

VIRGINIA ACTS OF ASSEMBLY — CHAPTER

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An Act to amend and reenact §§ 33.2-2400, 33.2-2401, 33.2-2509, 58.1-638, 58.1-811, as it is currently effective, 58.1-815.4, as it is currently effective and as it may become effective, 58.1-1741, as it is currently effective, 58.1-2289, as it is currently effective, 58.1-2299.20, as it is currently effective, and 58.1-3221.3 of the Code of Virginia; to amend and reenact § 3 of the second enactment of Chapter 896 of the Acts of Assembly of 2007, as amended by Chapter 830 of the Acts of Assembly of 2011; to amend and reenact the twelfth enactment of Chapter 684 of the Acts of Assembly of 2015; to amend the Code of Virginia by adding a section numbered 33.2-214.3, by adding in Article 5 of Chapter 2 of Title 33.2 a section numbered 33.2-286, by adding a section numbered 33.2-1526.1, by adding in Article 11 of Chapter 19 of Title 33.2 a section numbered 33.2-1936, by adding in Title 33.2 a chapter numbered 31.01, consisting of a section numbered 33.2-3100.1, by adding in Title 33.2 a chapter numbered 34, consisting of sections numbered 33.2-3400 through 33.2-3404, by adding in Title 33.2 a chapter numbered 35, consisting of sections numbered 33.2-3500, 33.2-3501, and 33.2-3502, by adding a section numbered 58.1-802.3, and by adding in Chapter 17 of Title 58.1 an article numbered 11, consisting of sections numbered 58.1-1743 and 58.1-1744; to amend the second enactment of Chapter 896 of the Acts of Assembly of 2007, as amended by Chapter 830 of the Acts of Assembly of 2011, by adding sections numbered 3.1 and 3.2; and to repeal § 58.1-802.2 and Article 10 (§ 58.1-1742) of Chapter 17 of Title 58.1 of the Code of Virginia, relating to mass transit in the Commonwealth.

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[H 1539]  
Approved

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**Be it enacted by the General Assembly of Virginia:**  
**1. That §§ 33.2-2400, 33.2-2401, 33.2-2509, 58.1-638, 58.1-811, as it is currently effective, 58.1-815.4, as it is currently effective and as it may become effective, 58.1-1741, as it is currently effective, 58.1-2289, as it is currently effective, 58.1-2299.20, as it is currently effective, and 58.1-3221.3 of the Code of Virginia are amended and reenacted and that the Code of Virginia is amended by adding a section numbered 33.2-214.3, by adding in Article 5 of Chapter 2 of Title 33.2 a section numbered 33.2-286, by adding a section numbered 33.2-1526.1, by adding in Article 11 of Chapter 19 of Title 33.2 a section numbered 33.2-1936, by adding in Title 33.2 a chapter numbered 31.01, consisting of a section numbered 33.2-3100.1, by adding in Title 33.2 a chapter numbered 34, consisting of sections numbered 33.2-3400 through 33.2-3404, by adding in Title 33.2 a chapter numbered 35, consisting of sections numbered 33.2-3500, 33.2-3501, and 33.2-3502, by adding a section numbered 58.1-802.3, and by adding in Chapter 17 of Title 58.1 an article numbered 11, consisting of sections numbered 58.1-1743 and 58.1-1744, as follows:**  
**§ 33.2-214.3. Statewide prioritization for the Commonwealth Mass Transit Fund.**  
**A. 1. The Board shall develop a prioritization process for the use of funds allocated pursuant to subdivision C 2 of § 33.2-1526.1. Such prioritization process shall be used for the development of the Six-Year Improvement Program adopted annually by the Board pursuant to § 33.2-214. There shall be a separate prioritization process for state of good repair projects and major expansion projects. The prioritization process shall, for state of good repair projects, be based upon transit asset management principles, including federal requirements for Transit Asset Management pursuant to 49 U.S.C. § 5326. The prioritization process shall, for major expansion projects, be based on an objective and quantifiable analysis that considers the following factors relative to the cost of a major expansion project: congestion mitigation, economic development, accessibility, safety, environmental quality, and land use.**  
**2. The Board shall solicit input from localities, metropolitan planning organizations, transit authorities, transportation authorities, and other stakeholders in its development of the prioritization process pursuant to this subsection. Further, the Board shall explicitly consider input provided by an applicable metropolitan planning organization or the Northern Virginia Transportation Authority when developing the prioritization process set forth in subdivision 1 for a metropolitan planning area with a population of over 200,000 individuals.**  
**B. 1. The Board shall create for the Department of Rail and Public Transportation a Transit Service Delivery Advisory Committee, consisting of two members appointed by the Virginia Transit Association, one member appointed by the Community Transportation Association of Virginia, one member appointed by the Virginia Municipal League, one member appointed by the Virginia Association of Counties, and three members appointed by the Director of the Department of Rail and Public Transportation, to advise the Department of Rail and Public Transportation in the development of the process set forth in**

57 subdivision 2. The Transit Service Delivery Advisory Committee shall elect a chairman from among its  
 58 membership. The Department of Rail and Public Transportation shall provide administrative support to  
 59 the Transit Service Delivery Advisory Committee. The Transit Service Delivery Advisory Committee shall  
 60 meet at least annually and consult with interested stakeholders and hold at least one public hearing and  
 61 report its findings to the Director of the Department of Rail and Public Transportation.

62 2. The Department of Rail and Public Transportation, in conjunction with the Transit Service  
 63 Delivery Advisory Committee, shall develop a process for the distribution of the funds allocated  
 64 pursuant to subdivision C 1 of § 33.2-1526.1 and the incorporation by transit systems of the service  
 65 delivery factors set forth therein into their transit development plans. Prior to the Board approving  
 66 service delivery factors, the Director of the Department of Rail and Public Transportation and the  
 67 Chairman of the Transit Service Delivery Advisory Committee shall brief the House Committees on  
 68 Appropriations and Transportation and the Senate Committees on Finance and Transportation regarding  
 69 the findings and recommendations of the Transit Service Delivery Advisory Committee and the  
 70 Department of Rail and Public Transportation. Before redefining any component of the service delivery  
 71 factors, the Board shall consult with the Director of the Department of Rail and Public Transportation,  
 72 the Transit Service Delivery Advisory Committee, and interested stakeholders, and shall provide for a  
 73 45-day public comment period. The process required to be delivered by this subsection shall be adopted  
 74 no later than July 1, 2019, and shall apply beginning with the fiscal year 2020-2025 Six-Year  
 75 Improvement Program.

76 **§ 33.2-286. Urban transit agency strategic plans.**

77 A. The Department of Rail and Public Transportation shall develop guidelines, subject to the  
 78 approval of the Board, for the development of strategic plans for transit agencies that (i) serve an  
 79 urbanized area with a population of 50,000 or more and (ii) have a bus fleet consisting of at least 20  
 80 buses.

81 B. As a condition of receiving funds from the Commonwealth Mass Transit Fund, any transit agency  
 82 that meets the criteria of subsection A shall develop, and update at least once every five years, a  
 83 strategic plan using the guidelines approved by the Board.

84 C. The guidelines shall require the following:

85 1. An assessment of state of good repair needs;

86 2. A review of the performance of fixed-route bus service, including schedules, route design,  
 87 connectivity, and vehicle sizes;

88 3. An evaluation of opportunities to improve operating efficiency of the transit network, including  
 89 reliability of trips and travel speed;

90 4. An examination and identification of opportunities to share services where multiple transit  
 91 providers' services overlap; and

92 5. An examination of opportunities to improve service in underserved areas.

93 D. In addition to developing and updating a strategic plan pursuant to this section, in all planning  
 94 districts with transit systems collectively serving population areas of not less than 1.5 million nor more  
 95 than 2 million, such transit systems shall develop a regional transit planning process coordinated by the  
 96 federally designated Metropolitan Planning Organization. Such planning process shall include the  
 97 identification and prioritization of projects, the establishment of performance benchmarks that  
 98 incorporate state and federal requirements, the development and implementation of a regional subsidy  
 99 allocation model, and the distribution of funds solely designated for transit and rail and that are  
 100 administered by a regional body authorized by this Code to enter into agreements for the operation and  
 101 maintenance of transit and rail facilities.

102 **§ 33.2-1526.1. Use of the Commonwealth Mass Transit Fund.**

103 A. All funds deposited pursuant to §§ 58.1-638, 58.1-638.3, 58.1-815.4, and 58.1-2289 into the  
 104 Commonwealth Mass Transit Fund (the Fund), established pursuant to subdivision A 4 of § 58.1-638,  
 105 shall be allocated as set forth in this section.

106 B. The Board may establish policies for the implementation of this section, including the  
 107 determination of the state share of operating, capital, and administrative costs related to mass transit.  
 108 For purposes of this section, capital costs may include debt service payments on local or agency transit  
 109 bonds. Funds may be paid to any local governing body, transportation district commission, or public  
 110 service corporation for the purposes as set forth in this section. No funds from the Fund shall be  
 111 allocated without a local match from the recipient.

112 C. Each year the Director of the Department of Rail and Public Transportation shall make  
 113 recommendations to the Board for the allocation of funds from the Fund. Such recommendations, and  
 114 the final allocations approved by the Board, shall adhere to the following:

115 1. Thirty-one percent of the funds shall be allocated to support operating costs of transit providers  
 116 and shall be distributed by the Board on the basis of service delivery factors, based on effectiveness and  
 117 efficiency as established by the Board. Such measures and their relative weight shall be evaluated every

118 three years and, if redefined by the Board, shall be published and made available for public comment at  
119 least one year in advance of being applied. The Washington Metropolitan Area Transit Authority  
120 (WMATA) shall not be eligible for an allocation of funds pursuant to this subdivision.

121 2. Twelve and one-half percent of the funds shall be allocated for capital purposes and distributed  
122 utilizing the transit capital prioritization process established by the Board pursuant to § 33.2-214.3. The  
123 Washington Metropolitan Area Transit Authority shall not be eligible for an allocation of funds pursuant  
124 to this subdivision.

125 3. Fifty-three and one-half percent of the funds shall be allocated to the Northern Virginia  
126 Transportation Commission for distribution to WMATA for capital purposes and operating assistance, as  
127 determined by the Commission.

128 4. Three percent of the funds shall be allocated for special programs, including ridesharing,  
129 transportation demand management programs, experimental transit, public transportation promotion,  
130 operation studies, and technical assistance, and may be allocated to any local governing body, planning  
131 district commission, transportation district commission, or public transit corporation. Remaining funds  
132 may also be used directly by the Department of Rail and Public Transportation to (i) finance a program  
133 administered by the Department of Rail and Public Transportation designed to promote the use of  
134 public transportation and ridesharing throughout the Commonwealth or (ii) finance up to 80 percent of  
135 the cost of development and implementation of projects with a purpose of enhancing the provision and  
136 use of public transportation services.

137 D. The Board may consider the transfer of funds from subdivisions C 2 and 4 to subdivision C 1 in  
138 times of statewide economic distress or statewide special need.

139 E. The Department of Rail and Public Transportation may reserve a balance of up to five percent of  
140 the Fund revenues in order to ensure stability in providing operating and capital funding to transit  
141 entities from year to year, provided that such balance shall not exceed five percent of revenues in a  
142 given biennium.

143 F. The Board may allocate up to 3.5 percent of the funds set aside for the Fund to support costs of  
144 project development, project administration, and project compliance incurred by the Department of Rail  
145 and Public Transportation in implementing rail, public transportation, and congestion management  
146 grants and programs.

147 G. Funds allocated to the Northern Virginia Transportation Commission (NVTC) for WMATA  
148 pursuant to subdivision C 3 shall be credited to the Counties of Arlington and Fairfax and the Cities of  
149 Alexandria, Fairfax, and Falls Church. Beginning in the fiscal year when service starts on Phase II of  
150 the Silver Line, such funds shall also be credited to Loudoun County. Funds allocated pursuant to this  
151 subsection shall be credited as follows:

152 1. Local obligations for debt service for WMATA rail transit bonds apportioned to each locality  
153 using WMATA's capital formula shall be paid first by NVTC, which shall use 95 percent state aid for  
154 these payments.

155 2. The remaining funds shall be apportioned to reflect WMATA's allocation formulas by using the  
156 related WMATA-allocated subsidies and relative shares of local transit subsidies. Capital costs shall  
157 include 20 percent of annual local bus capital expenses. Local transit subsidies and local capital costs  
158 of Loudoun County shall not be included. Hold harmless protections and obligations for NVTC's  
159 jurisdictions agreed to by NVTC on November 5, 1998, shall remain in effect.

160 H. Appropriations from the Fund are intended to provide a stable and reliable source of revenue, as  
161 defined by P.L. 96-184.

162 I. Notwithstanding any other provision of law, funds allocated to WMATA may be disbursed by the  
163 Department of Rail and Public Transportation directly to WMATA or to any other transportation entity  
164 that has an agreement to provide funding to WMATA.

165 J. In any year that the total Virginia operating assistance in the approved WMATA budget increases  
166 by more than 3 percent from the total operating assistance in the prior year's approved WMATA budget,  
167 the Board shall withhold an amount equal to 35 percent of the funds available under subdivision C 3.  
168 The following items shall not be included in the calculation of any WMATA budget increase: (i) any  
169 service, equipment, or facility that is required by any applicable law, rule, or regulation; (ii) any capital  
170 project approved by the WMATA Board before or after the effective date of this provision; and (iii) any  
171 payments or obligations of any kind arising from or related to legal disputes or proceedings between or  
172 among WMATA and any other person or entity.

173 **§ 33.2-1936. Transportation districts with unique needs.**

174 The General Assembly finds that transportation districts that (i) have a population of 1.7 million or  
175 more, as shown by the most recent United States Census, (ii) have not less than 1.5 million motor  
176 vehicles registered therein, and (iii) have a total transit ridership of not less than 75 million riders per  
177 year across all transit systems within the transportation district and in which a rapid heavy rail  
178 commuter mass transportation system operating on an exclusive right-of-way and a bus commuter mass

179 transportation system are owned, operated, or controlled by an agency or commission as defined in  
 180 § 33.2-1901 have unique transportation needs.

181 **§ 33.2-2400. Northern Virginia Transportation District Fund.**

182 A. There is hereby created in the Department of the Treasury a special nonreverting fund that shall  
 183 be a part of the Transportation Trust Fund and that shall be known as the Northern Virginia  
 184 Transportation District Fund, referred to in this chapter as "the Fund," consisting of transfers pursuant to  
 185 § 58.1-816 of annual collections of the state recordation taxes attributable to the Cities of Alexandria,  
 186 Fairfax, Falls Church, Manassas, and Manassas Park and the Counties of Arlington, Fairfax, Loudoun,  
 187 and Prince William; however, this dedication shall not affect the local recordation taxes under subsection  
 188 B of § 58.1-802 and § 58.1-814. The Fund shall also include any public rights-of-way use fees  
 189 appropriated by the General Assembly; any state or local revenues, including any funds distributed  
 190 pursuant to § 33.2-366, that may be deposited into the Fund pursuant to a contract between a jurisdiction  
 191 participating in the Northern Virginia Transportation District Program and the Commonwealth  
 192 Transportation Board; and any other funds as may be appropriated by the General Assembly and  
 193 designated for the Fund and all interest, dividends, and appreciation that may accrue thereto. Any  
 194 moneys remaining in the Fund at the end of a biennium shall not revert to the general fund, but shall  
 195 remain in the Fund, subject to the determination by the Commonwealth Transportation Board that a  
 196 Category 2, 3, or 4 project may be funded.

197 B. Allocations from the Fund may be paid (i) to any authority, locality, or commission for the  
 198 purposes of paying the costs of the Northern Virginia Transportation District Program, which consists of  
 199 the following: the Fairfax County Parkway, the Route 234 Bypass, Metrorail capital improvements  
 200 attributable to Fairfax County including Metro parking expansions, Metrorail capital improvements  
 201 including the Franconia-Springfield Metrorail Station and new rail car purchases, the Route 7  
 202 improvements in Loudoun County and Fairfax County, the Route 50/Courthouse Road interchange  
 203 improvements in Arlington County, the Route 28/Route 625 interchange improvements in Loudoun  
 204 County, Metrorail capital improvements attributable to the City of Alexandria including the King Street  
 205 Metrorail Station access, Metrorail capital improvements attributable to Arlington County including  
 206 Ballston Station improvements, the Route 15 safety improvements in Loudoun County, the Route 28  
 207 parallel roads in Loudoun County, the Route 28/Sterling Boulevard interchange in Loudoun County, the  
 208 Route 1/Route 123 interchange improvements in Prince William County, the Lee Highway  
 209 improvements in the City of Fairfax, the Route 123 improvements in Fairfax County, the Telegraph  
 210 Road improvements in Fairfax County, the Route 123 Occoquan River Bridge, Gallows Road in Fairfax  
 211 County, the Route 1/Route 234 interchange improvements in Prince William County, the  
 212 Potomac-Rappahannock Transportation Commission bus replacement program, and the Dulles Corridor  
 213 Enhanced Transit program and (ii) for Category 4 projects as provided in § 2 of the act or acts  
 214 authorizing the issuance of Bonds for the Northern Virginia Transportation District Program.

215 C. On or before July 15, 1994, \$19 million shall be transferred to the Fund. Such transfer shall be  
 216 made by the issuance of a treasury loan at no interest in the amount of \$19 million in the event such an  
 217 amount is not included for the Fund in the general appropriation act enacted by the 1994 Session of the  
 218 General Assembly. Such treasury loan shall be repaid from the Commonwealth's portion of the state  
 219 recordation tax imposed by Chapter 8 (§ 58.1-800 et seq.) of Title 58.1 designated for the Fund by this  
 220 section and § 58.1-816.

221 *D. Beginning in fiscal year 2019, \$20 million each year shall be transferred from the Fund to the*  
 222 *Washington Metropolitan Area Transit Authority Capital Fund established pursuant to § 33.2-3401.*

223 **§ 33.2-2401. Northern Virginia Transportation District Program.**

224 A. The General Assembly declares it to be in the public interest that the economic development  
 225 needs and economic growth potential of Northern Virginia be addressed by a special transportation  
 226 program to provide for the costs of providing an adequate, modern, safe, and efficient transportation  
 227 network in Northern Virginia that shall be known as the Northern Virginia Transportation District  
 228 Program (the Program), including environmental and engineering studies, rights-of-way acquisition,  
 229 construction, improvements to all modes of transportation, and financing costs. The Program consists of  
 230 the projects listed in clause (i) of subsection B of § 33.2-2400.

231 B. Allocations to the Program from the Fund shall be made annually by the Commonwealth  
 232 Transportation Board for the creation and enhancement of a safe and efficient transportation system  
 233 connecting the communities, businesses, places of employment, and residences of the Commonwealth,  
 234 thereby enhancing the economic development potential, employment opportunities, mobility, and quality  
 235 of life in the Commonwealth.

236 C. Except in the event that the Fund is insufficient to pay for the costs of the Program, allocations to  
 237 the Program shall not diminish or replace allocations made from other sources or diminish allocations to  
 238 which any district, system, or locality would be entitled under other provisions of this title but shall be  
 239 supplemental to other allocations to the end that transportation improvements in the Northern Virginia

240 Transportation District may be accelerated and augmented. Allocations under this subsection shall be  
 241 limited to projects specified in subdivision 12 of § 33.2-1700.

242 D. The Commonwealth Transportation Board may expend such funds from all sources as may be  
 243 lawfully available to initiate the Program and to support bonds and other obligations referenced in  
 244 subsection E *and in subsection D of § 33.2-2400.*

245 E. The Commonwealth Transportation Board is authorized to receive, dedicate, or use (i) first from  
 246 revenues received from the Fund; (ii) to the extent required, funds ~~appropriated and allocated, pursuant~~  
 247 ~~to the highway allocation formula as provided by law, to the highway construction district in which the~~  
 248 ~~project or projects to be financed are located or to the city or county in which the project or projects to~~  
 249 ~~be financed are located~~ *available for distribution after providing for subsection B of § 33.2-358;* (iii) to  
 250 the extent required, legally available revenues of the Transportation Trust Fund; and (iv) such other  
 251 funds that may be appropriated by the General Assembly for the payment of bonds or other obligations,  
 252 including interest thereon, issued in furtherance of the Program. No such bond or other obligations shall  
 253 pledge the full faith and credit of the Commonwealth.

254 **§ 33.2-2509. Northern Virginia Transportation Authority Fund.**

255 There is hereby created in the state treasury a special nonreverting fund for Planning District 8 to be  
 256 known as the Northern Virginia Transportation Authority Fund, referred to in this chapter as "the Fund."  
 257 The Fund shall be established on the books of the Comptroller. All revenues dedicated to the Fund  
 258 pursuant to §§ 58.1-638, ~~58.1-802.2, and 58.1-1742~~, any other funds that may be appropriated by the  
 259 General Assembly, and any funds that may be received for the credit of the Fund from any other source  
 260 shall be paid into the state treasury and credited to the Fund. Interest earned on moneys in the Fund  
 261 shall remain in the Fund and be credited to it. Any moneys remaining in the Fund, including interest  
 262 thereon, at the end of each fiscal year shall not revert to the general fund but shall remain in the Fund.

263 The amounts dedicated to the Fund pursuant to §§ 58.1-638, ~~58.1-802.2, and 58.1-1742~~ shall be  
 264 deposited monthly by the Comptroller into the Fund and thereafter distributed to the Authority as soon  
 265 as practicable for use in accordance with § 33.2-2510. If the Authority determines that such moneys  
 266 distributed to it exceed the amount required to meet the current needs and demands to fund  
 267 transportation projects pursuant to § 33.2-2510, the Authority may invest such excess moneys to the  
 268 same extent as provided in subsection A of § 33.2-1525 for excess funds in the Transportation Trust  
 269 Fund.

270 The amounts deposited into the Fund and the distribution and expenditure of such amounts shall not  
 271 be used to calculate or reduce the share of federal, state, or local revenues otherwise available to  
 272 participating jurisdictions. Further, such revenues and moneys shall not be included in any computation  
 273 of, or formula for, a locality's ability to pay for public education, upon which appropriations of state  
 274 revenues to local governments for public education are determined.

275 *CHAPTER 31.01.*

276 *METRO REFORM COMMISSION.*

277 **§ 33.2-3100.1. Metro Reform Commission established; membership; duties.**

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

279 *"Commission" means the Metro Reform Commission.*

280 *"WMATA" means the Washington Metropolitan Area Transit Authority.*

281 B. *There is hereby created the Metro Reform Commission. The Commission shall consist of four*  
 282 *members appointed as follows: two members appointed by the Speaker of the House of Delegates and*  
 283 *two members appointed by the Senate Committee on Rules. Members of the Commission may or may not*  
 284 *be members of the General Assembly. Members shall be citizens of the Commonwealth, but shall not be*  
 285 *required to reside in the area served by WMATA. Members shall serve without compensation, but shall*  
 286 *be entitled to be reimbursed for all reasonable and necessary expenses incurred in the performance of*  
 287 *their duties pursuant to §§ 2.2-2813 and 2.2-2825.*

288 C. *The Commission shall advise and make recommendations to the Signatories of the Washington*  
 289 *Metropolitan Area Transit Authority Compact of 1966 on reforms to the National Capital Area Interest*  
 290 *Arbitration Standards Act.*

291 *CHAPTER 34.*

292 *WASHINGTON METROPOLITAN AREA TRANSIT AUTHORITY CAPITAL FUND.*

293 **§ 33.2-3400. Definitions.**

294 *As used in this chapter:*

295 *"Fund" means the Washington Metropolitan Area Transit Authority Capital Fund.*

296 *"NVTC" means the Northern Virginia Transportation Commission.*

297 *"WMATA" means the Washington Metropolitan Area Transit Authority.*

298 **§ 33.2-3401. Washington Metropolitan Area Transit Authority Capital Fund.**

299 A. *There is hereby created in the state treasury a special nonreverting fund for the benefit of the*  
 300 *Northern Virginia Transportation District to be known as the Washington Metropolitan Area Transit*

301 Authority Capital Fund. The Fund shall be established on the books of the Comptroller. All revenues  
 302 dedicated to the Fund pursuant to §§ 33.2-2400, 33.2-3404, 58.1-802.3, 58.1-1741, 58.1-1743, and  
 303 58.1-2299.20 shall be paid into the state treasury and credited to the Fund as set forth in subsection B  
 304 and shall be used for the payment of capital purposes incurred, or to be incurred, by WMATA. Interest  
 305 on moneys in the Fund shall remain in the Fund and be credited to it. Any moneys remaining in the  
 306 Fund, including interest thereon, at the end of each fiscal year shall not revert to the general fund but  
 307 shall remain in the Fund. The Comptroller shall disburse funds to WMATA on a monthly basis if NVTC  
 308 has provided the certification required by subsection B of § 33.2-3402.

309 B. 1. Within the Fund, there shall be established a separate, segregated account into which revenues  
 310 dedicated to the Fund pursuant to §§ 33.2-2400 and 58.1-1741 shall be deposited (the Restricted  
 311 Account). Revenues deposited into the Restricted Account shall be available for use by WMATA for  
 312 capital purposes other than for the payment of, or security for, debt service on bonds or other  
 313 indebtedness of WMATA.

314 2. Within the Fund, there shall be established a separate, segregated account into which revenues  
 315 dedicated to the Fund pursuant to §§ 33.2-3404, 58.1-802.3, 58.1-1743, and 58.1-2299.20 shall be  
 316 deposited (the Non-Restricted Account). Revenues deposited into the Non-Restricted Account shall be  
 317 available for use by WMATA for capital purposes, including for the payment of, or security for, debt  
 318 service on bonds or other indebtedness of WMATA, or for any other WMATA capital purposes.

319 C. The amounts deposited into the Fund and the distribution and expenditure of such amounts shall  
 320 not be used to calculate or reduce the share of federal, state, or local revenues otherwise available to  
 321 participating jurisdictions. Further, such revenues and moneys shall not be included in any computation  
 322 of, or formula for, a locality's ability to pay for public education, upon which appropriations of state  
 323 revenues to local governments for public education are determined.

324 **§ 33.2-3402. NVTC oversight.**

325 A. In any year that funds are deposited into the Fund, the NVTC shall request certain documents and  
 326 reports from WMATA to confirm the benefits of the WMATA system to persons living, traveling,  
 327 commuting, and working in the localities that the NVTC comprises. Such documents and reports shall  
 328 include:

- 329 1. WMATA's annual capital budget;
- 330 2. WMATA's annual independent financial audit;
- 331 3. WMATA's National Transit Data annual profile; and
- 332 4. Single audit reports issued in accordance with the Uniform Administrative Requirements, Cost  
 333 Principals, and Audit Requirements for Federal Awards (2 C.F.R. Part 200).

334 B. NVTC shall be responsible for coordinating the delivery of such documents and reports with  
 335 WMATA. Funding of the Commonwealth to support WMATA pursuant to § 33.2-1526.1 shall be  
 336 contingent on WMATA providing the documents and reports described in subsection A, and NVTC shall  
 337 provide annual certification to the Comptroller that such documents and reports have been received.

338 **§ 33.2-3403. NVTC report.**

339 By November 1 of each year that funds are deposited into the Fund, NVTC shall report to the  
 340 Governor and the General Assembly on the performance and condition of WMATA. Such report shall  
 341 contain, at a minimum, documentation of the following:

- 342 1. The safety and reliability of the rapid heavy rail mass transportation system and bus network;
- 343 2. The financial performance of WMATA related to the operations of the rapid heavy rail mass  
 344 transportation system, including farebox recovery, service per rider, and cost per service hour;
- 345 3. The financial performance of WMATA related to the operations of the bus mass transportation  
 346 system, including farebox recovery, service per rider, and cost per service hour;
- 347 4. Potential strategies to reduce the growth in such costs and to improve the efficiency of WMATA  
 348 operations;
- 349 5. Use of the funds provided from the Fund to improve the safety and condition of the rapid heavy  
 350 rail mass transportation system; and
- 351 6. Ridership of the rapid heavy rail mass transportation system and the bus mass transportation  
 352 system.

353 **§ 33.2-3404. Local transportation support for WMATA.**

354 A. Each county or city that (i) is located in a transportation district that as of January 1, 2018,  
 355 meets the criteria established in § 33.2-1936 and (ii) has financial obligations to a transit system that  
 356 operates a rapid heavy rail mass transit system operating on an exclusive right-of-way that is funded  
 357 and controlled in part by such transportation district shall annually pay to the Fund an amount as  
 358 determined by subsection B.

359 B. The amount to be paid by each local government pursuant to subsection A shall be determined by  
 360 multiplying \$27.12 million by a fraction the numerator of which shall be such local government's share  
 361 of capital funding for WMATA and the denominator of which shall be the total share of capital funding

362 for WMATA for all local governments in the Commonwealth.

363 C. A locality subject to subsection A shall pay the amount determined by subsection B by  
 364 transferring a portion of the revenues received pursuant to subsection B of § 33.2-2510 to the Fund.  
 365 However, in any fiscal year in which a locality subject to subsection A has adopted a budget and a  
 366 corresponding resolution to provide the amount of funds determined pursuant to subsection B from a  
 367 source other than the revenues received pursuant to subsection B of § 33.2-2510, such locality may  
 368 provide the funds for that fiscal year from such other source, and shall not be required to transfer funds  
 369 received pursuant to subdivision B of § 33.2-2510.

370 CHAPTER 35.

371 COMMUTER RAIL OPERATING AND CAPITAL FUND.

372 § 33.2-3500. **Commuter Rail Operating and Capital Fund.**

373 A. The General Assembly declares it to be in the public interest that developing and continuing  
 374 commuter rail operations and developing rail infrastructure, rolling stock, and support facilities to  
 375 support commuter rail service are important elements of a balanced transportation system in the  
 376 Commonwealth and further declares that retaining, maintaining, improving, and developing commuter  
 377 rail-related infrastructure improvements and operations are essential to the Commonwealth's continued  
 378 economic growth, vitality, and competitiveness in national and world markets.

379 B. There is hereby created in the state treasury a special nonreverting fund to be known as the  
 380 Commuter Rail Operating and Capital Fund, referred to in this section as "the Fund." The Fund shall  
 381 be established on the books of the Comptroller and shall consist of funds deposited into the Fund  
 382 pursuant to § 58.1-2299.20 and other funds as may be set forth in a general appropriation act or  
 383 allocated by the Commonwealth Transportation Board. Such funds shall be paid into the state treasury  
 384 and credited to the Fund. Interest earned on moneys in the Fund shall remain in the Fund and be  
 385 credited to it. Any moneys remaining in the Fund, including interest thereon, at the end of each fiscal  
 386 year shall not revert to the general fund but shall remain in the Fund. The Comptroller shall disburse  
 387 funds in the Fund monthly to transportation districts established pursuant to Chapter 19 (§ 33.2-1900 et  
 388 seq.) that on July 1, 2018, jointly operate a commuter rail system. The amount distributed to each  
 389 transportation district shall be determined by multiplying the total amount of funds available for  
 390 disbursement by a fraction, the numerator of which shall be such transportation district's share of  
 391 funding for the commuter rail service jointly operated by the two transportation districts and the  
 392 denominator of which shall be the total funding provided by both transportation districts for such  
 393 commuter rail service.

394 C. If the transportation districts described in subsection B determine that such moneys distributed to  
 395 the districts exceed the amount required to meet the current capital and operating needs of the  
 396 commuter rail system, they may invest such excess moneys to the same extent as provided in subsection  
 397 A of § 33.2-1525 for excess funds in the Transportation Trust Fund.

398 D. The amounts deposited into the Fund and the distribution and expenditure of such amounts shall  
 399 not be used to calculate or reduce the share of federal, state, or local revenues otherwise available to  
 400 participating jurisdictions. Further, such revenues and moneys shall not be included in any computation  
 401 of, or formula for, a locality's ability to pay for public education, upon which appropriations of state  
 402 revenues to local governments for public education are determined. Any amounts deposited pursuant to  
 403 § 58.1-2299.20 shall be considered local funds when used to make a required match for state or federal  
 404 transportation grant funds.

405 § 33.2-3501. **Use of revenues in the Fund.**

406 A. The transportation districts described in subsection B of § 33.2-3500 shall administer and expend,  
 407 or commit, funds from the Fund to support the cost of operating commuter rail service; acquiring,  
 408 leasing, or improving railways or railroad equipment, rolling stock, rights-of-way, or facilities; or  
 409 assisting other appropriate entities to acquire, lease, or improve railways or railroad equipment, rolling  
 410 stock, rights-of-way, or facilities for commuter rail transportation purposes whenever such  
 411 transportation districts have determined that such acquisition, lease, or improvement is for the common  
 412 good of a region of the Commonwealth or the Commonwealth as a whole. Funds provided in this  
 413 section may also be used as matching funds for federal grants to support commuter rail projects.

414 B. Capital projects, including tracks and facilities constructed, and property, equipment, and rolling  
 415 stock purchased, with funds from the Fund pursuant to this section shall be owned, leased, or otherwise  
 416 subject to the continuing use of the transportation districts described in subsection B of § 33.2-3500 for  
 417 the useful life of the projects and property, equipment, and rolling stock, as determined by such  
 418 transportation districts, and shall be made available for use by all commuter rail operations and  
 419 common carriers using the railway system to which they connect under the trackage rights or operating  
 420 agreements between the parties. Such transportation districts may transfer ownership of any tracks or  
 421 property to the Commonwealth. Projects undertaken pursuant to this section shall be limited to those  
 422 providing benefits to a region of the Commonwealth, the Commonwealth as a whole, or an adjacent



423 *jurisdiction served by commuter rail originating in the Commonwealth.*

424 **§ 33.2-3502. Authority to issue bonds.**

425 *The transportation districts described in subsection B of § 33.2-3500 may issue bonds and other*  
 426 *evidences of debt as may be authorized by this section or other law. The provisions of Article 5*  
 427 *(§ 33.2-1920 et seq.) of Chapter 19 shall apply, mutatis mutandis, to the issuance of such bonds or*  
 428 *other debt. The Authority may issue bonds or other debt in such amounts as it deems appropriate. The*  
 429 *bonds may be supported by any funds available in the Fund, provided that the total amount of debt*  
 430 *service for all outstanding bonds may not exceed 66 percent of the revenues dedicated to the Fund*  
 431 *pursuant to § 58.1-2299.20.*

432 **§ 58.1-638. Disposition of state sales and use tax revenue.**

433 A. The Comptroller shall designate a specific revenue code number for all the state sales and use tax  
 434 revenue collected under the preceding sections of this chapter.

435 1. The sales and use tax revenue generated by the one-half percent sales and use tax increase enacted  
 436 by the 1986 Special Session of the General Assembly shall be paid, in the manner hereinafter provided  
 437 in this section, to the Transportation Trust Fund as defined in § 33.2-1524. Of the funds paid to the  
 438 Transportation Trust Fund, an aggregate of 4.2 percent shall be set aside as the Commonwealth Port  
 439 Fund as provided in this section; an aggregate of 2.4 percent shall be set aside as the Commonwealth  
 440 Airport Fund as provided in this section; and an aggregate of 14.7 percent shall be set aside as the  
 441 Commonwealth Mass Transit Fund as provided in this section. The Fund's share of such net revenue  
 442 shall be computed as an estimate of the net revenue to be received into the state treasury each month,  
 443 and such estimated payment shall be adjusted for the actual net revenue received in the preceding  
 444 month. All payments shall be made to the Fund on the last day of each month.

445 2. There is hereby created in the Department of the Treasury a special nonreverting fund which shall  
 446 be a part of the Transportation Trust Fund and which shall be known as the Commonwealth Port Fund.

447 a. The Commonwealth Port Fund shall be established on the books of the Comptroller and the funds  
 448 remaining in such Fund at the end of a biennium shall not revert to the general fund but shall remain in  
 449 the Fund. Interest earned on such funds shall remain in the Fund and be credited to it. Funds may be  
 450 paid to any authority, locality or commission for the purposes hereinafter specified.

451 b. The amounts allocated pursuant to this section shall be allocated by the Commonwealth  
 452 Transportation Board to the Board of Commissioners of the Virginia Port Authority to be used to  
 453 support port capital needs and the preservation of existing capital needs of all ocean, river, or tributary  
 454 ports within the Commonwealth. Expenditures for such capital needs are restricted to those capital  
 455 projects specified in subsection B of § 62.1-132.1.

456 c. Commonwealth Port Fund revenue shall be allocated by the Board of Commissioners to the  
 457 Virginia Port Authority in order to foster and stimulate the flow of maritime commerce through the  
 458 ports of Virginia, including but not limited to the ports of Richmond, Hopewell, and Alexandria.

459 3. There is hereby created in the Department of the Treasury a special nonreverting fund which shall  
 460 be part of the Transportation Trust Fund and which shall be known as the Commonwealth Airport Fund.  
 461 The Commonwealth Airport Fund shall be established on the books of the Comptroller and any funds  
 462 remaining in such Fund at the end of a biennium shall not revert to the general fund but shall remain in  
 463 the Fund. Interest earned on the funds shall be credited to the Fund. The funds so allocated shall be  
 464 allocated by the Commonwealth Transportation Board to the Virginia Aviation Board. The funds shall  
 465 be allocated by the Virginia Aviation Board to any Virginia airport which is owned by the  
 466 Commonwealth, a governmental subdivision thereof, or a private entity to which the public has access  
 467 for the purposes enumerated in § 5.1-2.16, or is owned or leased by the Metropolitan Washington  
 468 Airports Authority (MWAA), as follows:

469 Any new funds in excess of \$12.1 million which are available for allocation by the Virginia Aviation  
 470 Board from the Commonwealth Transportation Fund, shall be allocated as follows: 60 percent to  
 471 MWAA, up to a maximum annual amount of \$2 million, and 40 percent to air carrier airports as  
 472 provided in subdivision A 3 a. Except for adjustments due to changes in enplaned passengers, no air  
 473 carrier airport sponsor, excluding MWAA, shall receive less funds identified under subdivision A 3 a  
 474 than it received in fiscal year 1994-1995.

475 Of the remaining amount:

476 a. Forty percent of the funds shall be allocated to air carrier airports, except airports owned or leased  
 477 by MWAA, based upon the percentage of enplanements for each airport to total enplanements at all air  
 478 carrier airports, except airports owned or leased by MWAA. No air carrier airport sponsor, however,  
 479 shall receive less than \$50,000 nor more than \$2 million per year from this provision.

480 b. Forty percent of the funds shall be allocated by the Aviation Board for air carrier and reliever  
 481 airports on a discretionary basis, except airports owned or leased by MWAA.

482 c. Twenty percent of the funds shall be allocated by the Aviation Board for general aviation airports  
 483 on a discretionary basis.



484 3a. There is hereby created in the Department of the Treasury a special nonreverting fund that shall  
 485 be a part of the Transportation Trust Fund and that shall be known as the Commonwealth Space Flight  
 486 Fund. The Commonwealth Space Flight Fund shall be established on the books of the Comptroller and  
 487 the funds remaining in such Fund at the end of a biennium shall not revert to the general fund but shall  
 488 remain in the Fund. Interest earned on such funds shall remain in the Fund and be credited to it.

489 a. The amounts allocated to the Commonwealth Space Flight Fund pursuant to § 33.2-1526 shall be  
 490 allocated by the Commonwealth Transportation Board to the Board of Directors of the Virginia  
 491 Commercial Space Flight Authority to be used to support the capital needs, maintenance, and operating  
 492 costs of any and all facilities owned and operated by the Virginia Commercial Space Flight Authority.

493 b. Commonwealth Space Flight Fund revenue shall be allocated by the Board of Directors to the  
 494 Virginia Commercial Space Flight Authority in order to foster and stimulate the growth of the  
 495 commercial space flight industry in Virginia.

496 4. There is hereby created in the Department of the Treasury a special nonreverting fund which shall  
 497 be a part of the Transportation Trust Fund and which shall be known as the Commonwealth Mass  
 498 Transit Fund.

499 a. The Commonwealth Mass Transit Fund shall be established on the books of the Comptroller and  
 500 any funds remaining in such Fund at the end of the biennium shall not revert to the general fund but  
 501 shall remain in the Fund. Interest earned on such funds shall be credited to the Fund. If funds in  
 502 subdivision 4 b (1)(e) or 4 b (2)(d) are allocated to the construction of a new fixed rail project, such  
 503 project shall be evaluated according to the process established pursuant to subsection B of § 33.2-214.1.  
 504 Funds may be paid to any local governing body, transportation district commission, or public service  
 505 corporation for the purposes hereinafter specified:

506 b. The amounts allocated pursuant to this section § 33.2-1526.1 shall be used to support the  
 507 operating, capital, and administrative costs of public transportation at a state share determined by the  
 508 Commonwealth Transportation Board, and these amounts may be used to support the capital project  
 509 costs of public transportation and ridesharing equipment, facilities, and associated costs at a state share  
 510 determined by the Commonwealth Transportation Board. Capital costs may include debt service  
 511 payments on local or agency transit bonds. In making these determinations, the Commonwealth  
 512 Transportation Board shall confer with the Director of the Department of Rail and Public Transportation.  
 513 In development of the Director's recommendation and subsequent allocation of funds by the  
 514 Commonwealth Transportation Board, the Director of the Department of Rail and Public Transportation  
 515 and the Commonwealth Transportation Board shall adhere to the following:

516 (1) For the distribution of revenues from the Commonwealth Mass Transit Fund, of those revenues  
 517 generated in 2014 and thereafter, the first \$160 million in revenues or the maximum available revenues  
 518 if less than \$160 million shall be distributed by the Commonwealth Transportation Board as follows:

519 (a) Funds for special programs, which shall include ridesharing, transportation demand management  
 520 programs, experimental transit, public transportation promotion, operation studies, and technical  
 521 assistance, shall not exceed 3 percent of the funds pursuant to this section and may be allocated to any  
 522 local governing body, planning district commission, transportation district commission, or public transit  
 523 corporation, or may be used directly by the Department of Rail and Public Transportation for the  
 524 following purposes and aid of public transportation services:

525 (i) To finance a program administered by the Department of Rail and Public Transportation designed  
 526 to promote the use of public transportation and ridesharing throughout Virginia.

527 (ii) To finance up to 80 percent of the cost of the development and implementation of projects where  
 528 the purpose of such project is to enhance the provision and use of public transportation services.

529 (b) At least 72 percent of the funds shall be distributed to each transit property in the same  
 530 proportion as its operating expenses bear to the total statewide operating expenses and shall be spent for  
 531 the purposes specified in subdivision 4 b.

532 (c) Twenty-five percent of the funds shall be allocated and distributed utilizing a tiered approach  
 533 evaluated by the Transit Service Delivery Advisory Committee along with the Director of the  
 534 Department of Rail and Public Transportation and established by the Commonwealth Transportation  
 535 Board for capital purposes based on asset need and anticipated state participation level and revenues.  
 536 The tier distribution measures may be evaluated by the Transit Service Delivery Advisory Committee  
 537 along with the Director of the Department of Rail and Public Transportation every three years and, if  
 538 redefined by the Board, shall be published at least one year in advance of being applied. Funds allocated  
 539 for debt service payments will be included in the tier that applies to the capital asset that is leveraged.

540 (d) Transfer of funds from funding categories in subdivisions 4 b (1)(a) and 4 b (1)(e) to 4 b (1)(b)  
 541 shall be considered by the Commonwealth Transportation Board in times of statewide economic distress  
 542 or statewide special need.

543 (2) The Commonwealth Transportation Board shall allocate the remaining revenues after the  
 544 application of the provisions set forth in subdivision 4 b (1) generated for the Commonwealth Mass

545 Transit Fund for 2014 and succeeding years as follows:

546 (a) Funds pursuant to this section shall be distributed among operating, capital, and special projects  
547 in order to respond to the needs of the transit community.

548 (b) Of the funds pursuant to this section, at least 72 percent shall be allocated to support operating  
549 costs of transit providers and distributed by the Commonwealth Transportation Board based on service  
550 delivery factors, based on effectiveness and efficiency, as established by the Commonwealth  
551 Transportation Board. These measures and their relative weight shall be evaluated every three years and,  
552 if redefined by the Commonwealth Transportation Board, shall be published and made available for  
553 public comment at least one year in advance of being applied. In developing the service delivery factors,  
554 the Commonwealth Transportation Board shall create for the Department of Rail and Public  
555 Transportation a Transit Service Delivery Advisory Committee, consisting of two members appointed by  
556 the Virginia Transit Association, one member appointed by the Community Transportation Association  
557 of Virginia, one member appointed by the Virginia Municipal League, one member appointed by the  
558 Virginia Association of Counties, and three members appointed by the Director of the Department of  
559 Rail and Public Transportation, to advise the Department of Rail and Public Transportation in the  
560 development of a distribution process for the funds allocated pursuant to this subdivision 4 b (2)(b) and  
561 how transit systems can incorporate these metrics in their transit development plans. The Transit Service  
562 Delivery Advisory Committee shall elect a Chair. The Department of Rail and Public Transportation  
563 shall provide administrative support to the committee. Effective July 1, 2013, the Transit Service  
564 Delivery Advisory Committee shall meet at least annually and consult with interested stakeholders and  
565 hold at least one public hearing and report its findings to the Director of the Department of Rail and  
566 Public Transportation. Prior to the Commonwealth Transportation Board approving the service delivery  
567 factors, the Director of the Department of Rail and Public Transportation along with the Chair of the  
568 Transit Service Delivery Advisory Committee shall brief the Senate Committee on Finance, the House  
569 Appropriations Committee, and the Senate and House Committees on Transportation on the findings of  
570 the Transit Service Delivery Advisory Committee and the Department's recommendation. Before  
571 redefining any component of the service delivery factors, the Commonwealth Transportation Board shall  
572 consult with the Director of the Department of Rail and Public Transportation, Transit Service Delivery  
573 Advisory Committee, and interested stakeholders and provide for a 45-day public comment period. Prior  
574 to approval of any amendment to the service delivery measures, the Board shall notify the  
575 aforementioned committees of the pending amendment to the service delivery factors and its content.

576 (c) Funds for special programs, which shall include ridesharing, transportation demand management  
577 programs, experimental transit, public transportation promotion, operation studies, and technical  
578 assistance, shall not exceed 3 percent of the funds pursuant to this section and may be allocated to any  
579 local governing body, planning district commission, transportation district commission, or public transit  
580 corporation, or may be used directly by the Department of Rail and Public Transportation for the  
581 following purposes and aid of public transportation services:

582 (i) To finance a program administered by the Department of Rail and Public Transportation designed  
583 to promote the use of public transportation and ridesharing throughout Virginia.

584 (ii) To finance up to 80 percent of the cost of the development and implementation of projects where  
585 the purpose of such project is to enhance the provision and use of public transportation services.

586 (d) Of the funds pursuant to this section, 25 percent shall be allocated and distributed utilizing a  
587 tiered approach evaluated by the Transit Service Delivery Advisory Committee along with the Director  
588 of Rail and Public Transportation and established by the Commonwealth Transportation Board for  
589 capital purposes based on asset need and anticipated state participation level and revenues. The tier  
590 distribution measures may be evaluated by the Transit Service Delivery Advisory Committee along with  
591 the Director of Rail and Public Transportation every three years and, if redefined by the Board, shall be  
592 published at least one year in advance of being applied. Funds allocated for debt service payments shall  
593 be included in the tier that applies to the capital asset that is leveraged.

594 (e) Transfer of funds from funding categories in subdivisions 4 b (2)(c) and 4 b (2)(d) to 4 b (2)(b)  
595 shall be considered by the Commonwealth Transportation Board in times of statewide economic distress  
596 or statewide special need.

597 (f) The Department of Rail and Public Transportation may reserve a balance of up to five percent of  
598 the Commonwealth Mass Transit Fund revenues under this subsection in order to assure better stability  
599 in providing operating and capital funding to transit entities from year to year.

600 (3) The Commonwealth Mass Transit Fund shall not be allocated without requiring a local match  
601 from the recipient.

602 c. There is hereby created in the Department of the Treasury a special nonreverting fund known as  
603 the Commonwealth Transit Capital Fund. The Commonwealth Transit Capital Fund shall be part of the  
604 Commonwealth Mass Transit Fund. The Commonwealth Transit Capital Fund subaccount shall be  
605 established on the books of the Comptroller and consist of such moneys as are appropriated to it by the

606 General Assembly and of all donations, gifts, bequests, grants, endowments, and other moneys given,  
 607 bequeathed, granted, or otherwise made available to the Commonwealth Transit Capital Fund. Any funds  
 608 remaining in the Commonwealth Transit Capital Fund at the end of the biennium shall not revert to the  
 609 general fund, but shall remain in the Commonwealth Transit Capital Fund. Interest earned on funds  
 610 within the Commonwealth Transit Capital Fund shall remain in and be credited to the Commonwealth  
 611 Transit Capital Fund. Proceeds of the Commonwealth Transit Capital Fund may be paid to any political  
 612 subdivision, another public entity created by an act of the General Assembly, or a private entity as  
 613 defined in § 33.2-1800 and for purposes as enumerated in subdivision 7 of § 33.2-1701 or expended by  
 614 the Department of Rail and Public Transportation for the purposes specified in this subdivision.  
 615 Revenues of the Commonwealth Transit Capital Fund shall be used to support capital expenditures  
 616 involving the establishment, improvement, or expansion of public transportation services through specific  
 617 projects approved by the Commonwealth Transportation Board. If revenues of the Commonwealth  
 618 Transit Capital Fund are allocated to the construction of a new fixed rail project, such project shall be  
 619 evaluated according to the process established pursuant to subsection B of § ~~33.2-214.1~~. The  
 620 Commonwealth Transit Capital Fund shall not be allocated without requiring a local match from the  
 621 recipient.

622 d. The Commonwealth Transportation Board may allocate up to three and one-half percent of the  
 623 funds set aside for the Commonwealth Mass Transit Fund to support costs of project development,  
 624 project administration, and project compliance incurred by the Department of Rail and Public  
 625 Transportation in implementing rail, public transportation, and congestion management grants and  
 626 programs.

627 5. Funds for Metro shall be paid by the Northern Virginia Transportation Commission (NVTC) to the  
 628 Washington Metropolitan Area Transit Authority (WMATA) and be a credit to the Counties of  
 629 Arlington and Fairfax and the Cities of Alexandria, Falls Church, and Fairfax in the following manner:

630 a. Local obligations for debt service for WMATA rail transit bonds apportioned to each locality  
 631 using WMATA's capital formula shall be paid first by NVTC. NVTC shall use 95 percent state aid for  
 632 these payments.

633 b. The remaining funds shall be apportioned to reflect WMATA's allocation formulas by using the  
 634 related WMATA-allocated subsidies and relative shares of local transit subsidies. Capital costs shall  
 635 include 20 percent of annual local bus capital expenses. Hold harmless protections and obligations for  
 636 NVTC's jurisdictions agreed to by NVTC on November 5, 1998, shall remain in effect.

637 Appropriations from the Commonwealth Mass Transit Fund are intended to provide a stable and  
 638 reliable source of revenue as defined by Public Law 96-184.

639 6. Notwithstanding any other provision of law, funds allocated to Metro may be disbursed by the  
 640 Department of Rail and Public Transportation directly to Metro or to any other transportation entity that  
 641 has an agreement to provide funding to Metro.

642 B. The sales and use tax revenue generated by a one percent sales and use tax shall be distributed  
 643 among the counties and cities of the Commonwealth in the manner provided in subsections C and D.

644 C. The localities' share of the net revenue distributable under this section among the counties and  
 645 cities shall be apportioned by the Comptroller and distributed among them by warrants of the  
 646 Comptroller drawn on the Treasurer of Virginia as soon as practicable after the close of each month  
 647 during which the net revenue was received into the state treasury. The distribution of the localities' share  
 648 of such net revenue shall be computed with respect to the net revenue received into the state treasury  
 649 during each month, and such distribution shall be made as soon as practicable after the close of each  
 650 such month.

651 D. The net revenue so distributable among the counties and cities shall be apportioned and  
 652 distributed upon the basis of the latest yearly estimate of the population of cities and counties ages five  
 653 to 19, provided by the Weldon Cooper Center for Public Service of the University of Virginia. Such  
 654 population estimate produced by the Weldon Cooper Center for Public Service of the University of  
 655 Virginia shall account for persons who are domiciled in orphanages or charitable institutions or who are  
 656 dependents living on any federal military or naval reservation or other federal property within the school  
 657 division in which the institutions or federal military or naval reservation or other federal property is  
 658 located. Such population estimate produced by the Weldon Cooper Center for Public Service of the  
 659 University of Virginia shall account for members of the military services who are under 20 years of age  
 660 within the school division in which the parents or guardians of such persons legally reside. Such  
 661 population estimate produced by the Weldon Cooper Center for Public Service of the University of  
 662 Virginia shall account for individuals receiving services in state hospitals, state training centers, or  
 663 mental health facilities, persons who are confined in state or federal correctional institutions, or persons  
 664 who attend the Virginia School for the Deaf and the Blind within the school division in which the  
 665 parents or guardians of such persons legally reside. Such population estimate produced by the Weldon  
 666 Cooper Center for Public Service of the University of Virginia shall account for persons who attend

667 institutions of higher education within the school division in which the student's parents or guardians  
 668 legally reside. To such estimate, the Department of Education shall add the population of students with  
 669 disabilities, ages two through four and 20 through 21, as provided to the Department of Education by  
 670 school divisions. The revenue so apportionable and distributable is hereby appropriated to the several  
 671 counties and cities for maintenance, operation, capital outlays, debt and interest payments, or other  
 672 expenses incurred in the operation of the public schools, which shall be considered as funds raised from  
 673 local resources. In any county, however, wherein is situated any incorporated town constituting a school  
 674 division, the county treasurer shall pay into the town treasury for maintenance, operation, capital outlays,  
 675 debt and interest payments, or other expenses incurred in the operation of the public schools, the proper  
 676 proportionate amount received by him in the ratio that the school population of such town bears to the  
 677 school population of the entire county. If the school population of any city or of any town constituting a  
 678 school division is increased by the annexation of territory since the last estimate of school population  
 679 provided by the Weldon Cooper Center for Public Service, such increase shall, for the purposes of this  
 680 section, be added to the school population of such city or town as shown by the last such estimate and a  
 681 proper reduction made in the school population of the county or counties from which the annexed  
 682 territory was acquired.

683 E. Beginning July 1, 2000, of the remaining sales and use tax revenue, the revenue generated by a  
 684 two percent sales and use tax, up to an annual amount of \$13 million, collected from the sales of  
 685 hunting equipment, auxiliary hunting equipment, fishing equipment, auxiliary fishing equipment,  
 686 wildlife-watching equipment, and auxiliary wildlife-watching equipment in Virginia, as estimated by the  
 687 most recent U.S. Department of the Interior, Fish and Wildlife Service and U.S. Department of  
 688 Commerce, Bureau of the Census National Survey of Fishing, Hunting, and Wildlife-Associated  
 689 Recreation, shall be paid into the Game Protection Fund established under § 29.1-101 and shall be used,  
 690 in part, to defray the cost of law enforcement. Not later than 30 days after the close of each quarter, the  
 691 Comptroller shall transfer to the Game Protection Fund the appropriate amount of collections to be  
 692 dedicated to such Fund. At any time that the balance in the Capital Improvement Fund, established  
 693 under § 29.1-101.01, is equal to or in excess of \$35 million, any portion of sales and use tax revenues  
 694 that would have been transferred to the Game Protection Fund, established under § 29.1-101, in excess  
 695 of the net operating expenses of the Board, after deduction of other amounts which accrue to the Board  
 696 and are set aside for the Game Protection Fund, shall remain in the general fund until such time as the  
 697 balance in the Capital Improvement Fund is less than \$35 million.

698 F. 1. Of the net revenue generated from the one-half percent increase in the rate of the state sales  
 699 and use tax effective August 1, 2004, pursuant to enactments of the 2004 Special Session I of the  
 700 General Assembly, the Comptroller shall transfer from the general fund of the state treasury to the  
 701 Public Education Standards of Quality/Local Real Estate Property Tax Relief Fund established under  
 702 § 58.1-638.1 an amount equivalent to one-half of the net revenue generated from such one-half percent  
 703 increase as provided in this subdivision. The transfers to the Public Education Standards of  
 704 Quality/Local Real Estate Property Tax Relief Fund under this subdivision shall be for one-half of the  
 705 net revenue generated (and collected in the succeeding month) from such one-half percent increase for  
 706 the month of August 2004 and for each month thereafter.

707 2. Beginning July 1, 2013, of the remaining sales and use tax revenue, an amount equal to the  
 708 revenue generated by a 0.125 percent sales and use tax shall be distributed to the Public Education  
 709 Standards of Quality/Local Real Estate Property Tax Relief Fund established under § 58.1-638.1, and be  
 710 used for the state's share of Standards of Quality basic aid payments.

711 3. For the purposes of the Comptroller making the required transfers under subdivision 1 and 2, the  
 712 Tax Commissioner shall make a written certification to the Comptroller no later than the twenty-fifth of  
 713 each month certifying the sales and use tax revenues generated in the preceding month. Within three  
 714 calendar days of receiving such certification, the Comptroller shall make the required transfers to the  
 715 Public Education Standards of Quality/Local Real Estate Property Tax Relief Fund.

716 G. (Contingent expiration date) Beginning July 1, 2013, of the remaining sales and use tax revenue,  
 717 an amount equal to the following percentages of the revenue generated by a one-half percent sales and  
 718 use tax, such as that paid to the Transportation Trust Fund as provided in subdivision A 1, shall be paid  
 719 to the Highway Maintenance and Operating Fund established pursuant to § 33.2-1530:

- 720 1. For fiscal year 2014, an amount equal to 10 percent;
- 721 2. For fiscal year 2015, an amount equal to 20 percent;
- 722 3. For fiscal year 2016, an amount equal to 30 percent; and
- 723 4. For fiscal year 2017 and thereafter, an amount equal to 35 percent.

724 The Highway Maintenance and Operating Fund's share of the net revenue distributable under this  
 725 subsection shall be computed as an estimate of the net revenue to be received into the state treasury  
 726 each month, and such estimated payment shall be adjusted for the actual net revenue received in the  
 727 preceding month. All payments shall be made to the Fund on the last day of each month.

728 H. (Contingent expiration date) 1. The additional revenue generated by increases in the state sales  
729 and use tax from Planning District 8 pursuant to §§ 58.1-603.1, 58.1-604.01, 58.1-604.1, and 58.1-614  
730 shall be deposited by the Comptroller in the fund established under § 33.2-2509.

731 2. The additional revenue generated by increases in the state sales and use tax from Planning District  
732 23 pursuant to §§ 58.1-603.1, 58.1-604.01, 58.1-604.1, and 58.1-614 shall be deposited by the  
733 Comptroller in the fund established under § 33.2-2600.

734 3. The additional revenue generated by increases in the state sales and use tax in any other Planning  
735 District pursuant to §§ 58.1-603.1, 58.1-604.01, 58.1-604.1, and 58.1-614 shall be deposited into special  
736 funds that shall be established by appropriate legislation.

737 4. The net revenues distributable under this subsection shall be computed as an estimate of the net  
738 revenue to be received by the state treasury each month, and such estimated payment shall be adjusted  
739 for the actual net revenue received in the preceding month. All payments shall be made to the  
740 appropriate funds on the last day of each month.

741 I. If errors are made in any distribution, or adjustments are otherwise necessary, the errors shall be  
742 corrected and adjustments made in the distribution for the next quarter or for subsequent quarters.

743 J. The term "net revenue," as used in this section, means the gross revenue received into the general  
744 fund or the Transportation Trust Fund of the state treasury under the preceding sections of this chapter,  
745 less refunds to taxpayers.

746 **§ 58.1-802.3. Regional transportation improvement fee.**

747 *In addition to any other tax or fee imposed under the provisions of this chapter, a fee, delineated as*  
748 *the "regional WMATA capital fee," is hereby imposed on each deed, instrument, or writing by which*  
749 *lands, tenements, or other realty located in any county or city that is a member of the Northern Virginia*  
750 *Transportation Authority is sold and is granted, assigned, transferred, or otherwise conveyed to or*  
751 *vested in the purchaser or any other person, by such purchaser's direction. The rate of the fee, when the*  
752 *consideration or value of the interest, whichever is greater, equals or exceeds \$100, shall be \$0.15 for*  
753 *each \$100 or fraction thereof, exclusive of the value of any lien or encumbrance remaining thereon at*  
754 *the time of the sale, whether such lien is assumed or the realty is sold subject to such lien or*  
755 *encumbrance.*

756 *The fee imposed by this section shall be paid by the grantor, or any person who signs on behalf of*  
757 *the grantor, of any deed, instrument, or writing subject to the fee imposed by this section.*

758 *No such deed, instrument, or other writing shall be admitted to record unless certification of the*  
759 *clerk wherein first recorded has been affixed thereto that the fee imposed pursuant to this section has*  
760 *been paid.*

761 *Fees imposed by this section shall be collected by the clerk of the court. For fees collected in a*  
762 *county or city located in a transportation district established pursuant to Chapter 19 (§ 33.2-1900 et*  
763 *seq.) of Title 33.2 that as of January 1, 2018, meets the criteria established in § 33.2-1936 shall be*  
764 *transferred to the state treasury as soon as practicable and deposited into the fund established in*  
765 *§ 33.2-3401. The fees collected in any other county or city in which the fee is imposed shall be retained*  
766 *by the county or city, and shall be used solely for transportation purposes.*

767 **§ 58.1-811. (Contingent expiration date) Exemptions.**

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

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

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

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

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

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

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

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

787 8. To the surviving or new corporation, partnership, limited partnership, business trust, or limited  
788 liability company upon a merger or consolidation to which two or more such entities are parties, or in a

- 878 reorganization within the meaning of § 368(a)(1)(C) and (F) of the Internal Revenue Code as amended;  
 879 9. To a subsidiary corporation from its parent corporation, or from a subsidiary corporation to a  
 891 parent corporation, if the transaction qualifies for nonrecognition of gain or loss under the Internal  
 892 Revenue Code as amended;
- 893 10. To a partnership or limited liability company, when the grantors are entitled to receive not less  
 894 than 50 percent of the profits and surplus of such partnership or limited liability company, provided that  
 895 the transfer to a limited liability company is not a precursor to a transfer of control of the assets of the  
 896 company to avoid recordation taxes;
- 897 11. From a partnership or limited liability company, when the grantees are entitled to receive not less  
 898 than 50 percent of the profits and surplus of such partnership or limited liability company, provided that  
 899 the transfer from a limited liability company is not subsequent to a transfer of control of the assets of  
 900 the company to avoid recordation taxes;
- 901 12. To trustees of a revocable inter vivos trust, when the grantors in the deed and the beneficiaries of  
 902 the trust are the same persons, regardless of whether other beneficiaries may also be named in the trust  
 903 instrument, when no consideration has passed between the grantor and the beneficiaries; and to the  
 904 original beneficiaries of a trust from the trustees holding title under a deed in trust;
- 905 13. When the grantor is the personal representative of a decedent's estate or trustee under a will or  
 906 inter vivos trust of which the decedent was the settlor, other than a deed of trust conveying property to  
 907 secure the payment of money or the performance of an obligation, and the sole purpose of such transfer  
 908 is to comply with a devise or bequest in the decedent's will or to transfer title to one or more  
 909 beneficiaries after the death of the settlor in accordance with a dispositive provision in the trust  
 910 instrument;
- 911 14. When the grantor is an organization exempt from taxation under § 501(c)(3) of the Internal  
 912 Revenue Code that is organized and operated primarily to acquire land and purchase materials to erect  
 913 or rehabilitate low-cost homes on such land, which homes are sold at cost to persons who otherwise  
 914 would be unable to afford to buy a home through conventional means;
- 915 15. When it is a deed of partition, or any combination of deeds simultaneously executed and having  
 916 the effect of a deed of partition, among joint tenants, tenants in common, or coparceners; or
- 917 16. When it is a deed transferring property pursuant to a decree of divorce or of separate  
 918 maintenance or pursuant to a written instrument incident to such divorce or separation.
- 919 B. The taxes imposed by §§ 58.1-803 and 58.1-804 shall not apply to any deed of trust or mortgage:
- 920 1. Given by an incorporated college or other incorporated institution of learning not conducted for  
 921 profit;
- 922 2. Given by the trustee or trustees of a church or religious body or given by an incorporated church  
 923 or religious body, or given by a corporation mentioned in § 57-16.1;
- 924 3. Given by any nonstock corporation organized exclusively for the purpose of owning and/or  
 925 operating a hospital or hospitals not for pecuniary profit;
- 926 4. Given by any local governmental entity or political subdivision of the Commonwealth to secure a  
 927 debt payable to any other local governmental entity or political subdivision;
- 928 5. Securing a loan made by an organization described in subdivision A 14;
- 929 6. Securing a loan made by a county, city, or town, or an agency of such a locality, to a borrower  
 930 whose household income does not exceed 80 percent of the area median household income established  
 931 by the U.S. Department of Housing and Urban Development, for the purpose of erecting or  
 932 rehabilitating a home for such borrower, including the purchase of land for such home; or
- 933 7. Given by any entity organized pursuant to Chapter 9.1 (§ 56-231.15 et seq.) of Title 56.
- 934 C. The tax imposed by § 58.1-802 and the fee imposed by § ~~58.1-802.2~~ 58.1-802.3 shall not apply to  
 935 any:
- 936 1. Transaction described in subdivisions A 6 through 13, 15, and 16;
- 937 2. Instrument or writing given to secure a debt;
- 938 3. Deed conveying real estate from an incorporated college or other incorporated institution of  
 939 learning not conducted for profit;
- 940 4. Deed conveying real estate from the United States, the Commonwealth or any county, city, town,  
 941 district, or other political subdivision thereof;
- 942 5. Conveyance of real estate to the Commonwealth or any county, city, town, district, or other  
 943 political subdivision thereof, if such political unit is required by law to reimburse the parties taxable  
 944 pursuant to § 58.1-802 or subject to the fee under § ~~58.1-802.2~~ 58.1-802.3; or
- 945 6. Deed conveying real estate from the trustee or trustees of a church or religious body or from an  
 946 incorporated church or religious body, or from a corporation mentioned in § 57-16.1.
- 947 D. No recordation tax shall be required for the recordation of any deed of gift between a grantor or  
 948 grantors and a grantee or grantees when no consideration has passed between the parties. Such deed  
 949 shall state therein that it is a deed of gift.

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

852 F. The taxes and fees imposed by §§ 58.1-801, 58.1-802, ~~58.1-802.2~~ 58.1-802.3, 58.1-807, 58.1-808,  
853 and 58.1-814 shall not apply to (i) any deed of gift conveying real estate or any interest therein to The  
854 Nature Conservancy or (ii) any lease of real property or any interest therein to The Nature Conservancy,  
855 where such deed of gift or lease of real estate is intended to be used exclusively for the purpose of  
856 preserving wilderness, natural, or open space areas.

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

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

862 I. No recordation tax levied pursuant to this chapter shall be levied on a deed, lease, easement,  
863 release, or other document recorded in connection with a concession pursuant to the Public-Private  
864 Transportation Act of 1995 (§ 33.2-1800 et seq.) or similar federal law.

865 J. No recordation tax shall be required for the recordation of any transfer on death deed or any  
866 revocation of transfer on death deed made pursuant to the Uniform Real Property Transfer on Death Act  
867 (§ 64.2-621 et seq.) when no consideration has passed between the parties.

868 **§ 58.1-815.4. (Contingent expiration dates) Distribution of recordation tax for certain**  
869 **transportation-related purposes.**

870 Of the state recordation taxes imposed pursuant to §§ 58.1-801 and 58.1-803, the revenues collected  
871 each fiscal year from \$0.03 of the total tax imposed under each section shall be deposited by the  
872 Comptroller as follows:

873 1. The revenues collected from \$0.02 of the total tax shall be deposited into the Commonwealth  
874 Mass Transit Fund pursuant to subdivision A 4 b (1)(b) of § 58.1-638; and

875 2. The revenues collected from \$0.01 of the total tax shall be deposited into the Commonwealth  
876 Mass Transit Capital Fund established pursuant to subdivision A 4 e of § 58.1-638.

877 **§ 58.1-815.4. (Contingent effective date, and contingent expiration date) Distribution of**  
878 **recordation tax for certain transportation-related purposes.**

879 Effective July 1, 2008, of the state recordation taxes imposed pursuant to §§ 58.1-801 and 58.1-803,  
880 the revenues collected each fiscal year from \$0.03 of the total tax imposed under each section shall be  
881 deposited by the Comptroller as follows:

882 1. The revenues collected from \$0.02 of the total tax shall be deposited into the Commonwealth  
883 Mass Transit Fund pursuant to subdivision A 4 b (1)(b) of § 58.1-638; and

884 2. The revenues collected from \$0.01 of the total tax shall be deposited into the Highway  
885 Maintenance and Operating Fund established pursuant to § 33.2-1530.

886 **§ 58.1-1741. (Contingent expiration date) Disposition of revenues.**

887 A. After the direct costs of administering this article are recovered by the Department of Taxation,  
888 the remaining revenues collected hereunder by the Tax Commissioner shall be forthwith paid into the  
889 state treasury. Except as otherwise provided in this section, these funds shall constitute special funds  
890 within the Commonwealth Transportation Fund. Any balances remaining in these funds at the end of the  
891 year shall be available for use in subsequent years for the purposes set forth in this article, and any  
892 interest income on such funds shall accrue to these funds. The revenue so derived, after refunds have  
893 been deducted, is hereby allocated for the construction, reconstruction, and maintenance of highways and  
894 the regulation of traffic thereon and for no other purpose. However, (i) all funds collected from the  
895 additional tax imposed by subdivision A 2 of § 58.1-1736 on the rental of daily rental vehicles shall be  
896 distributed quarterly to the county, city, or town wherein such vehicle was delivered to the rentee; (ii)  
897 except as provided in clause (iii), an amount equivalent to the net additional revenues from the motor  
898 vehicle rental tax generated by enactments of the 1986 Special Session of the Virginia General  
899 Assembly which amended §§ 46.2-694, 46.2-697, and by §§ 58.1-1735, 58.1-1736 and this section, shall  
900 be distributed to and paid into the Transportation Trust Fund established pursuant to § 33.2-1524, a  
901 special fund within the Commonwealth Transportation Fund, and are hereby appropriated to the  
902 Commonwealth Transportation Board for transportation needs; (iii) all moneys collected from the tax on  
903 the gross proceeds from the rental in Virginia of any motor vehicle pursuant to subdivision A 1 of  
904 § 58.1-1736 at the tax rate in effect on December 31, 1986, shall be paid by the Tax Commissioner into  
905 the state treasury and two-thirds of which shall be paid into the Rail Enhancement Fund established by  
906 § 33.2-1601 and one-third of which shall be deposited into the ~~Transportation Trust Fund~~ established  
907 pursuant to ~~§ 33.2-1524~~ and set aside for state of good repair purposes pursuant to ~~§ 33.2-369~~  
908 *Washington Metropolitan Area Transit Authority Capital Fund pursuant to § 33.2-3401*; and (iv) all  
909 additional revenues resulting from the fee imposed under subdivision A 3 of § 58.1-1736 shall be used  
910 to pay the debt service on the bonds issued by the Virginia Public Building Authority for the Statewide



911 Agencies Radio System (STARS) for the Department of State Police pursuant to the authority granted  
912 by the 2004 Session of the General Assembly.

913 B. As provided in subsection A of § 58.1-638, of the funds becoming part of the Transportation  
914 Trust Fund pursuant to clause (ii) of subsection subdivision A 2, an aggregate of 4.2 percent shall be set  
915 aside as the Commonwealth Port Fund; an aggregate of 2.4 percent shall be set aside as the  
916 Commonwealth Airport Fund; and an aggregate of 14.7 percent shall be set aside as the Commonwealth  
917 Mass Transit Fund.

918 *Article 11.*

919 *Transportation Transient Occupancy Taxes.*

920 **§ 58.1-1743. Transportation district transient occupancy tax.**

921 *In addition to all other fees and taxes imposed under law, there is hereby imposed an additional*  
922 *transient occupancy tax at the rate of two percent of the amount of the charge for the occupancy of any*  
923 *room or space occupied in any county or city located in a transportation district established pursuant to*  
924 *Chapter 19 (§ 33.2-1900 et seq.) of Title 33.2 that as of January 1, 2018, meets the criteria established*  
925 *in § 33.2-1936.*

926 *The tax imposed under this section shall be imposed only for the occupancy of any room or space*  
927 *that is suitable or intended for occupancy by transients for dwelling, lodging, or sleeping purposes.*

928 *The tax imposed under this section shall be administered by the locality in which the room or space*  
929 *is located in the same manner as it administers the tax authorized by § 58.1-3819 or 58.1-3840, mutatis*  
930 *mutandis, except as herein provided. The revenue generated and collected from the tax shall be*  
931 *deposited by the local treasurer into the state treasury pursuant to § 2.2-806 and transferred by the*  
932 *Comptroller into special funds established by law. In the case of the Northern Virginia Transportation*  
933 *District, the revenue generated and collected therein shall be deposited into the fund established in*  
934 *§ 33.2-3401. For additional transportation districts that may become subject to this section, funds shall*  
935 *be established by appropriate legislation.*

936 **§ 58.1-1744. Local transportation transient occupancy tax.**

937 *In addition to all other fees and taxes imposed under law, there is hereby imposed an additional*  
938 *transient occupancy tax at the rate of two percent of the amount of the charge for the occupancy of any*  
939 *room or space occupied in any county or city that is a member of the Northern Virginia Transportation*  
940 *Authority that is not described in § 58.1-1743.*

941 *The tax imposed under this section shall be imposed only for the occupancy of any room or space*  
942 *that is suitable or intended for occupancy by transients for dwelling, lodging, or sleeping purposes.*

943 *The tax imposed under this section shall be administered by the locality in which the room or space*  
944 *is located in the same manner as it administers the tax authorized by § 58.1-3819 or 58.1-3840, mutatis*  
945 *mutandis, except as herein provided. The revenue generated and collected from the tax shall be*  
946 *deposited by the local treasurer and may be used only for public transportation purposes.*

947 **§ 58.1-2289. (For contingent expiration, see note) Disposition of tax revenue generally.**

948 A. Unless otherwise provided in this section, all taxes and fees, including civil penalties, collected by  
949 the Commissioner pursuant to this chapter, less a reasonable amount to be allocated for refunds, shall be  
950 promptly paid into the state treasury and shall constitute special funds within the Commonwealth  
951 Transportation Fund. Any balances remaining in these funds at the end of the year shall be available for  
952 use in subsequent years for the purposes set forth in this chapter, and any interest income on such funds  
953 shall accrue to these funds.

954 The Governor is hereby authorized to transfer out of such fund an amount necessary for the  
955 inspection of gasoline and motor grease measuring and distributing equipment, and for the inspection  
956 and analysis of gasoline for purity.

957 B. The tax collected on each gallon of aviation fuel sold and delivered or used in this  
958 Commonwealth, less refunds, shall be paid into a special fund of the state treasury. Proceeds of this  
959 special fund within the Commonwealth Transportation Fund shall be disbursed upon order of the  
960 Department of Aviation, on warrants of the Comptroller, to defray the cost of the administration of the  
961 laws of this Commonwealth relating to aviation, for the construction, maintenance and improvement of  
962 airports and landing fields to which the public now has or which it is proposed shall have access, and  
963 for the promotion of aviation in the interest of operators and the public generally.

964 C. One-half cent of the tax collected on each gallon of fuel on which a refund has been paid for  
965 gasoline, gasohol, diesel fuel, blended fuel, or alternative fuel, for fuel consumed in tractors and  
966 unlicensed equipment used for agricultural purposes shall be paid into a special fund of the state  
967 treasury, known as the Virginia Agricultural Foundation Fund, to be disbursed to make certain refunds  
968 and defray the costs of the research and educational phases of the agricultural program, including  
969 supplemental salary payments to certain employees at Virginia Polytechnic Institute and State University,  
970 the Department of Agriculture and Consumer Services and the Virginia Truck and Ornamentals Research  
971 Station, including reasonable expenses of the Virginia Agricultural Council.

972 D. One and one-half cents of the tax collected on each gallon of fuel used to propel a commercial  
 973 watercraft upon which a refund has been paid shall be paid to the credit of the Game Protection Fund of  
 974 the state treasury to be made available to the Board of Game and Inland Fisheries until expended for the  
 975 purposes provided generally in subsection C of § 29.1-701, including acquisition, construction,  
 976 improvement and maintenance of public boating access areas on the public waters of this  
 977 Commonwealth and for other activities and purposes of direct benefit and interest to the boating public  
 978 and for no other purpose. However, one and one-half cents per gallon on fuel used by commercial  
 979 fishing, oystering, clamming, and crabbing boats shall be paid to the Department of Transportation to be  
 980 used for the construction, repair, improvement and maintenance of the public docks of this  
 981 Commonwealth used by said commercial watercraft. Any expenditures for the acquisition, construction,  
 982 improvement and maintenance of the public docks shall be made according to a plan developed by the  
 983 Virginia Marine Resources Commission.

984 From the tax collected pursuant to the provisions of this chapter from the sales of gasoline used for  
 985 the propelling of watercraft, after deduction for lawful refunds, there shall be paid into the state treasury  
 986 for use by the Marine Resources Commission, the Virginia Soil and Water Conservation Board, the  
 987 State Water Control Board, and the Commonwealth Transportation Board to (i) improve the public  
 988 docks as specified in this section, (ii) improve commercial and sports fisheries in Virginia's tidal waters,  
 989 (iii) make environmental improvements including, without limitation, fisheries management and habitat  
 990 enhancement in the Chesapeake and its tributaries, and (iv) further the purposes set forth in § 33.2-1510,  
 991 a sum as established by the General Assembly.

992 E. Of the remaining revenues deposited into the Commonwealth Transportation Fund pursuant to this  
 993 chapter less refunds authorized by this chapter: (i) 80 percent shall be deposited into the Highway  
 994 Maintenance and Operating Fund established pursuant to § 33.2-1530, (ii) 11.3 percent shall be  
 995 deposited into the Transportation Trust Fund established pursuant to § 33.2-1524, (iii) four percent shall  
 996 be deposited into the Priority Transportation Fund, (iv) ~~3.44~~ 3.7 percent shall be deposited into the  
 997 Commonwealth ~~Mass Transit Capital~~ Fund established pursuant to subdivision A 4 e of § 58.1-638, and  
 998 (v) one percent shall be transferred to a special fund within the Commonwealth Transportation Fund in  
 999 the state treasury, to be used to meet the necessary expenses of the Department of Motor Vehicles; ~~(vi)~~  
 1000 ~~0.35 of one percent shall be deposited into the Commonwealth Mass Transit Fund established pursuant~~  
 1001 ~~to subdivision A 4 of § 58.1-638 and allocated to subdivision A 4 b (1)(b), and (vii) 0.24 of one percent~~  
 1002 ~~shall be deposited into the Commonwealth Mass Transit Fund established pursuant to subdivision A 4 of~~  
 1003 ~~§ 58.1-638 and allocated to subdivision A 4 b (1)(a).~~

1004 **§ 58.1-2299.20. (Contingent expiration date) Disposition of tax revenues.**

1005 A. All taxes, interest, and civil penalties paid to the Commissioner pursuant to this chapter for the  
 1006 sale of fuels at wholesale to retail dealers for retail sale in any county or city set forth in *clause (i) of*  
 1007 *subdivision A 1 of § 58.1-2295*, after subtraction of the direct costs of administration by the Department,  
 1008 shall be deposited *each month as follows:*

1009 *1. One-twelfth of an amount determined by multiplying \$15 million by a fraction, the numerator of*  
 1010 *which shall be such transportation district's share of funding for the commuter rail service jointly*  
 1011 *operated by the two transportation districts and the denominator of which shall be the total funding*  
 1012 *share for such commuter rail service, shall be deposited in the Commuter Rail Operating and Capital*  
 1013 *Fund established pursuant to § 33.2-3500;*

1014 *2. a. Until June 30, 2019, an amount equal to the increase in taxes, interest, and civil penalties paid*  
 1015 *to the Commissioner each month, compared with the same month for fiscal year 2018, minus any*  
 1016 *amounts deposited pursuant to subdivision 1, shall be deposited into the Washington Metropolitan Area*  
 1017 *Transit Capital Fund established pursuant to § 33.2-3401; and*

1018 *b. Beginning on July 1, 2019, an amount equal to one-twelfth of the increase in taxes, interest, and*  
 1019 *civil penalties paid to the Commissioner in fiscal year 2019 compared to fiscal year 2018, minus any*  
 1020 *amounts deposited pursuant to subdivision A 1, shall be deposited in the Washington Metropolitan Area*  
 1021 *Transit Authority Capital Fund established pursuant to § 33.2-3401; and*

1022 *3. All remaining funds shall be deposited in a special fund entitled the "Special Fund Account of the*  
 1023 *Transportation District of \_\_\_\_\_."* The amounts deposited in the special fund shall be distributed  
 1024 monthly to the applicable transportation district commission of which the county or city is a member to  
 1025 be applied to the operating deficit, capital, and debt service of the mass transit system of such district  
 1026 or, in the case of a transportation district subject to the provisions of subsection C of § 33.2-1915, to be  
 1027 applied to and expended for any transportation purpose of such district. In the case of a jurisdiction  
 1028 which, after July 1, 1989, joins a transportation district which was established on or before January 1,  
 1029 1986, and is also subject to subsection C of § 33.2-1915, the funds collected from that jurisdiction shall  
 1030 be applied to and expended for any transportation purpose of such jurisdiction. ~~The direct costs of~~  
 1031 ~~administration shall be credited to the funds appropriated to the Department.~~

1032 B. All taxes, interest, and civil penalties paid to the Commissioner pursuant to this chapter for the

1033 *sale of fuels at wholesale to retail dealers for retail sale in any county or city set forth in clause (ii) of*  
 1034 *subdivision A 1 of § 58.1-2295, after subtraction of the direct costs of administration by the Department,*  
 1035 *shall be deposited each month as follows:*

1036 *1. One-twelfth of an amount determined by multiplying \$15 million by a fraction, the numerator of*  
 1037 *which shall be such transportation district's share of funding for the commuter rail service jointly*  
 1038 *operated by the two transportation districts and the denominator of which shall be the total funding*  
 1039 *share for such commuter rail service, shall be deposited in the Commuter Rail Operating and Capital*  
 1040 *Fund established pursuant to § 33.2-3500; and*

1041 *2. All remaining funds shall be deposited in a special fund entitled the "Special Fund Account of the*  
 1042 *Transportation District of \_\_\_\_\_." The amounts deposited in the special fund shall be distributed*  
 1043 *monthly to the applicable transportation district commission of which the county or city is a member to*  
 1044 *be applied to the operating deficit, capital, and debt service of the mass transit system of such district*  
 1045 *or, in the case of a transportation district subject to the provisions of subsection C of § 33.2-1915, to be*  
 1046 *applied to and expended for any transportation purpose of such district. In the case of a jurisdiction*  
 1047 *which, after July 1, 1989, joins a transportation district that was established on or before January 1,*  
 1048 *1986, and is also subject to subsection C of § 33.2-1915, the funds collected from that jurisdiction shall*  
 1049 *be applied to and expended for any transportation purpose of such jurisdiction.*

1050 *C. All taxes, interest, and civil penalties paid to the Commissioner pursuant to this chapter for the*  
 1051 *sale of fuels at wholesale to retail dealers for retail sale in any county or city set forth in subdivision A*  
 1052 *2 of § 58.1-2295, after subtraction of the direct costs of administration by the Department, shall be*  
 1053 *deposited into special funds established by law. In the case of Planning District 23, the revenue*  
 1054 *generated and collected therein shall be deposited into the fund established in § 33.2-2600. For*  
 1055 *additional Planning Districts that may become subject to this section, funds shall be established by*  
 1056 *appropriate legislation.*

1057 *D. The direct cost of administration of this section shall be credited to the funds appropriated to the*  
 1058 *Department.*

1059 **§ 58.1-3221.3. Classification of certain commercial and industrial real property and taxation of**  
 1060 **such property by certain localities.**

1061 *A. Beginning January 1, 2008, and solely for the purposes of imposing the tax authorized pursuant to*  
 1062 *this section, in the counties and cities that are wholly embraced by the Northern Virginia Transportation*  
 1063 *Authority and the Hampton Roads metropolitan planning area as of January 1, 2008, pursuant to § 134*  
 1064 *of Title 23 of the United States Code, all real property used for or zoned to permit commercial or*  
 1065 *industrial uses is hereby declared to be a separate class of real property for local taxation. Such*  
 1066 *classification of real property shall exclude all residential uses and all multifamily residential uses,*  
 1067 *including but not limited to single family residential units, cooperatives, condominiums, townhouses,*  
 1068 *apartments, or homes in a subdivision when leased on a unit by unit basis even though these units may*  
 1069 *be part of a larger building or parcel of real estate containing more than four residential units.*

1070 *B. In addition to all other taxes and fees permitted by law, (i) the governing body of any locality*  
 1071 *embraced by the Northern Virginia Transportation Authority may, by ordinance, annually impose on all*  
 1072 *real property in the locality specially classified in subsection A: an amount of real property tax, in*  
 1073 *addition to such amount otherwise authorized by law, at a rate not to exceed \$0.125 per \$100 of*  
 1074 *assessed value as the governing body may, by ordinance, impose upon the annual assessed value of all*  
 1075 *real property used for or zoned to permit commercial or industrial uses; and (ii) the governing body of*  
 1076 *any locality wholly embraced by the Hampton Roads metropolitan planning area as of January 1, 2008,*  
 1077 *pursuant to § 134 of Title 23 of the United States Code may, by ordinance, annually impose on all real*  
 1078 *property in the locality specially classified in subsection A: an amount of real property tax, in addition*  
 1079 *to such amount otherwise authorized by law, at a rate not to exceed \$0.10 per \$100 of assessed value as*  
 1080 *the governing body may, by ordinance, impose upon the annual assessed value of all real property used*  
 1081 *for or zoned to permit commercial or industrial uses. The authority granted in this subsection shall be*  
 1082 *subject to the following conditions:*

1083 *(1) Upon appropriation, all revenues generated from the additional real property tax imposed shall be*  
 1084 *used to benefit the locality imposing the tax solely for (i) new road construction and associated*  
 1085 *planning, design, and right-of-way acquisition, including new additions to, expansions, or extensions of*  
 1086 *existing roads that add new capacity, service, or access, (ii) new public transit construction and*  
 1087 *associated planning, design, and right-of-way acquisition, including new additions to, expansions, or*  
 1088 *extensions of existing public transit projects that add new capacity, service, or access, (iii) other capital*  
 1089 *costs related to new transportation projects that add new capacity, service, or access and the operating*  
 1090 *costs directly related to the foregoing, or (iv) the issuance costs and debt service on bonds that may be*  
 1091 *issued to support the capital costs permitted in subdivisions (i), (ii), or (iii), or (v) for a locality subject*  
 1092 *to § 33.2-3404, any other transportation purposes, provided that the amount used does not exceed the*  
 1093 *amount such locality is required to transfer pursuant to § 33.2-3404; and*

1094 (2) The additional real property tax imposed shall be levied, administered, enforced, and collected in  
 1095 the same manner as set forth in Subtitle III of Title 58.1 for the levy, administration, enforcement, and  
 1096 collection of local taxes. In addition, the local assessor shall separately assess and set forth upon the  
 1097 locality's land book the fair market value of that portion of property that is defined as a separate class of  
 1098 real property for local taxation in accordance with the provisions of this section.

1099 C. Beginning January 1, 2008, in lieu of the authority set forth in subsections A and B above and  
 1100 solely for the purposes of imposing the tax authorized pursuant to this section, in the counties and cities  
 1101 wholly embraced by the Northern Virginia Transportation Authority and the Hampton Roads  
 1102 metropolitan planning area as of January 1, 2008, pursuant to § 134 of Title 23 of the United States  
 1103 Code, all real property used for or zoned to permit commercial or industrial uses is hereby declared to  
 1104 be a separate class of real property for local taxation. Such classification of real property shall exclude  
 1105 all residential uses and all multifamily residential uses, including but not limited to single family  
 1106 residential units, cooperatives, condominiums, townhouses, apartments, or homes in a subdivision when  
 1107 leased on a unit by unit basis even though these units may be part of a larger building or parcel of real  
 1108 estate containing more than four residential units.

1109 D. In addition to all other taxes and fees permitted by law, (i) the governing body of any locality  
 1110 embraced by the Northern Virginia Transportation Authority may, by ordinance, create within its  
 1111 boundaries, one or more special regional transportation tax districts and, thereafter, may, by ordinance,  
 1112 impose upon the real property located in special regional transportation tax districts specially classified  
 1113 in subsection C within such special regional transportation tax districts: an amount of real property tax,  
 1114 in addition to such amounts otherwise authorized by law, at a rate not to exceed \$0.125 per \$100 of  
 1115 assessed value as the governing body may, by ordinance, impose upon the annual assessed value of all  
 1116 real property used for or zoned to permit commercial or industrial uses; and, (ii) the governing body of  
 1117 any locality wholly embraced by the Hampton Roads metropolitan planning area as of January 1, 2008,  
 1118 pursuant to § 134 of Title 23 of the United States Code may, by ordinance, create within its boundaries,  
 1119 one or more special regional transportation tax districts and, thereafter, may, by ordinance, impose upon  
 1120 the real property specially classified in subsection C within such special regional transportation tax  
 1121 districts: an amount of real property tax, in addition to such amounts otherwise authorized by law, at a  
 1122 rate not to exceed \$0.10 per \$100 of assessed value as the governing body may, by ordinance, impose  
 1123 upon the annual assessed value of all real property used for or zoned to permit commercial or industrial  
 1124 uses. The authority granted in this subsection shall be subject to the following conditions:

1125 (1) Notwithstanding any other provisions of law to the contrary, upon appropriation, all revenues  
 1126 generated from the additional real property taxes imposed in accordance with subsection C and this  
 1127 subsection shall be used for transportation purposes that benefit the special regional transportation tax  
 1128 district to which such revenue is attributable and solely for (i) new road construction and associated  
 1129 planning, design, and right-of-way acquisition, including new additions to, expansions, or extensions of  
 1130 existing roads that add new capacity, service, or access, (ii) new public transit construction and  
 1131 associated planning, design, and right-of-way acquisition, including new additions to, expansions, or  
 1132 extensions of existing public transit projects that add new capacity, service, or access, (iii) other capital  
 1133 costs related to new transportation projects that add new capacity, service, or access and the operating  
 1134 costs directly related to the foregoing, or (iv) the issuance costs and debt service on bonds that may be  
 1135 issued to support the capital costs permitted in subdivisions (i), (ii), or (iii), or (v) for a locality subject  
 1136 to § 33.2-3404, any other transportation purposes, provided that the amount used does not exceed the  
 1137 amount such locality is required to transfer pursuant to § 33.2-3404;

1138 (2) Any local ordinance adopted in accordance with the provisions of subsection C and this  
 1139 subsection shall include the requirement that the additional real property taxes so authorized are to be  
 1140 imposed annually in accordance with applicable law;

1141 (3) Any locality that imposes the additional real property taxes set forth in subsections A and B shall  
 1142 not be permitted to also impose the additional real property taxes set forth in subsection C and this  
 1143 subsection. In addition, any locality electing to impose the additional real property taxes on all real  
 1144 property located in such locality that is specially classified in subsections A and B must do so in the  
 1145 manner prescribed in subsections A and B and not by creation of a special transportation tax district as  
 1146 set forth in subsection C and this subsection. The creation of such special regional transportation tax  
 1147 districts shall not, however, affect the authority of a locality to establish tax districts pursuant to other  
 1148 provisions of law;

1149 (4) The total revenues generated from the additional real property taxes imposed in accordance with  
 1150 subsection C and this subsection shall not be less than 85% of the revenues estimated to be generated  
 1151 when imposing the additional real property taxes in accordance with subsections A and B at the rate of  
 1152 \$0.125 per \$100 of assessed value in any locality embraced by the Northern Virginia Transportation  
 1153 Authority and at the rate of \$0.10 per \$100 of assessed value in any locality wholly embraced by the  
 1154 Hampton Roads metropolitan planning area as of January 1, 2008, pursuant to § 134 of Title 23 of the

1155 United States Code; and

1156 (5) The additional real property taxes imposed pursuant to subsection C and this subsection shall be  
 1157 levied, administered, enforced, and collected, in the same manner as set forth in Subtitle III of Title 58.1  
 1158 for the levy, administration, enforcement, and collection of all local taxes. In addition, the local assessor  
 1159 shall separately assess and set forth upon the locality's land book the fair market value of that portion of  
 1160 property that is defined as separate class of real property for local taxation in accordance with the  
 1161 provisions of this section.

1162 **2. That § 3 of the second enactment of Chapter 896 of the Acts of Assembly of 2007, as amended**  
 1163 **by Chapter 830 of the Acts of Assembly of 2011, is amended and reenacted as follows:**

1164 § 3. The net proceeds of the Bonds *authorized by § 2* shall be used exclusively for the purpose of  
 1165 providing funds for paying the costs incurred or to be incurred for construction or funding of  
 1166 transportation projects pursuant to § ~~33.1-23.4:01~~ 33.2-365 of the Code of Virginia, including but not  
 1167 limited to environmental and engineering studies, rights-of-way acquisition, improvements to all modes  
 1168 of transportation, acquisition, construction and related improvements, and any financing costs and other  
 1169 financing expenses. Such costs may include the payment of interest on the Bonds for a period during  
 1170 construction and not exceeding one year after completion of construction of the projects.

1171 **3. That the second enactment of Chapter 896 of the Acts of Assembly of 2007, as amended by**  
 1172 **Chapter 830 of the Acts of Assembly of 2011, is amended by adding sections numbered 3.1 and 3.2**  
 1173 **as follows:**

1174 § 3.1. *The Commonwealth Transportation Board is hereby further authorized, by and with the*  
 1175 *consent of the Governor, to issue, pursuant to the provisions of the Transportation Development and*  
 1176 *Revenue Bond Act (§ 33.2-1700 et seq. of the Code of Virginia), as amended from time to time, revenue*  
 1177 *obligations of the Commonwealth to be designated "Commonwealth of Virginia Transportation Capital*  
 1178 *Projects Revenue Bonds, Series .." at one time in an aggregate principal amount not to exceed an*  
 1179 *additional \$50 million for a total authorization of \$3.05 billion, plus costs. The issuance of any bonds*  
 1180 *under this act is subject to the provisions of subsection C of § 33.2-1527 of the Code of Virginia.*

1181 § 3.2. *The net proceeds of the additional bonds authorized in § 3.1 of this enactment shall be used*  
 1182 *exclusively for the Commonwealth of Virginia to match federal funds provided for capital projects by the*  
 1183 *Washington Metropolitan Area Transit Authority.*

1184 **4. That § 58.1-802.2 and Article 10 (§ 58.1-1742) of Chapter 17 of Title 58.1 of the Code of**  
 1185 **Virginia are repealed.**

1186 **5. That each county or city that is a member of the Potomac Rappahannock Transportation**  
 1187 **Commission, but not a member of the Northern Virginia Transportation Authority, as of January**  
 1188 **1, 2018, shall expend or disburse for the support of public transportation an amount that is at**  
 1189 **least equal to the average annual amount expended or disbursed for such purposes by the county**  
 1190 **or city, excluding bond proceeds or debt service payments and federal or state grants, between**  
 1191 **July 1, 2015, and June 30, 2018.**

1192 **6. That the provisions of this act, except for §§ 33.2-214.3, 33.2-286, and 33.2-1526.1 of the Code of**  
 1193 **Virginia, as created by this act, and § 58.1-638 of the Code of Virginia, as amended by this act,**  
 1194 **shall not become effective until 30 days after the District of Columbia and the State of Maryland**  
 1195 **each enact legislation or take actions to provide dedicated funding for the Washington**  
 1196 **Metropolitan Area Transit Authority (WMATA). The percentage of funding provided by the**  
 1197 **Commonwealth for its share of WMATA funding pursuant to this act beginning with the fiscal**  
 1198 **year that this act becomes effective, and each fiscal year thereafter, shall be proportional to the**  
 1199 **amount of funding provided by the District of Columbia and Maryland relative to their respective**  
 1200 **share of WMATA funding in that fiscal year.**

1201 **7. That the Commonwealth Transportation Board shall withhold 20 percent of the funds available**  
 1202 **pursuant to subdivision C 3 of § 33.2-1526.1 of the Code of Virginia, as created by this act, if (i)**  
 1203 **any alternate directors participate or take action at an official Washington Metropolitan Area**  
 1204 **Transit Authority (WMATA) Board meeting or committee meeting as Board directors for a**  
 1205 **WMATA compact member when both directors appointed by that same WMATA compact**  
 1206 **member are present at the WMATA Board meeting or committee meeting or (ii) the WMATA**  
 1207 **Board of Directors has not adopted bylaws that would prohibit such participation by alternate**  
 1208 **directors.**

1209 **8. That, beginning July 1, 2019, the Commonwealth Transportation Board (the Board) shall**  
 1210 **withhold 20 percent of the funds available pursuant to subdivision C 3 of § 33.2-1526.1 of the**  
 1211 **Code of Virginia, as created by this act, each year unless (i) the Washington Metropolitan Area**  
 1212 **Transit Authority (WMATA) has adopted a detailed capital improvement program covering the**  
 1213 **current fiscal year and, at a minimum, the next five fiscal years, and at least one public hearing**  
 1214 **on such capital improvement program has been held in a locality embraced by the Northern**  
 1215 **Virginia Transportation Commission, and (ii) WMATA has adopted or updated a strategic plan**

1216 within the preceding 36 months, and at least one public hearing on such plan or updated plan has  
 1217 been held in a locality embraced by the Northern Virginia Transportation Commission. In order  
 1218 to satisfy the requirements of clause (ii) of this enactment, the first strategic plan adopted to  
 1219 comply with such requirements shall include a plan to align services with demand and to satisfy  
 1220 the other recommendations included in the report submitted pursuant to Item 436 R of Chapter  
 1221 836 of the Acts of Assembly of 2017.

1222 9. That the Department of Rail and Public Transportation shall develop a prioritization process as  
 1223 required by § 33.2-214.3 of the Code of Virginia, as created by this act, for the Commonwealth  
 1224 Transportation Board's consideration. The Board shall implement the prioritization process  
 1225 required by § 33.2-214.3 of the Code of Virginia, as created by this act, no later than July 1, 2019,  
 1226 and use such process for the development of the Six-Year Improvement Program for fiscal years  
 1227 2020 through 2025.

1228 10. That the Commonwealth Transportation Board shall (i) adopt the guidelines required by  
 1229 § 33.2-286 of the Code of Virginia, as created by this act, by December 1, 2018, and (ii) develop  
 1230 and adopt a plan for phased implementation of the requirements for submissions of the strategic  
 1231 plans required to be developed over a period of five years. No agency subject to § 33.2-286 of the  
 1232 Code of Virginia, as created by this act, shall be penalized for not submitting a strategic plan  
 1233 pursuant to such section, provided that the agency is in compliance with the phased  
 1234 implementation schedule adopted by the Commonwealth Transportation Board.

1235 11. That notwithstanding the provisions of subdivision C 1 of § 33.2-1526.1 of the Code of  
 1236 Virginia, as created by this act, for fiscal year 2019 the funds allocated to support the operating  
 1237 costs of transit shall be distributed as follows: (i) the first \$54 million of such funds shall be  
 1238 distributed to each transit property in the same proportion as its operating expenses bear to the  
 1239 total statewide operating expenses and shall be spent for purposes deemed to be eligible by the  
 1240 Board and (ii) the remaining amount of such funds shall be allocated to support operating costs of  
 1241 transit providers and shall be distributed by the Board on the basis of service delivery factors,  
 1242 based on effectiveness and efficiency, as established by the Board.

1243 12. That (i) the Washington Metropolitan Area Transit Authority (WMATA) was established  
 1244 pursuant to an interstate compact between Virginia, Maryland, and the District of Columbia to  
 1245 operate a regional mass transit system in the Washington, D.C., metropolitan area; (ii) WMATA is  
 1246 currently the second largest rapid heavy rail mass transportation system and the sixth largest bus  
 1247 mass transportation system in the United States; (iii) Section 16 of the WMATA compact embodies  
 1248 the funding principle that "the payment of the costs shall be borne by the persons using or  
 1249 benefiting from the Authority's facilities and services and any remaining costs shall be equitably  
 1250 shared among the federal, District of Columbia and participating local governments"; (iv) the  
 1251 operation of the rapid heavy rail mass transportation system and the bus mass transportation  
 1252 system by WMATA provides particular and substantial benefit to the persons living, traveling,  
 1253 commuting, and working in those localities embraced by the Northern Virginia Transportation  
 1254 Commission; (v) the benefits to such persons include not only access to the rapid heavy rail mass  
 1255 transportation system and the bus mass transportation system operated by WMATA but also the  
 1256 lessened congestion on roadways and highways as a result of such operations; and (vi) on a typical  
 1257 weekday more than 340,000 trips are taken on WMATA in Virginia. On the basis of these facts,  
 1258 the General Assembly finds that dedicated funding is appropriate and necessary to support the  
 1259 capital needs of WMATA's rapid heavy rail mass transportation system.

1260 13. That Virginia shall seek to appoint members to the Washington Metropolitan Area Transit  
 1261 Authority (WMATA) Board of Directors (i) with experience in transit, transportation, or land use  
 1262 planning; transit, transportation, or other public-sector management; engineering; finance; public  
 1263 safety; homeland security; human resources; or the law and (ii) who are familiar with the  
 1264 WMATA system.

1265 14. That, for projects initiated by the Washington Metropolitan Area Transit Authority on and  
 1266 after July 1, 2018, and located solely within the Commonwealth, bidders, offers, contractors, or  
 1267 subcontractors (i) shall not, as a condition of the contract, be required to enter into or adhere to  
 1268 or prohibited from entering into or adhering to agreements with one or more labor organizations  
 1269 and (ii) shall not otherwise be discriminated against for becoming or refusing to become or remain  
 1270 signatories or otherwise adhere to agreements with one or more labor organizations.

1271 15. That should any portion of this act be held unconstitutional by a court of competent  
 1272 jurisdiction, the remaining portions shall remain in effect.

1273 16. That should any provision of this act changing the allocation of existing revenues in the Code  
 1274 of Virginia be declared invalid by a court of competent jurisdiction, the amendments to the  
 1275 relevant section of the Code of Virginia made by this act shall expire, and such section shall revert  
 1276 to the language in the Code of Virginia in effect on January 1, 2018.

1277 17. That nothing in this act shall be construed to appropriate or transfer any transportation  
1278 revenues for nontransportation purposes pursuant to the twenty-second enactment of Chapter 896  
1279 of the Acts of Assembly of 2007 or the fourteenth enactment of Chapter 766 of the Acts of  
1280 Assembly of 2013.

1281 18. That the twelfth enactment of Chapter 684 of the Acts of Assembly of 2015 is amended and  
1282 reenacted as follows:

1283 12. That the provisions of this act amending §§ 33.2-1530, 58.1-815.4, ~~58.1-1741~~, and 58.1-2289  
1284 of the Code of Virginia shall expire if the Commonwealth collects sales and use tax from  
1285 remote sellers on sales made into the Commonwealth pursuant to legislation enacted by the  
1286 federal government that grants states that meet minimum simplification requirements specified  
1287 in such legislation the authority to compel remote retailers to collect sales and use tax on sales  
1288 made into the respective state.