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## HOUSE BILL NO. 1919

Offered January 18, 1999

A BILL to amend and reenact § 58.1-3713 of the Code of Virginia, relating to local coal and gas road improvement tax.

Patron—Phillips

Referred to Committee on Counties, Cities and Towns

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

**1. That § 58.1-3713 of the Code of Virginia is amended and reenacted as follows:**

§ 58.1-3713. Local coal and gas road improvement and Virginia Coalfield Economic Development Authority tax.

A. In addition to the taxes authorized under § 58.1-3712, any county or city may adopt a license tax on every person engaging in the business of severing coal or gases from the earth. The rate of such tax shall not exceed one percent. The provisions of § 58.1-3712 as they relate to measurement of gross receipts, filing of reports and record keeping shall be applicable to the tax imposed under this section.

The moneys collected for each county or city from the tax imposed under authority of this section shall be paid into a special fund of such county or city to be called the Coal and Gas Road Improvement Fund of such county or city, and shall be spent for such improvements to public roads as the coal and gas road improvement advisory committee and the governing body of such county or city may determine as provided in subsection B of this section. The county may also, in its discretion, elect to improve city or town roads with its funds if consent of the city or town council is obtained. *In addition, the county may elect to distribute a portion of the Fund to any town or towns within the county's boundaries, provided the town uses such moneys for road and water projects. Such water projects shall only include projects which broaden the availability of water, such as the extension of water lines into areas not having such lines.*

~~Such funds~~ The revenues collected shall be in addition to those allocated to such counties from state highway funds which allocations shall not be reduced as a result of any revenues received from the tax imposed hereunder. In those localities which comprise the Virginia Coalfield Economic Development Authority, the tax imposed under this section shall be paid as follows: (i) three-fourths of the revenue shall be paid to the Coal and Gas Road Improvement Fund and used for the purposes set forth herein; however, one-fourth of such revenue may be used to fund the construction of new water systems and lines in areas with natural water supplies which are insufficient from the standpoint of quality or quantity, and (ii) one-fourth of the revenue shall be paid to the Virginia Coalfield Economic Development Fund. Furthermore, with regard to the portion paid to the Coal and Gas Road Improvement Fund, a county or city may provide for an additional one-fourth allocation for the construction of new and improved water systems and lines in areas with natural water supplies which are insufficient from the standpoint of quality or quantity; however, if this option is initiated by a county or city, it must satisfy the requirements set forth in § 58.1-3713.01.

B. Any county or city imposing the tax authorized in this section *and any town receiving moneys in accordance with subsection A* shall establish a ~~Coal and Gas Road Improvement Advisory Committee~~ *coal and gas road improvement advisory committee*, to be composed of four members: (i) a member of the governing body of such county ~~or~~ city *or town*, appointed by the governing body, (ii) the resident engineer from the Department of Transportation, and (iii) two citizens of such county or city *or, in the case of a town, two citizens of the county in which the town is located*, connected with the coal and gas industry, appointed for a term of four years, initially commencing July 1, 1989, by the chief judge of the circuit court.

Such committee shall develop on or before July 1 of each year a plan for improvement of roads during the following fiscal year. *The plan shall also include water projects for any town using part or all of the money it receives for such projects.* Such plan shall have the approval of three members of the committee and shall be submitted to the governing body of the county ~~or~~ city *or town* for approval. The governing body may approve or disapprove such plan, but may make no changes without the approval of three members of the committee.

INTRODUCED

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