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HOUSE BILL NO. 6055

FLOOR AMENDMENT IN THE NATURE OF A SUBSTITUTE

(Proposed by Delegate Hamilton
on July 9, 2008)

(Patron Prior to Substitute—Delegate Hamilton)

A *BILL to amend and reenact §§ 15.2-4838.1, 15.2-4840, 46.2-332, 46.2-755.1, 46.2-1167.1, 58.1-540, 58.1-802.1, 58.1-2402.1, and 58.1-3221.3 of the Code of Virginia, and to amend the fifth enactment of Chapter 896 of the Acts of Assembly of 2007; to amend the Code of Virginia by adding in Title 33.1 a chapter numbered 10.3, consisting of a section numbered 33.1-391.16, by adding in Title 33.1 a chapter numbered 10.4, consisting of a section numbered 33.1-391.17, and by adding in Chapter 17 of Title 58.1 an article numbered 8, consisting of a section numbered 58.1-1731; and to repeal Chapter 10.2 (§§ 33.1-391.6 through 33.1-391.15) of Title 33.1, §§ 46.2-755.2 and 58.1-625.1, Article 4.1 (§§ 58.1-1724.2 through 58.1-1724.7) of Chapter 17 of Title 58.1, and § 58.1-3825.1 of the Code of Virginia, and the sixth, thirteenth, fourteenth, fifteenth, eighteenth, and nineteenth enactments of Chapter 896 of the Acts of Assembly of 2007, relating to transportation funding and administration in the Northern Virginia and Hampton Roads areas.*

Whereas, the demand for and use of transportation facilities within a region increase as the population and density of development increase and 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 Commonwealth, through the Virginia Department of transportation, distinctly segregates the Northern Virginia and Hampton Roads areas, from seven other areas of the Commonwealth for planning and construction of transportation projects; and

Whereas, the two most populous regions of the Commonwealth are the Northern Virginia and Hampton Roads areas of the Commonwealth; and

Whereas, the highways in the Northern Virginia and Hampton Roads areas have more daily vehicle miles traveled per lane mile than any other distinct region of Commonwealth; and

Whereas, there are more than 37,500,000 and more than 48,900,000 daily vehicle miles traveled in the localities in the Hampton Roads Highway Construction District and the Northern Virginia Highway Construction District, respectively, which is far more than any other highway construction district; and

Whereas, more than 22 percent of the daily vehicle miles traveled in the Commonwealth are in Northern Virginia Transportation; and

Whereas, the Northern Virginia and Hampton Roads areas' characteristics differ (for example they have different economies, demographics, land values, and number of vehicles), and each area's ability to raise revenue for transportation improvements differ; now, therefore,

The General Assembly declares it to be in the public interest that the transportation issues, economic development needs, 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, 46.2-332, 46.2-755.1, 46.2-1167.1, 58.1-540, 58.1-802.1, 58.1-2402.1, and 58.1-3221.3 of the Code of Virginia are amended and reenacted, and that the Code of Virginia is amended by adding in Title 33.1 a chapter numbered 10.3, consisting of a section numbered 33.1-391.16, by adding in Title 33.1 a chapter numbered 10.4, consisting of a section numbered 33.1-391.17, and by adding in Chapter 17 of Title 58.1 an article numbered 8, consisting of a section numbered 58.1-1731, 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

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

77 CB. The remaining 60% of the revenues from such sources *The moneys received by the Authority*
78 shall be used by the Authority solely for transportation projects and purposes that benefit the counties
79 and cities embraced by the Authority *in consultation with members of the General Assembly and as may*
80 *be required by any other law.*

81 1. *The Notwithstanding any other provisions of this chapter,* revenues under this subsection shall be
82 used first to pay any debt service owing on any bonds issued pursuant to § 15.2-4839, and then as
83 follows:

84 a. The next \$50 million each fiscal year shall be distributed to the Washington Metropolitan Area
85 Transit Authority (WMATA) and shall be used for capital improvements benefiting the area embraced
86 by the Authority for WMATA's transit service (Metro). The Authority shall first make use of that
87 portion of such annual distribution as may be necessary under the requirements of federal law for the
88 payment of federal funds to WMATA, but only if the matching federal funds are exclusive of and in
89 addition to the amount of other federal funds appropriated for such purposes and are in an amount not
90 less than the amount of such funds appropriated in the federal fiscal year ending September 30, 2007
91 2008;

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

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

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

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

120 DC. For road construction and improvements pursuant to subsection B, the Department of
121 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;

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.~~

12. To the extent not inconsistent with the other provisions of this chapter, and without limiting or restricting the powers otherwise given the Authority, to exercise all of the powers given to transportation district commissions by §§ 15.2-4518 and 15.2-4519. The Authority shall only undertake those transportation projects that are included in the Regional Transportation Plan approved by the Northern Virginia Metropolitan Planning Organization or as adopted pursuant to subdivision B 1 of § 15.2-4830, or any successive plan, and that are located in, or which provide a benefit to, the counties and cities that are members of the Authority, subject to the limitations related to those projects contained in this section.

CHAPTER 10.3

HAMPTON ROADS TRANSPORTATION REVENUE FUND

§ 33.1-391.16. 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 fees and taxes imposed pursuant to §§ 46.2-755.1, 46.2-1167.1, and 58.1-2402.1 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 new transportation construction 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, as required by law; and then as determined by the Hampton Roads Metropolitan Planning Organization.

CHAPTER 10.4

PORTION OF REVENUES FROM CARGO MARINE TERMINALS FOR TRANSPORTATION.

§ 33.1-391.17. Certain revenues attributable to economic growth from cargo marine terminals dedicated for transportation.

A. As used in this section, unless the context clearly shows otherwise:

"Base number of cargo containers" means the cargo containers in the Commonwealth's fiscal year beginning July 1, 2008.

"Cargo container" means the number of cargo containers loaded onto, or unloaded from, ships in the ports for commerce in a fiscal year, measured in 20-foot-equivalent units.

"Net revenues" means the gross revenues less the applicable portion of any refunds.

"Ports" means the public and private general cargo marine terminals located in Hampton Roads.

"State tax revenues" means the net revenues collected from the (i) state sales tax pursuant to Chapter 6 (§ 58.1-600 et seq.) of Title 58.1, (ii) individual income tax pursuant to Chapter 3 (§ 58.1-300 et seq.) of Title 58.1, (iii) corporate income tax pursuant to Chapter 3 (§ 58.1-300 et seq.) of Title 58.1, plus (iv) insurance license tax pursuant to Chapter 25 (§ 58.1-2500 et seq.) of Title 58.1 for the Commonwealth's fiscal year beginning July 1, 2008.

B. A portion of the growth in state taxes attributable to economic activity generated or facilitated by the ports of Hampton Roads, as calculated pursuant to this section, shall be appropriated for transportation, as follows: (i) fifty percent of such portion, not to exceed \$120 million, shall be deposited into the Hampton Roads Transportation Revenue Fund established under § 33.1-391.16, (ii) twenty-five percent of such portion, not to exceed \$65 million, shall be transferred to the Northern Virginia Transportation Authority, and (iii) twenty-five percent, not to exceed \$65 million, shall be deposited into a sub-account of the Highway Maintenance and Operating Fund and allocated by the Commonwealth Transportation Board solely for the maintenance of highways within the Interstate Highway System and the primary, secondary, and urban systems of state highways in all highway construction districts except the Northern Virginia Highway Construction District and the Hampton Roads Highway Construction District.

The amount appropriated in each fiscal year shall be determined using the following revenue ratio: state tax revenues attributable to economic activity generated or facilitated by the ports/Base number of cargo containers.

The General Assembly intends for the revenue ratio to be a measure of the state revenues attributable to economic activity of the ports on a per-cargo-container basis.

Appropriations shall begin in the Commonwealth's fiscal year starting on July 1, 2010. For such fiscal year, the amount appropriated shall be computed by:

1. First multiplying the revenue ratio by the increase in cargo containers for the most recently ended fiscal year over the base number of cargo containers, and

2. Second multiplying such product by 30 percent (.30).

As a result, the amount appropriated for the Commonwealth's fiscal year starting on July 1, 2010, shall be computed using the following formula: revenue ratio X (Increase in cargo containers in Fiscal Year 2009-2010 over the base number of cargo containers) X .30.

For the fiscal year starting on July 1, 2011, and for each fiscal year thereafter, the amount appropriated shall be computed using such formula except that the cargo containers in the most recently ended fiscal year shall be used for determining the increase over the base number of cargo containers.

C. The Secretary of Finance, in consultation with the Secretary of Transportation, shall determine the revenue ratio. In determining the numerator of the revenue ratio or the state tax revenues attributable to economic activity generated or facilitated by the ports, the Secretary shall include state tax revenues from (i) port operations, including but not limited to revenues from pilots, longshoremen, truck and rail transportation, insurance, warehousing, storage, and ship servicing; (ii) the production in Virginia of goods exported through the ports; (iii) imports sold to citizens of the Commonwealth or used as inputs by businesses located in the Commonwealth or by Virginia state and local governmental entities; and (iv) employee compensation, fuel costs, business and professional services, power, and communications relating to the factors set forth in clauses (i) through (iii). The Secretary shall determine the revenue ratio no later than January 1, 2010, and shall promptly report the same to the chairmen of the House Committee on Appropriations, House Committee on Finance, and the Senate

Committee on Finance.

D. The Secretary of Finance, in consultation with the Secretary of Transportation, shall determine the amount to appropriated in each fiscal year in accordance with the provisions of this section. The Secretary of Finance shall provide a written certification of the same to the Comptroller by August 31 each year. The Comptroller shall then allocate and distribute such amount according to the distribution formula set forth in subsection B by making four distributions on the 15th of September, December, March, and June, with the total amount distributed each time to be equal.

E. Notwithstanding any other provision of this section, the amount deposited into the Fund pursuant to this section shall not exceed \$250 million in any fiscal year.

§ 46.2-332. Fees.

A. On and after January 1, 1990, the fee for each driver's license other than a commercial driver's license shall be two dollars and forty cents per year. If the license is a commercial driver's license or seasonal restricted commercial driver's license, the fee shall be six dollars per year. Persons twenty-one years old or older may be issued a scenic driver's license, learner's permit, or commercial driver's license for an additional fee of five dollars. For any one or more driver's license endorsements, except a motorcycle endorsement, there shall be an additional fee of one dollar per year; for a motorcycle endorsement, there shall be an additional fee of two dollars per year. For any and all driver's license classifications, there shall be an additional fee of one dollar per year. For any revalidation of a seasonal restricted commercial driver's license, the fee shall be five dollars.

A reexamination fee of two dollars shall be charged for each administration of the knowledge portion of the driver's license examination taken by an applicant who is eighteen years of age or older if taken more than once within a fifteen-day period. The reexamination fee shall be charged each time the examination is administered until the applicant successfully completes the examination, if taken prior to the fifteenth day.

An applicant who is less than eighteen years of age who does not successfully complete the knowledge portion of the driver's license examination shall not be permitted to take the knowledge portion more than once in fifteen days.

A fee of \$50 shall be charged each time an applicant for a commercial driver's license fails to keep a scheduled skills test appointment, unless such applicant cancels his appointment with the assigned driver's license examiner at least 24 hours in advance of the scheduled appointment. The Commissioner may, on a case-by-case basis, waive such fee for good cause shown. All such fees shall be paid by the Commissioner into the state treasury and set aside as a special fund to be used to meet the necessary expenses incurred by the Department.

If the applicant for a driver's license is an employee of the Commonwealth, or of any county, city, or town who drives a motorcycle or a commercial motor vehicle solely in the line of his duty, he shall be exempt from the additional fee otherwise assessable for a motorcycle classification or a commercial motor vehicle endorsement. The Commissioner may prescribe the forms as may be requisite for completion by persons claiming exemption from additional fees imposed by this section.

No additional fee above two dollars and forty cents per year shall be assessed for the driver's license or commercial driver's license required for the operation of a school bus.

Excluding the two-dollar reexamination fee, one dollar and fifty cents of all fees collected for each original or renewal driver's license shall be paid into the driver education fund of the state treasury and expended as provided by law. Unexpended funds from the driver education fund shall be retained in the fund and be available for expenditure in ensuing years as provided therein.

All fees for motorcycle endorsements shall be distributed as provided in § 46.2-1191.

B. Beginning November 1, 2008, in addition to all other fees authorized by this chapter, there is hereby imposed by the Commonwealth an additional fee of \$100 for the initial issuance of a driver's license for people who reside in the counties and cities embraced by the Northern Virginia Transportation Authority to be collected by the Commissioner and deposited into the state treasury.

1. The Comptroller shall transfer from the general fund of the state treasury to the Northern Virginia Transportation Authority all net fees collected under this section. Such net revenue shall be transferred by warrants of the Comptroller drawn on the Treasurer of Virginia as soon as practicable after the close of each month during which the net revenue was received into the state treasury. For the purposes of the Comptroller making the required transfers, the Commissioner shall make a written certification to the Comptroller no later than the twenty-fifth of each month certifying the net fees collected in the preceding month.

2. Within three calendar days of receiving such certification, the Comptroller shall make the required transfers to the Northern Virginia Transportation Authority of the net revenue from the fees. The Northern Virginia Transportation Authority shall use such amounts to the fullest extent practicable to support the repayment of bonds pursuant to § 15.2-4839.

3. The additional fee imposed pursuant to this subsection shall not, however, be imposed for the

issuance of a driver's license to any person to whom a Virginia driver's license was previously issued but whose Virginia driver's license had expired or had been suspended or revoked. Furthermore, the amount of such additional fee, for any minor who presents proof thereof satisfactory to the Commissioner, shall be waived for the successful completion of a driver safety course approved by the Department. The proof required by the Commissioner and the course approved by the Department shall not discriminate on the basis that the course was completed outside the Commonwealth.

Any and all fees imposed pursuant to this subsection shall be collected by the Department of Motor Vehicles at the time the initial license is issued. The Commissioner shall maintain records of the fee imposed and collected per person and the locality where each person resides.

4. The provisions of this subsection shall apply equally to persons already residing in the counties and cities embraced by the Northern Virginia Transportation Authority, persons living in other counties or cities in Virginia who become residents of counties and cities embraced by the Northern Virginia Transportation Authority, and to persons living outside of Virginia who become residents of such counties and cities.

C. This section shall supersede conflicting provisions of this chapter.

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

A. In addition to taxes and license fees imposed pursuant to § 46.2-752 and to all other taxes and fees permitted by law, there is hereby imposed by the Commonwealth an additional non-refundable annual license fee in the amount of \$20 for each vehicle registered 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 Hampton Roads Transportation Authority established pursuant to § 33.1-391.7 and the Northern Virginia Transportation Authority established pursuant to § 15.2-4830 are authorized to charge an additional non-refundable annual license fee in the amount of \$10 for each vehicle registered in any county or city that is embraced by the respective Authority, for such vehicles subject to state registration fees under other provisions in this Title. Such additional license fees shall not, however, be charged for any vehicle registered under the International Registration Plan developed by International Registration Plan, Inc.

B. Any and all fees imposed pursuant to this section shall be collected by the Department of Motor Vehicles at the time the vehicle is registered with the Department or when its registration is renewed. Each fee shall be deposited into the state treasury. All such fees shall be remitted by the Comptroller on a monthly basis from the general fund of the state treasury to the Hampton Roads Transportation Revenue Fund established by § 33.1-391.16. The Commissioner shall maintain records of the fee imposed and collected and the locality where each vehicle is registered.

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

A. In addition to all other charges and fees permitted by law, there is hereby imposed by the Commonwealth an additional fee at the time of inspection in the amount of \$20 for all vehicles inspected 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, for which an amount is permitted to be charged for inspection pursuant to § 46.2-1167. the Hampton Roads Transportation Authority and the Northern Virginia Transportation Authority are authorized to charge 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.

B. Any and all fees imposed pursuant to this section shall be deposited into the state treasury. All such fees shall be remitted by the Comptroller on a monthly basis from the general fund of the state treasury to the Hampton Roads Transportation Revenue Fund established by § 33.1-391.16. The Commissioner shall maintain records of the fee imposed and collected and the locality where each vehicle is inspected.

§ 58.1-540. Levy of the tax.

A. Any county having a population of more than 500,000, as determined by the 1980 U. S. Census, any county or city adjacent thereto, and any city contiguous to such an adjacent county or city, or any city with a population of at least 265,000, is hereby authorized to levy a local income tax at any increment of one-quarter percent up to a maximum rate of one percent upon the Virginia taxable income as determined in § 58.1-322 for an individual, § 58.1-361 for a fiduciary of an estate or trust, or § 58.1-402 for a corporation, for each taxable year of every resident of such county or city or corporation having income from sources within such county or city, subject to the limitations of subsection B of this section. The same rate shall apply to individuals, fiduciaries and corporations.

B. The authority to levy a local income tax as provided in subsection A may be exercised by a county or city governing body only if (i) the county or city is not imposing, receiving revenue from, or benefiting from any of the taxes and fees imposed pursuant to subsection B of § 46.2-332, and §§ 46.2-755.1, 46.2-1167.1, 58.1-802.1, 58.1-1731, 58.1-2402.1, and 58.1-3221.3, and (ii) approved in a referendum within the county or city. The referendum shall be held in accordance with § 24.2-684. The

referendum may be initiated either by a resolution of the governing body of the county or city or on the filing of a petition signed by a number of registered voters of the county or city equal in number to ten percent of the number of voters registered in the county or city on January 1 of the year in which the petition is filed with the circuit court of such county or city. The clerk of the circuit court shall publish notice of the election in a newspaper of general circulation in the county or city once a week for three consecutive weeks prior to the election. The ballot used shall be printed to read as follows:

"Shall the governing body of (...name of county or city...) have the authority to levy a local income tax of up to one percent for transportation purposes in accordance with § 58.1-540 of the Code of Virginia?"

— Yes

— No"

If the voters by a majority vote approve the authority of the local governing body to levy a local income tax, the tax may be imposed by the adoption of an ordinance by the governing body of the county or city in accordance with general or special law, and the tax may be thereafter enacted, modified or repealed as any other tax the governing body is empowered to levy subject only to the limitations herein. No ordinance levying a local income tax shall be repealed unless and until all debts or other obligations of the county or city to which such revenues are pledged or otherwise committed have been paid or provision made for payment.

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

A. In addition to any other tax imposed under the provisions of this chapter, ~~the Hampton Roads Transportation Authority established pursuant to § 33.1-391.7 and the~~ *there is hereby imposed by the Commonwealth in the counties and cities embraced by the Northern Virginia Transportation Authority established pursuant to § 15.2-4830 may impose* a fee, delineated as the "Regional congestion relief fee," on each deed, instrument, or writing by which lands, tenements, or other realty located in any *such* county or city ~~embraced by the respective Authority~~ is sold and is granted, assigned, transferred, or otherwise conveyed to or vested in the purchaser or any other person, by such purchaser's direction. The rate of the fee, when the consideration or value of the interest, whichever is greater, equals or exceeds \$100, shall be \$0.40 for each \$100 or fraction thereof, exclusive of the value of any lien or encumbrance remaining thereon at the time of the sale, whether such lien is assumed or the realty is sold subject to such lien or encumbrance.

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

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

Article 8.

State Transient Occupancy Tax.

§ 58.1-1731. *State transient occupancy tax in certain localities.*

Beginning November 1, 2008, in addition to such transient occupancy taxes as are authorized by law, there is hereby imposed by the Commonwealth an additional transient occupancy tax in all the counties and cities embraced by the Northern Virginia Transportation Authority at a rate of two percent on the amount of charge for the occupancy of any room, lodging space, or accommodation furnished to transients for less than 90 continuous days by any hotel, motel, inn, tourist camp, tourist cabin, camping ground, club, or any other place in which rooms, lodging spaces, or accommodations are regularly furnished to transients for a consideration throughout the Commonwealth. The tax shall be collected under the same regulations, rules, and policies that are applicable to the retail sales tax on rooms, lodgings, and accommodations described in subdivision 4 of § 58.1-603 and shall be collected in the same manner as such retail sales tax. No discount shall be allowed to any person for accounting for and remitting the tax levied by this article.

The revenues from such tax shall be deposited into the state treasury.

1. *The Comptroller shall transfer from the general fund of the state treasury to the Northern Virginia Transportation Authority all revenue collected under this section. Such revenue shall be transferred by warrants of the Comptroller drawn on the Treasurer of Virginia as soon as practicable after the close of each month during which the revenue was received into the state treasury. For the purposes of the Comptroller making the required transfers, the Commissioner shall make a written certification to the Comptroller no later than the twenty-fifth of each month certifying the revenue collected in the preceding month.*

2. *Within three calendar days of receiving such certification, the Comptroller shall make the required transfers to the Northern Virginia Transportation Authority of the revenue from the tax. The Northern*

429 *Virginia Transportation Authority shall use such amounts to the fullest extent practicable to support the*
430 *repayment of bonds pursuant to § 15.2-4839.*

431 § 58.1-2402.1 State rental car transportation fee in certain localities.

432 A. In addition to all other taxes, fees, and other charges imposed under law, ~~the Hampton Roads~~
433 ~~Transportation Authority established pursuant to § 33.1-391.7~~ there is hereby imposed by the
434 Commonwealth a fee of two percent of the gross proceeds on the daily rental of a vehicle regardless of
435 whether such vehicle is required to be licensed in the Commonwealth, in the Counties of Isle of Wight,
436 James City, and York and the Cities of Chesapeake, Hampton, Newport News, Norfolk, Poquoson,
437 Portsmouth, Suffolk, Virginia Beach, and Williamsburg, and in each county and city embraced by the
438 Northern Virginia Transportation Authority established pursuant to § 15.2-4830, may impose a fee of 2%
439 of the gross proceeds on the daily rental of a vehicle in any county or city embraced by the respective
440 Authority wherein the daily rental of the vehicle occurs, regardless of whether such vehicle is required
441 to be licensed in the Commonwealth. The fee shall not be levied upon a rental to a person for re-rental
442 as an established business or part of an established business or incidental or germane to such business.

443 B. After subtraction of the direct costs of administration by the Department, the Commissioner shall
444 transfer the revenues collected pursuant to this section to the ~~Hampton Roads Transportation Authority~~
445 ~~and the Northern Virginia Transportation Authority~~, as appropriate state treasury.

446 1. The Comptroller shall transfer from the general fund of the state treasury to the Northern Virginia
447 Transportation Authority that portion of the fees attributable to the fees collected in the counties and
448 cities embraced by the Northern Virginia Transportation Authority, and shall transfer those fees
449 attributable to the fees collected in the Counties of Isle of Wight, James City, and York and the Cities of
450 Chesapeake, Hampton, Newport News, Norfolk, Poquoson, Portsmouth, Suffolk, Virginia Beach, and
451 Williamsburg into the Hampton Roads Transportation Revenue Fund established by § 33.1-391.16. Such
452 net revenue shall be transferred by warrants of the Comptroller drawn on the Treasurer of Virginia as
453 soon as practicable after the close of each month during which the net revenue was received into the
454 state treasury. For the purposes of the Comptroller making the required transfers, the Commissioner
455 shall make a written certification to the Comptroller no later than the twenty-fifth of each month
456 certifying the net fees generated in the preceding month, segregated according to the portion
457 attributable to (i) the fees collected in the counties and cities embraced by the Northern Virginia
458 Transportation Authority, and (ii) those fees attributable to the fees collected in the Counties of Isle of
459 Wight, James City, and York and the Cities of Chesapeake, Hampton, Newport News, Norfolk,
460 Poquoson, Portsmouth, Suffolk, Virginia Beach, and Williamsburg.

461 2. Within three calendar days of receiving such certification, the Comptroller shall make the required
462 transfers to the Northern Virginia Transportation Authority for the amount attributable to the net fees
463 collected in the counties and cities embraced by the Northern Virginia Transportation Authority. The
464 Northern Virginia Transportation Authority shall use such amounts to the fullest extent practicable to
465 support the repayment of bonds pursuant to § 15.2-4839.

466 3. Within three calendar days of receiving such certification, the Comptroller shall make the required
467 transfers to the Hampton Roads Transportation Revenue Fund established by § 33.1-391.16 for the
468 amount attributable to the fees collected in the Counties of Isle of Wight, James City, and York and the
469 Cities of Chesapeake, Hampton, Newport News, Norfolk, Poquoson, Portsmouth, Suffolk, Virginia Beach,
470 and Williamsburg.

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

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

476 § 58.1-3221.3. Classification of certain commercial and industrial real property and taxation of such
477 property by certain localities.

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

488 B. In addition to all other taxes and fees permitted by law, (i) the governing body of any locality
489 embraced by the Northern Virginia Transportation Authority may, by ordinance, annually impose on all
490 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, 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 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 provisions of law;

(4) The total revenues generated from the additional real property taxes imposed in accordance with subsection C and this subsection shall not be less than 85% of the revenues estimated to be generated when imposing the additional real property taxes in accordance with subsections A and B at the rate of

552 \$0.25 per \$100 of assessed value in any locality embraced by the Northern Virginia Transportation
553 Authority and at the rate of \$0.10 per \$100 of assessed value in any locality embraced by the Hampton
554 Roads Transportation Authority; and

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

561 2. *§ 1. That within 90 days of the effective date of this act, the Virginia Department of Transportation*
562 *(VDOT) shall develop and distribute requests for proposals for the following under the Public-Private*
563 *Transportation Act of 1995 (§ 56-556 et seq. of the Code of Virginia), either as concession agreements*
564 *or otherwise:*

565 1. *Construction of the Third Crossing of Hampton Roads, linking the City of Newport News to the*
566 *City of Suffolk and the City of Norfolk;*

567 2. *Construction of the Southeastern Expressway/Dominion Boulevard system in the City of*
568 *Chesapeake and the City of Virginia Beach;*

569 3. *Widening of Interstate Route 64 in the City of Chesapeake from Battlefield Boulevard to Bowers*
570 *Hill, including the High Rise Bridge over the Southern Branch of the Elizabeth River;*

571 4. *Widening of Interstate Route 64 from Bland Boulevard in the City of Newport News to Virginia*
572 *Route 199 in James City County; and*

573 5. *Expansion of the Hampton Roads Bridge-Tunnel between the City of Hampton and the City of*
574 *Norfolk by construction of a third bridge-tunnel structure.*

575 *§ 2. All requests for proposals developed and distributed pursuant to this act shall allow for*
576 *individual project submissions, multiple project submissions, and cooperative agreements from*
577 *corporations that may wish to cooperate in responding to these requests for proposals.*

578 *All such requests for proposals issued by VDOT under this act shall require that proposals submitted*
579 *in response to such requests be submitted within 60 days of the issuance of the request for proposal to*
580 *which it is a response.*

581 *§ 3. Notwithstanding any contrary provision of the Public-Private Transportation Act of 1995, all*
582 *proposals submitted pursuant to this act shall be reviewed by a committee comprised as follows:*

583 *Three members of the Commonwealth Transportation Board appointed by the Commonwealth*
584 *Transportation Commissioner; one Senator from the Peninsula and one Senator from Southside*
585 *Hampton Roads, appointed by the Senate Committee on Rules; two Delegates from the Peninsula and*
586 *two Delegates from Southside Hampton Roads, appointed by the Speaker of the House of Delegates; the*
587 *Virginia Secretary of Transportation; the District Administrator of the Suffolk highway construction*
588 *district; the chairman of the Hampton Roads Metropolitan Planning Organization; and two residents of*
589 *Hampton Roads, appointed by the Governor.*

590 *This committee will review the proposals and decide which, if any, proposals it will accept, and*
591 *provide to the General Assembly, VDOT, and the Commonwealth Transportation Board no later than 60*
592 *days after submissions are closed, a list of the proposals it will accept. Such proposals shall then be*
593 *accepted and carried out by VDOT and the Commonwealth Transportation Board. Any funds that may*
594 *be needed by VDOT and the Commonwealth Transportation Board to carry out the approved*
595 *recommendations may be withdrawn from the Hampton Roads Transportation Revenue Fund established*
596 *by § 33.1-391.16 of the Code of Virginia, in addition to using any other funds appropriated for the*
597 *projects.*

598 *§ 4. Any funds received from private entities pursuant to the concession agreements, or other similar*
599 *agreements, for the projects set forth in § 1, shall be deposited into the state treasury. All such funds*
600 *shall be remitted by the Comptroller on a monthly basis from the general fund of the state treasury to*
601 *the Hampton Roads Transportation Revenue Fund established by § 33.1-391.16 of the Code of Virginia.*

602 3. **That Chapter 10.2 (§§ 33.1-391.6 through 33.1-391.15) of Title 33.1, §§ 46.2-755.2 and 58.1-625.1,**
603 **Article 4.1 (§§ 58.1-1724.2 through 58.1-1724.7) of Chapter 17 of Title 58.1, and § 58.1-3825.1 of**
604 **the Code of Virginia, and the sixth, thirteenth, fourteenth, fifteenth, eighteenth, and nineteenth**
605 **enactments of Chapter 896 of the Acts of Assembly of 2007 are repealed.**

606 4. **That the liabilities, assets, responsibilities, and functions of the Hampton Roads Transportation**
607 **Authority [former Chapter 10.2 (§ 33.1-391.6 et seq.) of Title 33.1 of the Code of Virginia], which**
608 **Authority is abolished pursuant to the third enactment clause of this act, shall be transferred as**
609 **follows:**

610 (i) **Any outstanding obligations of the Authority under any contract entered into by the Authority**
611 **prior to such abolition shall be transferred to and assumed by the Virginia Department of**
612 **Transportation, provided that any outstanding liabilities or debts of the Authority shall be satisfied**
613 **from funds in the Hampton Roads Transportation Revenue Fund established under § 33.1-391.16**

of the Code of Virginia;

(ii) Any and all planning responsibilities vested in the Authority prior to such abolition, except as otherwise provided by law, shall be transferred to and assumed by the Hampton Roads Metropolitan Planning Organization;

(iii) Any assets of the Authority shall be deposited into the state treasury and as soon as practicable after such deposit shall then be deposited by the Comptroller into the Hampton Roads Transportation Revenue Fund; and

(iv) In all other regards, including, but not limited to the authority to issue bonds, the Commonwealth Transportation Board, shall be the successor in interest to the Hampton Roads Transportation Authority, except as otherwise provided by law.

5. That the fifth enactment of Chapter 896 of the Acts of Assembly of 2007 is amended and reenacted as follows:

5. That the Hampton Roads Authority established under ~~§ 33.1-391.7~~ of the Code of Virginia *Metropolitan Planning Organization* shall develop as part of a long-range plan quantifiable measures and achievable goals for the area collectively embraced by the ~~Authority~~ *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*, relating to, but not limited to, congestion reduction and safety, transit and high-occupancy vehicle (HOV) usage, job-to-housing ratios, job and housing access to transit and pedestrian facilities, air quality, and per-capita vehicle miles traveled. In addition, the Northern Virginia Transportation Authority established under § 15.2-4830 of the Code of Virginia shall also develop as part of a long-range plan quantifiable measures and achievable goals for the area embraced by the Authority relating to, but not limited to, congestion reduction and safety, transit and high-occupancy vehicle (HOV) usage, job-to-housing ratios, job and housing access to transit and pedestrian facilities, air quality, and per-capita vehicle miles traveled. Such goals shall be subject to the approval of the Commonwealth Transportation Board on a biennial basis.

6. 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.

7. That each county or city that imposes, receives revenue from, or receives benefits from any of the taxes and fees imposed pursuant to subsection B of § 46.2-332, and §§ 46.2-755.1, 46.2-1167.1, 58.1-802.1, 58.1-1731, 58.1-2402.1, and 58.1-3221.3 of the Code of Virginia pursuant to the provisions of this act shall for each fiscal year in which it receives such revenue or benefits, expend or disburse for transportation purposes an amount (computed without regard to any revenues generated in the fiscal year from such taxes) that is at least equal to the total amount expended or disbursed for transportation purposes by the county or city in its fiscal year that began in calendar year 2007.

8. That notwithstanding any other provision of this act, the Virginia Department of Transportation shall continue to completion the following two projects in the Hampton Roads area: (i) replacement of U.S. Route 460 from Bowers Hill in the City of Chesapeake to the City of Petersburg; and (ii) expansion of the Midtown Tunnel between the City of Norfolk and the City of Portsmouth.

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.