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HOUSE BILL NO. 2546

Offered January 21, 1999

A *BILL to amend and reenact § 58.1-638 of the Code of Virginia, relating to use of moneys constituting the Commonwealth Mass Transit Fund.*

Patrons—Crittenden, Christian, Jones, J.C., Robinson and Spruill; Senators: Maxwell and Miller, Y.B.

Referred to Committee on Finance

Be it enacted by the General Assembly of Virginia:

1. That § 58.1-638 of the Code of Virginia is amended and reenacted as follows:

§ 58.1-638. Disposition of state sales and use tax revenue; localities' share; Game Protection Fund.

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

1. The sales and use tax revenue generated by the one-half percent sales and use tax increase enacted by the 1986 Special Session of the General Assembly shall be paid, in the manner hereinafter provided in this section, to the Transportation Trust Fund as defined in § 33.1-23.03:1. Of the funds paid to the Transportation Trust Fund, an aggregate of 4.2 percent shall be set aside as the Commonwealth Port Fund as hereinafter provided; an aggregate of 2.4 percent shall be set aside as the Commonwealth Airport Fund as hereinafter provided; and an aggregate of 14.5 percent in fiscal year 1998-1999 and 14.7 percent in fiscal year 1999-2000 and thereafter shall be set aside as the Commonwealth Mass Transit Fund as hereinafter provided. The Fund's share of such net revenue shall be computed as an estimate of the net revenue to be received into the state treasury each month, and such estimated payment shall be adjusted for the actual net revenue received in the preceding month. All payments shall be made to the Fund on the last day of each month.

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

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

b. The amounts allocated pursuant to this section shall be allocated by the Commonwealth Transportation Board to the Board of Commissioners of the Virginia Port Authority to be used to support port capital needs and the preservation of existing capital needs of all ocean, river, or tributary ports within the Commonwealth.

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

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

From July 1, 1995, through June 30, 2000, any new funds in excess of \$12.1 million which are available for allocation by the Virginia Aviation Board from the Commonwealth Transportation Fund, shall be allocated as follows: sixty percent to MWAA, up to a maximum annual amount of two million dollars, and forty percent to air carrier airports as provided in subdivision A 3 a. Except for adjustments due to changes in enplaned passengers, no air carrier airport sponsor, excluding MWAA, shall receive less funds identified under subdivision A 3 a than it received in fiscal year 1994-95.

Of the remaining amount:

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

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

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

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

67 a. The Commonwealth Mass Transit Fund shall be established on the books of the Comptroller and
68 any funds remaining in such Fund at the end of the biennium shall not revert to the general fund but
69 shall remain in the Fund. Interest earned on such funds shall be credited to the Fund. Funds may be
70 paid to any local governing body, transportation district commission, or public service corporation for
71 the purposes hereinafter specified.

72 b. The amounts allocated pursuant to this section may be used to support a maximum of fifty percent
73 of the public transportation administrative costs and up to eighty percent of the costs of ridesharing
74 programs borne by the locality. These amounts ~~may~~ shall be used to support ~~up to no less than~~
75 ~~sixty-five percent and no less more than~~ ninety-five percent of the local or nonfederal share of capital
76 project costs for public transportation and ridesharing equipment, facilities, and associated costs. Capital
77 costs may include debt service payments on local or agency transit bonds. Further, these amounts may
78 be used to support a maximum of ninety-five percent of the costs borne by the locality for the purchase
79 of fuels, lubricants, tires and maintenance parts and supplies for public transportation. The term "borne
80 by the locality" shall mean the local share eligible for state assistance consisting of costs in excess of
81 the sum of fares and other operating revenues plus federal assistance received by the locality.

82 c. Commonwealth Mass Transit Fund revenue shall be allocated by the Commonwealth
83 Transportation Board as follows:

84 (1) Funds for special programs, which shall include ridesharing, experimental transit, and technical
85 assistance, shall not exceed 1.5 percent of the Fund.

86 (2) The Board may allocate these funds to any locality or planning district commission to finance up
87 to eighty percent of the local share of all costs associated with the development, implementation, and
88 continuation of ridesharing programs.

89 (3) Funds allocated for experimental transit projects may be paid to any local governing body,
90 transportation district commission, or public corporation or may be used directly by the Department of
91 Rail and Public Transportation for the following purposes:

92 (a) To finance up to ninety-five percent of the capital costs related to the development,
93 implementation and promotion of experimental public transportation and ridesharing projects approved
94 by the Board.

95 (b) To finance up to ninety-five percent of the operating costs of experimental mass transportation
96 and ridesharing projects approved by the Board for a period of time not to exceed twelve months.

97 (c) To finance up to ninety-five percent of the cost of the development and implementation of any
98 other project designated by the Board where the purpose of such project is to enhance the provision and
99 use of public transportation services.

100 d. Funds allocated for public transportation promotion and operation studies may be paid to any local
101 governing body, planning district commission, transportation district commission, or public transit
102 corporation, or may be used directly by the Department of Rail and Public Transportation for the
103 following purposes and aid of public transportation services:

104 (1) At the approval of the Board to finance a program administered by the Department of Rail and
105 Public Transportation designed to promote the use of public transportation and ridesharing throughout
106 Virginia.

107 (2) To finance up to fifty percent of the local share of public transportation operations planning and
108 technical study projects approved by the Board.

109 e. At least 73.5 percent of the Fund shall be distributed to each transit property in the same
110 proportion as its operating expenses bear to the total statewide operating expenses and shall be spent for
111 the purposes specified in subdivision 4 b.

112 f. The remaining twenty-five percent shall be distributed for capital purposes on the basis of
113 ninety-five percent of the nonfederal share for federal projects and ninety-five percent of the total costs
114 for nonfederal projects. In the event that total capital funds available under this paragraph are
115 insufficient to fund the complete list of eligible projects, the funds shall be distributed to each transit
116 property in the same proportion that such capital expenditure bears to the statewide total of capital
117 projects.

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

121 a. Local payments of WMATA rail transit bonds shall be paid first and apportioned to each locality

using the WMATA capital formula.

b. The remaining funds shall be apportioned by calculating twenty-five percent of the capital and operating costs and seventy-five percent of the capital and operating subsidies applied to each locality. Capital costs may include twenty percent of annual local bus capital expenses.

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

B. The sales and use tax revenue generated by a one percent sales and use tax shall be distributed among the counties and cities of this Commonwealth in the manner hereafter in this section provided.

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

D. The net revenue so distributable among the counties and cities shall be apportioned and distributed upon the basis as certified to the Comptroller by the Department of Education, of the number of children in each county and city according to the most recent statewide census of school population taken by the Department of Education pursuant to § 22.1-284, as adjusted in the manner hereinafter provided. No special school population census, other than a statewide census, shall be used as the basis of apportionment and distribution except that in any calendar year in which a statewide census is not reported, the Department of Education shall adjust such school population figures by the same percent of annual change in total population estimated for each locality by The Center for Public Service. The revenue so apportionable and distributable is hereby appropriated to the several counties and cities for maintenance, operation, capital outlays, debt and interest payments, or other expenses incurred in the operation of the public schools, which shall be considered as funds raised from local resources. In any county, however, wherein is situated any incorporated town constituting a school division, the county treasurer shall pay into the town treasury for maintenance, operation, capital outlays, debt and interest payments, or other expenses incurred in the operation of the public schools, the proper proportionate amount received by him in the ratio that the school population of such town bears to the school population of the entire county. If the school population of any city or of any town constituting a school division is increased by the annexation of territory since the last preceding school population census, such increase shall, for the purposes of this section, be added to the school population of such city or town as shown by the last such census and a proper reduction made in the school population of the county or counties from which the annexed territory was acquired.

E. Beginning July 1, 2000, of the remaining sales and use tax revenue, the revenue generated by a two percent sales and use tax, up to an annual amount of \$13 million, collected from the sales of hunting equipment, auxiliary hunting equipment, fishing equipment, auxiliary fishing equipment, wildlife-watching equipment, and auxiliary wildlife-watching equipment in Virginia, as estimated by the most recent U.S. Department of the Interior, Fish and Wildlife Service and U.S. Department of Commerce, Bureau of the Census National Survey of Fishing, Hunting, and Wildlife-Associated Recreation, shall be paid into the Game Protection Fund established under § 29.1-101 and shall be used, in part, to defray the cost of law enforcement. Not later than thirty days after the close of each quarter, the Comptroller shall transfer to the Game Protection Fund the appropriate amount of collections to be dedicated to such Fund. At any time that the balance in the Capital Improvement Fund, established under § 29.1-101.1, is equal to or in excess of \$35 million, any portion of sales and use tax revenues that would have been transferred to the Game Protection Fund, established under § 29.1-101, in excess of the net operating expenses of the Board, after deduction of other amounts which accrue to the Board and are set aside for the Game Protection Fund, shall remain in the general fund until such time as the balance in the Capital Improvement Fund is less than \$35 million.

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

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