

VIRGINIA ACTS OF ASSEMBLY -- 2019 RECONVENED SESSION

CHAPTER 837

An Act to amend and reenact §§ 46.2-698, 58.1-2299.20, as it is currently effective and as it may become effective, and § 58.1-2701 of the Code of Virginia, and to amend the Code of Virginia by adding in Title 33.2 a chapter numbered 36, consisting of sections numbered 33.2-3600 through 33.2-3605, and by adding sections numbered 46.2-697.2, 46.2-702.1:1, 58.1-2217.1, and 58.1-2295.1, relating to the Interstate 81 corridor; Interstate 81 Corridor Improvement Fund; report.

[H 2718]

Approved April 3, 2019

Be it enacted by the General Assembly of Virginia:

1. That §§ 46.2-698, 58.1-2299.20, as it is currently effective and as it may become effective, and § 58.1-2701 of the Code of Virginia are amended and reenacted and that the Code of Virginia is amended by adding in Title 33.2 a chapter numbered 36, consisting of sections numbered 33.2-3600 through 33.2-3605, and by adding sections numbered 46.2-697.2, 46.2-702.1:1, 58.1-2217.1, and 58.1-2295.1, as follows:

CHAPTER 36.

INTERSTATE 81 CORRIDOR IMPROVEMENT PROGRAM AND FUND.

§ 33.2-3600. Definitions.

As used in this chapter, unless the context requires a different meaning:

"Committee" means the Interstate 81 Committee established pursuant to § 33.2-3603.

"Fund" means the Interstate 81 Corridor Improvement Fund.

"Interstate 81 corridor" means Interstate 81, Route 11, and other parallel highways, parallel railways, and related transportation facilities that help move people and goods.

"Plan" means the Interstate 81 Corridor Improvement Plan adopted by the Board on December 5, 2018, and any updates or amendments made thereto in accordance with the provisions of this chapter.

"Program" means an Interstate 81 Corridor Improvement Program.

§ 33.2-3601. Interstate 81 Corridor Improvement Fund.

A. There is hereby created in the state treasury a special nonreverting fund to be known as the Interstate 81 Corridor Improvement Fund. The Fund shall be established on the books of the Comptroller. All revenues dedicated to the Fund pursuant to §§ 46.2-702.1:1, 58.1-2217.1, 58.1-2299.20, and 58.1-2701, any other funds that may be appropriated by the General Assembly, and any funds that may be received for credit to the Fund from any other sources shall be paid into the state treasury and credited to the Fund. Interest earned on moneys in the Fund shall remain in the Fund and be credited to it. Any moneys remaining in the Fund, including interest thereon, at the end of each fiscal year shall not revert to the general fund but shall remain in the Fund.

B. Moneys in the Fund shall be used only for capital, operating, and other improvement costs identified in the Plan.

C. The amounts deposited into the Fund and the distribution and expenditure of such amounts shall not be used to calculate or reduce the share of federal, state, or local revenues otherwise available to jurisdictions along the Interstate 81 corridor. 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.

§ 33.2-3602. Interstate 81 Corridor Improvement Program; report.

A. The Board shall adopt an Interstate 81 Corridor Improvement Program. The Program shall, at a minimum:

1. Allocate year by year the revenues, if any, from the Fund and bond proceeds, if any, backed by the Fund to projects and strategies identified in the Plan adopted by the Board;

2. Include a financing plan to support such allocation; and

3. Include a schedule for all new projects and strategies identified in the Plan adopted by the Board.

B. Prior to the adoption of such Program, the Board shall review the recommendations of and consult with the Committee.

C. The Board shall update the Program annually by July 1.

D. By December 15 of each year, the Board shall report to the General Assembly regarding the status and progress of implementation of the Program. The report shall be submitted to the Chairmen of the House Committees on Appropriations and Transportation and the Senate Committees on Finance and Transportation. Prior to the submission of such report each year, the Board shall consult with the Committee. The report shall include, at a minimum:

1. The safety and performance of the Interstate 81 corridor, including the number of incidents, the average duration of incidents, the number and average duration of incidents involving lane closures,

and the person-hours of delay along the Interstate 81 corridor;

2. An assessment of the effectiveness of the operational strategies and capital projects implemented and funded through the Program;

3. The status of capital projects funded through the Program; and

4. The current and projected balances of the Fund.

§ 33.2-3603. Interstate 81 Committee.

A. The Board shall establish an Interstate 81 Committee.

B. The purpose of the Committee shall be to provide advice and recommendations to the Board regarding (i) the development of the Program pursuant to § 33.2-3602 and (ii) updates to the Plan pursuant to § 33.2-3604.

C. The Committee shall hold at least four meetings each year and consult with interested stakeholders. The Committee's meetings shall rotate among locations in Planning Districts 3, 4, 5, 6, and 7.

D. The Committee shall be composed of 15 voting members and two ex officio members as follows:

1. The chairs of planning district commissions for Planning Districts 3, 4, 5, 6, and 7, or in the discretion of a chairman, his designee, who shall be a current elected official serving on such commission;

2. Four members of the House of Delegates, each of whom resides in Planning District 3, 4, 5, 6, or 7, to be appointed by the Speaker of the House of Delegates. None of the four members shall live in the same planning district;

3. Three members of the Senate, each of whom resides in Planning District 3, 4, 5, 6, or 7, to be appointed by the Senate Committee on Rules. None of the three members shall live in the same planning district;

4. The three members of the Board representing the Bristol, Salem, and Staunton highway construction districts; and

5. The Commissioner of Highways and the Director of the Department of Rail and Public Transportation shall serve ex officio with nonvoting privileges.

E. The Committee shall elect a chairman and vice-chairman from among its membership. A majority of the members shall constitute a quorum.

F. All members of the Committee shall serve terms coincident with their terms in office or position. Vacancies shall be filled in the same manner as the original appointment.

G. The Office of Intermodal Planning and Investment, the Department of Transportation, and the Department of Rail and Public Transportation shall support the Committee, as appropriate.

§ 33.2-3604. Updates to the Interstate 81 Corridor Improvement Plan; requirements.

A. The Board, in consultation with the Committee and with the support of the Office of Intermodal Planning and Investment, shall regularly update the Plan. In updating the Plan, the Board and Committee shall, at a minimum:

1. Analyze existing conditions of the Interstate 81 corridor to identify key needs related to safety, congestion, and incident-related delays;

2. Identify potential improvements to address the needs identified pursuant to subdivision 1, including roadway improvements, multimodal improvements, speed enforcement strategies, operational strategies, and upgrades to adjacent and parallel transportation facilities;

3. Prioritize potential improvements in a manner consistent with § 33.2-214.1;

4. Identify corridor-wide incident management strategies;

5. Analyze and review truck parking needs along the Interstate 81 corridor;

6. Hold public meetings throughout the Interstate 81 corridor; and

7. Consider any other items deemed appropriate by the Board.

B. Technical assistance shall be provided to the Board by the Department of Transportation, the Department of Motor Vehicles, and the Department of State Police. All agencies of the Commonwealth shall provide assistance to the Board to fulfill the requirements of this section, upon request.

§ 33.2-3605. Continuing responsibilities of the Commonwealth Transportation Board and Department of Transportation.

The Board shall allocate funding to, and the Department shall perform or cause to be performed, all maintenance and operation of bridges, tunnels, and roadways and shall perform such other required services and activities with respect to such bridges, tunnels, and roadways as were being performed on July 1, 2019.

§ 46.2-697.2. Additional fees for vehicles not designed or used for transportation of passengers.

A. In addition to the fees imposed pursuant to § 46.2-697, there is hereby imposed an additional fee for the registration of all motor vehicles not designed and used for the transportation of passengers. The additional fee shall be determined per thousand pounds by the gross weight of the vehicle or combination of vehicles in the same manner as the fees imposed pursuant to § 46.2-697, as follows:

1. For vehicles with a gross weight of 10,001 through 15,000 pounds, \$6.00 per 1,000 pounds;

2. For vehicles with a gross weight of 15,001 through 25,000 pounds, \$7.00 per 1,000 pounds;

3. For vehicles with a gross weight of 25,001 through 29,000 pounds, \$9.00 per 1,000 pounds;

4. For vehicles with a gross weight of 29,001 through 40,000 pounds, \$10.00 per 1,000 pounds; and
5. For vehicles with a gross weight of 40,001 pounds or more, an amount equal to the per 1,000 pound rate for for-rent or for-hire vehicles for such vehicle pursuant to § 46.2-697, provided that the total rate, including any base fees charged pursuant to § 46.2-697, shall not exceed \$23.25 per 1,000 pounds.

B. The fee imposed by this section shall not be applicable to farm motor vehicles used exclusively for farm use, as defined in § 46.2-698.

C. Beginning July 1, 2019, the fee per thousand pounds of gross weight charged pursuant to § 46.2-697 for both private carriers and for-rent or for-hire carriers shall be based on the rate schedule for for-rent or for-hire carriers.

§ 46.2-698. Fees for farm vehicles.

A. The fees for registration of farm motor vehicles having gross weights of 7,500 pounds or more, when such vehicles are used exclusively for farm use as defined in this section, shall be one-half of the fee per 1,000 pounds of gross weight for private carriers as calculated under the provisions of § 46.2-697, as in effect on January 1, 2019 and notwithstanding the provisions of subsection C of § 46.2-697.2, and one-half of the fee for overload permits under § 46.2-1128, but the annual registration fee to be paid for each farm vehicle shall not be less than \$15.

B. A farm motor vehicle is used exclusively for farm use:

1. When owned by a person who is engaged either as an owner, renter, or operator of a farm of a size reasonably requiring the use of such vehicle or vehicles and when such vehicle is:

a. Used in the transportation of agricultural products of the farm he is working to market, or to other points for sale or processing, or when used to transport materials, tools, equipment, or supplies which are to be used or consumed on the farm he is working, or when used for any other transportation incidental to the regular operation of such farm;

b. Used in transporting forest products, including forest materials originating on a farm or incident to the regular operation of a farm, to the farm he is working or transporting for any purpose forest products which originate on the farm he is working; or

c. Used in the transportation of farm produce, supplies, equipment, or materials to a farm not worked by him, pursuant to a mutual cooperative agreement.

2. When the nonfarm use of such motor vehicle is limited to the personal use of the owner and his immediate family in attending church or school, securing medical treatment or supplies, or securing other household or family necessities.

C. As used in this section, the term "farm" means one or more areas of land used for the production, cultivation, growing, or harvesting of agricultural products, but does not include a tree farm that is not also a nursery or Christmas tree farm, unless it is part of what otherwise is a farm. As used in this section, the term "agricultural products" means any nursery plants; Christmas trees; horticultural, viticultural, and other cultivated plants and crops; aquaculture; dairy; livestock; poultry; bee; or other farm products.

D. The first application for registration of a vehicle under this section shall be made on forms provided by the Department and shall include:

1. The location and acreage of each farm on which the vehicle to be registered is to be used;

2. The type of agricultural commodities, poultry, dairy products or livestock produced on such farms and the approximate amounts produced annually;

3. A statement, signed by the vehicle's owner, that the vehicle to be registered will only be used for one or more of the purposes specified in subsection B; and

4. Other information required by the Department.

The above information is not required for the renewal of a vehicle's registration under this section.

E. The Department shall issue appropriately designated license plates for those motor vehicles registered under this section. The manner in which such license plates are designated shall be at the discretion of the Commissioner.

F. The owner of a farm vehicle shall inform the Commissioner within 30 days or at the time of his next registration renewal, whichever comes first, when such vehicle is no longer used exclusively for farm use as defined in this section, and shall pay the appropriate registration fee for the vehicle based on its type of operation. It shall constitute a Class 2 misdemeanor to: (i) operate or to permit the operation of any farm motor vehicle for which the fee for registration and license plates is herein prescribed on any highway in the Commonwealth without first having paid the prescribed registration fee; or (ii) operate or permit the operation of any motor vehicle, registered under this section, for purposes other than as provided under subsection B; or (iii) operate as a for-hire vehicle.

G. Nothing in this section shall affect the exemptions of agricultural and horticultural vehicles under §§ 46.2-664 through 46.2-670.

H. Notwithstanding other provisions of this section, vehicles licensed under this section may be used by volunteer emergency medical services personnel and volunteer firefighters in responding to emergency calls, in reporting for regular duty, and in attending emergency medical services agency or fire company meetings and drills.

§ 46.2-702.1:1. Distribution of certain other revenues.

A. Except as provided in subsection B, net additional revenues shall be deposited as follows: (i) an amount equal to such net additional revenues multiplied by a ratio of the vehicle miles traveled on Interstate 81 by vehicles classified as Class 6 or higher by the Federal Highway Administration to the total vehicle miles traveled on all interstate highways in the Commonwealth by vehicles classified as Class 6 or higher by the Federal Highway Administration into the Interstate 81 Corridor Improvement Fund established pursuant to § 33.2-3601; (ii) an amount equal to such net additional revenues multiplied by a ratio of the vehicle miles traveled on the portion of interstate highways located within the boundaries of Planning District 8 by vehicles classified as Class 6 or higher by the Federal Highway Administration to total vehicle miles traveled on all interstate highways in the Commonwealth by vehicles classified as Class 6 or higher by the Federal Highway Administration into the Northern Virginia Transportation Authority Fund established pursuant to § 33.2-2509; and (iii) all remaining net additional revenues to the Commonwealth Transportation Board for use for operational improvements and other enhancements to improve the safety and reliability of, and travel flow along, interstate highway corridors in the Commonwealth. The Board shall ensure that for any interstate highway with more than 10 percent of total interstate truck vehicle miles traveled that the total long-term expenditure for each such interstate highway is approximately equal to the proportional revenue subject to clause (iii) that is attributable to such interstate highway.

B. In the case of vehicles registered under the International Registration Plan, an amount that is approximately equal to the net additional revenues attributable to such vehicles shall be deposited as follows: (i) an amount equal to such net additional revenues multiplied by a ratio of the vehicle miles traveled on Interstate 81 by vehicles classified as Class 6 or higher by the Federal Highway Administration to the total vehicle miles traveled on all interstate highways in the Commonwealth by vehicles classified as Class 6 or higher by the Federal Highway Administration into the Interstate 81 Corridor Improvement Fund established pursuant to § 33.2-3601; (ii) an amount equal to such net additional revenues multiplied by a ratio of the vehicle miles traveled on the portion of interstate highways located within the boundaries of Planning District 8 by vehicles classified as Class 6 or higher by the Federal Highway Administration to total vehicle miles traveled on all interstate highways in the Commonwealth by vehicles classified as Class 6 or higher by the Federal Highway Administration into the Northern Virginia Transportation Authority Fund established pursuant to § 33.2-2509; and (iii) all remaining net additional revenues to the Commonwealth Transportation Board for use for operational improvements and other enhancements to improve the safety and reliability of, and travel flow along, interstate highway corridors in the Commonwealth. The Board shall ensure that for any interstate highway with more than 10 percent of total interstate truck vehicle miles traveled that the total long-term expenditure for each such interstate highway is approximately equal to the proportional revenue subject to clause (iii) that is attributable to such interstate highway.

C. For purposes of this section, "net additional revenues" means the additional revenues, minus any refunds or remittances required to be paid, generated by (i) the additional fee imposed pursuant to subsection A of § 46.2-697.2 and (ii) increases in the registration fees under § 46.2-697 made pursuant to subsection B of § 46.2-697.2.

§ 58.1-2217.1. Additional taxes levied; rate.

A. In addition to all other taxes imposed by this chapter, there is hereby levied an additional tax per gallon on diesel fuel. Beginning July 1, 2021, the rate of such tax shall be 2.03 percent of the statewide average wholesale price of a gallon of diesel fuel for the applicable base period, excluding federal and state excise taxes, as determined by the Commissioner.

B. The Commissioner shall use the period from December 1 through May 31 as the base period for such determination for the immediately following period beginning July 1 and ending December 31, inclusive. The period from June 1 through November 30 shall be the next base period for the immediately following period beginning January 1 and ending June 30, inclusive. In no case shall the average wholesale price computed for purposes of this section be less than the statewide average wholesale price of a gallon of diesel fuel on February 20, 2013.

C. Blended fuel that contains diesel fuel shall be taxed at the rate levied on diesel fuel.

D. The tax imposed by this section shall be collected in the same manner as other taxes imposed pursuant to this chapter.

E. The revenues generated by the tax imposed by this section shall be distributed as follows: (i) an amount equal to such net revenues multiplied by a ratio of the vehicle miles traveled on Interstate 81 by vehicles classified as Class 6 or higher by the Federal Highway Administration to the total vehicle miles traveled on all interstate highways in the Commonwealth by vehicles classified as Class 6 or higher by the Federal Highway Administration into the Interstate 81 Corridor Improvement Fund established pursuant to § 33.2-3601; (ii) an amount equal to such net revenues multiplied by a ratio of the vehicle miles traveled on the portion of interstate highways located within the boundaries of Planning District 8 by vehicles classified as Class 6 or higher by the Federal Highway Administration to total vehicle miles traveled on all interstate highways in the Commonwealth by vehicles classified as Class 6 or higher by the Federal Highway Administration into the Northern Virginia Transportation Authority Fund

established pursuant to § 33.2-2509; and (iii) all remaining net revenues to the Commonwealth Transportation Board for use for operational improvements and other enhancements to improve the safety and reliability of, and travel flow along, interstate highway corridors in the Commonwealth. The Board shall ensure that for any interstate highway with more than 10 percent of total interstate truck vehicle miles traveled that the total long-term expenditure for each such interstate highway is approximately equal to the proportional revenue subject to clause (iii) that is attributable to such interstate highway.

§ 58.1-2295.1. Levy of tax in Interstate 81 Corridor; payment of tax.

A. In addition to all other taxes now imposed by law, there is hereby imposed a tax upon every distributor who engages in the business of selling fuels at wholesale to retail dealers for retail sale in any county or city in Planning District 3, 4, 5, 6, or 7, as established pursuant to Chapter 42 (§ 15.2-4200 et seq.) of Title 15.2.

B. 1. The tax shall be imposed on each gallon of fuel, other than diesel fuel, sold by a distributor to a retail dealer for retail sale in any such county or city described in subsection A at a rate of 2.1 percent of the statewide average distributor price of a gallon of unleaded regular gasoline as determined by the Commissioner pursuant to subdivision C 1. For alternative fuels other than liquid alternative fuels, the Commissioner shall determine an equivalent tax rate based on gasoline gallon equivalency.

2. The tax shall be imposed on each gallon of diesel fuel sold by a distributor to a retail dealer for retail sale in any such county or city described in subsection A at a rate of 2.1 percent of the statewide average distributor price of a gallon of diesel fuel as determined by the Commissioner pursuant to subdivision C 2.

C. 1. To determine the statewide average distributor price of a gallon of unleaded regular gasoline, the Commissioner shall use the period from June 1 through November 30, inclusive, as the base period for such determination for the immediately following period beginning January 1 and ending June 30, inclusive. The Commissioner shall use the period from December 1 through May 31, inclusive, as the base period for the determination of the rate of tax for the immediately following period beginning July 1 and ending December 31, inclusive. In no case shall the statewide average distributor price of a gallon of unleaded regular gasoline determined for purposes of this section be less than the statewide average wholesale price of a gallon of unleaded regular gasoline on February 20, 2013, plus a distributor charge calculated by the Commissioner for that date.

2. To determine the statewide average distributor price of a gallon of diesel fuel, the Commissioner shall use the period from June 1 through November 30, inclusive, as the base period for such determination for the immediately following period beginning January 1 and ending June 30, inclusive. The Commissioner shall use the period from December 1 through May 31, inclusive, as the base period for the determination of the rate of tax for the immediately following period beginning July 1 and ending December 31, inclusive. In no case shall the statewide average distributor price of a gallon of diesel fuel determined for purposes of this section be less than the statewide average wholesale price of a gallon of diesel fuel on February 20, 2013, plus a distributor charge calculated by the Commissioner for that date.

D. The tax levied under this section shall be imposed at the time of sale by the distributor to the retail dealer.

E. The tax imposed by this section shall be paid by the distributor, but the distributor shall separately state the amount of the tax and add such tax to the price or charge. Thereafter, such tax shall be debt from the retail dealer to the distributor until paid and shall be recoverable at law in the same manner as other debts. No action at law or suit in equity under this chapter shall be maintained in the Commonwealth by any distributor who is not registered under § 58.1-2299.2 or is delinquent in the payment of taxes imposed under this chapter.

F. Nothing in this section shall be construed to exempt the imposition and remittance of tax pursuant to this section in a sale to a retail dealer in which the distributor and the retail dealer are the same person.

G. Notwithstanding any other provision of law, no tax shall be imposed by the provisions of subdivision A 2 of § 58.1-2295 on any fuel upon which a tax is paid pursuant to this section.

§ 58.1-2299.20. (Contingent expiration date) Disposition of tax revenues.

A. All taxes, interest, and civil penalties paid to the Commissioner pursuant to this chapter for the sale of fuels at wholesale to retail dealers for retail sale in any county or city set forth in clause (i) of subdivision A 1 of § 58.1-2295, after subtraction of the direct costs of administration by the Department, shall be deposited each month as follows:

1. One-twelfth of an amount determined by multiplying \$15 million by a fraction, the numerator of which shall be such transportation district's share of funding for the commuter rail service jointly operated by the two transportation districts and the denominator of which shall be the total funding share for such commuter rail service, shall be deposited in the Commuter Rail Operating and Capital Fund established pursuant to § 33.2-3500;

2. a. Until June 30, 2019, an amount equal to the increase in taxes, interest, and civil penalties paid

to the Commissioner each month, compared with the same month for fiscal year 2018, minus any amounts deposited pursuant to subdivision 1, shall be deposited into the Washington Metropolitan Area Transit Capital Fund established pursuant to § 33.2-3401; and

b. Beginning on July 1, 2019, an amount equal to one-twelfth of the increase in taxes, interest, and civil penalties paid to the Commissioner in fiscal year 2019 compared to fiscal year 2018, minus any amounts deposited pursuant to subdivision A 1, shall be deposited in the Washington Metropolitan Area Transit Authority Capital Fund established pursuant to § 33.2-3401; and

3. All remaining funds shall be deposited in a special fund entitled the "Special Fund Account of the Transportation District of ____." The amounts deposited in the special fund shall be distributed monthly to the applicable transportation district commission of which the county or city is a member to be applied to the operating deficit, capital, and debt service of the mass transit system of such district or, in the case of a transportation district subject to the provisions of subsection C of § 33.2-1915, to be applied to and expended for any transportation purpose of such district. In the case of a jurisdiction which, after July 1, 1989, joins a transportation district which was established on or before January 1, 1986, and is also subject to subsection C of § 33.2-1915, the funds collected from that jurisdiction shall be applied to and expended for any transportation purpose of such jurisdiction.

B. All taxes, interest, and civil penalties paid to the Commissioner pursuant to this chapter for the sale of fuels at wholesale to retail dealers for retail sale in any county or city set forth in clause (ii) of subdivision A 1 of § 58.1-2295, after subtraction of the direct costs of administration by the Department, shall be deposited each month as follows:

1. One-twelfth of an amount determined by multiplying \$15 million by a fraction, the numerator of which shall be such transportation district's share of funding for the commuter rail service jointly operated by the two transportation districts and the denominator of which shall be the total funding share for such commuter rail service, shall be deposited in the Commuter Rail Operating and Capital Fund established pursuant to § 33.2-3500; and

2. All remaining funds shall be deposited in a special fund entitled the "Special Fund Account of the Transportation District of ____." The amounts deposited in the special fund shall be distributed monthly to the applicable transportation district commission of which the county or city is a member to be applied to the operating deficit, capital, and debt service of the mass transit system of such district or, in the case of a transportation district subject to the provisions of subsection C of § 33.2-1915, to be applied to and expended for any transportation purpose of such district. In the case of a jurisdiction which, after July 1, 1989, joins a transportation district that was established on or before January 1, 1986, and is also subject to subsection C of § 33.2-1915, the funds collected from that jurisdiction shall be applied to and expended for any transportation purpose of such jurisdiction.

C. All taxes, interest, and civil penalties paid to the Commissioner pursuant to this chapter for the sale of fuels at wholesale to retail dealers for retail sale in any county or city set forth in subdivision A 2 of § 58.1-2295, after subtraction of the direct costs of administration by the Department, shall be deposited into special funds established by law. In the case of Planning District 23, the revenue generated and collected therein shall be deposited into the fund established in § 33.2-2600. For additional Planning Districts that may become subject to this section, funds shall be established by appropriate legislation.

D. *All taxes, interest, and civil penalties paid to the Commissioner pursuant to this chapter for the sale of fuels at wholesale to retail dealers for retail sale in any county or city set forth in § 58.1-2295.1, after subtraction of the direct costs of administration by the Department, shall be deposited into the Interstate 81 Corridor Improvement Fund established pursuant to Chapter 36 (§ 33.2-3600) of Title 33.2.*

E. The direct cost of administration of this section shall be credited to the funds appropriated to the Department.

§ 58.1-2299.20. (Contingent effective date) Disposition of tax revenues.

~~A~~ A. *Except as provided in subsection B, all taxes, interest, and civil penalties paid to the Commissioner pursuant to this chapter, after subtraction of the direct costs of administration by the Department, shall be deposited in a special fund entitled the "Special Fund Account of the Transportation District of ____." The amounts deposited in the special fund shall be distributed monthly to the applicable transportation district commission of which the county or city is a member to be applied to the operating deficit, capital, and debt service of the mass transit system of such district or, in the case of a transportation district subject to the provisions of subsection C of § 33.2-1915, to be applied to and expended for any transportation purpose of such district. In the case of a jurisdiction which, after July 1, 1989, joins a transportation district which was established on or before January 1, 1986, and is also subject to subsection C of § 33.2-1915, the funds collected from that jurisdiction shall be applied to and expended for any transportation purpose of such jurisdiction. The direct costs of administration shall be credited to the funds appropriated to the Department.*

B. *All taxes, interest, and civil penalties paid to the Commissioner pursuant to this chapter for the sale of fuels at wholesale to retail dealers for retail sale in any county or city set forth in § 58.1-2295.1, after subtraction of the direct costs of administration by the Department, shall be deposited into the*

Interstate 81 Corridor Improvement Fund established pursuant to Chapter 36 (§ 33.2-3600) of Title 33.2.

§ 58.1-2701. Amount of tax.

A. Except as provided in subsection B C, every motor carrier shall pay a road tax per gallon equivalent to the cents per gallon credit for diesel fuel as determined under subsection A of § 58.1-2706 for the relevant period plus an additional ~~\$0.035~~ *amount* per gallon, *as determined by subsection B*, calculated on the amount of motor fuel, diesel fuel or liquefied gases (which would not exist as liquids at a temperature of 60 degrees Fahrenheit and a pressure of 14.7 pounds per square inch absolute), used in its operations within the Commonwealth.

The tax imposed by this chapter shall be in addition to all other taxes of whatever character imposed on a motor carrier by any other provision of law.

B. *The additional amount per gallon shall be determined by the Commissioner annually, effective July 1 of each year. On July 1, 2019, the additional amount per gallon shall be calculated by multiplying the average fuel economy by \$0.01125. On July 1, 2020, and each July 1 thereafter, the additional amount per gallon shall be calculated by multiplying the average fuel economy by \$0.0225. The additional amount per gallon shall be rounded to the nearest one-tenth of a cent. For purposes of this subsection, "average fuel economy" shall be calculated by dividing the total taxable miles driven in the Commonwealth by the total taxable gallons of fuel consumed in the Commonwealth, as reported in IFTA returns in the preceding taxable year.*

C. In lieu of the tax imposed in subsection A, motor carriers registering qualified highway vehicles that are not registered under the International Registration Plan shall pay a fee of \$150 per year for each qualified highway vehicle regardless of whether such vehicle will be included on the motor carrier's IFTA return. *For the period of July 1, 2019, through June 30, 2020, the fee shall be adjusted based on the percent change in the road tax imposed pursuant to subsection A from June 30, 2019, to July 1, 2019. The Commissioner shall adjust the fee annually on July 1 of every year thereafter based on the percentage change in the road tax imposed pursuant to subsection A for the previous fiscal year as compared to the current fiscal year.* The fee is due and payable when the vehicle registration fees are paid pursuant to the provisions of Article 7 (§ 46.2-685 et seq.) of Chapter 6 of Title 46.2.

If a vehicle becomes a qualified highway vehicle before the end of its registration period, the fee due at the time the vehicle becomes a qualified highway vehicle shall be prorated monthly to the registration expiration month. Fees paid under this subsection shall not be refunded unless a full refund of the registration fee paid is authorized by law.

~~C.~~ *D. 1. Except as provided in subdivision 2, all taxes and fees paid under the provisions of this chapter shall be credited to the Highway Maintenance and Operating Fund established pursuant to § 33.2-1530, a special fund within the Commonwealth Transportation Fund.*

2. The net additional revenues generated by this section pursuant to enactments of the 2019 Session of the General Assembly shall be deposited as follows: (i) an amount equal to such net revenues multiplied by a ratio of the vehicle miles traveled on Interstate 81 by vehicles classified as Class 6 or higher by the Federal Highway Administration to the total vehicle miles traveled on all interstate highways in the Commonwealth by vehicles classified as Class 6 or higher by the Federal Highway Administration into the Interstate 81 Corridor Improvement Fund established pursuant to § 33.2-3601; (ii) an amount equal to such net revenues multiplied by a ratio of the vehicle miles traveled on the portion of interstate highways located within the boundaries of Planning District 8 by vehicles classified as Class 6 or higher by the Federal Highway Administration to total vehicle miles traveled on all interstate highways in the Commonwealth by vehicles classified as Class 6 or higher by the Federal Highway Administration into the Northern Virginia Transportation Authority Fund established pursuant to § 33.2-2509; and (iii) all remaining net revenues to the Commonwealth Transportation Board for use for operational improvements and other enhancements to improve the safety and reliability of, and travel flow along, interstate highway corridors in the Commonwealth. The Board shall ensure that for any interstate highway with more than 10 percent of total interstate truck vehicle miles traveled that the total long-term expenditure for each such interstate highway is approximately equal to the proportional revenue subject to clause (iii) that is attributable to such interstate highway. For purposes of this subdivision, "net additional revenues" means the additional revenues generated by this section pursuant to enactments of the 2019 Session of the General Assembly, minus any refunds or remittances required to be paid.

2. That the General Assembly finds that (i) an adequate, efficient, and safe Interstate 81 corridor is essential to the economic well-being of the communities located along the corridor and for the Commonwealth; (ii) Interstate 81 carries 42 percent of interstate truck vehicle miles traveled in the Commonwealth; (iii) trucks make up 20 to 30 percent of all traffic on Interstate 81; (iv) there are more than 2,000 traffic accidents each year on Interstate 81, and 30 of those accidents require more than six hours to clear; (v) the lack of parallel routes and automated traffic management systems on Interstate 81 increases the impact of traffic accidents on Interstate 81; (vi) due to these conditions and the high volume of truck traffic, the Interstate 81 corridor does not meet the needs of the surrounding communities; and (vii) current statewide transportation revenues are

insufficient to implement necessary improvements to the Interstate 81 corridor.

3. That the Interstate 81 Committee (the Committee) created by this act shall review the Interstate 81 Corridor Improvement Plan adopted by the Commonwealth Transportation Board on December 5, 2018, as it relates to funding options for improvements to the Interstate 81 corridor and the prioritization of projects in the Interstate 81 corridor. The Committee shall conduct regional public meetings on options for funding and improvements and seek input from the public and stakeholder organizations. The Committee shall report to the Governor and the General Assembly by December 15, 2019, regarding its recommendations for funding and prioritization of projects.

4. That the provisions of this act that generate additional revenue through state taxes or fees for transportation throughout the Commonwealth and in Planning Districts 3, 4, 5, 6, and 7 shall expire on December 31 of any year in which the General Assembly appropriates or transfers any of such additional revenues for any non-transportation-related purpose or transfers any of such additional revenues that are to be deposited into the Commonwealth Transportation Fund or any subfund thereof pursuant to general law for a non-transportation-related purpose. In the event a local government of any county or city wherein the additional taxes and fees are levied appropriates or allocates any of such additional revenues to a non-transportation-related purpose, such locality shall not be the direct beneficiary of any of the revenues generated by the taxes or fees in the year immediately succeeding the year in which revenues were appropriated or allocated to a non-transportation-related purpose. For purposes of this act, any use that is consistent with a duly adopted Interstate 81 Corridor Improvement Plan shall be considered a transportation-related purpose.

5. That the provisions of this act adding § 58.1-2217.1 to the Code of Virginia shall become effective July 1, 2021.

6. That no funds deposited into the Northern Virginia Transportation Authority Fund pursuant to this act shall be used to support bonds or other debt.

7. That for purposes of making the calculation pursuant to subdivision C 4 of § 33.2-2510, any revenues deposited into the Northern Virginia Transportation Authority Fund pursuant to this act shall be determined to be attributable to each locality based on the percentage of all other taxes generated by or attributable to each such locality for purposes of such subdivision.

8. 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.