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## HOUSE BILL NO. 2110

House Amendments in [ ] — January 23, 2013

A *BILL to amend and reenact § 58.1-3713 of the Code of Virginia, relating to the construction of natural gas lines with a portion of coal and gas severance revenues.*

Patron Prior to Engrossment—Delegate Morefield

Referred to Committee on Finance

**Be it enacted by the General Assembly of Virginia:****1. That § 58.1-3713 of the Code of Virginia is amended and reenacted as follows:****§ 58.1-3713. (Expires December 31, 2014) Local coal and gas road improvement and Virginia Coalfield Economic Development Authority tax.**

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

The moneys collected for each county or city from the tax imposed under authority of this section shall be paid into a special fund of such county or city to be called the Coal and Gas Road Improvement Fund of such county or city, and shall be spent for such improvements to public roads as the coal and gas road improvement advisory committee and the governing body of such county or city may determine as provided in subsection B of this section. The county may also, in its discretion, elect to improve city or town roads with its funds if consent of the city or town council is obtained. Such funds shall be in addition to those allocated to such counties from state highway funds which allocations shall not be reduced as a result of any revenues received from the tax imposed hereunder. In those localities ~~which~~ *that* comprise the Virginia Coalfield Economic Development Authority, the tax imposed under this section shall be paid as follows: (i) three-fourths of the revenue shall be paid to the Coal and Gas Road Improvement Fund and used for the purposes set forth herein; however, one-fourth of such revenue may be used to fund the construction of new water ~~and/or~~ *or* sewer systems and lines in areas with natural water supplies ~~which~~ *that* are insufficient from the standpoint of quality or quantity, *or the construction of natural gas service lines as authorized by § 15.2-2109.3*, and (ii) one-fourth of the revenue shall be paid to the Virginia Coalfield Economic Development Fund. Furthermore, with regard to the portion paid to the Coal and Gas Road Improvement Fund, a county or city may provide for an additional one-fourth allocation for the construction of new *systems or lines for* water ~~or~~, sewer ~~systems or lines~~, *or natural gas as authorized by § 15.2-2109.3*, or the repair or enhancement of existing water ~~or~~, sewer, *or natural gas* systems or lines in areas with natural water supplies ~~which~~ *or existing natural gas services that* are insufficient from the standpoint of quality or quantity; however, if this option is initiated by a county or city, it must satisfy the requirements set forth in § 58.1-3713.01. Notwithstanding the foregoing limitations regarding revenues used for water systems ~~and/or~~, sewer systems, *or natural gas systems*, such revenues designated for water and water systems ~~and/or~~, sewer systems, *or natural gas systems* shall be distributed directly to the local public service authority for such purposes instead of the local governing body. [ *Funds in the Coal and Gas Road Improvement Fund may be used to construct, repair, or enhance natural gas service lines or systems only upon passage of a local ordinance or resolution of the governing body of the applicable county or city providing for the same.* ]

B. Any county or city imposing the tax authorized in this section shall establish a Coal and Gas Road Improvement Advisory Committee, to be composed of four members: (i) a member of the governing body of such county or city, appointed by the governing body, (ii) a representative of the Department of Transportation, and (iii) two citizens of such county or city connected with the coal and gas industry, appointed for a term of four years, initially commencing July 1, 1989, by the chief judge of the circuit court.

Such committee shall develop on or before July 1 of each year a plan for improvement of roads during the following fiscal year. Such plan shall have the approval of three members of the committee and shall be submitted to the governing body of the county or city for approval. The governing body may approve or disapprove such plan, but may make no changes without the approval of three members of the committee.

C. The provisions of this section shall expire on December 31, 2014.

ENGROSSED

HB2110E