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HOUSE BILL NO. 1578**FLOOR AMENDMENT IN THE NATURE OF A SUBSTITUTE**(Proposed by Delegate Albo
on May 13, 2008)

(Patron Prior to Substitute—Delegate May)

A *BILL to amend and reenact §§ 15.2-4838.1, 15.2-4840, 33.1-23.03, 46.2-755.1, 46.2-755.2, 46.2-1167.1, 58.1-603, 58.1-604, 58.1-605, 58.1-606, 58.1-622, 58.1-625.1, 58.1-802.1, 58.1-2402.1, 58.1-3221.3 and 58.1-3825.1 of the Code of Virginia; to amend the Code of Virginia by adding a section numbered 33.1-23.03:11, by adding in Chapter 10.2 of Title 33.1 a section numbered 33.1-391.16, and by adding a section numbered 58.1-606.1; and to repeal §§ 33.1-391.6 through 33.1-391.15 of the Code of Virginia, Article 4.1 (§§ 58.1-1724.2 through 58.1-1724.7) of Chapter 17 of Title 58.1 of the Code of Virginia, and the fifth, sixth, thirteenth, fourteenth, fifteenth, eighteenth, nineteenth, and twentieth enactments of Chapter 896 of the Acts of Assembly of 2007, relating to transportation funding and administration by replacing certain fees and taxes authorized pursuant to Chapter 896 of the Acts of Assembly of 2007 that are within the ambit of the Supreme Court of Virginia's decision on February 29, 2008, that they are unconstitutional; refunding any such fees and taxes that have been collected to the person or entity that paid such fee or tax; authorizing certain bonds to be issued; and replacing the Hampton Roads Transportation Authority by transferring its duties to other entities.*

Whereas, the demand for and use of transportation facilities within a region increase as the population and density of development increase, and that the rate of increase in population and density of development is far greater in the Northern Virginia Transportation District and the Hampton Roads Transportation District; and

Whereas, the federal government has recognized the importance of transportation planning on a regional basis; and

Whereas, as of January 1, 2008, only the localities wholly embraced within the study area of the Hampton Roads Metropolitan Planning Organization and the Metropolitan Washington Transportation Planning Board within the Commonwealth have on an aggregate basis a population density greater than 800 people per square mile and 300 housing units per square mile based on the 2000 United States Census, far more than any other transportation districts; and

Whereas, the General Assembly has established the Hampton Roads Transportation District and the Northern Virginia Transportation District for planning and construction of transportation projects within the localities embraced by these districts; and

Whereas, the two most populous regions of the Commonwealth are embraced by the Hampton Roads Transportation District and the Northern Virginia Transportation District; and

Whereas, the highways within the localities embraced by the Hampton Roads Transportation District and the Northern Virginia Transportation District have more daily vehicle miles traveled per lane mile than any other highways embraced by any other transportation districts in the Commonwealth; and

Whereas, there are more than 37,500,000 and more than 48,900,000 daily vehicle miles traveled in the localities embraced by the Hampton Roads Transportation District and the Northern Virginia Transportation District respectively, which is far more than any other transportation districts; and

Whereas, more than 22 percent of the daily vehicle miles traveled in the Commonwealth are in the localities embraced by the Northern Virginia Transportation District; now, therefore,

The General Assembly declares it to be in the public interest that the economic development need and economic growth potential of Hampton Roads and Northern Virginia be addressed by special transportation revenues to provide for the costs of providing an adequate, modern, safe and efficient transportation network in Hampton Roads and Northern Virginia and hereby enacts the following legislation to provide for the same,

Be it enacted by the General Assembly of Virginia:

1. That §§ 15.2-4838.1, 15.2-4840, 33.1-23.03, 46.2-755.1, 46.2-755.2, 46.2-1167.1, 58.1-603, 58.1-604, 58.1-605, 58.1-606, 58.1-622, 58.1-625.1, 58.1-802.1, 58.1-2402.1, 58.1-3221.3, and 58.1-3825.1 of the Code of Virginia are amended and reenacted and that the Code of Virginia is amended by adding a section numbered 33.1-23.03:11, by adding in Chapter 10.2 of Title 33.1 a section numbered 33.1-391.16, and by adding a section numbered 58.1-606.1 as follows:

§ 15.2-4838.1. Use of certain revenues by the Authority.

A. All moneys received by the Authority and the proceeds of bonds issued pursuant to § 15.2-4839 shall be used by the Authority solely for transportation purposes benefiting those counties and cities that are embraced by the Authority.

B. Forty percent of the revenues shall be distributed on a pro rata basis, with each locality's share

being the total of such fees and taxes assessed or imposed by the Authority and received by the Authority that are generated or attributable to the locality divided by the total of such fees and taxes assessed or imposed by the Authority and received by the Authority. Of the revenues distributed pursuant to this subsection (i) in the Cities of Falls Church and Alexandria and the County of Arlington the first 50% shall be used solely for urban or secondary road construction and improvements and for public transportation purposes, and (ii) in the remaining localities, the first 50% shall be used solely for urban or secondary road construction and improvements. The remainder, as determined solely by the applicable locality, shall be used either for additional urban or secondary road construction; for other transportation capital improvements which have been approved by the most recent long range transportation plan adopted by the Authority; or for public transportation purposes. Solely for purposes of calculating the 40% of revenues to be distributed pursuant to this subsection, the revenue generated pursuant to § 58.1-3221.3 and Article 8 (§ 15.2-2317 et seq.) of Chapter 22 of this title by the counties and cities embraced by the Authority shall be considered revenue of the Authority. None of the revenue distributed by this subsection may be used to repay debt issued before July 1, 2007. Each locality shall provide annually to the Northern Virginia Transportation Authority sufficient documentation as required by the Authority showing that the funds distributed under this subsection were used as required by this subsection.

C. The remaining 60% of the revenues from such sources shall be used by the Authority solely for transportation projects and purposes that benefit the counties and cities embraced by the Authority.

1. The revenues under this subsection shall be used first to pay any debt service owing on any bonds issued pursuant to § 15.2-4839, and then as follows:

a. The next \$50 million each fiscal year shall be distributed to the Washington Metropolitan Area Transit Authority (WMATA) and shall be used for capital improvements benefiting the area embraced by the Authority for WMATA's transit service (Metro). The Authority shall first make use of that portion of such annual distribution as may be necessary under the requirements of federal law for the payment of federal funds to WMATA, but only if the matching federal funds are exclusive of and in addition to the amount of other federal funds appropriated for such purposes and are in an amount not less than the amount of such funds appropriated in the federal fiscal year ending September 30, 2007;

For each year after 2018 any portion of the amount distributed pursuant to this subsection may be used for mass transit improvements in Prince William County;

b. The next \$25 million each fiscal year shall be distributed to the Virginia Railway Express for operating and capital improvements, including but not limited to track lease payments, construction of parking, dedicated rail on the Fredericksburg line, rolling stock, expanded service in Prince William County, and service as may be needed as a result of the Base Realignment and Closure Commission's action regarding Fort Belvoir.

2. All transportation projects undertaken by the Northern Virginia Transportation Authority shall be completed by private contractors accompanied by performance measurement standards, and all contracts shall contain a provision granting the Authority the option to terminate the contract if contractors do not meet such standards. Notwithstanding the foregoing, any locality may provide engineering services or right-of-way acquisition for any project with its own forces. The Authority shall avail itself of the strategies permitted under the Public-Private Transportation Act (§ 56-556 et seq.) whenever feasible and advantageous. The Authority is independent of any state or local entity, including the Virginia Department of Transportation (VDOT) and the Commonwealth Transportation Board (CTB), but the Authority, VDOT and CTB shall consult with one another to avoid duplication of efforts and, at the option of the Authority, may combine efforts to complete specific projects. Notwithstanding the foregoing, at the request of the Authority, VDOT may provide the Authority with engineering services or right-of-way acquisition for the project with its own forces. When determining what projects to construct under this subsection, the Authority shall base its decisions on the combination that (i) equitably distributes the funds throughout the localities, and (ii) constructs projects that move the most people or commercial traffic in the most cost-effective manner, and on such other factors as approved by the Authority.

3. All revenues deposited to the credit of the Authority shall be used for projects benefiting the localities embraced by the Authority, with each locality's total long-term benefits being approximately equal to the total of the fees and taxes received by the Authority that are generated by or attributable to the locality divided by the total of such fees and taxes received by the Authority.

D. For road construction and improvements pursuant to subsection B, the Department of Transportation may, on a reimbursement basis, provide the locality with planning, engineering, right-of-way, and construction services for projects funded in whole by the revenues provided to the locality by the Authority.

§ 15.2-4840. Other duties and responsibilities of Authority.

In addition to other powers herein granted, the Authority shall have the following duties and responsibilities:

1. General oversight of regional programs involving mass transit or congestion mitigation, including, but not necessarily limited to, carpooling, vanpooling, and ridesharing;

2. Long-range regional planning, both financially constrained and unconstrained;

3. Recommending to state, regional, and federal agencies regional transportation priorities, including public-private transportation projects, and funding allocations;

4. Developing, in coordination with affected counties and cities, regional priorities and policies to improve air quality;

5. Allocating to priority regional transportation projects any funds made available to the Authority and, at the discretion of the Authority, directly overseeing such projects;

6. Recommending to the Commonwealth Transportation Board priority regional transportation projects for receipt of federal and state funds;

7. Imposing, collecting, and setting the amount of tolls for use of facilities in the area embraced by the Authority, when the facility is either newly constructed or reconstructed solely with revenues of the Authority or solely with revenues under the control of the Authority in such a way as to increase the facility's traffic capacity, with the amount of any tolls variable by time of day, day of the week, vehicle size or type, number of axles, or other factors as the Authority may deem proper, and with all such tolls to be used for programs and projects that are reasonably related to or benefit the users of the applicable facility, including, but not limited to, for the debt service and other costs of bonds whose proceeds are used for such construction or reconstruction;

8. General oversight of regional transportation issues of a multijurisdictional nature, including but not limited to intelligent transportation systems, signalization, and preparation for and response to emergencies;

9. Serving as an advocate for the transportation needs of Northern Virginia before the state and federal governments;

10. Applying to and negotiating with the government of the United States, the Commonwealth of Virginia, or any agency, instrumentality, or political subdivision thereof, for grants and any other funds available to carry out the purposes of this chapter and receiving, holding, accepting, and administering from any source gifts, bequests, grants, aid, or contributions of money, property, labor, or other things of value to be held, used and applied to carry out the purposes of this chapter subject, however, to any conditions upon which gifts, bequests, grants, aid, or contributions are made. Unless otherwise restricted by the terms of the gift, bequest, or grant, the Authority may sell, exchange, or otherwise dispose of such money, securities, or other property given or bequeathed to it in furtherance of its purposes; and

11. Acting as a "responsible public entity" for the purpose of the acquisition, construction, improvement, maintenance and/or operation of a "qualifying transportation facility" under the Public-Private Transportation Act of 1995 (§ 56-556 et seq.); and.

~~12. To decide and vote to impose certain fees and taxes authorized under law for imposition or assessment by the Authority, provided that any such fee or tax assessed or imposed is assessed or imposed in all counties and cities embraced by the Authority. The revenues from such certain fees and taxes shall be kept in a separate account and shall be used only for the purposes provided in this chapter.~~

§ 33.1-23.03. Board to develop and update Statewide Transportation Plan.

The Commonwealth Transportation Board shall conduct a comprehensive review of statewide transportation needs in a Statewide Transportation Plan setting forth an inventory of all construction needs for all systems, and based upon this inventory, establishing goals, objectives, and priorities covering a twenty-year planning horizon, in accordance with federal transportation planning requirements. This plan shall embrace all modes of transportation and include technological initiatives. This Statewide Transportation Plan shall be updated as needed, but no less than once every five years. The plan shall promote economic development and all transportation modes, intermodal connectivity, environmental quality, accessibility for people and freight, and transportation safety. The plan shall include quantifiable measures and achievable goals relating to, but not limited to, congestion reduction and safety, transit and high-occupancy vehicle facility use, job-to-housing ratios, job and housing access to transit and pedestrian facilities, air quality, and per capita vehicle miles traveled. The Board shall consider such goals in evaluating and selecting transportation improvement projects. The plan shall incorporate the approved long-range plans' measures and goals developed by the Northern Virginia Transportation Authority and the Hampton Roads Transportation Authority. Each such plan shall be summarized in a public document and made available to the general public upon presentation to the Governor and General Assembly.

It is the intent of the General Assembly that this plan assess transportation needs and assign priorities to projects on a statewide basis, avoiding the production of a plan which is an aggregation of local, district, regional, or modal plans.

§ 33.1-23.03:11. Northern Virginia Special Transportation Revenue Fund established.

183 *There is hereby created in the state treasury a special nonreverting fund to be known as the*
184 *Northern Virginia Special Transportation Revenue Fund, hereafter referred to as "the Fund." The Fund*
185 *shall be established on the books of the Comptroller. The Fund shall consist of the revenue from the*
186 *fees and taxes imposed pursuant to §§ 46.2-755.1, 46.2-755.2, 46.2-1167.1, subsection B of § 58.1-603,*
187 *and subsection B of § 58.1-604, and any other revenue that may be deposited into the Fund. Interest*
188 *earned on moneys in the Fund shall remain in the Fund and be credited to it. Any moneys remaining in*
189 *the Fund, including interest thereon, at the end of each fiscal year shall not revert to the general fund*
190 *but shall remain in the Fund. Moneys in the Fund shall be used solely to support costs and debt service*
191 *for bonds issued for transportation projects as identified and prioritized by the Northern Virginia*
192 *Transportation Authority in the most recent Northern Virginia Transportation Authority Comprehensive*
193 *Transportation Plan.*

194 *§ 33.1-391.16. Transfer of responsibilities and functions upon abolition of Hampton Roads*
195 *Transportation Authority.*

196 *In the event of the abolition or termination of the Hampton Roads Transportation Authority:*

197 *1. Any obligations of the Authority under any contract entered into by the Authority prior to its*
198 *abolition or termination shall be transferred to and assumed by the Virginia Department of*
199 *Transportation;*

200 *2. Any and all planning responsibilities and functions vested in the Authority prior to its abolition or*
201 *termination shall be transferred to and assumed by the Hampton Roads Metropolitan Planning*
202 *Organization;*

203 *3. Power to impose and collect tolls for use of highways, bridges, and tunnels granted the Authority*
204 *prior to its abolition or termination shall be transferred to and assumed by the Commonwealth*
205 *Transportation Board and, in addition, the Board shall have the power to impose and collect tolls for*
206 *use of both the Midtown and Downtown Tunnels connecting the Cities of Norfolk and Portsmouth if*
207 *improvements are made to either such tunnel that increase its traffic-carrying capacity;*

208 *4. Power to enter into contracts under the Public-Private Transportation Act of 1995 (§ 56-556 et*
209 *seq.) or on a design-build basis or otherwise, in connection with any of the following projects: U.S.*
210 *Route 460 Upgrade; I-64 Widening on the Peninsula; I-64 Widening South of Hampton Roads;*
211 *Downtown Tunnel/Midtown Tunnel/MLK Extension; Southeastern Parkway/Dominion Boulevard/Route*
212 *17; I-664 Widening in Newport News; I-664 Widening on the Southside; I-664 Monitor-Merrimac*
213 *Memorial Bridge Tunnel Widening; I-564 from I-64 to the Intermodal Connector; I-564 Connector to*
214 *the Monitor-Merrimac Memorial Bridge Tunnel; and Craney Island Connector, hitherto vested in the*
215 *Authority, as well as the determination of the feasibility of an expansion of the Hampton Roads*
216 *Bridge-Tunnel, shall be transferred to and vested in the Virginia Department of Transportation; and*

217 *5. Any assets of the Authority shall be deposited into the Hampton Roads Transportation Revenue*
218 *Fund established pursuant to § 58.1-606.1.*

219 *§ 46.2-755.1. Additional annual license fees in certain localities.*

220 *In addition to taxes and license fees imposed pursuant to § 46.2-752 and to all other taxes and fees*
221 *permitted by law, the Hampton Roads Transportation Authority established pursuant to § 33.1-391.7 and*
222 *the Northern Virginia Transportation Authority established pursuant to § 15.2-4830 are authorized to*
223 *charge there is imposed an additional non-refundable annual license fee in the amount of \$10 for each*
224 *vehicle registered in any county or city that is embraced by the respective Authority the Northern*
225 *Virginia Transportation Authority established pursuant to § 15.2-4830, for such vehicles subject to state*
226 *registration fees under this Title. Such additional license fees shall not, however, be charged for any*
227 *vehicle registered under the International Registration Plan developed by International Registration Plan,*
228 *Inc. The revenue from the fee imposed under this section shall be deposited into the Northern Virginia*
229 *Special Transportation Revenue Fund established pursuant to § 33.1-23.03:11.*

230 *§ 46.2-755.2. Additional initial registration fees in certain localities.*

231 *In addition to taxes and license fees imposed pursuant to § 46.2-752 and to all other taxes and fees*
232 *permitted by law, the Hampton Roads Transportation Authority established pursuant to § 33.1-391.7 and*
233 *the Northern Virginia Transportation Authority established pursuant to § 15.2-4830 are authorized to*
234 *charge there is imposed an additional non-refundable initial, one-time registration fee on any vehicle*
235 *registered in any county or city that is embraced by the respective Authority Northern Virginia*
236 *Transportation Authority established pursuant to § 15.2-4830, for such vehicles subject to state*
237 *registration fees under this Title. The fee shall be imposed at a rate of 1% of the value of the vehicle at*
238 *the time the vehicle is first registered in such county or city by the owner of the vehicle. The value of*
239 *the vehicle shall be determined on the same basis as is or would be used to determine the basis for*
240 *motor vehicle sales and use tax as set forth in Chapter 24 (§ 58.1-2400 et seq.) of Title 58.1. The fee*
241 *authorized by this section shall be assessed at the time the vehicle is first registered in the county or city*
242 *embraced by the respective Authority by the owner of the vehicle, and shall be imposed only once, so*
243 *long as the ownership of the vehicle upon which they are imposed remains unchanged.*

244 *The fee authorized by this section shall not be imposed upon (i) vehicles registered prior to January*

July 1, 2008 unless the ownership of the vehicle changes on or after ~~January~~ July 1, 2008; (ii) vehicles registered under the International Registration Plan developed by International Registration Plan, Inc.; and (iii) any vehicle for which the sole basis for imposing the fee would be a change in the ownership of the vehicle due to (a) a gift to the spouse, son, or daughter of the transferor, (b) a transfer to a spouse, heir under the will, or heir at law by intestate succession as a result of the death of the owner of the vehicle, or (c) the addition or removal of a spouse.

The revenue from the fee imposed under this section shall be deposited into the Northern Virginia Special Transportation Revenue Fund established pursuant to § 33.1-23.03:11.

§ 46.2-1167.1. Additional fee in certain counties and cities.

In addition to all other charges and fees permitted by law, ~~the Hampton Roads Transportation Authority and the Northern Virginia Transportation Authority~~ are authorized to charge ~~there is imposed~~ an additional fee at the time of inspection in the amount of \$10 for all vehicles for which an amount is permitted to be charged for inspection pursuant to § 46.2-1167 in the area embraced by the ~~respective Authority and which shall be transmitted to the respective Authority~~ Northern Virginia Transportation Authority established pursuant to § 15.2-4830. *The revenue from the fee imposed under this section shall be deposited into the Northern Virginia Special Transportation Revenue Fund established pursuant to § 33.1-23.03:11.*

§ 58.1-603. Imposition of sales tax.

A. There is hereby levied and imposed, in addition to all other taxes and fees of every kind now imposed by law, a license or privilege tax upon every person who engages in the business of selling at retail or distributing tangible personal property in this Commonwealth, or who rents or furnishes any of the things or services taxable under this chapter, or who stores for use or consumption in this Commonwealth any item or article of tangible personal property as defined in this chapter, or who leases or rents such property within this Commonwealth, in the amount of three and one-half percent through midnight on July 31, 2004, ~~and four percent beginning on and after August 1, 2004, and in the Counties of Isle of Wight, James City, and York and the Cities of Chesapeake, Hampton, Newport News, Norfolk, Poquoson, Portsmouth, Suffolk, Virginia Beach, and Williamsburg, five percent beginning on July 1, 2008:~~

1. Of the gross sales price of each item or article of tangible personal property when sold at retail or distributed in this Commonwealth.

2. Of the gross proceeds derived from the lease or rental of tangible personal property, where the lease or rental of such property is an established business, or part of an established business, or the same is incidental or germane to such business.

3. Of the cost price of each item or article of tangible personal property stored in this Commonwealth for use or consumption in this Commonwealth.

4. Of the gross proceeds derived from the sale or charges for rooms, lodgings or accommodations furnished to transients as set out in the definition of "retail sale" in § 58.1-602.

5. Of the gross sales of any services which are expressly stated as taxable within this chapter.

B. The license or privilege tax under this section shall also apply to the following charges in any county or city embraced by the Northern Virginia Transportation Authority established pursuant to § 15.2-4830, but the tax shall be imposed at the rate of five percent, on: (i) charges for separately stated labor or services in the repair of motor vehicles and (ii) charges for the repair of a motor vehicle in cases in which the true object of the repair is a service. The five percent license or privilege tax relating to the charges described in clauses (i) and (ii) shall not apply to the towing of motor vehicles or to the provision of emergency road services on any highway of the Commonwealth, as defined in § 46.2-100. In no case shall any local sales tax apply to the charges described in clause (i) or (ii). The revenues from such tax imposed on the charges described under clauses (i) and (ii), less the applicable portion of any refunds to taxpayers, any discount under subsection B of § 58.1-622, and after subtraction of the direct costs of administration by the Department, shall be used solely to pay costs and debt service for bonds issued for state projects identified by the Northern Virginia Transportation Authority in the most recent Northern Virginia Transportation Authority Comprehensive Transportation Plan. Any dealer or other person required to collect any tax imposed under this chapter, or pursuant to any authority granted under this chapter, who is located in any county or city embraced by the Northern Virginia Transportation Authority, shall separately state on any bill, invoice, ticket, or other billing statement the amount charged by such dealer or person for labor or services performed in the repair of motor vehicles. The revenue from the tax imposed under this subsection shall be deposited into the Northern Virginia Special Transportation Revenue Fund established pursuant to § 33.1-23.03:11.

§ 58.1-604. Imposition of use tax.

A. There is hereby levied and imposed, in addition to all other taxes and fees now imposed by law, a tax upon the use or consumption of tangible personal property in this Commonwealth, or the storage of such property outside the Commonwealth for use or consumption in this Commonwealth, in the amount

306 of three and one-half percent through midnight on July 31, 2004, and four percent beginning on and
307 after August 1, 2004; and in the Counties of Isle of Wight, James City, and York and the Cities of
308 Chesapeake, Hampton, Newport News, Norfolk, Poquoson, Portsmouth, Suffolk, Virginia Beach, and
309 Williamsburg, five percent beginning on July 1, 2008:

310 1. Of the cost price of each item or article of tangible personal property used or consumed in this
311 Commonwealth. Tangible personal property which has been acquired for use outside this Commonwealth
312 and subsequently becomes subject to the tax imposed hereunder shall be taxed on the basis of its cost
313 price if such property is brought within this Commonwealth for use within six months of its acquisition;
314 but if so brought within this Commonwealth six months or more after its acquisition, such property shall
315 be taxed on the basis of the current market value (but not in excess of its cost price) of such property at
316 the time of its first use within this Commonwealth. Such tax shall be based on such proportion of the
317 cost price or current market value as the duration of time of use within this Commonwealth bears to the
318 total useful life of such property (but it shall be presumed in all cases that such property will remain
319 within this Commonwealth for the remainder of its useful life unless convincing evidence is provided to
320 the contrary).

321 2. Of the cost price of each item or article of tangible personal property stored outside this
322 Commonwealth for use or consumption in this Commonwealth.

323 3. A transaction taxed under § 58.1-603 shall not also be taxed under this section, nor shall the same
324 transaction be taxed more than once under either section.

325 4. The use tax shall not apply with respect to the use of any article of tangible personal property
326 brought into this Commonwealth by a nonresident individual, visiting in Virginia, for his personal use,
327 while within this Commonwealth.

328 5. The use tax shall not apply to out-of-state mail order catalog purchases totaling \$100 or less
329 during any calendar year.

330 *B. The license or privilege tax under this section shall also apply to the following charges in any*
331 *county or city embraced by the Northern Virginia Transportation Authority established pursuant to*
332 *§ 15.2-4830, but the tax shall be imposed at the rate of five percent, on: (i) charges for separately*
333 *stated labor or services in the repair of motor vehicles and (ii) charges for the repair of a motor vehicle*
334 *in cases in which the true object of the repair is a service. The five percent license or privilege tax*
335 *relating to the charges described in clauses (i) and (ii) shall not apply to the towing of motor vehicles*
336 *or to the provision of emergency road services on any highway of the Commonwealth, as defined in*
337 *§ 46.2-100. In no case shall any local use tax apply to the charges described in clause (i) or (ii). The*
338 *revenues from such tax imposed on the charges described under clauses (i) and (ii), less the applicable*
339 *portion of any refunds to taxpayers, any discount under subsection B of § 58.1-622, and after*
340 *subtraction of the direct costs of administration by the Department, shall be used solely to pay*
341 *costs and debt service for bonds issued for state projects identified by the Northern Virginia*
342 *Transportation Authority in the most recent Northern Virginia Transportation Authority Comprehensive*
343 *Transportation Plan. Any dealer or other person required to collect any tax imposed under this chapter,*
344 *or pursuant to any authority granted under this chapter, who is located in any county or city embraced*
345 *by the Northern Virginia Transportation Authority, shall separately state on any bill, invoice, ticket, or*
346 *other billing statement the amount charged by such dealer or person for labor or services performed in*
347 *the repair of motor vehicles. The revenue from the tax imposed under this subsection shall be deposited*
348 *into the Northern Virginia Special Transportation Revenue Fund established pursuant to*
349 *§ 33.1-23.03:11.*

350 § 58.1-605. To what extent and under what conditions cities and counties may levy local sales taxes;
351 collection thereof by Commonwealth and return of revenue to each city or county entitled thereto.

352 A. No county, city or town shall impose any local general sales or use tax or any local general retail
353 sales or use tax except as authorized by this section.

354 B. The council of any city and the governing body of any county may levy a general retail sales tax
355 at the rate of one percent to provide revenue for the general fund of such city or county. Such tax shall
356 be added to the rate of the state sales tax imposed by §§ 58.1-603 and 58.1-604 and shall be subject to
357 all the provisions of this chapter and the rules and regulations published with respect thereto. No
358 discount under § 58.1-622 shall be allowed on a local sales tax.

359 C. The council of any city and the governing body of any county desiring to impose a local sales tax
360 under this section may do so by the adoption of an ordinance stating its purpose and referring to this
361 section, and providing that such ordinance shall be effective on the first day of a month at least 60 days
362 after its adoption. A certified copy of such ordinance shall be forwarded to the Tax Commissioner so
363 that it will be received within five days after its adoption.

364 D. Any local sales tax levied under this section shall be administered and collected by the Tax
365 Commissioner in the same manner and subject to the same penalties as provided for the state sales tax.

366 E. All local sales tax moneys collected by the Tax Commissioner under this section shall be paid
367 into the state treasury to the credit of a special fund which is hereby created on the Comptroller's books

under the name "Collections of Local Sales Taxes." Such local sales tax moneys shall be credited to the account of each particular city or county levying a local sales tax under this section. The basis of such credit shall be the city or county in which the sales were made as shown by the records of the Department and certified by it monthly to the Comptroller, namely, the city or county of location of each place of business of every dealer paying the tax to the Commonwealth without regard to the city or county of possible use by the purchasers. If a dealer has any place of business located in more than one political subdivision by reason of the boundary line or lines passing through such place of business, the amount of sales tax paid by such a dealer with respect to such place of business shall be treated for the purposes of this section as follows: one-half shall be assignable to each political subdivision where two are involved, one-third where three are involved, and one-fourth where four are involved.

F. As soon as practicable after the local sales tax moneys have been paid into the state treasury in any month for the preceding month, the Comptroller shall draw his warrant on the Treasurer of Virginia in the proper amount in favor of each city or county entitled to the monthly return of its local sales tax moneys, and such payments shall be charged to the account of each such city or county under the special fund created by this section. If errors are made in any such payment, or adjustments are otherwise necessary, whether attributable to refunds to taxpayers, or to some other fact, the errors shall be corrected and adjustments made in the payments for the next six months as follows: one-sixth of the total adjustment shall be included in the payments for the next six months. In addition, the payment shall include a refund of amounts erroneously not paid to the city or county and not previously refunded during the three years preceding the discovery of the error. A correction and adjustment in payments described in this subsection due to the misallocation of funds by the dealer shall be made within three years of the date of the payment error.

G. Such payments to counties are subject to the qualification that in any county wherein is situated any incorporated town constituting a special school district and operated as a separate school district under a town school board of three members appointed by the town council, the county treasurer shall pay into the town treasury for general governmental purposes the proper proportionate amount received by him in the ratio that the school age population of such town bears to the school age population of the entire county. If the school age population of any town constituting a separate school district is increased by the annexation of territory since the last preceding school age population census, such increase shall, for the purposes of this section, be added to the school age population of such town as shown by the last such census and a proper reduction made in the school age population of the county or counties from which the annexed territory was acquired.

H. One-half of such payments to counties are subject to the further qualification, other than as set out in subsection G above, that in any county wherein is situated any incorporated town not constituting a separate special school district which has complied with its charter provisions providing for the election of its council and mayor for a period of at least four years immediately prior to the adoption of the sales tax ordinance, the county treasurer shall pay into the town treasury of each such town for general governmental purposes the proper proportionate amount received by him in the ratio that the school age population of each such town bears to the school age population of the entire county, based on the latest statewide school census. The preceding requirement pertaining to the time interval between compliance with election provisions and adoption of the sales tax ordinance shall not apply to a tier-city. If the school age population of any such town not constituting a separate special school district is increased by the annexation of territory or otherwise since the last preceding school age population census, such increase shall, for the purposes of this section, be added to the school age population of such town as shown by the last such census and a proper reduction made in the school age population of the county or counties from which the annexed territory was acquired.

I. Notwithstanding the provisions of subsection H, the board of supervisors of a county may, in its discretion, appropriate funds to any incorporated town not constituting a separate school district within such county which has not complied with the provisions of its charter relating to the elections of its council and mayor, an amount not to exceed the amount it would have received from the tax imposed by this chapter if such election had been held.

J. It is further provided that if any incorporated town which would otherwise be eligible to receive funds from the county treasurer under subsection G or H of this section be located in a county which does not levy a general retail sales tax under the provisions of this law, such town may levy a general retail sales tax at the rate of one percent to provide revenue for the general fund of the town, subject to all the provisions of this section generally applicable to cities and counties. Any tax levied under the authority of this subsection shall in no case continue to be levied on or after the effective date of a county ordinance imposing a general retail sales tax in the county within which such town is located.

K. ~~Notwithstanding the other provisions of this chapter, the Hampton Roads Transportation Authority and the Northern Virginia Transportation Authority may impose a retail sales tax at the rate of 5% on (i) charges for separately stated labor or services in the repair of motor vehicles and (ii) charges~~

for the repair of a motor vehicle in cases in which the true object of the repair is a service provided within a city or county embraced by the respective Authority.

2. The revenue generated and collected pursuant to the tax authorized under this subsection, less the applicable portion of any refunds to taxpayers and after subtraction of the direct costs of administration by the Department, shall be deposited and held in a special trust fund under the control of the State Treasurer entitled "Special Sales and Use Tax Motor Vehicle Repair Fund." The State Treasurer on a monthly basis shall distribute the amounts deposited in the special trust fund to the Hampton Roads Transportation Authority or the Northern Virginia Transportation Authority as appropriate.

3. No discount under ~~§ 58.1-622~~ shall be allowed for the tax described under this subsection. Except as otherwise provided herein, the tax under this subsection shall be administered and collected in the same manner and subject to the same penalties as provided for the local retail sales tax.

§ 58.1-606. To what extent and under what conditions cities and counties may levy local use tax; collection thereof by Commonwealth and return of revenues to the cities and counties.

A. The council of any city and the governing body of any county which has levied or may hereafter levy a city or county sales tax under § 58.1-605 may levy a city or county use tax at the rate of one percent to provide revenue for the general fund of such city or county. Such tax shall be added to the rate of the state use tax imposed by this chapter and shall be subject to all the provisions of this chapter, and all amendments thereof, and the rules and regulations published with respect thereto, except that no discount under § 58.1-622 shall be allowed on a local use tax.

B. The council of any city and the governing body of any county desiring to impose a local use tax under this section may do so in the manner following:

1. If the city or county has previously imposed the local sales tax authorized by § 58.1-605, the local use tax may be imposed by the council or governing body by the adoption of a resolution by a majority of all the members thereof, by a recorded yeas and nays vote, stating its purpose and referring to this section, and providing that the local use tax shall become effective on the first day of a month at least 60 days after the adoption of the resolution. A certified copy of such resolution shall be forwarded to the Tax Commissioner so that it will be received within five days after its adoption. The resolution authorized by this paragraph may be adopted in the manner stated notwithstanding any other provision of law, including any charter provision.

2. If the city or county has not imposed the local sales tax authorized by § 58.1-605, the local use tax may be imposed by ordinance together with the local sales tax in the manner set out in subsections B and C of § 58.1-605.

C. Any local use tax levied under this section shall be administered and collected by the Tax Commissioner in the same manner and subject to the same penalties as provided for the state use tax.

D. The local use tax authorized by this section shall not apply to transactions to which the sales tax applies, the situs of which for state and local sales tax purposes is the city or county of location of each place of business of every dealer paying the tax to the Commonwealth without regard to the city or county of possible use by the purchasers. However, the local use tax authorized by this section shall apply to tangible personal property purchased without this Commonwealth for use or consumption within the city or county imposing the local use tax, or stored within the city or county for use or consumption, where the property would have been subject to the sales tax if it had been purchased within this Commonwealth. The local use tax shall also apply to leases or rentals of tangible personal property where the place of business of the lessor is without this Commonwealth and such leases or rentals are subject to the state tax. Moreover, the local use tax shall apply in all cases in which the state use tax applies.

E. Out-of-state dealers who hold certificates of registration to collect the use tax from their customers for remittance to this Commonwealth shall, to the extent reasonably practicable, in filing their monthly use tax returns with the Tax Commissioner, break down their shipments into this Commonwealth by cities and counties so as to show the city or county of destination. If, however, the out-of-state dealer is unable accurately to assign any shipment to a particular city or county, the local use tax on the tangible personal property involved shall be remitted to the Commonwealth by such dealer without attempting to assign the shipment to any city or county.

F. Local use tax revenue shall be distributed among the cities and counties for which it is collected, respectively, as shown by the records of the Department, and the procedure shall be the same as that prescribed for distribution of local sales tax revenue under § 58.1-605. The local use tax revenue that is not accurately assignable to a particular city or county shall be distributed monthly by the appropriate state authorities among the cities and counties in this Commonwealth imposing the local use tax upon the basis of taxable retail sales in the respective cities and counties in which the local sales and use tax was in effect in the taxable month involved, as shown by the records of the Department, and computed with respect to taxable retail sales as reflected by the amounts of the local sales tax revenue distributed among such cities and counties, respectively, in the month of distribution. Notwithstanding any other provision of this section, the Tax Commissioner shall develop a uniform method to distribute local use

tax. Any significant changes to the method of local use tax distribution shall be phased in over a five-year period. Distribution information shall be shared with the affected localities prior to implementation of the changes.

G. All local use tax revenue shall be used, applied or disbursed by the cities and counties as provided in § 58.1-605 with respect to local sales tax revenue.

H. 1. Notwithstanding the other provisions of this chapter, the Hampton Roads Transportation Authority and the Northern Virginia Transportation Authority may impose a retail use tax at the rate of 5% on (i) charges for separately stated labor or services for the repair of motor vehicles and (ii) charges for the repair of a motor vehicle in cases in which the true object of the repair is a service provided within a city or county embraced by the respective Authority.

2. The revenue generated and collected pursuant to the tax authorized under this subsection, less the applicable portion of any refunds to taxpayers and after subtraction of the direct costs of administration by the Department, shall be deposited and held in a special trust fund under the control of the State Treasurer entitled "Special Sales and Use Tax Motor Vehicle Repair Fund." The State Treasurer on a monthly basis shall distribute the amounts deposited in the special trust fund to the Hampton Roads Transportation Authority or the Northern Virginia Transportation Authority as appropriate.

3. No discount under § 58.1-622 shall be allowed for the tax described under this subsection. Except as otherwise provided herein, the tax under this subsection shall be administered and collected in the same manner and subject to the same penalties as provided for the local retail use tax.

§ 58.1-606.1. Hampton Roads Transportation Revenue Fund established.

There is hereby created in the state treasury a special nonreverting fund to be known as the Hampton Roads Transportation Revenue Fund, hereafter referred to as "the Fund." The Fund shall be established on the books of the Comptroller. The Fund shall consist of the additional revenue generated pursuant to the 2008 Session of the General Assembly's enacting the one percent increase in the state sales and use tax in the Counties of Isle of Wight, James City, and York and the Cities of Chesapeake, Hampton, Newport News, Norfolk, Poquoson, Portsmouth, Suffolk, Virginia Beach, and Williamsburg, and any other funds that may be deposited into 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 transportation projects in the Counties of Isle of Wight, James City, and York and the Cities of Chesapeake, Hampton, Newport News, Norfolk, Poquoson, Portsmouth, Suffolk, Virginia Beach, and Williamsburg. -

§ 58.1-622. Discount.

A. 1. For the purpose of compensating a dealer holding a certificate of registration under § 58.1-613 for accounting for and remitting the tax levied by this chapter, such dealer shall be allowed the following percentages of the first three percent of the tax levied by §§ 58.1-603 and 58.1-604 and accounted for in the form of a deduction in submitting his return and paying the amount due by him if the amount due was not delinquent at the time of payment.

Monthly Taxable Sales	Percentage	\$ 0 to \$62,500	4%
\$ 62,501 to \$208,000	3%	\$ 208,001 and above	2%

The discount allowed by this section subsection shall be computed according to the schedule provided, regardless of the number of certificates of registration held by a dealer.

2. The five percent tax under §§ 58.1-603 and 58.1-604 on (i) charges for separately stated labor or services in the repair of motor vehicles and (ii) charges for the repair of a motor vehicle in cases in which the true object of the repair is a service, shall not be taken into consideration in computing any discount allowed by this subsection.

B. Solely for the purpose of compensating a dealer for accounting for and remitting the five percent tax described under subsection B of §§ 58.1-603 and 58.1-604 on (i) charges for separately stated labor or services in the repair of motor vehicles and (ii) charges for the repair of a motor vehicle in cases in which the true object of the repair is a service, such dealer shall be allowed the following percentages of the first three percent of such tax and accounted for in the form of a deduction in submitting his return and paying the amount due by him if the amount due was not delinquent at the time of payment.

Monthly Taxable Sales	Percentage
\$ 0 to \$62,500	4%
\$ 62,501 to \$208,000	3%
\$ 208,001 and above	2%

The discount allowed by this subsection shall be computed according to the schedule provided, regardless of the number of certificates of registration held by a dealer.

§ 58.1-625.1. Certain dealers required to separately state labor or service charges in the repair of motor vehicles.

Any dealer or other person required to collect any tax imposed under this chapter, or pursuant to any

552 authority granted under this chapter, who is located in any county or city embraced by the Northern
553 Virginia Transportation Authority established under § 15.2-4830 ~~or the Hampton Roads Transportation~~
554 ~~Authority established under § 33.1-391.7~~, shall separately state on any bill, invoice, ticket, or other
555 billing statement the amount charged by such dealer or person for labor or services performed in the
556 repair of motor vehicles. This section shall apply only in the counties or cities embraced by the
557 Northern Virginia Transportation Authority if the Authority is imposing the taxes authorized pursuant to
558 subsection K of § 58.1-605 and subsection H of § 58.1-606, or in the counties or cities embraced by the
559 Hampton Roads Transportation Authority if the Authority is imposing the taxes authorized pursuant to
560 subsection K of § 58.1-605 and subsection H of § 58.1-606.

561 § 58.1-802.1. Congestion relief fee permitted in certain localities.

562 In addition to any other tax imposed under the provisions of this chapter, ~~the Hampton Roads~~
563 ~~Transportation Authority established pursuant to § 33.1-391.7 and~~ *each county and city embraced by the*
564 Northern Virginia Transportation Authority established pursuant to § 15.2-4830 may impose a fee,
565 delineated as ~~the "Regional~~ *a congestion relief fee,*" on each deed, instrument, or writing by which
566 lands, tenements, or other realty located in ~~any the~~ county or city embraced by the respective Authority
567 is sold and is granted, assigned, transferred, or otherwise conveyed to or vested in the purchaser or any
568 other person, by such purchaser's direction; *provided that the revenue from such fee is used solely for (i)*
569 *new road construction and (ii) public transit construction and operating costs.* The rate of the fee, when
570 the consideration or value of the interest, whichever is greater, equals or exceeds \$100, shall be \$0.40
571 for each \$100 or fraction thereof, exclusive of the value of any lien or encumbrance remaining thereon
572 at the time of the sale, whether such lien is assumed or the realty is sold subject to such lien or
573 encumbrance.

574 The fee imposed by this section shall be paid by the grantor, or any person who signs on behalf of
575 the grantor, of any deed, instrument, or writing subject to the fee imposed by this section.

576 Fees imposed by this section shall be collected pursuant to subsection B of § 58.1-802. However, the
577 compensation allowed to the clerk of the court under such subsection shall not be applicable with regard
578 to the fee collected under this section. The clerk shall return all fees collected pursuant to the authority
579 granted under this section to the ~~Hampton Roads Transportation Authority or the Northern Virginia~~
580 ~~Transportation Authority, as appropriate, applicable county and city~~ as soon as practicable.

581 § 58.1-2402.1. Local rental car transportation fee.

582 A. In addition to all other taxes, fees, and other charges imposed under law, ~~the Hampton Roads~~
583 ~~Transportation Authority established pursuant to § 33.1-391.7 and~~ *each county, city, and town embraced*
584 *by the* Northern Virginia Transportation Authority established pursuant to § 15.2-4830, may impose a fee
585 of 2% of the gross proceeds on the daily rental of a vehicle in ~~any the~~ county or city embraced by the
586 ~~respective Authority~~ wherein the daily rental of the vehicle occurs, regardless of whether such vehicle is
587 required to be licensed in the Commonwealth; *provided that the revenue from such fee is used solely for*
588 *(i) new road construction and (ii) public transit construction and operating costs.* The fee shall not be
589 levied upon a rental to a person for re-rental as an established business or part of an established
590 business or incidental or germane to such business.

591 B. After subtraction of the direct costs of administration by the Department, the Commissioner shall
592 transfer the revenues collected pursuant to this section to the ~~Hampton Roads Transportation Authority~~
593 ~~and the Northern Virginia Transportation Authority, as appropriate applicable county or city.~~

594 C. Any and all fees imposed pursuant to this section shall be collected by the Department of Motor
595 Vehicles. The Commissioner shall maintain records of the fee imposed and collected by locality.

596 D. The fee imposed pursuant to the authority granted under this section shall be implemented,
597 enforced, and collected in the same manner that rental taxes under this chapter are implemented,
598 enforced, and collected.

599 § 58.1-3221.3. Classification of certain commercial and industrial real property and taxation of such
600 property by certain localities.

601 A. Beginning January 1, 2008, and solely for the purposes of imposing the tax authorized pursuant to
602 this section, in the counties and cities that are embraced by the Northern Virginia Transportation
603 Authority, and ~~the Hampton Roads Transportation Authority in the Counties of Isle of Wight, James~~
604 ~~City, and York and the Cities of Chesapeake, Hampton, Newport News, Norfolk, Poquoson, Portsmouth,~~
605 ~~Suffolk, Virginia Beach, and Williamsburg,~~ all real property used for or zoned to permit commercial or
606 industrial uses is hereby declared to be a separate class of real property for local taxation. Such
607 classification of real property shall exclude all residential uses and all multifamily residential uses,
608 including but not limited to single family residential units, cooperatives, condominiums, townhouses,
609 apartments, or homes in a subdivision when leased on a unit by unit basis even though these units may
610 be part of a larger building or parcel of real estate containing more than four residential units.

611 B. In addition to all other taxes and fees permitted by law, (i) the governing body of any locality
612 embraced by the Northern Virginia Transportation Authority may, by ordinance, annually impose on all
613 real property in the locality specially classified in subsection A: an amount of real property tax, in

addition to such amount otherwise authorized by law, at a rate not to exceed \$0.25 per \$100 of assessed value as the governing body may, by ordinance, impose upon the annual assessed value of all real property used for or zoned to permit commercial or industrial uses; and (ii) the governing body of any locality embraced by the Hampton Roads Transportation Authority each of the Counties of Isle of Wight, James City, and York and the Cities of Chesapeake, Hampton, Newport News, Norfolk, Poquoson, Portsmouth, Suffolk, Virginia Beach, and Williamsburg may, by ordinance, annually impose on all real property in the locality specially classified in subsection A: an amount of real property tax, in addition to such amount otherwise authorized by law, at a rate not to exceed \$0.10 per \$100 of assessed value as the governing body may, by ordinance, impose upon the annual assessed value of all real property used for or zoned to permit commercial or industrial uses. The authority granted in this subsection shall be subject to the following conditions:

(1) Upon appropriation, all revenues generated from the additional real property tax imposed shall be used exclusively for transportation purposes that benefit the locality imposing the tax; and

(2) The additional real property tax imposed shall be levied, administered, enforced, and collected in the same manner as set forth in Subtitle III of Title 58.1 for the levy, administration, enforcement, and collection of local taxes. In addition, the local assessor shall separately assess and set forth upon the locality's land book the fair market value of that portion of property that is defined as a separate class of real property for local taxation in accordance with the provisions of this section.

C. Beginning January 1, 2008, in lieu of the authority set forth in subsections A and B above and solely for the purposes of imposing the tax authorized pursuant to this section, in the counties and cities embraced by the Northern Virginia Transportation Authority and the Hampton Roads Transportation Authority in the Counties of Isle of Wight, James City, and York and the Cities of Chesapeake, Hampton, Newport News, Norfolk, Poquoson, Portsmouth, Suffolk, Virginia Beach, and Williamsburg, all real property used for or zoned to permit commercial or industrial uses is hereby declared to be a separate class of real property for local taxation. Such classification of real property shall exclude all residential uses and all multifamily residential uses, including but not limited to single family residential units, cooperatives, condominiums, townhouses, apartments, or homes in a subdivision when leased on a unit by unit basis even though these units may be part of a larger building or parcel of real estate containing more than four residential units.

D. In addition to all other taxes and fees permitted by law, (i) the governing body of any locality embraced by the Northern Virginia Transportation Authority may, by ordinance, create within its boundaries, one or more special regional transportation tax districts and, thereafter, may, by ordinance, impose upon the real property located in special regional transportation tax districts specially classified in subsection C within such special regional transportation tax districts: an amount of real property tax, in addition to such amounts otherwise authorized by law, at a rate not to exceed \$0.25 per \$100 of assessed value as the governing body may, by ordinance, impose upon the annual assessed value of all real property used for or zoned to permit commercial or industrial uses; and, (ii) the governing body of any locality embraced by the Hampton Roads Transportation Authority each of the Counties of Isle of Wight, James City, and York and the Cities of Chesapeake, Hampton, Newport News, Norfolk, Poquoson, Portsmouth, Suffolk, Virginia Beach, and Williamsburg may, by ordinance, create within its boundaries, one or more special regional transportation tax districts and, thereafter, may, by ordinance, impose upon the real property specially classified in subsection C within such special regional transportation tax districts: an amount of real property tax, in addition to such amounts otherwise authorized by law, at a rate not to exceed \$0.10 per \$100 of assessed value as the governing body may, by ordinance, impose upon the annual assessed value of all real property used for or zoned to permit commercial or industrial uses. The authority granted in this subsection shall be subject to the following conditions:

(1) Notwithstanding any other provisions of law to the contrary, upon appropriation, all revenues generated from the additional real property taxes imposed in accordance with subsection C and this subsection shall be used for transportation purposes that benefit the special regional transportation tax district to which such revenue is attributable;

(2) Any local ordinance adopted in accordance with the provisions of subsection C and this subsection shall include the requirement that the additional real property taxes so authorized are to be imposed annually in accordance with applicable law;

(3) Any locality that imposes the additional real property taxes set forth in subsections A and B shall not be permitted to also impose the additional real property taxes set forth in subsection C and this subsection. In addition, any locality electing to impose the additional real property taxes on all real property located in such locality that is specially classified in subsections A and B must do so in the manner prescribed in subsections A and B and not by creation of a special transportation tax district as set forth in subsection C and this subsection. The creation of such special regional transportation tax districts shall not, however, affect the authority of a locality to establish tax districts pursuant to other

675 provisions of law;

676 (4) The total revenues generated from the additional real property taxes imposed in accordance with
677 subsection C and this subsection shall not be less than 85% of the revenues estimated to be generated
678 when imposing the additional real property taxes in accordance with subsections A and B at the rate of
679 \$0.25 per \$100 of assessed value in any locality embraced by the Northern Virginia Transportation
680 Authority and at the rate of \$0.10 per \$100 of assessed value in ~~any locality embraced by the Hampton~~
681 ~~Roads Transportation Authority~~ *the Counties of Isle of Wight, James City, and York and the Cities of*
682 *Chesapeake, Hampton, Newport News, Norfolk, Poquoson, Portsmouth, Suffolk, Virginia Beach, and*
683 *Williamsburg; and*

684 (5) The additional real property taxes imposed pursuant to subsection C and this subsection shall be
685 levied, administered, enforced, and collected, in the same manner as set forth in Subtitle III of Title 58.1
686 for the levy, administration, enforcement, and collection of all local taxes. In addition, the local assessor
687 shall separately assess and set forth upon the locality's land book the fair market value of that portion of
688 property that is defined as separate class of real property for local taxation in accordance with the
689 provisions of this section.

690 § 58.1-3825.1. Additional transient occupancy tax in certain counties and cities in Northern Virginia.

691 In addition to such transient occupancy taxes as are authorized by this chapter, *each county, city, and*
692 *town embraced by the Northern Virginia Transportation Authority established under § 15.2-4830 may*
693 *impose an additional transient occupancy tax at the rate of 2% of the amount of charge for the*
694 *occupancy of any room or space occupied provided that such room or space is located within a county*
695 *or city embraced by the Authority the revenue from such fee is used solely for (i) new road construction*
696 *and (ii) public transit construction and operating costs. Such revenues shall be used according to the*
697 *provisions of § 15.2-4838.1.*

698 2. § 1. *Notwithstanding any contrary provision of law, the following fees and taxes imposed by the*
699 *Northern Virginia Transportation Authority ("Authority") pursuant to Chapter 896 of the Acts of*
700 *Assembly of 2007 that were collected between January 1, 2008, and March 1, 2008, shall be refunded*
701 *in accordance with § 2:*

702 1. *The congestion relief fee pursuant to § 58.1-802.1 of the Code of Virginia.*

703 2. *The registration fee pursuant to § 46.2-755.1 of the Code of Virginia.*

704 3. *The initial vehicle registration fee pursuant to § 46.2-755.2 of the Code of Virginia.*

705 4. *The motor vehicle rental tax pursuant to § 58.1-2402.1 of the Code of Virginia.*

706 5. *The transient occupancy tax pursuant to § 58.1-3825.1 of the Code of Virginia.*

707 6. *The safety inspection fee pursuant to § 46.2-1167.1 of the Code of Virginia.*

708 7. *The sales and use tax on motor vehicle repairs pursuant to subsection K of § 58.1-605 and*
709 *subsection H of § 58.1-606 of the Code of Virginia.*

710 § 2. *Any fees or taxes specified in § 1 that have been collected shall be returned to the person or*
711 *entity that paid such fee or tax. The return of such fees and taxes shall be accomplished in the*
712 *following manner:*

713 *For the congestion relief fee pursuant to § 58.1-802.1, any taxes previously paid to the Authority by*
714 *the clerks of court shall be returned to the applicable clerk no later than 30 business days following the*
715 *effective date of this legislation. All taxes collected by the clerks of court shall be returned by the clerks*
716 *to the person or entity that paid the tax in accordance with guidelines that each clerk shall develop no*
717 *later than April 1, 2008. Clerks of court are encouraged to consult with the Supreme Court of Virginia*
718 *during the development of such guidelines to ensure consistency of the process. Such guidelines shall be*
719 *available to the public upon request after April 1, 2008.*

720 *For the registration fee pursuant to § 46.2-755.1 and the initial vehicle registration fee pursuant to*
721 *§ 46.2-755.2, all vendors who collected any such fees shall pay such fees to the Department of Motor*
722 *Vehicles no later than 30 business days following the effective date of this legislation. All fees collected*
723 *by the Department of Motor Vehicles or its agents shall be returned by the Department of Motor*
724 *Vehicles to the person or entity that paid the fee in accordance with guidelines that the Commissioner of*
725 *the Department of Motor Vehicles shall develop no later than April 1, 2008. Such guidelines shall be*
726 *available to the public upon request after April 1, 2008.*

727 *For the motor vehicle rental tax pursuant to § 58.1-2402.1, the transient occupancy tax pursuant to*
728 *§ 58.1-3825.1, the safety inspection fee pursuant to § 46.2-1167.1, and the sales and use tax on motor*
729 *vehicle repairs pursuant to subsection K of § 58.1-605 and subsection H of § 58.1-606, all affected*
730 *vendors shall pay any fees or taxes collected according to its established payment schedule but no later*
731 *than 30 business days following the effective date of this act, to the designated collection agent as*
732 *follows: to the Department of Motor Vehicles for the motor vehicle rental tax, the local governing body*
733 *or the Authority for the transient occupancy tax, the Authority for the safety inspection fee, and the*
734 *Department of Taxation for the sales and use tax on motor vehicle repairs. Any such payments received*
735 *by the collection agent shall immediately become unclaimed property as defined in § 55-210.2 of the*
736 *Code of Virginia. Notwithstanding any contrary provision of law, the collection agent shall have 40*

business days following the effective date of this act to remit such property to the State Treasurer. For purposes of such remittance, the collection agent shall be exempt from the abandonment period provisions of § 55-210.9 of the Code of Virginia and the requirements of § 55-210.12 of the Code of Virginia. All such property received by the State Treasurer shall be managed in accordance with the requirements of the Uniform Disposition of Unclaimed Property Act under Chapter 11.1 (§ 55-210.1 et seq.) of Title 55 of the Code of Virginia; provided, however, that the State Treasurer may establish separate guidelines to facilitate and expedite the return of such property.

§ 3. In the event the Authority has received or receives any payment of the fees and taxes listed in § 1, excluding the congestion relief fee, made directly from a vendor pursuant to the provisions of Chapter 896 of the Acts of Assembly of 2007, such payments shall be deemed unclaimed property as defined in § 55-210.2 of the Code of Virginia. Accordingly, and notwithstanding any contrary provision of law, the Authority shall have 40 business days following the effective date of this act to remit such property currently in its possession to the State Treasurer. For any property received after such period, the Authority shall have 10 business days to remit such property to the State Treasurer. For purposes of such remittance, the Authority shall be exempt from the abandonment period provisions of § 55-210.9 Code of Virginia, and the requirements of § 55-210.12 of the Code of Virginia. All such property received by the State Treasurer shall be managed in accordance with the requirements of the Uniform Disposition of Unclaimed Property Act under Chapter 11.1 (§ 55-210.1 et seq.) of Title 55 of the Code of Virginia; provided, however, that the State Treasurer may establish separate guidelines to facilitate and expedite the return of such property.

§ 4. In the event that the clerks of the court and the Department of Motor Vehicles are not able to return a portion of such fees and taxes pursuant to § 2 by September 30, 2008, such unreturned fees and taxes shall be deemed unclaimed property, as defined in § 55-210.2 of the Code of Virginia. Notwithstanding any contrary provision of law, such property shall be reported and remitted to the State Treasurer on or before November 1, 2008. For purposes of such remittance, the Department of Motor Vehicles and the clerks of the court shall be exempt from the abandonment period provisions of § 55-210.9 of the Code of Virginia. All such property received by the State Treasurer shall be managed in accordance with the requirements of the Uniform Disposition of Unclaimed Property Act under Chapter 11.1 (§ 55-210.1 et seq.) of Title 55 of the Code of Virginia; provided, however, that the State Treasurer may establish separate guidelines to facilitate and expedite the return of such property.

3. That the Commonwealth Transportation Board is authorized to issue bonds as follows:

§ 1. Title. This act shall be known and may be cited as the "Commonwealth of Virginia Northern Virginia Transportation Capital Projects Bond Act of 2008."

§ 2. The Commonwealth Transportation Board is hereby authorized, by and with the consent of the Governor, to issue, pursuant to the provisions of the State Revenue Bond Act (§ 33.1-267 et seq. of the Code of Virginia) as amended from time to time, revenue obligations of the Commonwealth to be designated "Commonwealth of Virginia Northern Virginia Transportation Capital Projects Revenue Bonds, Series .." at one or more times in an aggregate principal amount not to exceed an amount whose costs and debt service can be timely paid by the funds in the Northern Virginia Special Transportation Revenue Fund established pursuant to § 33.1-23.03:11 of the Code of Virginia and the reasonably anticipated future revenue from the revenue sources specified in § 33.1-23.03:11.

§ 3. The net proceeds of the Bonds shall be used exclusively for the purpose of providing funds for paying the costs incurred or to be incurred for construction or funding of transportation projects pursuant to § 33.1-23.03:11 of the Code of Virginia, including but not limited to environmental and engineering studies, rights-of-way acquisition, improvements to all modes of transportation, acquisition, construction and related improvements, and any financing costs and other financing expenses. Such costs may include the payment of interest on the Bonds for a period during construction and not exceeding one year after completion of construction of the projects.

§ 4. The proceeds of the Bonds, including any premium received on the sale thereof, shall be made available by the Commonwealth Transportation Board to pay costs of the projects and, where appropriate, may be paid to any authority, locality, commission, or other entity for the purposes of paying for costs of the projects. The proceeds of the Bonds may be used together with any federal, local, or private funds that may be made available for such purpose. The proceeds of the Bonds, together with any investment earnings thereon, may, at the discretion of the Commonwealth Transportation Board, secure the payment of principal or purchase price of and redemption premium, if any, and interest on the Bonds.

§ 5. The terms and structure of each issue of the Bonds shall be determined by the Commonwealth Transportation Board, subject to approval by the Treasury Board in accordance with § 2.2-2416 of the Code of Virginia, as amended. The Bonds of each issue shall be dated; shall be issued in a principal amount (subject to the limitations set forth in § 2); shall bear interest at such rate or rates, which may be fixed, adjustable, variable or a combination thereof and may be determined by a formula or other

798 method; shall mature at such time or times not exceeding 25 years from their date or dates; and may be
799 made subject to purchase or redemption before their maturity or maturities, at such price or prices and
800 under such terms and conditions, all as may be determined by the Commonwealth Transportation Board.
801 The Commonwealth Transportation Board shall determine the form of the Bonds, whether the Bonds are
802 certificated or uncertificated, and fix the authorized denomination or denominations of the Bonds and
803 the place or places of payment of principal or purchase price of, and redemption premium, if any, and
804 interest on the Bonds, which may be at the office of the State Treasurer or any bank or trust company
805 within or without the Commonwealth. The principal or purchase price of, and redemption premium, if
806 any, and interest on the Bonds shall be made payable in lawful money of the United States of America.
807 Each issue of the Bonds may be issued under a system of book entry for recording the ownership and
808 transfer of ownership of rights to receive payments of principal or purchase price of and redemption
809 premium, if any, and interest on such Bonds. All Bonds shall have and are hereby declared to have, as
810 between successive holders, all of the qualities and incidents of negotiable instruments under the
811 negotiable instruments law of the Commonwealth.

812 The Commonwealth Transportation Board may sell the Bonds from time to time at public or private
813 sale, by competitive bidding, negotiated sale, or private placement, for such price or prices as it may
814 determine to be in the best interests of the Commonwealth.

815 § 6. The Bonds shall be signed on behalf of the Commonwealth Transportation Board by the
816 chairman or vice-chairman of the Commonwealth Transportation Board, or shall bear the facsimile
817 signature of such officer, and shall bear the official seal of the Board, which shall be attested to by the
818 manual or facsimile signature of the secretary or assistant secretary of the Commonwealth
819 Transportation Board. In the event that the Bonds shall bear the facsimile signature of the chairman or
820 vice-chairman of the Commonwealth Transportation Board, such Bonds shall be signed by such
821 administrative assistant as the chairman of the Transportation Board shall determine or by any
822 registrar/paying agent who may be designated by the Commonwealth Transportation Board. In case any
823 officer whose signature or a facsimile of whose signature appears on any Bonds shall cease to be such
824 officer before the delivery of such Bonds, such signature or facsimile signature nevertheless shall be
825 valid and sufficient for all purposes as if such officer had remained in office until such delivery.

826 § 7. All expenses incurred under this Act or in connection with the issuance of the Bonds shall be
827 paid from the proceeds of such Bonds or from any available funds as the Commonwealth Transportation
828 Board shall determine.

829 § 8. The Commonwealth Transportation Board is hereby authorized to borrow money at such rate or
830 rates through the execution and issuance of the Bonds for the same, but only in the following
831 circumstances and under the following conditions:

832 a. In anticipation of the sale of the Bonds, the issuance of which shall have been authorized by the
833 Commonwealth Transportation Board and shall have been approved by the Governor, if the
834 Commonwealth Transportation Board shall deem it advisable to postpone the issuance of such Bonds;
835 or

836 b. For the renewal of any anticipation notes herein authorized.

837 § 9. The proceeds of the Bonds and of any anticipation notes herein authorized (except the proceeds
838 of the Bonds the issuance of which has been anticipated by such anticipation notes) shall be placed by
839 the State Treasurer in a special fund in the state treasury, or may be placed with a trustee in
840 accordance with § 33.1-283 of the Code of Virginia, as amended, and shall be disbursed only for the
841 purpose for which such Bonds and such anticipation notes shall be issued; provided, however, that
842 proceeds derived from the sale of the Bonds herein authorized shall be first used in the payment of any
843 anticipation notes that may have been issued in anticipation of the sale of such Bonds and any renewals
844 of such Bonds. The proceeds of the Bonds and of any anticipation notes herein authorized, together with
845 any investment earnings thereon, shall not be taken into account in computing, and shall be in addition
846 to funds allocated pursuant to the highway allocation formula set forth in § 33.1-23.1 of the Code of
847 Virginia, as amended.

848 § 10. The Commonwealth Transportation Board is hereby authorized to receive any other funds that
849 may be made available to pay costs of the projects and, subject to appropriation, to make available the
850 same to the payment of the principal or purchase price of, and redemption premium, if any, and interest
851 on the Bonds authorized hereby and to enter into the appropriate agreements to allow for those funds to
852 be paid into the state treasury, or to a trustee in accordance with § 33.1-283 of the Code of Virginia, as
853 amended, to pay a part of the costs of the projects or to pay principal or purchase price of, and
854 redemption premium, if any, and interest on the Bonds.

855 § 11. The Commonwealth Transportation Board, in connection with the issuance of the Bonds, shall
856 establish a fund in accordance with § 33.1-286 of the Code of Virginia, as amended, either in the state
857 treasury or with a trustee in accordance with § 33.1-283 of the Code of Virginia, as amended, which
858 shall secure and be used for the payment of the Bonds to the credit of which there shall be deposited
859 such amounts, appropriated therefor by the General Assembly, as are required to pay principal or

purchase price of, and redemption premium, if any, and interest on the Bonds, as and when due and payable, (i) from the revenues deposited into the Northern Virginia Special Transportation Revenue Fund established pursuant to § 33.1-23.03:11; (ii) to the extent required, from revenues legally available from the Transportation Trust Fund; and (iii) to the extent required, from any legally available funds.

§ 12. Bond proceeds and moneys in any reserve funds and sinking funds in respect of the Bonds shall be invested by the State Treasurer in accordance with the provisions of general law relating to the investment of such funds belonging to or in the control of the Commonwealth, or by a trustee in accordance with § 33.1-283 of the Code of Virginia, as amended.

§ 13. The interest income from and any profit made on the sale of the obligations issued under the provisions of this Act shall at all times be free and exempt from taxation by the Commonwealth and by any municipality, county, or other political subdivision thereof.

§ 14. All obligations issued under the provisions of this Act are hereby made securities in which all persons and entities listed in § 33.1-280 of the Code of Virginia, as amended, may properly and legally invest funds under their control.

4. That §§ 33.1-391.6 through 33.1-391.15 of the Code of Virginia, Article 4.1 (§§ 58.1-1724.2 through 58.1-1724.7) of Chapter 17 of Title 58.1 of the Code of Virginia, and the fifth, sixth, thirteenth, fourteenth, fifteenth, eighteenth, nineteenth, and twentieth enactments of Chapter 896 of the Acts of Assembly of 2007 are repealed.

5. That funds in the Hampton Roads Transportation Revenue Fund established pursuant to § 58.1-606.1. of the Code of Virginia shall be used, and are hereby appropriated, until July 1, 2011, solely for any feasibility, environmental, preliminary engineering, and design work on the projects listed in subsection 4 of § 33.1-391.16 of the Code of Virginia, with first priority given, if feasible, to I-64 Widening on the Peninsula, the Downtown Tunnel/Midtown Tunnel/MLK Extension, and the U.S. Route 460 Upgrade. On and after July 1, 2011, the additional revenue shall be used first for paying the costs and debt service on bonds issued for the projects set forth in subsection 4 of § 33.1-391.16, and, then, if all funds are not needed for such purpose, the remaining funds shall be used directly for the projects set forth in subsection 4 of § 33.1-391.16.

6. That if the revenue from any fee or tax imposed or assessed pursuant to §§ 46.2-755.1, 46.2-755.2, 46.2-1167.1, subsection B of § 58.1-603, or subsection B of § 58.1-604 of the Code of Virginia is used for a purpose other than to support costs or debt service for bonds issued for transportation projects as identified and prioritized by the Northern Virginia Transportation Authority in the most recent Northern Virginia Transportation Authority Comprehensive Transportation Plan, then (i) no bonds or other long-term debt instruments that require such revenue as a source for debt service payments or for the repayment of such bonds or other long-term debt instruments shall thereafter be entered into or issued (with the exception of any refunding bonds, notes, or other refunding instruments for the same), and (ii) the provisions of §§ 46.2-755.1, 46.2-755.2, 46.2-1167.1, subsection B of § 58.1-603, and subsection B of § 58.1-604 shall expire immediately upon the full payment or full satisfaction of any such bonds or other long-term debt instruments described in clause (i), and including any refunding instruments for the same.

7. That any county, city, or town that is embraced by the Northern Virginia Transportation Authority established pursuant to § 15.2-4830 of the Code of Virginia or that is set forth in § 58.1-3221.3 of the Code of Virginia that imposes or assesses any tax or fee pursuant to (i) Article 8 (§ 15.2-2317 et seq.) of Chapter 22 of Title 15.2 of the Code of Virginia; (ii) Article 9 (§ 15.2-2328 et seq.) of Chapter 22 of Title 15.2 of the Code of Virginia for capital costs relating to roads, streets, and bridges, including rights-of-way, traffic signals, landscaping, and any local components of federal or state highways; or (iii) § 58.1-802.1, 58.1-2402.1, 58.1-3825.1, or 58.1-3221.3 of the Code of Virginia, shall no later than January 1 following the close of the relevant fiscal year furnish a written report to the chairmen of the House and Senate Committees on Transportation detailing for such fiscal year the revenues generated from each such tax or fee and the transportation projects funded from such revenues reported by each such tax or fee.

8. That the revenues generated by the provisions of this act shall not be used to calculate or reduce the share of local, federal, and state revenues otherwise available to any locality. Further, such revenues and moneys shall not be included in any computation of, or formula for, a locality's ability to pay for public education, upon which appropriations of state revenues to local governments for public education are determined.

9. That should any portion of this act be held unconstitutional by a court of competent jurisdiction, the remaining portions of this act shall remain in effect.