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HOUSE BILL NO. 2335

Offered January 18, 2013

A BILL to amend the Code of Virginia by adding in Title 33.1 a chapter numbered 10.3, consisting of sections numbered 33.1-391.16 and 33.1-391.17, relating to establishing the Transportation Revenue Fund.

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Referred to Committee on Transportation

Be it enacted by the General Assembly of Virginia:

1. That the Code of Virginia is amended by adding in Title 33.1 a chapter numbered 10.3, consisting of sections numbered 33.1-391.16 and 33.1-391.17, as follows:

CHAPTER 10.3.

TRANSPORTATION REVENUE FUND.

§ 33.1-391.16. Transportation Revenue Fund established.

There is hereby created in the state treasury a special nonreverting fund to be known as the 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 (i) for new road construction projects in any locality of the Commonwealth in which a port is located or (ii) to pay the debt service on bonds issued for such projects. If any such road construction project extends into one or more other localities, and is an integral part of the construction project in a port locality, then the Fund may be used to pay for such road construction projects in the other localities or (ii) to pay the debt service on bonds issued for such projects.

§ 33.1-391.17. Revenues attributable to economic growth from cargo marine terminals deposited into Transportation Revenue Fund.

A. As used in this chapter, unless the context requires a different meaning:

"Base number of cargo containers" means the cargo containers in the Commonwealth's fiscal year beginning July 1, 2013.

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

"Fund" means the Transportation Revenue Fund established under § 33.1-391.16.

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

"Ports" means the public and private general cargo marine terminals located in the Commonwealth.

"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 Article 2 of Chapter 3 (§ 58.1-320 et seq.) of Title 58.1, (iii) corporate income tax pursuant to Article 10 of Chapter 3 (§ 58.1-400 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, 2012.

B. There shall be deposited into the Transportation Revenue Fund established under § 33.1-391.16 a portion of the growth in state taxes attributable to economic activity generated or facilitated by the ports of Virginia. 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 ports divided by the 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 ports on a per-cargo-container basis.

Deposits to the Fund shall begin in the Commonwealth's fiscal year starting on July 1, 2014. For such fiscal year, the amount deposited to the Fund shall be computed by:

1. 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. Multiplying such product by 25 percent (0.25).

As a result, the amount deposited into the Fund for the Commonwealth's fiscal year starting on July 1, 2014, shall be computed using the following formula: revenue ratio X (increase in cargo containers in Fiscal Year 2013-2014 over the base number of cargo containers) multiplied by 25 percent (0.25).

For the fiscal year starting on July 1, 2015, and for each fiscal year thereafter, the amount deposited into the Fund shall be computed using such formula except that the number of cargo containers in the most recently ended fiscal year shall be used for determining the increase over the

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59 base number of cargo containers.

60 C. The Secretary of Finance, in consultation with the Secretary of Transportation, shall determine
61 the revenue ratio. In determining the numerator of the revenue ratio or the state tax revenues
62 attributable to economic activity generated or facilitated by the ports, the Secretary shall include state
63 tax revenues from (i) port operations, including but not limited to revenues from pilots, longshoremen,
64 truck and rail transportation, insurance, warehousing, storage, and ship servicing; (ii) the production in
65 Virginia of goods exported through the ports; (iii) imports sold to citizens of the Commonwealth or used
66 as inputs by businesses located in the Commonwealth or by Virginia state and local governmental
67 entities; and (iv) employee compensation, fuel costs, business and professional services, power, and
68 communications related to the factors set forth in clauses (i) through (iii). The Secretary shall determine
69 the revenue ratio no later than January 1, 2014, and shall promptly report the same to the Chairmen of
70 the House Committee on Appropriations, the House Committee on Finance, and the Senate Committee
71 on Finance.

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

77 E. Notwithstanding any other provision of this section except subsection F, the amount deposited into
78 the Fund pursuant to subsections A through D shall not exceed \$250 million in any fiscal year.
79 Beginning July 1, 2014, and every July 1 thereafter, this amount shall be adjusted by a percentage, as
80 determined by the Secretary of Finance and rounded up to the closest one-tenth of one percent, equal to
81 the average percentage change in the U.S. Department of Transportation's Transportation Services Index
82 for the 36 months ending April 30 immediately preceding such July 1 date.

83 F. In the event that any private entity, pursuant to a contract entered into on or after January 1,
84 2013, pays the Commonwealth any money for being permitted to perform any operations that were
85 being performed by Virginia International Terminals, Inc., immediately prior to the date of the contract,
86 at any or all ports in Virginia, then the amount of money paid by the private entity to the
87 Commonwealth pursuant to such contract shall be deposited into the Transportation Revenue Fund
88 established under § 33.1-391.16.

89 G. If any new toll road provides access to any of the ports of the Commonwealth, and any amounts
90 from the Fund are used to construct such a toll road, then tractor trailer-semi-trailer combinations shall
91 not be subject to any tolls on such road.