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## HOUSE BILL NO. 2596

## AMENDMENT IN THE NATURE OF A SUBSTITUTE

(Proposed by the Senate Committee on Finance  
on February 16, 2005)

(Patron Prior to Substitute—Delegate May)

A BILL to amend and reenact §§ 33.1-221.1:1.1 and 58.1-2425 of the Code of Virginia, and to amend the Code of Virginia by adding a section numbered 33.1-391.3:1, relating to the Rail Partnership Fund; creation of the Rail Advisory Board; and disposition of a portion of the motor vehicle rental tax.

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

**1. That §§ 33.1-221.1:1.1 and 58.1-2425 of the Code of Virginia are amended and reenacted and that the Code of Virginia is amended by adding a section numbered 33.1-391.3:1 as follows:**

§ 33.1-221.1:1.1. Rail Partnership Fund.

A. The General Assembly declares it to be in the public interest that railway preservation and development of railway transportation facilities are an important element of a balanced transportation system of the Commonwealth for freight and passengers and further declares it to be in the public interest that the retention, maintenance, improvement and development of the railways are essential to the Commonwealth's continued economic growth, vitality, and competitiveness in national and world markets, and there is hereby created in the state treasury a special nonreverting fund to be known as the ~~Railway Preservation and Development~~ *Rail Partnership* Fund, hereafter referred to as "the Fund."

B. The Fund shall be established on the books of the Comptroller, and shall consist of *dedications pursuant to § 58.1-2425* and such funds from ~~such~~ *other* sources as ~~shall~~ *may* be set forth in the appropriation act and *all* 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 as provided in this section. 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 ~~Executive~~ Director of the Virginia Department of Rail and Public Transportation or the ~~Executive~~ Director's designee.

C. ~~To fulfill this purpose, there shall be funding set forth each year in the budget bill and appropriated by the General Assembly in the Rail Assistance Program of the Department of Rail and Public Transportation. These funds shall be used by the Department of Rail and Public Transportation to administer a Rail Preservation and Development Program for the purposes described in subsection A. Furthermore, the Commonwealth Transportation Board shall include an annual allocation for such purpose in its allocation of transportation revenues.~~

D. ~~The Executive Director of the Department of Rail and Public Transportation shall administer and expend or commit, subject to the approval of the Commonwealth Transportation Board, the Fund for acquiring, leasing, and/or improving railways or assisting other appropriate entities to acquire, lease, or improve railways for freight and/or passenger rail transportation purposes whenever the Board shall have determined that such acquisition, lease, and/or improvement is for the common good of a region of the Commonwealth or the Commonwealth as a whole. The Executive Prior to recommending any allocation of the Fund to the Commonwealth Transportation Board, the Director of the Department of Rail and Public Transportation may shall consult with other agencies or their designated representatives concerning projects to be undertaken under this section the Rail Advisory Board established pursuant to § 33.1-391.3:1.~~

E.D. Tracks and facilities constructed and property and equipment purchased under this section shall be the property of the Commonwealth for the useful life of the project as determined by the Executive Director of the Department of Rail and Public Transportation and shall be made available for use by all common carriers using the railway system to which they connect under trackage rights agreements between the parties. *Projects undertaken pursuant to this section shall be limited to those capital improvements the Director of the Department of Rail and Public Transportation shall have determined in writing will result in public benefits to the Commonwealth that are equal to or greater than the allocation of funds under this section in the project. Such projects shall include a minimum of 30 percent cash or in-kind matching contribution from a private source, a regional authority, or a local government source.*

§ 33.1-391.3:1. Rail Advisory Board.

*There is hereby established the Rail Advisory Board to consist of nine members appointed by the Governor for terms of four years. Vacancies shall be filled for the unexpired term in the same manner as the original appointment. One of such appointees shall be an at-large member of the Commonwealth*

60 *Transportation Board and shall serve as Chairman of the Rail Advisory Board. The Board may, by*  
61 *majority vote, choose one of its members to serve as vice-chairman. The Board shall, in consultation*  
62 *with the Director, develop recommendations to be presented to the Commonwealth Transportation Board*  
63 *regarding allocations of funds from the Rail Partnership Fund. The Board shall also advise the Director*  
64 *and the Department on other matters at the request of the Director or the Department. The Board shall*  
65 *meet at the call of the Chairman. A majority of the members shall constitute a quorum for the conduct*  
66 *of all Board business.*

67 *Members of the Board shall receive no compensation, but shall be reimbursed the actual and*  
68 *necessary expenses incurred in connection with their official duties.*

69 § 58.1-2425. Disposition of revenues.

70 A. All funds collected hereunder by the Commissioner shall be forthwith paid into the state treasury.  
71 Except as otherwise provided in this section, these funds shall constitute special funds within the  
72 Commonwealth Transportation Fund. Any balances remaining in these funds at the end of the year shall  
73 be available for use in subsequent years for the purposes set forth in this chapter, and any interest  
74 income on such funds shall accrue to these funds. The revenue so derived, after refunds have been  
75 deducted, is hereby allocated for the construction, reconstruction and maintenance of highways and the  
76 regulation of traffic thereon and for no other purpose. However, (i) all funds collected pursuant to the  
77 provisions of this chapter from manufactured homes, as defined in § 46.2-100, shall be distributed to the  
78 city, town, or county wherein such manufactured home is to be situated as a dwelling; (ii) all funds  
79 collected from the additional tax imposed by subdivision A 4 of § 58.1-2402 on the rental of daily rental  
80 vehicles shall be distributed quarterly to the city, town, or county wherein such vehicle was delivered to  
81 the rentee; (iii) effective January 1, 1987, an amount equivalent to the net additional revenues generated  
82 by enactments of the 1986 Special Session of the Virginia General Assembly which amended  
83 §§ 46.2-694, 46.2-697, 58.1-2401, 58.1-2402 and this section shall be distributed to and paid into the  
84 Transportation Trust Fund, a special fund within the Commonwealth Transportation Fund, and are  
85 hereby appropriated to the Commonwealth Transportation Board for transportation needs; (iv) except as  
86 otherwise provided in clause (iii) of this sentence, all moneys collected from the tax on the gross  
87 proceeds from the rental in Virginia of any motor vehicle pursuant to subdivision A 3 of § 58.1-2402 at  
88 the tax rate in effect on December 31, 1986, shall be paid by the Commissioner into the ~~state treasury~~  
89 ~~and shall be set aside in a special fund within the Commonwealth Transportation Fund to be used to~~  
90 ~~meet the expenses of the Department of Motor Vehicles Rail Partnership Fund established pursuant to~~  
91 ~~§ 33.1-221.1:1.1; and (v) all additional revenues resulting from the fee imposed under subdivision A 5~~  
92 ~~of § 58.1-2402 as enacted by the 2004 Session of the General Assembly shall be used to pay the debt~~  
93 ~~service on the bonds issued by the Virginia Public Building Authority for the Statewide Agencies Radio~~  
94 ~~System (STARS) for the Department of State Police pursuant to the authority granted by the 2004~~  
95 ~~Session of the General Assembly.~~

96 B. As provided in subsection A of § 58.1-638, of the funds becoming part of the Transportation  
97 Trust Fund pursuant to clause (iii) of subsection A of this section, an aggregate of 4.2 percent shall be  
98 set aside as the Commonwealth Port Fund; an aggregate of 2.4 percent shall be set aside as the  
99 Commonwealth Airport Fund; and an aggregate of 14.5 percent in fiscal year 1998-1999 and 14.7  
100 percent in fiscal year 1999-2000 and thereafter shall be set aside as the Commonwealth Mass Transit  
101 Fund.