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SENATE BILL NO. 583

Offered January 10, 2018

Prefiled January 9, 2018

A *BILL to amend and reenact §§ 58.1-2295, as it is currently effective, and 58.1-2299.20, as it is currently effective, of the Code of Virginia and to amend the Code of Virginia by adding in Title 33.2 a chapter numbered 34, consisting of a section numbered 33.2-3400, relating to creation of the Western Virginia Transportation Fund; revenues.*

Patron—Hanger

Referred to Committee on Finance

Be it enacted by the General Assembly of Virginia:

1. That §§ 58.1-2295, as it is currently effective, and 58.1-2299.20, as it is currently effective, of the Code of Virginia are amended and reenacted and that the Code of Virginia is amended by adding in Title 33.2 a chapter numbered 34, consisting of a section numbered 33.2-3400, as follows:

CHAPTER 34.**WESTERN VIRGINIA TRANSPORTATION FUND.****§ 33.2-3400. Western Virginia Transportation Fund established.**

There is hereby created in the state treasury a special nonreverting fund to be known as the Western Virginia Transportation Fund, referred to in this section as "the Fund." The Fund shall be established on the books of the Comptroller. All revenues dedicated to the Fund pursuant to subsection C of 58.1-2299.20 and any gifts, donations, grants, bequests, and other funds received on its behalf shall be paid into the state treasury and credited to the Fund. Interest earned on moneys in the Fund shall remain in the Fund and be credited to it. Any moneys remaining in the Fund, including interest thereon, at the end of each fiscal year shall not revert to the general fund but shall remain in the Fund. Moneys in the Fund shall be used solely for the purposes of funding priority transportation projects in Planning Districts 1, 2, 3, 4, 5, 6, and 7 as selected and approved by the Board pursuant to § 33.2-214.1. Expenditures and disbursements from the Fund shall be made by the State Treasurer on warrants issued by the Comptroller upon written request signed by the Secretary of Transportation.

§ 58.1-2295. (Contingent expiration date) Levy; payment of tax.

A. 1. In addition to all other taxes now imposed by law, there is hereby imposed a tax upon every distributor who engages in the business of selling fuels at wholesale to retail dealers for retail sale in any county or city that is a member of (i) any transportation district in which a rapid heavy rail commuter mass transportation system operating on an exclusive right-of-way and a bus commuter mass transportation system are owned, operated, or controlled by an agency or commission as defined in § 33.2-1901 or (ii) any transportation district that is subject to subsection C of § 33.2-1915 and that is contiguous to the Northern Virginia Transportation District.

2. In addition to all other taxes now imposed by law, there is hereby imposed a tax upon every distributor who engages in the business of selling fuels at wholesale to retail dealers for retail sale in any county or city that is located in a Planning District established pursuant to Chapter 42 (§ 15.2-4200 et seq.) of Title 15.2 that (i) as of January 1, 2013, has a population of not less than 1.5 million but fewer than two million, as shown by the most recent United States Census, has not less than 1.2 million but fewer than 1.7 million motor vehicles registered therein, and has a total transit ridership of not less than 15 million but fewer than 50 million riders per year across all transit systems within the Planning District or (ii) as shown by the most recent United States Census meets the population criteria set forth in clause (i) and also meets the vehicle registration and ridership criteria set forth in clause (i). In any case in which the tax is imposed pursuant to clause (ii) such tax shall be effective beginning on the July 1 immediately following the calendar year in which all of the criteria have been met.

3. In addition to all other taxes now imposed by law, there is hereby imposed a tax upon every distributor who engages in the business of selling fuels at wholesale to retail dealers for retail sale in any county or city that is located in Planning District 1, 2, 3, 4, 5, 6, or 7.

B. The tax shall be imposed at a rate of 2.1 percent of the sales price charged by a distributor for fuels sold to a retail dealer for retail sale in any such county or city. In any such sale to a retail dealer in which the distributor and the retail dealer are the same person, the sales price charged by the distributor shall be the cost price to the distributor of the fuel.

The tax levied under this section shall be imposed at the time of sale by the distributor to the retail dealer.

C. The tax imposed by this section shall be paid by the distributor, but the distributor shall separately

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SB583

59 state the amount of the tax and add such tax to the sales price or charge. Thereafter, such tax shall be a
60 debt from the retail dealer to the distributor until paid and shall be recoverable at law in the same
61 manner as other debts. No action at law or suit in equity under this chapter shall be maintained in the
62 Commonwealth by any distributor who is not registered under § 58.1-2299.2 or is delinquent in the
63 payment of taxes imposed under this chapter.

64 **§ 58.1-2299.20. (Contingent expiration date) Disposition of tax revenues.**

65 A. All taxes, interest, and civil penalties paid to the Commissioner pursuant to this chapter for the
66 sale of fuels at wholesale to retail dealers for retail sale in any county or city set forth in subdivision A
67 1 of § 58.1-2295, after subtraction of the direct costs of administration by the Department, shall be
68 deposited in a special fund entitled the "Special Fund Account of the Transportation District of
69 _____." The amounts deposited in the special fund shall be distributed monthly to the applicable
70 transportation district commission of which the county or city is a member to be applied to the
71 operating deficit, capital, and debt service of the mass transit system of such district or, in the case of a
72 transportation district subject to the provisions of subsection C of § 33.2-1915, to be applied to and
73 expended for any transportation purpose of such district. In the case of a jurisdiction which, after July 1,
74 1989, joins a transportation district which was established on or before January 1, 1986, and is also
75 subject to subsection C of § 33.2-1915, the funds collected from that jurisdiction shall be applied to and
76 expended for any transportation purpose of such jurisdiction. The direct costs of administration shall be
77 credited to the funds appropriated to the Department.

78 B. All taxes, interest, and civil penalties paid to the Commissioner pursuant to this chapter for the
79 sale of fuels at wholesale to retail dealers for retail sale in any county or city set forth in subdivision A
80 2 of § 58.1-2295, after subtraction of the direct costs of administration by the Department, shall be
81 deposited into special funds established by law. In the case of Planning District 23, the revenue
82 generated and collected therein shall be deposited into the fund established in § 33.2-2600. For
83 additional Planning Districts that may become subject to this section, funds shall be established by
84 appropriate legislation. The direct cost of administration shall be credited to the funds appropriated to
85 the Department.

86 C. *All taxes, interest, and civil penalties paid to the Commissioner pursuant to this chapter for the*
87 *sale of fuels at wholesale to retail dealers for retail sale in any county or city set forth in subdivision A*
88 *3 of § 58.1-2295, after subtraction of the direct costs of administration by the Department, shall be*
89 *deposited into the Western Virginia Transportation Fund established in § 33.2-3400.*