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HOUSE BILL NO. 1703

Offered January 9, 2019

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A BILL to amend and reenact §§ 58.1-2201, 58.1-2217, as it is currently effective and as it may become effective, and 58.1-2289, as it is currently effective and as it may become effective, of the Code of Virginia, relating to taxation of aviation jet fuel; distribution of certain revenues to the Metropolitan Washington Airports Authority.

Patrons—Guzman, Kory, Ayala, Carroll Foy, Carter, Levine, Lopez, Rasoul and Simon

Referred to Committee on Finance

Be it enacted by the General Assembly of Virginia:

1. That §§ 58.1-2201, 58.1-2217, as it is currently effective and as it may become effective, and 58.1-2289, as it is currently effective and as it may become effective, of the Code of Virginia are amended and reenacted as follows:

§ 58.1-2201. Definitions.

As used in this chapter, unless the context requires otherwise:

"Alternative fuel" means a combustible gas, liquid or other energy source that can be used to generate power to operate a highway vehicle and that is neither a motor fuel nor electricity used to recharge an electric motor vehicle or a hybrid electric motor vehicle.

"Alternative fuel vehicle" means a vehicle equipped to be powered by a combustible gas, liquid, or other source of energy that can be used to generate power to operate a highway vehicle and that is neither a motor fuel nor electricity used to recharge an electric motor vehicle or a hybrid electric motor vehicle.

"Assessment" means a written determination by the Department of the amount of taxes owed by a taxpayer. Assessments made by the Department shall be deemed to be made when a written notice of assessment is delivered to the taxpayer by the Department or is mailed to the taxpayer at the last known address appearing in the Commissioner's files.

"Aviation consumer" means any person who uses in excess of 100,000 gallons of aviation jet fuel in any fiscal year and is licensed pursuant to Article 2 (§ 58.1-2204 et seq.) of this chapter.

"Aviation fuel" means aviation gasoline or aviation jet fuel.

"Aviation gasoline" means fuel designed for use in the operation of aircraft other than jet aircraft, and sold or used for that purpose.

"Aviation jet fuel" means fuel designed for use in the operation of jet or turbo-prop aircraft, and sold or used for that purpose.

"Blended fuel" means a mixture composed of gasoline or diesel fuel and another liquid, other than a de minimis amount of a product such as carburetor detergent or oxidation inhibitor, that can be used as a fuel in a highway vehicle.

"Blender" means a person who produces blended fuel outside the terminal transfer system.

"Bonded aviation jet fuel" means aviation jet fuel held in bonded storage under United States Customs Law and delivered into a fuel tank of aircraft operated by certificated air carriers on international flights.

"Bonded importer" means a person, other than a supplier, who imports, by transport truck or another means of transfer outside the terminal transfer system, motor fuel removed from a terminal located in another state in which (i) the state from which the fuel is imported does not require the seller of the fuel to collect motor fuel tax on the removal either at that state's rate or the rate of the destination state; (ii) the supplier of the fuel is not an elective supplier; or (iii) the supplier of the fuel is not a permissive supplier.

"Bulk plant" means a motor fuel storage and distribution facility that is not a terminal and from which motor fuel may be removed at a rack.

"Bulk user" means a person who maintains storage facilities for motor fuel and uses part or all of the stored fuel to operate a highway vehicle, watercraft, or aircraft.

"Bulk user of alternative fuel" means a person who maintains storage facilities for alternative fuel and uses part or all of the stored fuel to operate a highway vehicle.

"Commercial watercraft" means a watercraft employed in the business of commercial fishing, transporting persons or property for compensation or hire, or any other trade or business unless the watercraft is used in an activity of a type generally considered entertainment, amusement, or recreation.

The definition shall include a watercraft owned by a private business and used in the conduct of its own

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59 business or operations, including but not limited to the transport of persons or property.

60 "Commissioner" means the Commissioner of the Department of Motor Vehicles.

61 "Corporate or partnership officer" means an officer or director of a corporation, partner of a
62 partnership, or member of a limited liability company, who as such officer, director, partner or member
63 is under a duty to perform on behalf of the corporation, partnership, or limited liability company the tax
64 collection, accounting, or remitting obligations.

65 "Department" means the Department of Motor Vehicles, acting directly or through its duly authorized
66 officers and agents.

67 "Designated inspection site" means any state highway inspection station, weigh station, agricultural
68 inspection station, mobile station, or other location designated by the Commissioner or his designee to
69 be used as a fuel inspection site.

70 "Destination state" means the state, territory, or foreign country to which motor fuel is directed for
71 delivery into a storage facility, a receptacle, a container, or a type of transportation equipment for the
72 purpose of resale or use. The term shall not include a tribal reservation of any recognized Native
73 American tribe.

74 "Diesel fuel" means any liquid that is suitable for use as a fuel in a diesel-powered highway vehicle
75 or watercraft. The term shall include undyed #1 fuel oil and undyed #2 fuel oil, but shall not include
76 gasoline or aviation jet fuel.

77 "Distributor" means a person who acquires motor fuel from a supplier or from another distributor for
78 subsequent sale.

79 "Dyed diesel fuel" means diesel fuel that meets the dyeing and marking requirements of 26 U.S.C.
80 § 4082.

81 "Elective supplier" means a supplier who (i) is required to be licensed in the Commonwealth and (ii)
82 elects to collect the tax due the Commonwealth on motor fuel that is removed at a terminal located in
83 another state and has Virginia as its destination state.

84 "Electric motor vehicle" means a motor vehicle that uses electricity as its only source of motive
85 power.

86 "End seller" means the person who sells fuel to the ultimate user of the fuel.

87 "Export" means to obtain motor fuel in Virginia for sale or distribution in another state, territory, or
88 foreign country. Motor fuel delivered out-of-state by or for the seller constitutes an export by the seller,
89 and motor fuel delivered out-of-state by or for the purchaser constitutes an export by the purchaser.

90 "Exporter" means a person who obtains motor fuel in Virginia for sale or distribution in another
91 state, territory, or foreign country.

92 "Fuel" includes motor fuel and alternative fuel.

93 "Fuel alcohol" means methanol or fuel grade ethanol.

94 "Fuel alcohol provider" means a person who (i) produces fuel alcohol or (ii) imports fuel alcohol
95 outside the terminal transfer system by means of a marine vessel, a transport truck, a tank wagon, or a
96 railroad tank car.

97 "Gasohol" means a blended fuel composed of gasoline and fuel grade ethanol.

98 "Gasoline" means (i) all products that are commonly or commercially known or sold as gasoline and
99 are suitable for use as a fuel in a highway vehicle, aircraft, or watercraft, other than products that have
100 an American Society for Testing Materials octane number of less than 75 as determined by the motor
101 method; (ii) a petroleum product component of gasoline, such as naphtha, reformate, or toluene; (iii)
102 gasohol; and (iv) fuel grade ethanol. The term does not include aviation gasoline sold for use in an
103 aircraft engine.

104 "Governmental entity" means (i) the Commonwealth or any political subdivision thereof or (ii) the
105 United States or its departments, agencies, and instrumentalities.

106 "Gross gallons" means an amount of motor fuel measured in gallons, exclusive of any temperature,
107 pressure, or other adjustments.

108 "Heating oil" means any combustible liquid, including but not limited to dyed #1 fuel oil, dyed #2
109 fuel oil, and kerosene, that is burned in a boiler, furnace, or stove for heating or for industrial
110 processing purposes.

111 "Highway" means every way or place of whatever nature open to the use of the public for purposes
112 of vehicular travel in the Commonwealth, including the streets and alleys in towns and cities.

113 "Highway vehicle" means a self-propelled vehicle designed for use on a highway.

114 "Hybrid electric motor vehicle" means a motor vehicle that uses electricity and another source of
115 motive power.

116 "Import" means to bring motor fuel into Virginia by any means of conveyance other than in the fuel
117 supply tank of a highway vehicle. Motor fuel delivered into Virginia from out-of-state by or for the
118 seller constitutes an import by the seller, and motor fuel delivered into Virginia from out-of-state by or
119 for the purchaser constitutes an import by the purchaser.

120 "Importer" means a person who obtains motor fuel outside of Virginia and brings that motor fuel

into Virginia by any means of conveyance other than in the fuel tank of a highway vehicle. For purposes of this chapter, a motor fuel transporter shall not be considered an importer.

"In-state-only supplier" means (i) a supplier who is required to have a license and who elects not to collect the tax due the Commonwealth on motor fuel that is removed by that supplier at a terminal located in another state and has Virginia as its destination state or (ii) a supplier who does business only in Virginia.

"Licensee" means any person licensed by the Commissioner pursuant to Article 2 (§ 58.1-2204 et seq.) of this chapter or § 58.1-2244.

"Liquid" means any substance that is liquid above its freezing point.

"Motor fuel" means gasoline, diesel fuel, blended fuel, and aviation fuel.

"Motor fuel transporter" means a person who transports motor fuel for hire by means of a pipeline, a tank wagon, a transport truck, a railroad tank car, or a marine vessel.

"Net gallons" means the amount of motor fuel measured in gallons when adjusted to a temperature of 60 degrees Fahrenheit and a pressure of 14.7 pounds per square inch.

"Occasional importer" means any person who (i) imports motor fuel by any means outside the terminal transfer system and (ii) is not required to be licensed as a bonded importer.

"Permissive supplier" means an out-of-state supplier who elects, but is not required, to have a supplier's license under this chapter.

"Person" means any individual; firm; cooperative; association; corporation; limited liability company; trust; business trust; syndicate; partnership; limited liability partnership; joint venture; receiver; trustee in bankruptcy; club, society or other group or combination acting as a unit; or public body, including but not limited to the Commonwealth, any other state, and any agency, department, institution, political subdivision or instrumentality of the Commonwealth or any other state.

"Position holder" means a person who holds an inventory position of motor fuel in a terminal, as reflected on the records of the terminal operator. A person holds an "inventory position of motor fuel" when he has a contract with the terminal operator for the use of storage facilities and terminaling services for fuel at the terminal. The term includes a terminal operator who owns fuel in the terminal.

"Principal" means (i) if a partnership, all its partners; (ii) if a corporation, all its officers, directors, and controlling direct or indirect owners; (iii) if a limited liability company, all its members; and (iv) or an individual.

"Provider of alternative fuel" means a person who (i) acquires alternative fuel for sale or delivery to a bulk user or a retailer; (ii) maintains storage facilities for alternative fuel, part or all of which the person sells to someone other than a bulk user or a retailer to operate a highway vehicle; (iii) sells alternative fuel and uses part of the fuel acquired for sale to operate a highway vehicle by means of a fuel supply line from the cargo tank of the vehicle to the engine of the vehicle; or (iv) imports alternative fuel into Virginia, by a means other than the usual tank or receptacle connected with the engine of a highway vehicle, for sale or use by that person to operate a highway vehicle.

"Qualifying airline" means an aviation consumer that is (i) a person or business that is authorized by the Federal Aviation Administration or appropriate agency of the United States to operate as an air carrier under an air carrier operating certificate and for which more than eight billion total revenue passenger-miles originated at any airport in Virginia in the most recent calendar year or (ii) any regional air carrier under contract with a person or business that meets the criteria specified in clause (i).

"Rack" means a facility that contains a mechanism for delivering motor fuel from a refinery, terminal, or bulk plant into a transport truck, railroad tank car, or other means of transfer that is outside the terminal transfer system.

"Refiner" means any person who owns, operates, or otherwise controls a refinery.

"Refinery" means a facility for the manufacture or reprocessing of finished or unfinished petroleum products usable as motor fuel and from which motor fuel may be removed by pipeline or marine vessel or at a rack.

"Regional air carrier" means an air carrier that operates aircraft of 99 seats or fewer.

"Removal" means a physical transfer other than by evaporation, loss, or destruction. A physical transfer to a transport truck or other means of conveyance outside the terminal transfer system is complete upon delivery into the means of conveyance.

"Retailer" means a person who (i) maintains storage facilities for motor fuel and (ii) sells the fuel at retail or dispenses the fuel at a retail location.

"Retailer of alternative fuel" means a person who (i) maintains storage facilities for alternative fuel and (ii) sells or dispenses the fuel at retail, to be used to generate power to operate a highway vehicle.

"Revenue passenger-miles" means the same as such term is defined and calculated in accordance with 14 C.F.R. § 241.19-5.

"Supplier" means (i) a position holder, or (ii) a person who receives motor fuel pursuant to a

182 two-party exchange. A licensed supplier includes a licensed elective supplier and licensed permissive
183 supplier.

184 "System transfer" means a transfer (i) of motor fuel within the terminal transfer system or (ii) of fuel
185 grade ethanol by transport truck or railroad tank car.

186 "Tank wagon" means a straight truck or straight truck/trailer combination designed or used to carry
187 fuel and having a capacity of less than 6,000 gallons.

188 "Terminal" means a motor fuel storage and distribution facility (i) to which a terminal control
189 number has been assigned by the Internal Revenue Service, (ii) to which motor fuel is supplied by
190 pipeline or marine vessel, and (iii) from which motor fuel may be removed at a rack.

191 "Terminal operator" means a person who owns, operates, or otherwise controls a terminal.

192 "Terminal transfer system" means a motor fuel distribution system consisting of refineries, pipelines,
193 marine vessels, and terminals, and which is a "bulk transfer/terminal system" under 26 C.F.R. Part
194 48.4081-1.

195 "Transmix" means (i) the buffer or interface between two different products in a pipeline shipment or
196 (ii) a mix of two different products within a refinery or terminal that results in an off-grade mixture.

197 "Transport truck" means a tractor truck/semitrailer combination designed or used to transport cargoes
198 of motor fuel over a highway.

199 "Trustee" means a person who (i) is licensed as a supplier, an elective supplier, or a permissive
200 supplier and receives tax payments from and on behalf of a licensed or unlicensed distributor, or other
201 person pursuant to § 58.1-2231 or (ii) is licensed as a provider of alternative fuel and receives tax
202 payments from and on behalf of a bulk user of alternative fuel, retailer of alternative fuel or other
203 person pursuant to § 58.1-2252.

204 "Two-party exchange" means a transaction in which fuel is transferred from one licensed supplier to
205 another licensed supplier pursuant to an exchange agreement, which transaction (i) includes a transfer
206 from the person who holds the inventory position in taxable motor fuel in the terminal as reflected on
207 the records of the terminal operator and (ii) is completed prior to removal of the product from the
208 terminal by the receiving exchange partner.

209 "Undyed diesel fuel" means diesel fuel that is not subject to the United States Environmental
210 Protection Agency or Internal Revenue Service fuel-dyeing requirements.

211 "Use" means the actual consumption or receipt of motor fuel by any person into a highway vehicle,
212 aircraft, or watercraft.

213 "Watercraft" means any vehicle used on waterways.

214 "Wholesale price" means the price at the rack.

215 **§ 58.1-2217. (Contingent expiration date) Taxes levied; rate.**

216 A. There is hereby levied a tax at the rate of seventeen and one-half cents per gallon on gasoline and
217 gasohol. Beginning January 1, 2015, the tax rate shall be 5.1 percent of the statewide average wholesale
218 price of a gallon of unleaded regular gasoline for the applicable base period, excluding federal and state
219 excise taxes, as determined by the Commissioner.

220 In computing the average wholesale price of a gallon of gasoline, the Commissioner shall use the
221 period from December 1 through May 31 as the base period for such determination for the immediately
222 following period beginning July 1 and ending December 31, inclusive. The period from June 1 through
223 November 30 shall be the next base period for the immediately following period beginning January 1
224 and ending June 30, inclusive. In no case shall the average wholesale price computed for purposes of
225 this section be less than the statewide average wholesale price of a gallon of unleaded regular gasoline
226 on February 20, 2013.

227 B. There is hereby levied a tax at the rate of seventeen and one-half cents per gallon on diesel fuel.
228 Beginning January 1, 2015, the tax rate shall be six percent of the statewide average wholesale price of
229 a gallon of diesel fuel for the applicable base period, excluding federal and state excise taxes, as
230 determined by the Commissioner.

231 In computing the average wholesale price of a gallon of diesel fuel, the Commissioner shall use the
232 period from December 1 through May 31 as the base period for such determination for the immediately
233 following period beginning July 1 and ending December 31, inclusive. The period from June 1 through
234 November 30 shall be the next base period for the immediately following period beginning January 1
235 and ending June 30, inclusive. In no case shall the average wholesale price computed for purposes of
236 this section be less than the statewide average wholesale price of a gallon of diesel fuel on February 20,
237 2013.

238 C. Blended fuel that contains gasoline shall be taxed at the rate levied on gasoline. Blended fuel that
239 contains diesel fuel shall be taxed at the rate levied on diesel fuel.

240 D. There is hereby levied a tax at the rate of five cents per gallon on aviation gasoline. Any person,
241 whether or not licensed under this chapter, who uses, acquires for use, sells or delivers for use in
242 highway vehicles any aviation gasoline shall be liable for the tax at the rate levied on gasoline and
243 gasohol, along with any penalties and interest that may accrue.

E. There is hereby levied a tax at the rate of five cents per gallon on aviation jet fuel purchased or acquired for use by a user of aviation fuel other than an aviation consumer. There is hereby levied a tax at the rate of five cents per gallon upon *all aviation jet fuel, excluding bonded aviation jet fuel, purchased or acquired for use by a qualifying airline in any fiscal year, and upon* the first 100,000 gallons of aviation jet fuel, excluding bonded aviation jet fuel, purchased or acquired for use by any aviation consumer in any fiscal year. There is hereby levied a tax at the rate of one-half cent per gallon on all aviation jet fuel, excluding bonded aviation jet fuel, purchased or acquired for use by an aviation consumer *that is not a qualifying airline* in excess of 100,000 gallons in any fiscal year. Any person, whether or not licensed under this chapter, who uses, acquires for use, sells, or delivers for use in highway vehicles any aviation jet fuel taxable under this chapter shall be liable for the tax imposed at the rate levied on diesel fuel, along with any penalties and interest that may accrue.

F. In accordance with § 62.1-44.34:13, a storage tank fee is imposed on each gallon of gasoline, aviation gasoline, diesel fuel (including dyed diesel fuel), blended fuel, and heating oil sold and delivered or used in the Commonwealth.

§ 58.1-2217. (Contingent effective date) Taxes levied; rate.

A. There is hereby levied a tax at the rate of seventeen and one-half cents per gallon on gasoline and gasohol. Beginning July 1, 2013, the seventeen and one-half cents per gallon tax shall be replaced with a tax at a rate of 3.5 percent of the statewide average wholesale price of a gallon of unleaded regular gasoline for the applicable base period, excluding federal and state excise taxes, as determined by the Commissioner.

In computing the average wholesale price of a gallon of unleaded regular gasoline, the Commissioner shall use the period from December 1 through May 31 as the base period for such determination for the immediately following period beginning July 1 and ending December 31, inclusive. The period from June 1 through November 30 shall be the next base period for the immediately following period beginning January 1 and ending June 30, inclusive. In no case shall the average wholesale price computed for purposes of this section be less than the statewide average wholesale price of a gallon of unleaded regular gasoline on February 20, 2013.

B. There is hereby levied a tax at the rate of seventeen and one-half cents per gallon on diesel fuel. Beginning July 1, 2013, the seventeen and one-half cents per gallon tax shall be replaced with a tax at a rate of six percent of the statewide average wholesale price of a gallon of diesel fuel for the applicable base period, excluding federal and state excise taxes, as determined by the Commissioner.

In computing the average wholesale price of a gallon of diesel fuel the Commissioner shall use the period from December 1 through May 31 as the base period for such determination for the immediately following period beginning July 1 and ending December 31, inclusive. The period from June 1 through November 30 shall be the next base period for the immediately following period beginning January 1 and ending June 30, inclusive. In no case shall the average wholesale price computed for purposes of this section be less than the statewide average wholesale price of a gallon of diesel fuel on February 20, 2013.

C. Blended fuel that contains gasoline shall be taxed at the rate levied on gasoline. Blended fuel that contains diesel fuel shall be taxed at the rate levied on diesel fuel.

D. There is hereby levied a tax at the rate of five cents per gallon on aviation gasoline. Any person, whether or not licensed under this chapter, who uses, acquires for use, sells or delivers for use in highway vehicles any aviation gasoline shall be liable for the tax at the rate levied on gasoline and gasohol, along with any penalties and interest that may accrue.

E. There is hereby levied a tax at the rate of five cents per gallon on aviation jet fuel purchased or acquired for use by a user of aviation fuel other than an aviation consumer. There is hereby levied a tax at the rate of five cents per gallon upon *all aviation jet fuel, excluding bonded aviation jet fuel, purchased or acquired for use by a qualifying airline in any fiscal year, and upon* the first 100,000 gallons of aviation jet fuel, excluding bonded aviation jet fuel, purchased or acquired for use by any aviation consumer in any fiscal year. There is hereby levied a tax at the rate of one-half cent per gallon on all aviation jet fuel, excluding bonded aviation jet fuel, purchased or acquired for use by an aviation consumer *that is not a qualifying airline* in excess of 100,000 gallons in any fiscal year. Any person, whether or not licensed under this chapter, who uses, acquires for use, sells, or delivers for use in highway vehicles any aviation jet fuel taxable under this chapter shall be liable for the tax imposed at the rate levied on diesel fuel, along with any penalties and interest that may accrue.

F. In accordance with § 62.1-44.34:13, a storage tank fee is imposed on each gallon of gasoline, aviation gasoline, diesel fuel (including dyed diesel fuel), blended fuel, and heating oil sold and delivered or used in the Commonwealth.

§ 58.1-2289. (For contingent expiration) Disposition of tax revenue generally.

A. Unless otherwise provided in this section, all taxes and fees, including civil penalties, collected by the Commissioner pursuant to this chapter, less a reasonable amount to be allocated for refunds, shall be

promptly paid into the state treasury and shall constitute special funds within the Commonwealth Transportation Fund. Any balances remaining in these funds at the end of the year shall be available for use in subsequent years for the purposes set forth in this chapter, and any interest income on such funds shall accrue to these funds.

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

B. *The tax collected on each gallon of aviation fuel sold and delivered to a qualifying airline, less refunds, shall be paid into a special fund of the state treasury. Proceeds of this special fund within the Commonwealth Transportation Fund shall be disbursed upon order of the Department of Aviation, on warrants of the Comptroller, to the Metropolitan Washington Airports Authority (the Authority) pursuant to an agreement with the Authority that provides that the Authority shall (i) use such funds to defray costs of financing and construction of the portion of Phase 2 of the Dulles Corridor Metrorail project built on Dulles International Airport property and (ii) reduce toll rates charged to users of the Dulles Toll Road by an amount estimated to be equivalent to the disbursed funds. If the Authority does not enter into such an agreement by July 1, 2019, proceeds of the special fund and all other tax collected on each gallon of aviation fuel sold and delivered or used in this the Commonwealth, less refunds, shall be paid into a special fund of the state treasury. Proceeds of this special fund within the Commonwealth Transportation Fund shall be disbursed upon order of the Department of Aviation, on warrants of the Comptroller, to defray the cost of the administration of the laws of this the Commonwealth relating to aviation, for the construction, maintenance and improvement of airports and landing fields to which the public now has or which it is proposed shall have access, and for the promotion of aviation in the interest of operators and the public generally, provided that such funds shall not be disbursed for use in connection with airports that are under the authority of the Authority.*

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

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

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

E. (For contingent expiration date, see Acts 2018, cc. 854 and 856) Of the remaining revenues deposited into the Commonwealth Transportation Fund pursuant to this chapter less refunds authorized by this chapter: (i) 80 percent shall be deposited into the Highway Maintenance and Operating Fund established pursuant to § 33.2-1530, (ii) 11.3 percent shall be deposited into the Transportation Trust Fund established pursuant to § 33.2-1524, (iii) four percent shall be deposited into the Priority Transportation Fund, (iv) 3.11 percent shall be deposited into the Commonwealth Transit Capital Fund established pursuant to subdivision A 4 c of § 58.1-638, (v) one percent shall be transferred to a special fund within the Commonwealth Transportation Fund in the state treasury, to be used to meet the necessary expenses of the Department of Motor Vehicles, and (vi) ~~0.35~~ 0.59 of one percent shall be deposited into the Commonwealth Mass Transit Fund established pursuant to subdivision A 4 of

§ 58.1-638 and allocated to subdivision A 4 b (1) (b), and (vii) 0.24 of one percent shall be deposited into the Commonwealth Mass Transit Fund established pursuant to subdivision A 4 of § 58.1-638 and allocated to subdivision A 4 b (1) (a).

E. (For contingent effective date see Acts 2018, cc. 854 and 856) Of the remaining revenues deposited into the Commonwealth Transportation Fund pursuant to this chapter less refunds authorized by this chapter: (i) 80 percent shall be deposited into the Highway Maintenance and Operating Fund established pursuant to § 33.2-1530, (ii) 11.3 percent shall be deposited into the Transportation Trust Fund established pursuant to § 33.2-1524, (iii) four percent shall be deposited into the Priority Transportation Fund, (iv) 3.7 percent shall be deposited into the Commonwealth Mass Transit Fund established pursuant to subdivision A 4 of § 58.1-638, and (v) one percent shall be transferred to a special fund within the Commonwealth Transportation Fund in the state treasury, to be used to meet the necessary expenses of the Department of Motor Vehicles.

§ 58.1-2289. (Contingent effective date) Disposition of tax revenue generally.

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

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

B. *The tax collected on each gallon of aviation fuel sold and delivered to a qualifying airline, less refunds, shall be paid into a special fund of the state treasury. Proceeds of this special fund within the Commonwealth Transportation Fund shall be disbursed upon order of the Department of Aviation, on warrants of the Comptroller, to the Metropolitan Washington Airports Authority (the Authority) pursuant to an agreement with the Authority that provides that the Authority shall (i) use such funds to defray costs of financing and construction of the portion of Phase 2 of the Dulles Corridor Metrorail project built on Dulles International Airport property and (ii) reduce toll rates charged to users of the Dulles Toll Road by an amount estimated to be equivalent to the disbursed funds. If the Authority does not enter into such an agreement by July 1, 2019, proceeds of the special fund and all other tax collected on each gallon of aviation fuel sold and delivered or used in this the Commonwealth, less refunds, shall be paid into a special fund of the state treasury. Proceeds of this special fund within the Commonwealth Transportation Fund shall be disbursed upon order of the Department of Aviation, on warrants of the Comptroller, to defray the cost of the administration of the laws of this the Commonwealth relating to aviation, for the construction, maintenance and improvement of airports and landing fields to which the public now has or which it is proposed shall have access, and for the promotion of aviation in the interest of operators and the public generally, provided that such funds shall not be disbursed for use in connection with airports that are under the authority of the Authority.*

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

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

From the tax collected pursuant to the provisions of this chapter from the sales of gasoline used for the propelling of watercraft, after deduction for lawful refunds, there shall be paid into the state treasury

428 for use by the Marine Resources Commission, the Virginia Soil and Water Conservation Board, the
429 State Water Control Board, and the Commonwealth Transportation Board to (i) improve the public
430 docks as specified in this section, (ii) improve commercial and sports fisheries in Virginia's tidal waters,
431 (iii) make environmental improvements including, without limitation, fisheries management and habitat
432 enhancement in the Chesapeake and its tributaries, and (iv) further the purposes set forth in § 33.2-1510,
433 a sum as established by the General Assembly.

434 E. Of the remaining revenues deposited into the Commonwealth Transportation Fund pursuant to this
435 chapter less refunds authorized by this chapter: (i) 80 percent shall be deposited into the Highway
436 Maintenance and Operating Fund established pursuant to § 33.2-1530, (ii) 15 percent shall be deposited
437 into the Transportation Trust Fund established pursuant to § 33.2-1524, (iii) four percent shall be
438 deposited into the Priority Transportation Fund, and (iv) one percent shall be transferred to a special
439 fund within the Commonwealth Transportation Fund in the state treasury, to be used to meet the
440 necessary expenses of the Department of Motor Vehicles.