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## HOUSE BILL NO. 1650

Offered January 9, 2013

Prefiled January 7, 2013

A *BILL to amend the Code of Virginia by adding a section numbered 58.1-608.3:1, relating to entitlement of localities to certain sales and use tax revenue to pay bonds issued for a heavy rail commuter mass transportation infill station.*

Patrons—Krupicka and Surovell

Referred to Committee on Finance

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

1. **That the Code of Virginia is amended by adding a section numbered 58.1-608.3:1 as follows:**  
**§ 58.1-608.3:1. Entitlement to certain sales tax revenue.**

A. *As used in this section:*

"Bonds" means any obligations of a municipality for the payment of money including, but not limited to, a federal Transportation Infrastructure Finance and Innovation Act (TIFIA) loan.

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

"Infill station" means a station that is being constructed on an already existing line of a rapid heavy rail commuter mass transit system in a service district.

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

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

"Service district" means a service district created prior to January 1, 2013, pursuant to Chapter 24 (§ 15.2-2400 et seq.) of Title 15.2 in which an infill station or an entrance to an infill station is located.

B. Any municipality that issues bonds after July 1, 2013, to pay the cost, or any portion thereof, of an infill station shall be entitled to all sales tax revenues generated, not to exceed \$1.25 million per year, by transactions taking place within the service district. Such entitlement shall begin 90 days following the issuance of a bond or bonds the proceeds from which will pay the cost of at least 30 percent of the cost of the infill station, and shall continue for the lifetime of such bonds or 30 years, whichever occurs first. All such sales tax revenues shall be applied solely to repayment of the bonds. The State Comptroller shall remit such sales tax revenues to the municipality on a quarterly basis, subject to such reasonable processing delays as may be required by the Department of Taxation to calculate the actual net sales tax revenues derived from transactions in the service district. The State Comptroller shall make such remittances to eligible municipalities as provided herein, notwithstanding any provisions to the contrary in the Virginia Retail Sales and Use Tax Act (§ 58.1-600 et seq.).

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

INTRODUCED

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