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HOUSE BILL NO. 1579**AMENDMENT IN THE NATURE OF A SUBSTITUTE**(Proposed by the House Committee on Appropriations
on February 6, 2009)

(Patrons Prior to Substitute—Delegates Oder and Marshall, D. W. [HB 2622])

A BILL to amend and reenact §§ 15.2-4838.1, 15.2-4840, 33.1-230.03, 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 48.1 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, a chapter numbered 10.5, consisting of sections numbered 33.1-391.21 and 33.1-391.22; a chapter numbered 10.6, consisting of sections numbered 33.1-391.23 and 33.1-391.24; 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, 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.

Be it enacted by the General Assembly of Virginia:

1. That § 15.2-4838.1, 15.2-4840, 33.1-230.03, 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, a chapter numbered 10.5, consisting of sections numbered 33.1-391.21, 33.1-391.22, and a chapter numbered 10.6, consisting of sections numbered 33.1-391.23 and 33.1-391.24 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 Transit Authority (WMATA) and shall be used for capital improvements benefiting the area embraced 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,
64 ~~2007~~2009;

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. *Of the projects selected,*
88 *a preference shall be given to fund projects that leverage other public or private funding sources,*
89 *including but not limited to funds from private sources pursuant to the Public-Private Transportation*
90 *Act (§ 56-556 et seq.), funds from tolls, or funds provided by the Northern Virginia Transportation*
91 *Authority.*

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

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

98 § 15.2-4840. Other duties and responsibilities of Authority.

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

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

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

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

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

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

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

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

120 8. General oversight of regional transportation issues of a multijurisdictional nature, including but not
121 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;

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 in Northern Virginia.

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

"Base state tax revenues" means the state tax revenues in the Commonwealth's fiscal year beginning July 1, 2008.

"Net revenues" means tax 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") 30 percent of the growth in state tax revenues attributable as defined in subsection A, attributable to the counties, cities, and towns embraced by the Northern Virginia Transportation Authority. The amount appropriated in each year shall be determined as follows:

1. For calculating the 30 percent growth in individual income tax pursuant to Chapter 3 (§ 58.1-300 et seq.) of title 58.1, the 30 percent growth share shall be based on the individual income tax liability for individuals residing in the counties, cities, and towns embraced by the Northern Virginia Transportation Authority. Annually, the Department shall establish the total amount of individual income tax liability for such residents using data from the most recent calendar year for which tax liability has been calculated and from that amount, subtract the individual income tax liability for such residents from the next previous calendar year. If such calculations show an increase in tax liability, the resulting amount shall be multiplied by 0.3 and the resulting sum shall be paid to the Northern Virginia Transportation Authority no later than January 1 of each year.

2. For calculating the 30 percent growth in corporate income tax pursuant to Chapter 3 (§ 58.1-300 et seq.) of Title 58.1, the 30 percent growth shall be based on the corporate income tax liability for corporations located in the counties, cities, and towns embraced by the Northern Virginia Transportation Authority. Annually, the Department shall establish the total amount of individual income tax liability for such corporations using data from the most recent previous calendar year. If such calculations show an increase in tax liability, the resulting amount shall be multiplied by 0.3 and the resulting sum shall be paid to the Northern Virginia Transportation Authority no later than January 1 of each year.

3. For calculating the 30 percent growth in insurance license tax pursuant to Chapter 25 (§ 58.1-2500 et seq.), the amount of revenue generated from the localities embraced by the Northern Virginia Transportation Authority in the most recently completed fiscal year less the revenue generated from the localities embraced by such Authority in the next previous fiscal year. The resulting amount, if positive, shall be multiplied by 0.3, and the resulting sum shall be paid to the Northern Virginia Transportation Authority no later than January 1 of each year.

4. For calculating the 30 percent growth in insurance license tax pursuant to Chapter 6 (§ 58.1-600 et seq.), the amount of revenue generated from the localities embraced by the Northern Virginia Transportation Authority in the most recently completed fiscal year less the revenue generated from the localities embraced by such Authority in the next previous year. The resulting amount, if positive, shall be multiplied by 0.3, and the resulting sum shall be paid to the Northern Virginia Transportation

183 Authority no later than January 1 of each year.

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

189 D. Notwithstanding any other provision of this section, the amount transferred to the Authority
190 pursuant to this section shall not exceed \$600 million in any fiscal year.

191 § 33.1-23.03. Board to develop and update Statewide Transportation Plan.

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

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

211 CHAPTER 10.3.

212 HAMPTON ROADS TRANSPORTATION FUNDING.

213 § 33.1-391.17. Hampton Roads Transportation Revenue Fund established.

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

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

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

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

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

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

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

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

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

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

244 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.

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

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

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

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

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

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

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

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

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

336 CHAPTER 10.5.

337 RICHMOND HIGHWAY CONSTRUCTION DISTRICT TRANSPORTATION FUNDING.

338 § 33.1-391.21. Richmond Highway Construction District Transportation Revenue Fund established.

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

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

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

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

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

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

354 "Port" means the Port of Richmond.

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

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

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

367 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.

CHAPTER 10.6.

SALEM HIGHWAY CONSTRUCTION DISTRICT TRANSPORTATION FUNDING.

§ 33.1-391.23. Salem Highway Construction District Transportation Revenue Fund established.

There is hereby created in the state treasury a special nonreverting fund to be known as the Salem 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 construction of the Elliston Intermodal Facility.

§ 33.1-391.24. Revenues attributable to economic growth from cargo commerce deposited into the Salem Highway Construction District Transportation Revenue Fund.

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

"Facility" means the Elliston Intermodal Facility.

"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 shall be deposited into the Salem Highway Construction District Transportation Revenue Fund established under § 33.1-391.23 a portion of the growth in state taxes expected to be generated by economic activity generated or facilitated by the Facility. The General Assembly intends for the revenue ratio to be a measure of the state revenues 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 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 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

429 *August 31 each year. The Comptroller shall then deposit such amount into the Fund by making four*
430 *equal deposits into the Fund on the 15th of September, December, March, and June.*

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

433 § 58.1-811. Exemptions.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

1. Transaction described in subdivisions 6 through 13 of subsection A of this section;
2. Instrument or writing given to secure a debt;
3. Deed conveying real estate from an incorporated college or other incorporated institution of learning not conducted for profit;
4. Deed conveying real estate from the United States, the Commonwealth or any county, city, town, district or other political subdivision thereof;

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

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

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

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

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

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

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

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

§ 58.1-2403. Exemptions.

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

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

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

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

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

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

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

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

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

b. Titled in the name of an automotive manufacturer having its headquarters in Virginia, except for

any commercially leased vehicle that is not described under subdivision 3 of § 46.2-602.2. For purposes of this subdivision, "automotive manufacturer" and "headquarters" means the same as such terms are defined in § 46.2-602.2;

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

§ 58.1-2425. Disposition of revenues.

A. Except as provided in ~~§ 58.1-2402.1~~ funds collected hereunder by the Commissioner shall be forthwith paid into the state treasury. Except as otherwise provided in ~~§ 58.1-2402.1~~ and in this section, these funds shall constitute special funds within the Commonwealth Transportation Fund. Any

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

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

§ 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~~, *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 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.

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

686 D. In addition to all other taxes and fees permitted by law, (i) the governing body of any locality
687 embraced by the Northern Virginia Transportation Authority may, by ordinance, create within its
688 boundaries, one or more special regional transportation tax districts and, thereafter, may, by ordinance,
689 impose upon the real property located in special regional transportation tax districts specially classified
690 in subsection C within such special regional transportation tax districts: an amount of real property tax,
691 in addition to such amounts otherwise authorized by law, at a rate not to exceed \$0.25 per \$100 of
692 assessed value as the governing body may, by ordinance, impose upon the annual assessed value of all
693 real property used for or zoned to permit commercial or industrial uses; and, (ii) the governing body of
694 ~~any locality embraced by the Hampton Roads Transportation Authority~~ *each of the Counties of Isle of*
695 *Wight, James City, and York and the Cities of Chesapeake, Hampton, Newport News, Norfolk,*
696 *Poquoson, Portsmouth, Suffolk, Virginia Beach, and Williamsburg* may, by ordinance, create within its
697 boundaries, one or more special regional transportation tax districts and, thereafter, may, by ordinance,
698 impose upon the real property specially classified in subsection C within such special regional
699 transportation tax districts: an amount of real property tax, in addition to such amounts otherwise
700 authorized by law, at a rate not to exceed \$0.10 per \$100 of assessed value as the governing body may,
701 by ordinance, impose upon the annual assessed value of all real property used for or zoned to permit
702 commercial or industrial uses. The authority granted in this subsection shall be subject to the following
703 conditions:

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

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

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

719 (4) The total revenues generated from the additional real property taxes imposed in accordance with
720 subsection C and this subsection shall not be less than 85% of the revenues estimated to be generated
721 when imposing the additional real property taxes in accordance with subsections A and B at the rate of
722 \$0.25 per \$100 of assessed value in any locality embraced by the Northern Virginia Transportation
723 Authority and at the rate of \$0.10 per \$100 of assessed value in ~~any locality embraced by the Hampton~~
724 ~~Roads Transportation Authority~~ *the Counties of Isle of Wight, James City, and York and the Cities of*
725 *Chesapeake, Hampton, Newport News, Norfolk, Poquoson, Portsmouth, Suffolk, Virginia Beach, and*
726 *Williamsburg;* and

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

733 **2. § 1 That within 90 days of the effective date of this act, the Virginia Department of**
734 **Transportation shall develop and distribute requests for proposals for the following under the**
735 **Public-Private Transportation Act of 1995 (§ 56-556 et seq. of the Code of Virginia), either as**
736 **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. In addition to a single request for proposal covering both of these projects if the Department deems such single request prudent, there shall also be two distinct requests for proposals for each of these two projects, and each of the two projects may be constructed independent of the other.

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 Interstate Route 295 in New Kent County;

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 the Department 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 shall review the proposals and decide which, if any, proposals it will accept, and provide to the General Assembly, the Department, 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 the Department and the Commonwealth Transportation Board. Any funds that may be needed by the Department 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, 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

798 from funds in the Hampton Roads Transportation Revenue Fund established under § 33.1-391.17
799 of the Code of Virginia;

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

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

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

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

811 5. That the Hampton Roads Authority established under ~~§ 33.1-391.7~~ of the Code of Virginia
812 Metropolitan Planning Organization shall develop as part of a long-range plan quantifiable
813 measures and achievable goals for the area collectively embraced by the Authority Counties of
814 Isle of Wight, James City, and York and the Cities of Chesapeake, Hampton, Newport News,
815 Norfolk, Poquoson, Portsmouth, Suffolk, Virginia beach, and Williamsburg, relating to, but not
816 limited to, congestion reduction and safety, transit and high-occupancy vehicle (HOV) usage,
817 job-to-housing ratios, job and housing access to transit and pedestrian facilities, air quality, and
818 per-capita vehicle miles traveled. In addition, the Northern Virginia Transportation Authority
819 established under § 15.2-4830 of the Code of Virginia shall also develop as part of a long-range
820 plan quantifiable measures and achievable goals for the area embraced by the Authority
821 relating to, but not limited to, congestion reduction and safety, transit and high-occupancy
822 vehicle (HOV) usage, job-to-housing ratios, job and housing access to transit and pedestrian
823 facilities, air quality, and per-capita vehicle miles traveled. Such goals shall be subject to the
824 approval of the Commonwealth Transportation Board on a biennial basis.

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

827 16. That, as provided under ~~§ 58.1-3221.2~~ § 58.1-3221.3 of the Code of Virginia, the tax
828 authorized thereunder may only be imposed by a city or county embraced by the Northern
829 Virginia Transportation Authority established under § 15.2-4830 of the Code of Virginia, ~~or a~~
830 ~~city or county embraced by the Hampton Roads Transportation Authority established under~~
831 ~~§ 33.1-391.7 by the governing body of each of the Counties of Isle of Wight, James City, and York~~
832 ~~and the Cities of Chesapeake, Hampton, Newport News, Norfolk, Poquoson, Portsmouth, Suffolk,~~
833 ~~Virginia Beach, and Williamsburg.~~

834 8. That each county or city that receives revenue from, or receives benefits from revenue
835 appropriated pursuant to the provisions of this act shall for each fiscal year in which it receives
836 such revenue or benefits expend or disburse for transportation purposes an amount (computed
837 without regard to any revenues generated in the fiscal year from such taxes) that is at least equal
838 to the total amount expended or disbursed for transportation purposes by the county or city in its
839 fiscal year that began in calendar year 2007.

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