measures and achievable goals for the area collectively embraced by the ~~Authority~~ 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, relating to, but not limited to, congestion reduction and safety, transit and high-occupancy vehicle (HOV) usage, job-to-housing ratios, job and housing access to transit and pedestrian facilities, air quality, and per-capita vehicle miles traveled. In addition, the Northern Virginia Transportation Authority established under § 15.2-4830 of the Code of Virginia shall also develop as part of a long-range plan quantifiable measures and achievable goals for the area embraced by the Authority relating to, but not limited to, congestion reduction and safety, transit and high-occupancy vehicle (HOV) usage, job-to-housing ratios, job and housing access to transit and pedestrian facilities, air quality, and per-capita vehicle miles traveled. Such goals shall be subject to the approval of the Commonwealth Transportation Board on a biennial basis.

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

16. That, as provided under ~~§ 58.1-3221.2~~ § 58.1-3221.3 of the Code of Virginia, the tax authorized thereunder may only be imposed by a city or county embraced by the Northern Virginia Transportation Authority established under § 15.2-4830 of the Code of Virginia, or a city or county embraced by the Hampton Roads Transportation Authority established under ~~§ 33.1-391.7~~ by the governing body of each of the Counties of Isle of Wight, James City, and York and the Cities of Chesapeake, Hampton, Newport News, Norfolk, Poquoson, Portsmouth, Suffolk, Virginia Beach, and Williamsburg.

8. That each county or city that receives revenue from, or receives benefits from revenue appropriated pursuant to the provisions of this act shall for each fiscal year in which it receives

796 such revenue or benefits, expend or disburse for transportation purposes an amount (computed  
797 without regard to any revenues generated in the fiscal year from such taxes) that is at least equal  
798 to the total amount expended or disbursed for transportation purposes by the county or city in its  
799 fiscal year that began in calendar year 2007.  
800 9. That should any portion of this act be held unconstitutional by a court of competent  
801 jurisdiction, the remaining portions of this act shall remain in effect.