

## VIRGINIA ACTS OF ASSEMBLY — CHAPTER

*An Act to amend and reenact §§ 2.2-1509.2, 2.2-1514, as it is currently effective and as it may become effective, 5.1-2.2:2, 5.1-2.2:3, 5.1-2.16, 15.2-5928, 33.2-214, 33.2-214.4, 33.2-226, 33.2-232, 33.2-356, 33.2-357, 33.2-358, 33.2-365, 33.2-366, 33.2-1502, 33.2-1510, 33.2-1524, 33.2-1526 through 33.2-1528, 33.2-1529.1, 33.2-1530, 33.2-1532, 33.2-1602, 33.2-1604, 33.2-1700, 33.2-1701, 33.2-1708, 33.2-1709, 33.2-1803, 33.2-1803.1, 33.2-1803.1:1, 33.2-1803.2, 33.2-1809, 33.2-2300, 33.2-2301, 33.2-2400, 33.2-2401, 33.2-2509, 33.2-3601, 46.2-214.3, 46.2-332, 46.2-341.20:5, 46.2-341.20:6, 46.2-686, 46.2-694, as it is currently effective, 46.2-697, as it is currently effective, 46.2-752, 46.2-1158, 46.2-1158.02, 46.2-1507, 46.2-1546, 46.2-1573, 46.2-1573.11, 46.2-1573.23, 46.2-1573.36, 58.1-608.3, 58.1-638, 58.1-638.3, as it is currently effective, 58.1-802.3, 58.1-811, as it is currently effective, 58.1-815.4, 58.1-816, 58.1-816.1, 58.1-1741, 58.1-1743, 58.1-1744, 58.1-2217, 58.1-2249, 58.1-2289, 58.1-2295, as it is currently effective, 58.1-2299.20, as it is currently effective and as it may become effective, 58.1-2425, as it is currently effective and as it may become effective, 58.1-2531, 58.1-2701, as it is currently effective, and 62.1-132.1 of the Code of Virginia and § 2 of Chapter 8 of the Acts of Assembly of 1989, Special Session II, as amended by Chapter 538 of the Acts of Assembly of 1999 and Chapter 296 of the Acts of Assembly of 2013; to amend the Code of Virginia by adding in Chapter 2 of Title 33.2 an article numbered 6, consisting of sections numbered 33.2-287 through 33.2-299.8, by adding in Article 5 of Chapter 3 of Title 33.2 sections numbered 33.2-372, 33.2-373, and 33.2-374, by adding sections numbered 33.2-1524.1 and 33.2-1526.2 through 33.2-1526.7, by adding in Title 46.2 a chapter numbered 7, consisting of sections numbered 46.2-770 through 46.2-774, and by adding a section numbered 58.1-802.4; and to repeal §§ 33.2-1601, 33.2-1603, 46.2-702.1, 46.2-702.1:1, 58.1-2217.1, and 58.1-2295.1 of the Code of Virginia and the fifth enactments of Chapters 837 and 846 of the Acts of Assembly of 2019, relating to transportation.*

Approved

[S 890]

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

**1. That §§ 2.2-1509.2, 2.2-1514, as it is currently effective and as it may become effective, 5.1-2.2:2, 5.1-2.2:3, 5.1-2.16, 15.2-5928, 33.2-214, 33.2-214.4, 33.2-226, 33.2-232, 33.2-356, 33.2-357, 33.2-358, 33.2-365, 33.2-366, 33.2-1502, 33.2-1510, 33.2-1524, 33.2-1526 through 33.2-1528, 33.2-1529.1, 33.2-1530, 33.2-1532, 33.2-1602, 33.2-1604, 33.2-1700, 33.2-1701, 33.2-1708, 33.2-1709, 33.2-1803, 33.2-1803.1, 33.2-1803.1:1, 33.2-1803.2, 33.2-1809, 33.2-2300, 33.2-2301, 33.2-2400, 33.2-2401, 33.2-2509, 33.2-3601, 46.2-214.3, 46.2-332, 46.2-341.20:5, 46.2-341.20:6, 46.2-686, 46.2-694, as it is currently effective, 46.2-697, as it is currently effective, 46.2-752, 46.2-1158, 46.2-1158.02, 46.2-1507, 46.2-1546, 46.2-1573, 46.2-1573.11, 46.2-1573.23, 46.2-1573.36, 58.1-608.3, 58.1-638, 58.1-638.3, as it is currently effective, 58.1-802.3, 58.1-811, as it is currently effective, 58.1-815.4, 58.1-816, 58.1-816.1, 58.1-1741, 58.1-1743, 58.1-1744, 58.1-2217, 58.1-2249, 58.1-2289, 58.1-2295, as it is currently effective, 58.1-2299.20, as it is currently effective and as it may become effective, 58.1-2425, as it is currently effective and as it may become effective, 58.1-2531, 58.1-2701, as it is currently effective, and 62.1-132.1 of the Code of Virginia are amended and reenacted and that the Code of Virginia is amended by adding in Chapter 2 of Title 33.2 an article numbered 6, consisting of sections numbered 33.2-287 through 33.2-299.8, by adding in Article 5 of Chapter 3 of Title 33.2 sections numbered 33.2-372, 33.2-373, and 33.2-374, by adding sections numbered 33.2-1524.1 and 33.2-1526.2 through 33.2-1526.7, by adding in Title 46.2 a chapter numbered 7, consisting of sections numbered 46.2-770 through 46.2-774, and by adding a section numbered 58.1-802.4 as follows:**

**§ 2.2-1509.2. Budget Bill to include amounts diverted from Commonwealth Transportation Fund.**

If any money in the Highway Maintenance and Operating Fund established pursuant to § 33.2-1530 ~~or the Commonwealth Transportation Trust Fund established pursuant to § 33.2-1524~~ is proposed to be used for any purpose other than administering, planning, constructing, improving, and maintaining the roads embraced in the systems of highways for the Commonwealth and its localities and/or furthering the interests of the Commonwealth in the areas of public transportation, railways, seaports, *spaceports*, and/or airports, then the Governor, if such diversion is proposed by the Governor, shall include with any such proposal a plan for repayment of funds diverted within three years of such use in "The Budget Bill" submitted pursuant to § 2.2-1509.

If such diversion of funds from the ~~Highway Maintenance and Operating Fund~~ or the *Commonwealth Transportation Trust Fund* is proposed by the General Assembly as an amendment to the Budget Bill, such amendment shall include language setting out the plan for repayment of such funds within three years.

**§ 2.2-1514. (Contingent expiration date) Commitment of general fund for nonrecurring expenditures.**

A. As used in this section:

"The Budget Bill" means "The Budget Bill" submitted pursuant to § 2.2-1509, including any amendments to a general appropriation act pursuant to such section.

"Nonrecurring expenditures" means the acquisition or construction of capital outlay projects as defined in § 2.2-1518, the acquisition or construction of capital improvements, the acquisition of land, the acquisition of equipment, or other expenditures of a one-time nature as specified in the general appropriation act.

B. At the end of each fiscal year, the Comptroller shall commit within his annual report pursuant to § 2.2-813 as follows: 67 percent of the remaining amount of the general fund balance that is not otherwise restricted, committed, or assigned for other usage within the general fund shall be committed by the Comptroller for deposit into the *Commonwealth Transportation Trust Fund* established pursuant to § 33.2-1524 or a subfund thereof, and the remaining amount shall be committed for nonrecurring expenditures. No such commitment shall be made unless the full amounts required for other restrictions, commitments, or assignments including but not limited to (i) the Revenue Stabilization Fund deposit pursuant to § 2.2-1829, (ii) the Virginia Water Quality Improvement Fund deposit pursuant to § 10.1-2128, but excluding any deposits provided under the Virginia Natural Resources Commitment Fund established under § 10.1-2128.1, (iii) capital outlay reappropriations pursuant to the general appropriation act, (iv)(a) operating expense reappropriations pursuant to the general appropriation act, and (b) reappropriations of unexpended appropriations to certain public institutions of higher education pursuant to § 23.1-1002, (v) pro rata rebate payments to certain public institutions of higher education pursuant to § 23.1-1002, (vi) the unappropriated balance anticipated in the general appropriation act for the end of such fiscal year, (vii) interest payments on deposits of certain public institutions of higher education pursuant to § 23.1-1002, and (viii) the Revenue Reserve Fund deposit pursuant to § 2.2-1831.2 are set aside. The Comptroller shall set aside amounts required for clauses (iv)(b), (v), and (vii) beginning with the initial fiscal year as determined under § 23.1-1002 and for all fiscal years thereafter.

C. The Governor shall include in "The Budget Bill" pursuant to § 2.2-1509 recommended appropriations from the general fund or recommended amendments to general fund appropriations in the general appropriation act in effect at that time an amount for deposit into the *Commonwealth Transportation Trust Fund* or a subfund thereof, and an amount for nonrecurring expenditures equal to the amounts committed by the Comptroller for such purposes pursuant to the provisions of subsection B. Such deposit to the *Commonwealth Transportation Trust Fund* or a subfund thereof shall not preclude the appropriation of additional amounts from the general fund for transportation purposes.

**§ 2.2-1514. (Contingent effective date) Commitment of general fund for nonrecurring expenditures.**

A. As used in this section:

"The Budget Bill" means "The Budget Bill" submitted pursuant to § 2.2-1509, including any amendments to a general appropriation act pursuant to such section.

"Nonrecurring expenditures" means the acquisition or construction of capital outlay projects as defined in § 2.2-1518, the acquisition or construction of capital improvements, the acquisition of land, the acquisition of equipment, or other expenditures of a one-time nature as specified in the general appropriation act.

B. At the end of each fiscal year, the Comptroller shall commit within his annual report pursuant to § 2.2-813 as follows: 67 percent of the remaining amount of the general fund balance that is not otherwise restricted, committed, or assigned for other usage within the general fund shall be committed by the Comptroller for deposit into the *Commonwealth Transportation Trust Fund* established pursuant to § 33.2-1524 or a subfund thereof, and the remaining amount shall be committed for nonrecurring expenditures. No such commitment shall be made unless the full amounts required for other restrictions, commitments, or assignments including but not limited to (i) the Revenue Stabilization Fund deposit pursuant to § 2.2-1829, (ii) the Virginia Water Quality Improvement Fund deposit pursuant to § 10.1-2128, but excluding any deposits provided under the Virginia Natural Resources Commitment Fund established under § 10.1-2128.1, (iii) capital outlay reappropriations pursuant to the general appropriation act, (iv)(a) operating expense reappropriations pursuant to the general appropriation act, and (b) reappropriations of unexpended appropriations to certain public institutions of higher education pursuant to § 23.1-1002, (v) pro rata rebate payments to certain public institutions of higher education pursuant to § 23.1-1002, (vi) the unappropriated balance anticipated in the general appropriation act for

the end of such fiscal year, (vii) interest payments on deposits of certain public institutions of higher education pursuant to § 23.1-1002, and (viii) the Revenue Reserve Fund deposit pursuant to § 2.2-1831.2 are set aside. The Comptroller shall set aside amounts required for clauses (iv) (b), (v), and (vii) beginning with the initial fiscal year as determined under § 23.1-1002 and for all fiscal years thereafter.

C. The Governor shall include in "The Budget Bill" pursuant to § 2.2-1509 recommended appropriations from the general fund or recommended amendments to general fund appropriations in the general appropriation act in effect at that time an amount for deposit into the *Commonwealth Transportation Trust Fund* or a subfund thereof, and an amount for nonrecurring expenditures equal to the amount committed by the Comptroller for such purpose pursuant to the provisions of subsection B. Such deposit to the *Commonwealth Transportation Trust Fund* or a subfund thereof shall not preclude the appropriation of additional amounts from the general fund for transportation purposes.

**§ 5.1-2.2:2. Commercial air service plan.**

A. The Board shall develop and review every five years a commercial air service plan for commercial air service airports within the Commonwealth. In developing and reviewing such plan, the Board shall (i) analyze trends in commercial air service generally, (ii) analyze the current and projected future demographic and economic trends related to air travel needs in the Commonwealth, (iii) solicit input from other appropriate stakeholders, (iv) consider any other factors determined to be appropriate by the Board, and (v) establish reasonable goals for commercial air service based on clauses (i) through (iv).

B. In developing the plan pursuant to subsection A, the Board shall coordinate with each commercial air service airport.

C. Prior to the allocation of funds pursuant to ~~subdivision A 3 of § 58.1-638~~ § 33.2-1526.6, the Board shall ensure that any requested funds are not inconsistent with the Board's commercial air service plan and that no commercial service airport is penalized for not meeting goals set forth in such commercial air service plan.

**§ 5.1-2.2:3. Transparency and accountability in the use of Commonwealth Aviation Fund revenues.**

A. By November 1 of each year, the Board shall report to the Governor and the General Assembly on the use of Commonwealth ~~Airport~~ Aviation Fund revenues the previous fiscal year. The report shall include at a minimum the following:

1. The use of entitlement funds allocated pursuant to ~~subdivision A 3 a of § 58.1-638 B 1 of § 33.2-1526.6~~ by each air carrier airport, including the amount of funds that are unobligated;

2. The award and use of discretionary funds allocated for air carrier and reliever airports pursuant to ~~subdivision A 3 b (1) (a) of § 58.1-638 B 2 a (1) of § 33.2-1526.6~~ by every such airport;

3. The award and use of discretionary funds allocated for general aviation airports pursuant to ~~subdivision A 3 b (1) (b) of § 58.1-638 B 2 a (2) of § 33.2-1526.6~~ by every such airport; and

4. The award and use of discretionary funds allocated for all airports pursuant to ~~subdivision A 3 b (2) of § 58.1-638 B 2 b of § 33.2-1526.6~~ by every such airport.

Such report shall also include the status of ongoing projects funded in whole or in part by the Commonwealth ~~Airport~~ Aviation Fund pursuant to ~~subdivision A 3 of § 58.1-638~~ § 33.2-1526.6.

B. Each year prior to the release of entitlement funds allocated pursuant to ~~subdivision A 3 a of § 58.1-638 B 1 of § 33.2-1526.6~~, each air carrier airport shall submit a plan that outlines the planned use of such funds for the upcoming fiscal year to the Board for review and approval. The Board shall approve such plan provided that the use of funds is in accordance with Board policies. An airport may modify its plan during a fiscal year by submitting a revised plan to the Board for review.

C. The Board shall have the right to withhold entitlement funds allocated pursuant to ~~subdivision A 3 a of § 58.1-638 B 1 of § 33.2-1526.6~~ in the event that the entitlement utilization plan is not approved by the Board or the airport uses the funds in a manner that is inconsistent with the approved plan.

**§ 5.1-2.16. Grants or loans of public or private funds.**

The Board is authorized to accept, receive, receipt for, disburse, and expend federal and state moneys and other moneys, public or private, made available by grant or loan or both, to accomplish, in whole or in part, any of the purposes of this chapter. All federal moneys accepted under this section shall be accepted and expended by the Board upon such terms and conditions as are prescribed by the United States and as are consistent with state law, and all state moneys accepted under this section shall be accepted and expended by the Board upon such terms and conditions as are prescribed by the Commonwealth. State moneys allocated pursuant to ~~subdivision A 3 of § 58.1-638~~ § 33.2-1526.6 shall not be used for (i) operating costs unless otherwise approved by the Board or (ii) purposes related to supporting the operation of an airline, either directly or indirectly, through grants, credit enhancements, or other related means.

In considering or evaluating the application for or award of any grant of moneys under this section, the Board shall take into account the capacities of all airports within the affected geographic region.

**§ 15.2-5928. Definitions.**

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

"City" or "City of Virginia Beach" means the City of Virginia Beach or the City of Virginia Beach Development Authority.

"Sales and use tax revenues" means tax collections under the Virginia Retail Sales and Use Tax Act (§ 58.1-600 et seq.), as limited herein, generated by transactions taking place upon the premises of a sports or entertainment project, including transactions generating revenues in connection with the development and construction of such project that would not be generated but for the existence of such project. For purposes of this chapter, "sales and use tax revenues" does not include the revenue generated by (i) the one-half percent sales and use tax increase enacted by Chapters 11, 12, and 15 of the Acts of Assembly of 1986, Special Session I, which shall be paid into the *Commonwealth Transportation Trust Fund* as defined in § 33.2-1524; (ii) the one percent of the state sales and use tax revenue distributed among the counties and cities of the Commonwealth pursuant to subsection D of § 58.1-638 on the basis of school-age population; and (iii) the additional state sales and use tax in certain counties and cities assessed pursuant to Chapter 766 of the Acts of Assembly of 2013 and any amendments thereto.

"Sports and entertainment district" means the geographic area in the City of Virginia Beach located south of 21st Street, north of Norfolk Avenue, east of Birdneck Road, and west of Atlantic Avenue.

"Sports or entertainment project" means a project including sports facilities, entertainment facilities, or both, representing at least \$100 million of investment in the sports and entertainment district of the City of Virginia Beach, including any office, restaurant, concessions, retail, residential, and lodging facilities that are owned and operated adjacent to or in connection with such sports or entertainment project; film and sound studios and any other sports or entertainment-related infrastructure; and any other directly related properties, including onsite and offsite parking lots, garages, and other properties. "Sports or entertainment project" includes multiple facilities located on multiple properties, provided that such facilities share a nexus of ownership or management.

**§ 33.2-214. Transportation; Six-Year Improvement Program.**

A. The Board shall have the power and duty to monitor and, where necessary, approve actions taken by the Department of Rail and Public Transportation pursuant to Article 5 (§ 33.2-281 et seq.) in order to ensure the efficient and economical development of public transportation, the enhancement of rail transportation, and the coordination of such rail and public transportation plans with highway programs.

B. The Board shall have the power and duty to coordinate the planning for financing of transportation needs, including needs for highways, railways, seaports, airports, and public transportation and set aside funds as provided in ~~§ 33.2-1524~~ *33.2-1524.1*. To allocate funds for these needs pursuant to ~~§§ § 33.2-358 and 58.1-638~~ *Chapter 15 (§ 33.2-1500 et seq.)*, the Board shall adopt a Six-Year Improvement Program of anticipated projects and programs by July 1 of each year. This program shall be based on the most recent official *Commonwealth Transportation Trust Fund* revenue forecast and shall be consistent with a debt management policy adopted by the Board in consultation with the Debt Capacity Advisory Committee and the Department of the Treasury.

C. The Board shall have the power and duty to enter into contracts with local districts, commissions, agencies, or other entities created for transportation purposes.

D. The Board shall have the power and duty to promote increasing private investment in the Commonwealth's transportation infrastructure, including acquisition of causeways, bridges, tunnels, highways, and other transportation facilities.

E. The Board shall only include a project or program wholly or partially funded with funds from the State of Good Repair Program pursuant to § 33.2-369, the High Priority Projects Program pursuant to § 33.2-370, ~~or the Highway Construction District Grant Programs pursuant to § 33.2-371, or the~~ *Interstate Operations and Enhancement Program pursuant to § 33.2-372, or capital projects funded through the Virginia Highway Safety Improvement Program pursuant to § 33.2-373* in the Six-Year Improvement Program if the allocation of funds from those programs and other funding committed to such project or program within the six-year horizon of the Six-Year Improvement Program is sufficient to complete the project or program. The provisions of this subsection shall not apply to any project (i) the design and construction of which cannot be completed within six years, (ii) the estimated costs of which exceed \$2 billion, and (iii) that requires the Board to exercise its authority to waive the funding cap pursuant to subsection B of § 33.2-369.

F. The Board shall have the power and duty to integrate land use with transportation planning and programming, consistent with the efficient and economical use of public funds. If the Board determines that a local transportation plan described in § 15.2-2223 or any amendment as described in § 15.2-2229 or a metropolitan regional long-range transportation plan or regional Transportation Improvement Program as described in § 33.2-3201 is not consistent with the Board's Statewide Transportation Plan developed pursuant to § 33.2-353, the Six-Year Improvement Program adopted pursuant to subsection B,

and the location of routes to be followed by roads comprising systems of state highways pursuant to subsection A of § 33.2-208, the Board shall notify the locality of such inconsistency and request that the applicable plan or program be amended accordingly. If, after a reasonable time, the Board determines that there is a refusal to amend the plan or program, then the Board may reallocate funds that were allocated to the nonconforming project as permitted by state or federal law. However, the Board shall not reallocate any funds allocated pursuant to § 33.2-319 or 33.2-366, based on a determination of inconsistency with the Board's Statewide Transportation Plan or the Six-Year Improvement Program nor shall the Board reallocate any funds, allocated pursuant to subsection C or D of § 33.2-358, from any projects on highways controlled by any county that has withdrawn, or elects to withdraw, from the secondary system of state highways based on a determination of inconsistency with the Board's Statewide Transportation Plan or the Six-Year Improvement Program. If a locality or metropolitan planning organization requests the termination of a project, and the Department does not agree to the termination, or if a locality or metropolitan planning organization does not advance a project to the next phase of construction when requested by the Board and the Department has expended state or federal funds, the locality or the localities within the metropolitan planning organization may be required to reimburse the Department for all funds expended on the project. If, after design approval by the Chief Engineer of the Department, a locality or metropolitan planning organization requests alterations to a project that, in the aggregate, exceeds 10 percent of the total project costs, the locality or the localities within the metropolitan planning organization may be required to reimburse the Department for the additional project costs above the original estimates for making such alterations.

**§ 33.2-214.4. Statewide prioritization for the Commonwealth Mass Transit Fund.**

A. 1. The Board shall develop a prioritization process for the use of funds allocated pursuant to subdivision *C D* 2 of § 33.2-1526.1. Such prioritization process shall be used for the development of the Six-Year Improvement Program adopted annually by the Board pursuant to § 33.2-214. There shall be a separate prioritization process for state of good repair projects and major expansion projects. The prioritization process shall, for state of good repair projects, be based upon transit asset management principles, including federal requirements for Transit Asset Management pursuant to 49 U.S.C. § 5326. The prioritization process shall, for major expansion projects, be based on an objective and quantifiable analysis that considers the following factors relative to the cost of a major expansion project: congestion mitigation, economic development, accessibility, safety, environmental quality, and land use.

2. The Board shall solicit input from localities, metropolitan planning organizations, transit authorities, transportation authorities, and other stakeholders in its development of the prioritization process pursuant to this subsection. Further, the Board shall explicitly consider input provided by an applicable metropolitan planning organization or the Northern Virginia Transportation Authority when developing the prioritization process set forth in subdivision 1 for a metropolitan planning area with a population of over 200,000 individuals.

B. 1. The Board shall create for the Department of Rail and Public Transportation a Transit Service Delivery Advisory Committee, consisting of two members appointed by the Virginia Transit Association, one member appointed by the Community Transportation Association of Virginia, one member appointed by the Virginia Municipal League, one member appointed by the Virginia Association of Counties, and three members appointed by the Director of the Department of Rail and Public Transportation, to advise the Department of Rail and Public Transportation in the development of the process set forth in subdivision 2. The Transit Service Delivery Advisory Committee shall elect a chairman from among its membership. The Department of Rail and Public Transportation shall provide administrative support to the Transit Service Delivery Advisory Committee. The Transit Service Delivery Advisory Committee shall meet at least annually and consult with interested stakeholders and hold at least one public hearing and report its findings to the Director of the Department of Rail and Public Transportation.

2. The Department of Rail and Public Transportation, in conjunction with the Transit Service Delivery Advisory Committee, shall develop a process for the distribution of the funds allocated pursuant to subdivision *C D* 1 of § 33.2-1526.1 and the incorporation by transit systems of the service delivery factors set forth therein into their transit development plans. Prior to the Board approving service delivery factors, the Director of the Department of Rail and Public Transportation and the Chairman of the Transit Service Delivery Advisory Committee shall brief the House Committees on Appropriations and Transportation and the Senate Committees on Finance and Transportation regarding the findings and recommendations of the Transit Service Delivery Advisory Committee and the Department of Rail and Public Transportation. Before redefining any component of the service delivery factors, the Board shall consult with the Director of the Department of Rail and Public Transportation, the Transit Service Delivery Advisory Committee, and interested stakeholders, and shall provide for a 45-day public comment period. The process required to be delivered by this subsection shall be adopted no later than July 1, 2019, and shall apply beginning with the fiscal year 2020-2025 Six-Year

301 Improvement Program.

302 **§ 33.2-226. Authority to lease or convey airspace.**

303 The Commissioner of Highways may lease or sell and convey the airspace superjacent or subjacent  
 304 to any highway in the Commonwealth that is within his jurisdiction and in which the Commonwealth  
 305 owns fee simple title after satisfying itself that use of the airspace will not impair the full use and safety  
 306 of the highway or otherwise interfere with the free flow of traffic thereon and it cannot be reasonably  
 307 foreseen as needed in the future for highway and other transit uses and purposes. The Commissioner of  
 308 Highways may provide in such leases and conveyances of airspace for columns of support, in fee or  
 309 otherwise, ingress, egress, and utilities.

310 No lease or conveyance shall be entered into by the Commissioner of Highways unless the locality,  
 311 by action of its governing body by majority recorded vote, approves the projected use of the airspace in  
 312 question and has taken such steps as it deems proper to regulate the type and use of the improvements  
 313 to be erected in such airspace by appropriate zoning or other method of land use control.

314 All leases and conveyances shall contain those terms deemed necessary by the Commissioner of  
 315 Highways to protect the interests of the Commonwealth and the public. The Commissioner of Highways  
 316 may utilize any competitive procurement process authorized by law, including (i) competitive sealed  
 317 bidding, (ii) competitive negotiation, (iii) best value procurements as defined in § 2.2-4301, and (iv)  
 318 public-private partnerships pursuant to the Public-Private Transportation Act of 1995 (§ 33.2-1800 et  
 319 seq.), as determined by the Commissioner of Highways, in his sole discretion, to be appropriate and the  
 320 method most likely to achieve the identified goals of the proposed lease or sale and conveyance of  
 321 airspace. The Commissioner of Highways may reject any bid or offer that he believes is not in the best  
 322 interest of the Commonwealth.

323 Compensation paid for such leases and conveyances shall be credited to the *Priority Transportation*  
 324 ~~Trust Fund~~ established pursuant to § ~~33.2-1524~~ 33.2-1527.

325 **§ 33.2-232. Biennial reports by Commissioner of Highways and the Office of Intermodal**  
 326 **Planning and Investment.**

327 A. The Secretary of Transportation shall ensure that the reports required under subsections B and C  
 328 are provided in writing to the Governor, the General Assembly, and the Commonwealth Transportation  
 329 Board by the dates specified.

330 B. The Commissioner of Highways shall provide to each recipient specified in subsection A, no later  
 331 than November 1 of each even-numbered year, a report, the content of which shall be specified by the  
 332 Board and shall contain, at a minimum:

333 1. The methodology used to determine maintenance needs, including an explanation of the  
 334 transparent methodology used for the allocation of funds from the Highway Maintenance and Operating  
 335 Fund pursuant to subsection A of § 33.2-352;

336 2. The methodology approved by the Board for the allocation of funds for state of good repair  
 337 purposes as defined in § 33.2-369 and, if necessary, an explanation and rationale for any waiver of the  
 338 cap provided for in subsection B of § 33.2-369;

339 3. The expenditures from the Highway Maintenance and Operating Program for the past fiscal year  
 340 by asset class or activity and by construction district as well as the planned expenditure for the current  
 341 fiscal year;

342 4. A description of transportation systems management and operations in the Commonwealth and the  
 343 operating condition of primary and secondary state highways, including location and average duration of  
 344 incidents;

345 5. A listing of prioritized pavement and bridge needs based on the priority ranking system developed  
 346 by the Board pursuant to § 33.2-369 and a description of the priority ranking system;

347 6. A description of actions taken to improve highway operations within the Commonwealth,  
 348 including the use of funds in the Innovation and Technology Transportation Fund established pursuant to  
 349 § 33.2-1531; and

350 7. *The use of funds in the Special Structure Fund established pursuant to § 33.2-1532;*

351 8. *The status of the Interstate Operations and Enhancement Program, including at a minimum, the*  
 352 *allocation of revenues for the program, the current and projected performance of each interstate*  
 353 *highway corridor, and the anticipated benefits of funded strategies, capital improvements, and services*  
 354 *by the interstate highway; and*

355 9. A review of the Department's collaboration with the private sector in delivering services.

356 C. The Office of Intermodal Planning and Investment of the Secretary of Transportation shall provide  
 357 to each recipient specified in subsection A, no later than November 1 of each odd-numbered year, a  
 358 report, the content of which shall be specified by the Board and shall contain, at a minimum:

359 1. A list of transportation projects approved or modified during the prior fiscal year, including  
 360 whether each such project was evaluated pursuant to § 33.2-214.1 and the program from which each  
 361 such project received funding;

2. The results of the most recent project evaluations pursuant to § 33.2-214.1, including a comparison of (i) projects selected for funding with projects not selected for funding, (ii) funding allocated by district and by mode of transportation, and (iii) the size of projects selected for funding;

3. The current performance of the Commonwealth's surface transportation system, the targets for future performance, and the progress toward such targets based on the measures developed pursuant to § 2.2-229;

4. The status of the Virginia Transportation Infrastructure Bank, including the balance in the Bank, funding commitments made over the prior fiscal year, and performance of the current loan portfolio;

5. The status of the Toll Facilities Revolving Account, including the balance in the account, project commitments from the account, repayment schedules, and the performance of the current loan portfolio; and

6. Progress made toward achieving the performance targets established by the Commonwealth Transportation Board.

D. The purpose of the reports required pursuant to this section is to ensure transparency and accountability in the use of transportation funds. Reports required by this section shall be made available to the public on the website of the Commonwealth Transportation Board.

#### Article 6.

#### Virginia Passenger Rail Authority Act.

#### § 33.2-287. *Definitions.*

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

*"Authority" means the Virginia Passenger Rail Authority.*

*"Board" means the Board of Directors of the Authority.*

*"Bonds" means the revenue notes, bonds, certificates, and other evidences of indebtedness or obligations of the Authority.*

*"Cost" means, as applied to rail facilities, (i) the cost of construction; (ii) the cost of acquisition of all lands, structures, fixtures, rights-of-way, franchises, easements, and other property rights and interests; (iii) the cost of demolishing, removing, or relocating any buildings, structures, or fixtures on lands acquired, including the cost of acquiring any lands to which such buildings, structures, or fixtures may be moved or relocated; (iv) the cost of all labor, materials, machinery, and equipment; (v) financing charges and interest on all bonds prior to and during construction and for one year after completion of construction; (vi) the cost of engineering, financial, and legal services, plans, specifications, studies, surveys, estimates of cost and of revenues, and other expenses incidental to determining the feasibility of acquiring, constructing, operating, or maintaining rail facilities; (vii) administrative expenses, provisions for working capital, and reserves for interest and for extensions, enlargements, additions, and improvements; and (viii) such other expenses as may be necessary or incidental to the acquisition, construction, financing, operations, and maintenance of rail facilities. Any obligation or expense incurred by the Commonwealth or any agency thereof for studies, surveys, borings, preparation of plans, and specification or other work or materials in the acquisition or construction of rail facilities may be regarded as a part of the cost of rail facilities and may be reimbursed to the Commonwealth or any agency thereof out of the proceeds of the bonds issued for such rail facilities as herein authorized.*

*"Department" means the Department of Rail and Public Transportation.*

*"Rail facilities" means the assets consisting of the real, personal, or mixed property, or any interest in that property, whether tangible or intangible, that are determined to be necessary or convenient for the provision of passenger rail service. "Rail facilities" includes all property or interests necessary or convenient for the acquiring, providing, using, equipping, or maintaining of a rail facility or system, including right-of-way, trackwork, train controls, stations, and maintenance facilities.*

*"Transportation Board" means the Commonwealth Transportation Board.*

#### § 33.2-288. *Declaration of public purpose; Virginia Passenger Rail Authority.*

A. The General Assembly finds and determines that (i) it is the policy of the Commonwealth to improve, identify, encourage, and promote new approaches to economic development throughout the Commonwealth; (ii) passenger rail travel and services are integral to the economic development and expansion of the Commonwealth's economy; and (iii) there exists in the Commonwealth a need to increase passenger rail capacity in the Commonwealth and improve passenger rail services.

B. In order to increase passenger rail capacity, improve passenger rail services, ameliorate current and future traffic congestion on Virginia highways, and promote the industrial and economic development of the Commonwealth, there is hereby created a body corporate and political subdivision of the Commonwealth to be known as the Virginia Passenger Rail Authority. The Authority is hereby constituted as a public instrumentality exercising public and essential governmental functions, and the exercise of powers conferred by this article shall be deemed to be the performance of an essential governmental function and matters of public necessity for which public moneys may be spent and private

property acquired.

C. The purpose of the Authority shall be to promote, sustain, and expand the availability of passenger and commuter rail service in the Commonwealth and to increase ridership of such service by connecting population centers with passenger and commuter rail service and increasing availability of such service.

**§ 33.2-289. Board of Directors.**

A. The Authority shall be governed by the Board of Directors of the Authority consisting of 15 members as follows: (i) 12 nonlegislative citizen members, appointed by the Governor, who shall serve with voting privileges; (ii) a designee of the President and Chief Executive Officer of the National Passenger Rail Corporation, who shall serve without voting privileges; (iii) the chief executive officer of a commuter rail service jointly operated by the Northern Virginia Transportation District established pursuant to § 33.2-1904 and the Potomac and Rappahannock Transportation District established pursuant to the Transportation District Act (§ 33.2-1900 et seq.), who shall serve ex officio without voting privileges; and (iv) the Director of the Department who shall serve ex officio and shall have voting privileges only in the event of a tie. Of the 12 nonlegislative citizen members with voting privileges:

1. Three members shall reside within the boundaries of the Northern Virginia Transportation District established pursuant to § 33.2-1904. Such members may be selected from a list recommended by the Northern Virginia Transportation Commission, after due consideration of such list by the Governor;

2. Three members shall reside within the boundaries of the Potomac-Rappahannock Transportation District established pursuant to the Transportation District Act of 1964 (§ 33.2-1900 et seq.). Such members may be selected from a list recommended by the Potomac and Rappahannock Transportation Commission, after due consideration of such list by the Governor;

3. Two members shall reside within the boundaries of the Richmond Metropolitan Transportation Authority established pursuant to Chapter 29 (§ 33.2-2900 et seq.);

4. Two members shall reside within the boundaries of the Hampton Roads Transportation Accountability Commission established pursuant to Chapter 26 (§ 33.2-2600 et seq.); and

5. Two members shall reside within the boundaries of Planning District 5, 9, 10, or 11.

B. The nonlegislative citizen members appointed by the Governor shall be subject to confirmation by the General Assembly. Vacancies shall be filled by appointment by the Governor for the unexpired term and shall be effective until 30 days after the next meeting of the ensuing General Assembly and, if confirmed, thereafter for the remainder of the term. No member shall be eligible to serve more than two consecutive four-year terms. The remainder of any term for which a member is appointed to fill a vacancy shall not constitute a term in determining that member's eligibility for reappointment. No member of a governing body of a locality shall be eligible, during the term of office for which he was elected or appointed, to serve as an appointed member of the Board. The Director shall serve terms coincident with his term of office.

C. The Director of the Department shall serve as chairman of the Board. The Board shall annually elect from among its members a vice-chairman and a secretary. The Board shall also annually elect a treasurer, who need not be a member of the Board, and may also elect other subordinate officers who need not be a member of the Board, as it deems proper. The chairman or, in his absence, the vice-chairman shall preside at all meetings of the Board. In the absence of both the chairman and vice-chairman, the Board shall appoint a chairman pro tempore, who shall preside at such meetings.

D. Seven members shall constitute a quorum for the transaction of the Authority's business, and no vacancy in the membership shall impair the right of a quorum to exercise all the rights and perform all the duties of the Authority. All actions of the Board shall require the affirmative vote of a majority of the members present and voting, except that the sale of land or issuance of bonds shall require an affirmative vote of nine members present and voting.

E. The Board shall meet at least once quarterly. The Board shall determine the times and places of its regular meetings. Special meetings of the Board shall be held when requested by three or more members of the Board. Any such request for a special meeting shall be in writing, and the request shall specify the time and place of the meeting and the matters to be considered at the meeting. A reasonable effort shall be made to provide each member with notice of any special meeting. No matter not specified in the notice shall be considered at such special meeting unless all members of the Board are present.

F. The members of the Board shall be entitled to reimbursement for their reasonable travel, meal, and lodging expenses incurred in attending the meetings of the Board or while otherwise engaged in the discharge of their duties. Such expenses shall be paid out of the treasury of the Authority upon vouchers signed by the chairman of the Board or by such other person or persons as may be designated by the Board for this purpose.

**§ 33.2-290. Executive Director; agents and employees.**

A. The Board shall employ an Executive Director of the Authority, who shall not be a member of the



Board and who shall serve at the pleasure of the Board, to direct the day-to-day operations and activities of the Authority and carry out the powers and duties conferred upon him as may be delegated to him by the Board. The Executive Director's compensation from the Commonwealth shall be fixed by the Board in accordance with law. This compensation shall be established at a level that will enable the Authority to attract and retain a capable Executive Director.

B. The Executive Director shall employ or retain such other agents or employees subordinate to the Executive Director as may be necessary, subject to the Board's approval.

C. Employees of the Authority shall be employed on such terms and conditions as established by the Authority and shall be considered employees of the Commonwealth. Employees of the Authority shall be eligible for membership in the Virginia Retirement System or other retirement plans authorized by Article 4 (§ 51.1-125 et seq.) of Chapter 1 of Title 51.1 and participation in all health and related insurance and other benefits, including premium coverage and flexible benefits, available to state employees and provided by law. The Board shall develop and adopt personnel rules, policies, and procedures to give its employees grievance rights, ensure that employment decisions shall be based upon merit and fitness of applicants, and prohibit discrimination on the basis of race, religion, color, national origin, sex, pregnancy, childbirth or related medical conditions, age, sexual orientation, marital status, or disability. Notwithstanding any other provision of law, the Board shall develop, implement, and administer a paid leave program, which may include annual, personal, and sick leave or any combination thereof. All other leave benefits shall be administered in accordance with Chapter 11 (§ 51.1-1100 et seq.) or Chapter 11.1 (§ 51.1-1150 et seq.) of Title 51.1, except as otherwise provided in this section.

**§ 33.2-291. Local authorities subordinate to Authority.**

Any conflict between any authority granted to localities or other entities of the Commonwealth, other than the Transportation Board and the Department, with respect to the ownership or use of rail facilities or the provision of passenger rail service, or the exercise of that authority, and the exercise of the authority granted by the Board under this article shall be resolved in favor of the exercise of such authority by the Board. Rights-of-way transferred to the Authority from a railroad shall not be subject to the requirements of any local ordinances enacted pursuant to Chapter 22 (§ 15.2-2200 et seq.) of Title 15.2.

**§ 33.2-292. Powers of the Authority.**

A. The Authority, in addition to other powers enumerated in this article, is hereby granted and shall have and may exercise all powers necessary or convenient for the carrying out of its statutory purposes, including, but without limiting the generality of the foregoing, the power to:

1. Make and adopt bylaws, rules, and regulations;
2. Adopt, use, and alter at will a common seal;
3. Maintain offices;
4. Sue and be sued, implead and be impleaded, complain, and defend in all courts in its own name; however, this shall not be deemed a waiver or relinquishment of any sovereign immunity to which the Authority or its officers, directors, employees, or agents are otherwise entitled;
5. Grant others the privilege to design, build, finance, operate, and maintain rail facilities;
6. Grant others the privilege to operate concessions, leases, and franchises, including but not limited to the accommodation and comfort of persons using rail facilities and the provision of ground transportation services and parking facilities for such persons;
7. Borrow money and issue bonds to finance and refinance rail facilities pursuant to § 33.2-294; and pledge or otherwise encumber all or any of the revenues or receipts of the Authority as security for all or any of the obligations of the Authority, subject to the limitations in subsection J of § 33.2-294;
8. Fix, alter, charge, and collect fees, rates, rentals, and other charges for the use of rail facilities, the sale of products, or services rendered by the Authority at rates to be determined by it for the purpose of providing for the payment of (i) expenses of the Authority; (ii) the costs of planning, development, construction, improvement, rehabilitation, repair, furnishing, maintenance, and operation of its rail facilities and properties; (iii) the costs of accomplishing its purposes set forth in § 33.2-288; and (iv) the principal of and interest on its obligations, and the funding of reserves for such purposes, and the costs of maintaining, repairing, and operating any rail facilities and fulfilling the terms and provisions of any agreement made with the purchasers or holders of any such obligations;
9. Make and enter into all contracts and agreements necessary or incidental to the performance of its duties, the furtherance of its purposes, and the execution of its powers under this article, including interstate compacts and agreements with any person, federal agency, or political subdivision of the Commonwealth;
10. Employ, in its discretion, consultants, attorneys, architects, engineers, accountants, financial experts, investment bankers, superintendents, managers, and such other employees and agents as may be necessary and fix their compensation to be payable from funds lawfully available to the Authority;

11. Appoint advisory committees as may be necessary for the performance of its duties, the furtherance of its purposes, and the execution of its powers under this article;

12. Vacate or change location of any portion of any public highway, street, public way, public utility, sewer, pipe, main, conduit, cable, wire, tower pole, or other equipment of the Commonwealth and its political subdivisions and reconnect the same in a new location;

13. Enter upon lands, waters, and premises for surveys, soundings, borings, examinations, and other activities as may be necessary for the performance of its duties;

14. Receive and accept from any federal or private agency, foundation, corporation, association, or person grants, donations of money or real or personal property for the benefit of the Authority and receive and accept from the Commonwealth or any state, and any municipality, county, or other political subdivision thereof and from any other source, aid or contributions of either money, property, or other things of value to be held, used, and applied for the purposes for which such grants and contributions may be made, provided that any federal moneys so received and accepted shall be accepted and expended by the Authority upon such terms and conditions as are prescribed by the United States and as are consistent with the laws of the Commonwealth and any state moneys so received shall be accepted and expended by the Authority upon such terms and conditions as are prescribed by the Commonwealth;

15. Accept loans from the federal government, the state government, regional authorities, localities, and private sources, provided that any federal moneys so accepted shall be accepted and expended by the Authority upon such terms and conditions as are prescribed by the United States and as are consistent with laws of the Commonwealth and any state moneys so accepted shall be accepted and expended by the Authority upon such terms and conditions as are prescribed by the Commonwealth;

16. Lease or sell and convey the airspace superadjacent or subadjacent to any rail facility owned by the Authority;

17. Pledge or otherwise encumber all or any of the revenues or receipts of the Authority as security for all or any of the obligations of the Authority;

18. Participate in joint ventures with individuals, domestic or foreign stock and nonstock corporations, limited liability companies, partnerships, limited partnerships, associations, foundations, or other supporting organizations or other entities for providing passenger rail or related services or other activities that the Authority may undertake to the extent that such undertakings assist the Authority in carrying out the purposes and intent of this article;

19. Act as a "responsible public entity" for the purposes of the acquisition, construction, improvement, maintenance, or operation, or any combination thereof, of a "qualifying transportation facility" under the Public-Private Transportation Act of 1995 (§ 33.2-1800 et seq.); and

20. Undertake all actions necessary and convenient to carry out the powers granted herein.

B. Notwithstanding the provisions of this section, the Authority shall not directly operate any passenger, commuter, or other rail service.

**§ 33.2-293. Acquisition, possession, and disposition of rail facilities; eminent domain.**

A. The Authority shall have the right to acquire by purchase, lease, or grant rail facilities and other lands, structures, property, both real and personal, tangible and intangible, rights, rights-of-way, franchises, easements, and other interests therein, whether located within or not within the geographic boundaries of the Commonwealth, for the construction, operation, maintenance, and use of rail facilities.

B. The Authority shall have the right to hold and dispose of rail facilities and other lands, structures, property, both real and personal, tangible and intangible, rights, rights-of-way, franchises, easements, and other interests therein in the exercise of its powers and the performance of its duties under this article, including but not limited to the sale, exchange, lease, mortgage, or pledge of such property or interest therein, provided that any such disposition that involves property or interests with a fair market value in excess of \$5 million shall require the consent of the Transportation Board.

C. The Commonwealth and any agencies or political subdivisions thereof may provide services, donate, lease, sell, convey, or otherwise transfer, with or without consideration or for minimal consideration, real or personal property and make appropriations to the Authority for the design, acquisition, construction, equipping, maintenance, and operation of rail facilities and may issue bonds in the manner provided in the Public Finance Act (§ 15.2-2600 et seq.) or in its municipal charter for the purpose of providing funds to be appropriated to the Authority; the Authority may agree to assume, or reimburse such a political subdivision for, any indebtedness incurred by such political subdivision with respect to facilities conveyed by it to the Authority.

D. The Authority is authorized to acquire by the exercise of the power of eminent domain any lands, property rights, rights-of-way, franchises, easements, and other property, including public lands, parks, playgrounds, reservations, highways, or parkways, or parts thereof or rights therein, of any person, partnership, association, railroad, public service, public utility, or other corporation, or of any municipality, county, or other political subdivision, deemed necessary or convenient for the construction

or the efficient operation of rail facilities or necessary in the restoration, replacement, or relocation of public or private property damaged or destroyed whenever a reasonable price cannot be agreed upon with the governing body of such municipality, county, or other political subdivision as to such property owned by it or whenever the Authority cannot agree on the terms of purchase or settlement with the other owners because of the incapacity of such owners, because of the inability to agree on the compensation to be paid or other terms of settlement or purchase, or because such owners are nonresidents of the Commonwealth, are unknown, or are unable to convey valid title to such property. Such proceedings shall be in accordance with and subject to the provisions of any and all laws of the Commonwealth applicable to the exercise of the power of eminent domain and subject to the provisions of Chapter 2 (§ 25.1-200 et seq.) of Title 25.1. Title to any property condemned by the Authority shall immediately vest in the Authority, and the Authority shall be entitled to the immediate possession of such property upon the deposit with the clerk of the court in which such condemnation proceedings are originated of the total amount of the appraised price of the property and court costs and fees as provided by law, notwithstanding that any of the parties to such proceedings may appeal from any decision in such condemnation proceedings. Whenever the Authority makes such deposit in connection with any condemnation proceedings, the making of such deposit shall not preclude the Authority from appealing any decision rendered in such proceedings. Upon the deposit with the clerk of the court of the appraised price, any person entitled thereto may, upon petition to the court, be paid his or their pro rata share of 100 percent of such appraised price. The acceptance of such payment shall not preclude such person from appealing any decision rendered in such proceedings. If the appraisal is greater or less than the amount finally determined by the decision in such proceedings or by an appeal, the amount of the increase or decrease shall be paid or refunded to the Authority.

E. The acquisition of any such property by condemnation or by the exercise of the power of eminent domain for the purposes provided herein shall be and is declared to be a public use of such property.

F. For purposes of this section, the terms "appraised price" and "appraisal" mean the value determined by two competent real estate appraisers appointed by the Authority for such purposes.

**§ 33.2-294. Issuance of bonds.**

A. The Authority may issue bonds from time to time in its discretion, for any of its purposes, including the payment of all or any part of the cost of rail facilities. Notwithstanding the foregoing, any bonds issued to pay for the initial funding of capital projects shall be limited to financing capital expenditures and projects submitted for approval by the Transportation Board as set forth in § 33.2-298.

B. The Authority may issue refunding bonds for the purpose of refunding any bonds then outstanding that shall have been issued under the provisions of this article, including the payment of any redemption premium thereon and any interest accrued or to accrue to the date fixed for redemption of such bonds. The issuance of such bonds, the maturities and other details thereof, the rights of the holders thereof, and the rights, duties, and obligations of the Authority in respect of the same shall be governed by the provisions of this article insofar as the same may be applicable.

C. The bonds of each issue shall be dated such date as may be determined by the Authority; shall bear interest at such rate or rates as shall be fixed by the Authority, or as may be determined in such manner as the Authority may provide, including the determination by agents designated by the Authority under guidelines established by the Authority; shall mature at such time or times not exceeding 40 years from their date or dates, as may be determined by the Authority; and may be made redeemable before maturity, at the option of the Authority, at such price or prices and under such terms and conditions as may be fixed by the Authority prior to the issuance of the bonds.

D. The Authority shall determine the form of the bonds and manner of execution of the bonds and shall fix the denomination or denominations of the bonds and the place or places of payment of principal and interest, which may be at any bank or trust company within or outside the Commonwealth. The bonds shall be signed by the chairman or vice-chairman of the Authority or, if so authorized by the Authority, shall bear his facsimile signature and the official seal of the Authority, or, if so authorized by the Authority, a facsimile thereof shall be impressed or imprinted thereon and attested by the secretary or any assistant secretary of the Authority, or, if so authorized by the Authority, with the facsimile signature of such secretary or assistant secretary. Any coupons attached to bonds issued by the Authority shall bear the signature of the chairman or vice-chairman of the Authority or a facsimile thereof. In case any officer whose signature or a facsimile of whose signature shall appear on any bonds or coupons shall cease to be such officer before the delivery of such bonds, such signature or facsimile shall nevertheless be valid and sufficient for all purposes the same as if he had remained in office until such delivery, and any bonds may bear the facsimile signature of, or may be signed by, such persons as at the actual time of the execution of such bonds shall be the proper officers to sign such bonds although at the date of such bonds such persons may not have been such officers.

E. The bonds may be issued in coupon or in registered form, or both, as the Authority may determine, and provision may be made for the registration of any coupon bonds as to principal alone

and also as to both principal and interest, for the reconversion into coupon bonds of any bonds registered as to both principal and interest, and for the interchange of registered and coupon bonds. Bonds issued in registered form may be issued under a system of book-entry for recording the ownership and transfer of ownership of rights to receive payment of principal of, and premium on, if any, and interest on such bonds. The Authority may contract for the services of one or more banks, trust companies, financial institutions, or other entities or persons, within or outside the Commonwealth, for the authentication, registration, transfer, exchange, and payment of the bonds or may provide such services itself. The Authority may sell such bonds in such manner, either at public or private sale, and for such price as it may determine will best effect the purposes of this article.

F. The proceeds of the bonds of each issue shall be used solely for the purposes, and in furtherance of the powers, of the Authority as may be provided in the resolution authorizing the issuance of such bonds or in the trust agreement hereinafter mentioned securing the same.

G. In addition to the above powers, the Authority shall have the authority to issue interim receipts or temporary bonds as provided in § 15.2-2616 and to execute and deliver new bonds in place of bonds mutilated, lost, or destroyed as provided in § 15.2-2621.

H. All expenses incurred in carrying out the provisions of this article shall be payable solely from funds available pursuant to the provisions of this article, and no liability shall be incurred by the Authority hereunder beyond the extent to which moneys shall have been provided or received under the provisions of this article.

I. At the discretion of the Authority, any bonds issued under the provisions of this article may be secured by a trust indenture or agreement by and between the Authority and a corporate trustee, which may be any trust company or bank having the powers of a trust company within or outside the Commonwealth. Such trust indenture or agreement or the resolution providing for the issuance of such bonds may pledge or assign the revenues to be received and provide for the mortgage of any rail facilities or property or any part thereof. Such trust indenture or agreement or resolution providing for the issuance of such bonds may contain such provisions for protecting and enforcing the rights and remedies of the bondholders as may be reasonable and proper and not in violation of law, including covenants providing for the repossession and sale by the Authority or any trustees under any trust indenture or agreement of any rail facilities, or part thereof, upon any default under the lease or sale of such rail facilities, setting forth the duties of the Authority in relation to the acquisition of property and the planning, development, acquisition, construction, rehabilitation, establishment, improvement, extension, enlargement, maintenance, repair, operation, and insurance of the rail facilities in connection with which such bonds shall have been authorized; the amounts of rates, rents, fees, and other charges to be charged; the collection of such rates, rents, fees, and other charges; the custody, safeguarding, and application of all moneys; and conditions or limitations with respect to the issuance of additional bonds. It is lawful for any national bank with its main office in the Commonwealth or any other state or any bank or trust company incorporated under the laws of the Commonwealth or another state that may act as depository of the proceeds of bonds or of revenues to furnish such indemnifying bonds or to pledge such securities as may be required by the Authority. Any such trust indenture or agreement or resolution may set forth the rights of action by bondholders. In addition to the foregoing, any such trust indenture or agreement or resolution may contain such other provisions as the Authority may deem reasonable and proper for the security of the bondholders, including, without limitation, provisions for the assignment to a corporate trustee or escrow agent of any rights of the Authority in any project owned by, or leases or sales of any rail facilities made by, the Authority. All expenses incurred in carrying out the provisions of such trust indenture or agreement or resolution or other agreements relating to any rail facilities, including those to which the Authority may not be a party, may be treated as a part of the cost of the operation of the rail facilities.

J. No obligation of the Authority shall be deemed to constitute a debt, or pledge of the faith and credit, of the Commonwealth or of any other political subdivision thereof but shall be payable solely from the revenues and other funds of the Authority pledged thereto, excluding revenues provided from the Commonwealth Rail Fund pursuant to § 33.2-1526.4. All such obligations shall contain on the face thereof a statement to the effect that the Commonwealth, any political subdivision thereof, and the Authority shall not be obligated to pay the same or the interest thereon except from revenues and other funds of the Authority pledged thereto, and that neither the faith and credit nor the taxing power of the Commonwealth or of any political subdivision thereof is pledged to the payment of the principal of or the interest on such obligations.

K. Any bonds or refunding bonds issued under the provisions of this article and any transfer of such bonds shall at all times be free from Commonwealth and local taxation. The interest on the bonds and any refunding bonds or bond anticipation notes shall at all times be exempt from taxation by the Commonwealth and by any political subdivision thereof.

L. Neither the directors of the Board nor any person executing the bonds shall be liable personally

on the bonds by reason of the issuance thereof.

M. Any holder of bonds issued under the provisions of this article or any of the coupons appertaining thereto, and the trustee under any trust indenture or agreement or resolution, except to the extent the rights herein given may be restricted by such trust indenture or agreement or resolution authorizing the issuance of such bonds, may either at law or in equity, by suit, action, mandamus, or other proceeding, protect and enforce any and all rights under the laws of the Commonwealth or granted hereunder or under such trust indenture or agreement or resolution and may enforce and compel the performance of all duties required by this article or by such trust indenture or agreement or resolution to be performed by the Authority or by any officer thereof, including the fixing, charging, and collecting of rates, rentals, fees, and other charges.

N. Provision may be made in the proceedings authorizing refunding bonds for the purchase of the refunded bonds in the open market or pursuant to tenders made from time to time where there is available in the escrow or sinking fund for the payment of the refunded bonds a surplus in an amount to be fixed in such proceedings.

O. 1. The Authority is hereby authorized to apply for, execute, and/or endorse applications submitted by private entities or political subdivisions of the Commonwealth to obtain federal credit assistance for one or more qualifying transportation infrastructure projects or facilities to be developed pursuant to the Public-Private Transportation Act of 1995 (§ 33.2-1800 et seq.). Any such application, agreement, and/or endorsement shall not financially obligate the Commonwealth or be construed to implicate the credit of the Commonwealth as security for any such federal credit assistance.

2. The Authority is hereby authorized to pursue or otherwise apply for, and execute, an agreement to obtain financing using a federal credit instrument for project financings otherwise authorized by this article or other acts of assembly.

**§ 33.2-295. Deposit and investment of funds.**

Bonds issued by the Authority under the provisions of this article are hereby made securities in which all public officers and public bodies of the Commonwealth and its political subdivisions, and all insurance companies, trust companies, banking associations, investment companies, executors, administrators, trustees, and other fiduciaries may properly and legally invest funds, including capital in their control or belonging to them. Such bonds are hereby made securities that may properly and legally be deposited with and received by any state or municipal officer or any agency or political subdivision of the Commonwealth for any purpose for which the deposit of bonds or obligations of the Commonwealth is now or may hereafter be authorized by law.

**§ 33.2-296. Revenues of the Authority.**

All moneys received by the Authority pursuant to this article including, without limitation, moneys received from the Commonwealth Rail Fund established pursuant to § 33.2-1526.4, whether as proceeds from the sale of bonds or as revenues, shall be deemed to be trust funds to be held and applied solely as provided in this article. The resolution authorizing the bonds of any issue or the trust indenture or agreement or resolution securing such bonds shall provide that any officer with whom, or any bank or trust company with which, such moneys shall be deposited shall act as a trustee of such moneys and shall hold and apply the same for the purposes hereof, subject to such regulations as this article and such trust indenture or agreement or resolution may provide.

**§ 33.2-297. Moneys of Authority.**

All moneys of the Authority, from whatever source derived, shall be paid to the treasurer of the Authority. Such moneys shall be deposited in the first instance by the treasurer in one or more banks or trust companies, in one or more special accounts. All banks and trust companies are authorized to give such security for such deposits, if required by the Authority. The moneys in such accounts shall be paid out on the warrant or other order of such person or persons as the Authority may authorize to execute such warrants or orders.

**§ 33.2-298. Annual budget.**

The Authority shall prepare and submit a detailed annual operating plan and budget to the Transportation Board by February 1 of each fiscal year. The Authority shall also prepare and submit for approval any proposed capital expenditures and projects for the following fiscal year to the Transportation Board by February 1. The Transportation Board shall have until May 30 to approve or deny any capital expenditures, and, in the event the Transportation Board has not approved or denied the Authority's proposed capital expenditures by such deadline, such expenditures shall be deemed approved. The operating plan and budget shall be in a form prescribed by the Transportation Board and shall include information on expenditures, indebtedness, and other information as prescribed by the Transportation Board.

**§ 33.2-299. Recordkeeping; audits.**

A. The accounts and records of the Authority showing the receipt and disbursement of funds from whatever source derived shall be in a form prescribed by governmental generally accepted accounting

principles. Such accounts shall correspond as nearly as possible to the accounts and records for such matters maintained by enterprises.

B. The accounts of the Authority shall be audited annually by a certified public accounting firm selected by the Auditor of Public Accounts with the assistance of the Authority through a process of competitive negotiation. The cost of such audit and review shall be borne by the Authority.

C. The Authority shall submit an annual report to the Governor and the General Assembly on or before November 1 of each year. Such report shall contain the audited financial statements of the Authority for the fiscal year ending the preceding June 30.

D. The Board, the General Assembly, or the Governor may at any time request that the Office of the State Inspector General, created pursuant to § 2.2-308, review any area of the Authority's finances or operations.

**§ 33.2-299.1. Exemption of Authority from personnel and procurement procedures.**

The provisions of the Virginia Personnel Act (§ 2.2-2900 et seq.) and the Virginia Public Procurement Act (§ 2.2-4300 et seq.) shall not apply to the Authority in the exercise of any power conferred under this article. The Authority shall develop and adopt rules governing their procurement procedures. However, such rules adopted for the procurement of professional services with a cost expected to exceed \$80,000 shall be consistent with the provisions of §§ 2.2-4302.2, 2.2-4303.1 and 2.2-4303.2. The initial rules shall be adopted by the Board no later than six months after the first meeting of the Board.

**§ 33.2-299.2. Police powers; Authority rules and regulations.**

The Authority is empowered to adopt and enforce reasonable rules and regulations governing any and all activities using Authority property. Such rules and regulations shall have the force and effect of law after publication one time in full in a newspaper of general circulation in the county or city where the affected property is located.

**§ 33.2-299.3. Governmental function; exemption from taxation.**

The exercise of the powers granted by this article will be in all respects for the benefit of the people of the Commonwealth, for the increase of their commerce and prosperity, and for the improvement of their health and living conditions, and as the operation and maintenance of rail facilities by the Authority and the undertaking of activities in the furtherance of the purposes of the Authority will constitute the performance of the essential governmental functions, the Authority shall not be required to pay any taxes or assessments upon any rail facilities or any property acquired or used by the Authority under the provisions of this article or upon the income therefrom, including sales and use taxes on the tangible personal property used in the operations of the Authority. The exemption hereby granted shall not be construed to extend to persons conducting on the premises of any rail facility businesses for which local or state taxes would otherwise be required.

**§ 33.2-299.4. Cooperation with federal agencies.**

The Authority is empowered to cooperate with, and act as an agent for, the United States or any agency, department, corporation, or instrumentality thereof in the maintenance, development, improvement, and use of rail facilities of the Commonwealth and in any other matter within the purposes, duties, and powers of the Authority.

**§ 33.2-299.5. Continuing responsibilities of the Transportation Board and the Department.**

The Transportation Board and the Department shall cooperate and assist the Authority in the accomplishment of its purposes as set forth in § 33.2-288.

**§ 33.2-299.6. Dissolution of Authority.**

Whenever the Board determines that the purposes for which it was created have been substantially fulfilled or are impractical or impossible to accomplish and that all bonds theretofore issued and all other obligations therefore incurred by the Authority have been paid or that cash or a sufficient amount of United States government securities has been deposited for their payment, and upon the approval of the Governor and the General Assembly, the Board may adopt resolutions or ordinances declaring and finding that the Authority should be dissolved and that appropriate articles of dissolution shall be filed with the State Corporation Commission. Upon the filing of such articles of dissolution by the Authority, such dissolution shall become effective and the title to all funds and other property owned by the Authority at the time of such filing shall vest in the Department.

**§ 33.2-299.7. Exclusions from the Virginia Freedom of Information Act; proprietary records and trade secrets.**

A. Notwithstanding the provisions of the Virginia Freedom of Information Act (§ 2.2-3700 et seq.), the Authority shall keep confidential trade secrets or confidential proprietary information, not publicly available, provided by a private person or entity pursuant to a promise of confidentiality where if such information were made public, the financial interest of the private person or entity could be adversely affected. In order for trade secrets or proprietary information to be excluded from the provisions of the Virginia Freedom of Information Act, the private person or entity shall (i) invoke such exclusion upon

submission of the data or other materials for which protection from disclosure is sought, (ii) identify the data or other materials for which protection is sought, and (iii) state the reason why protection is necessary.

B. Notwithstanding the provisions of the Virginia Freedom of Information Act, the Authority shall keep confidential information submitted by a private person, entity, or other party in negotiations with the Authority, where if such information was made public prior to the execution of a business arrangement, the financial interests of bargaining positions of the public or private entity would be adversely affected.

**§ 33.2-299.8. Liberal construction.**

Neither this article nor anything herein contained is or shall be construed as a restriction or limitation upon any powers that the Authority might otherwise have under any laws of the Commonwealth, and this article is cumulative to any such powers. This article does and shall be construed to provide a complete, additional, and alternative method for the doing of things authorized thereby and shall be regarded as supplemental and additional to power conferred by other laws. However, except as otherwise explicitly provided herein, the issuance of bonds, notes, and other obligations and refunding bonds under the provisions of this article need not comply with the requirements of any other law of the Commonwealth applicable to the issuance of bonds, notes, and other obligations. No proceedings, notice, or approval shall be required for the issuance of any bonds, notes, and other obligations or any instrument as security therefor, except as is provided in this article.

**§ 33.2-356. Funding for extraordinary repairs.**

Notwithstanding any contrary provision of this Code, the Board has the authority to provide, from revenues available for highway capital improvements under § 33.2-1526 construction programs pursuant to § 33.2-358, except for revenues pledged to secure any bonds issued for transportation purposes, for exceptionally heavy expenditures for repairs or replacements made necessary by highway damage resulting from extraordinary accidents, vandalism, weather conditions, or acts of God as well as to respond to federal funding initiatives that require matching funds.

**§ 33.2-357. Revenue-sharing funds for systems in certain localities.**

A. From revenues made available by the General Assembly and appropriated for the improvement, construction, reconstruction, or maintenance of the systems of state highways, the Board may make an equivalent matching allocation to any locality for designations by the governing body of up to \$5 million for use by the locality to improve, construct, maintain, or reconstruct the highway systems within such locality with up to \$2.5 million for use by the locality to maintain the highway systems within such locality. After adopting a resolution supporting the action, the governing body of the locality may request revenue-sharing funds to improve, construct, reconstruct, or maintain a highway system located in another locality or between two or more localities or to bring subdivision streets, used as such prior to the date specified in § 33.2-335, up to standards sufficient to qualify them for inclusion in the primary or secondary state highway system. All requests for funding shall be accompanied by a prioritized listing of specified projects.

B. In allocating funds under this section, the Board shall give priority to projects as follows: first, to projects that have previously received an allocation of funds pursuant to this section; second, to projects that (i) meet a transportation need identified in the Statewide Transportation Plan pursuant to § 33.2-353 or (ii) accelerate a project in a locality's capital plan; and third, to projects that address pavement resurfacing and bridge rehabilitation projects where the maintenance needs analysis determines that the infrastructure does not meet the Department's maintenance performance targets.

C. The Department shall contract with the locality for the implementation of the project. Such contract may cover either a single project or may provide for the locality's implementation of several projects. The locality shall undertake implementation of the particular project by obtaining the necessary permits from the Department in order to ensure that the improvement is consistent with the Department's standards for such improvements. At the request of the locality, the Department may provide the locality with engineering, right-of-way acquisition, construction, or maintenance services for a project with its own forces. The locality shall provide payment to the Department for any such services. If administered by the Department, such contract shall also require that the governing body of the locality pay to the Department within 30 days the local revenue-sharing funds upon written notice by the Department of its intent to proceed. Any project having funds allocated under this program shall be initiated in such a fashion that at least a portion of such funds have been expended within one year of allocation. Any revenue-sharing funds for projects not initiated after two subsequent fiscal years of allocation may be reallocated at the discretion of the Board.

D. Total Commonwealth funds allocated by the Board under this section shall not exceed the greater of \$100 million or seven percent of funds available for distribution pursuant to subsection B of § 33.2-358 prior to the distribution of funds pursuant to this section, whichever is greater, in each fiscal year, subject to appropriation for such purpose. For any fiscal year in which less than the full program



allocation has been allocated by the Board to specific governing bodies, those localities requesting the maximum allocation under subsection A may be allowed an additional allocation at the discretion of the Board.

E. The funds allocated by the Board under this section shall be distributed and administered in accordance with the revenue-sharing program guidelines established by the Board.

**§ 33.2-358. Allocation of funds to programs.**

A. For the purposes of this section:

"Bridge reconstruction and rehabilitation" means reconstruction and rehabilitation of those bridges identified by the Department as being functionally obsolete or structurally deficient.

"High priority projects" means those projects of regional or statewide significance identified by the Board that reduce congestion, increase safety, create jobs, or increase economic development.

"High-tech infrastructure improvements" means those projects or programs identified by the Board that reduce congestion, improve mobility, improve safety, provide up-to-date travel data, or improve emergency response.

B. The Board shall allocate each year from all funds made available for highway purposes such amount as it deems reasonable and necessary for the maintenance of roads within the Interstate System, the primary state highway system, and the secondary state highway system and for city and town street maintenance payments made pursuant to § 33.2-319 and payments made to counties that have withdrawn or elect to withdraw from the secondary state highway system pursuant to § 33.2-366.

C. Until July 1, 2020, after funds are set aside for administrative and general expenses and pursuant to other provisions in this title that provide for the disposition of funds prior to allocation for highway purposes, and after allocation is made pursuant to subsection B, the Board shall allocate an amount determined by the Board not to exceed \$500 million in any given year as follows: (i) 25 percent to bridge reconstruction and rehabilitation; (ii) 25 percent to advancing high priority projects statewide; (iii) 25 percent to reconstructing deteriorated Interstate System, primary state highway system, and municipality maintained primary extension pavements determined to have a Combined Condition Index of less than 60; (iv) 15 percent to projects undertaken pursuant to the Public-Private Transportation Act of 1995 (§ 33.2-1800 et seq.); (v) five percent to paving or improving unpaved highways carrying more than 50 vehicles per day; and (vi) five percent to the Innovation and Technology Transportation Fund established pursuant to § 33.2-1531 for high-tech infrastructure improvements, provided that at the discretion of the Board such percentages of funds may be adjusted in any given year to meet project cash flow needs or when funds cannot be expended due to legal, environmental, or other project management considerations. After such allocations are made, the Board may allocate each year up to 10 percent of the funds remaining for highway purposes for the undertaking and financing of rail projects that in the Board's determination will result in mitigation of highway congestion. After the foregoing allocations have been made, the Board shall allocate the remaining funds available for highway purposes, exclusive of federal funds for the Interstate System, pursuant to § 33.2-360 and any funds not allocated to a project in the Six-Year Improvement Program as follows:

50 percent for the high-priority projects program established pursuant to § 33.2-370 and 50 percent for the highway construction district grant programs established pursuant to § 33.2-371.

D. For funds allocated for fiscal years beginning on and after July 1, 2020, after B. After funds are set aside for administrative and general expenses and pursuant to other provisions in this title that provide for the disposition of funds prior to allocation for highway purposes *construction programs*, and after allocation is made pursuant to subsection B A, the Board shall allocate all remaining funds, including funds apportioned pursuant to 23 U.S.C. § 104, *or any successor programs*, as follows:

1. ~~Forty-five~~ *Thirty* percent of the remaining funds to state of good repair purposes as set forth in § 33.2-369;

2. ~~Twenty-seven and one-half~~ *Twenty* percent of the remaining funds to the high-priority projects program established pursuant to § 33.2-370; ~~and~~

3. ~~Twenty-seven and one-half~~ *Twenty* percent of the remaining funds to the highway construction district grant programs established pursuant to ~~§ 33.2-371~~ § 33.2-371;

4. *Twenty percent of the remaining funds to the Interstate Operations and Enhancement Program established pursuant to § 33.2-372; and*

5. *Ten percent of the remaining funds to the Virginia Highway Safety Improvement Program established pursuant to § 33.2-373.*

E. The funds allocated in subsection C or D shall not include any federal funds and related state match for federal funds with restrictions regarding the construction of general capacity expansion of roadways, or federal funds not under the control of the Board. Such exclusion shall not include restrictions on the location of projects to specific road classifications. *C. The funds allocated in subsection B shall not include the following funds: Congestion Mitigation Air Quality funds apportioned to the state pursuant to 23 U.S.C. § 104(b)(4), or any successor program, and any state matching funds;*



*Surface Transportation Block Grant set-aside for Transportation Alternatives pursuant to 23 U.S.C. § 213, or any successor program, and any state matching funds; Surface Transportation Block Grant Program funds subject to 23 U.S.C. § 133(d)(1)(A)(i), or any successor program, and any state matching funds; and funds received pursuant to federal programs established by the federal government after June 30, 2020, with specific rules that include major restrictions on the types of projects that may be funded, excluding restrictions on the location of projects with regard to highway functional or administrative classification or population, provided such funds are under the control of the Board.*

F. D. In addition, the Board, from funds appropriated for such purpose in the general appropriation act, shall allocate additional funds to the Cities of Newport News, Norfolk, and Portsmouth and the County of Warren in such manner and apportion such funds among such localities as the Board may determine, unless otherwise provided in the general appropriation act. The localities shall use such funds to address highway maintenance and repair needs created by or associated with port operations in those localities.

G. E. Notwithstanding the provisions of this section, the General Assembly may, through the general appropriation act, permit the Governor to increase the amounts to be allocated to highway maintenance, highway construction, either or both.

**§ 33.2-365. Allocation of proceeds of Commonwealth of Virginia Transportation Capital Projects Revenue Bonds.**

The Board shall allocate, use, and distribute the proceeds of any bonds it is authorized to issue on or after July 1, 2007, pursuant to subdivision 10 of § 33.2-1701, as follows:

1. A minimum of 20 percent of the bond proceeds shall be used for transit capital as further described in ~~subdivision A 4 e of § 58.1-638~~ § 33.2-1526.2.

2. A minimum of 4.3 percent of the bond proceeds shall be used for rail capital consistent with the provisions of §§ ~~33.2-1601~~ 33.2-1526.2 and 33.2-1602.

3. The remaining amount of bond proceeds shall be used for paying the costs incurred or to be incurred for construction of transportation projects with such bond proceeds used or allocated as follows: (i) first, to match federal highway funds projected to be made available and allocated to highway and public transportation capital projects to the extent determined by the Board, for purposes of allowing additional state construction funds to be allocated pursuant to § 33.2-358; (ii) second, to provide any required funding to fulfill the Commonwealth's allocation of equivalent revenue sharing matching funds pursuant to § 33.2-357 to the extent determined by the Board; and (iii) third, to pay or fund the costs of statewide or regional projects throughout the Commonwealth. Costs incurred or to be incurred for construction or funding of these transportation projects shall include environmental and engineering studies; rights-of-way acquisition; improvements to all modes of transportation; acquisition, construction, and related improvements; and any financing costs or other financing expenses relating to such bonds. Such costs may include the payment of interest on such bonds for a period during construction and not exceeding one year after completion of construction of the relevant project.

4. The total amount of bonds authorized shall be used for purposes of applying the percentages in subdivisions 1, 2, and 3.

**§ 33.2-366. Funds for counties that have withdrawn or elect to withdraw from the secondary state highway system.**

Pursuant to subsection ~~B~~ A of § 33.2-358, the Board shall make the following payments to counties that have withdrawn or elect to withdraw from the secondary state highway system under the provisions of § 11 of Chapter 415 of the Acts of Assembly of 1932 and that have not elected to return: to any county having withdrawn prior to June 30, 1985, and having an area greater than 100 square miles, an amount equal to \$12,529 per lane-mile for fiscal year 2014, and to any county having an area less than 100 square miles, an amount equal to \$17,218 per lane-mile for fiscal year 2014; to any county that elects to withdraw after June 30, 1985, the Board shall establish a rate per lane-mile for the first year using (i) an amount for maintenance based on maintenance standards and unit costs used by the Department to prepare its secondary state highway system maintenance budget for the year in which the county withdraws and (ii) an amount for administration equal to five percent of the maintenance figure determined in clause (i). The payment rates shall be adjusted annually by the Board in accordance with procedures established for adjusting payments to cities and towns under § 33.2-319, and lane mileage shall be adjusted annually to include (a) streets and highways accepted for maintenance in the county system by the local governing body or (b) streets and highways constructed according to standards set forth in the county subdivision ordinance or county thoroughfare plan, and being not less than the standards set by the Department. Such counties shall be eligible to receive allocations pursuant to subsection ~~C~~ ~~or D~~ B of § 33.2-358.

Payment of the funds shall be made in four equal sums, one in each quarter of the fiscal year.

The chief administrative officer of such counties receiving such funds shall make annual reports of expenditures to the Board, in such form as the Board shall prescribe, accounting for all expenditures,

including delineation between construction and maintenance expenditures and reporting on their performance as specified in subsection B of § 33.2-352. Such reports shall be included in the scope of the annual audit of each county conducted by independent certified public accountants.

**§ 33.2-372. Interstate Operations and Enhancement Program.**

A. The Board shall establish the Interstate Operations and Enhancement Program (the Program) to improve the safety, reliability, and travel flow along interstate highway corridors in the Commonwealth.

B. The Board may use funds in the Program to address identified needs in the Statewide Transportation Plan pursuant to § 33.2-353 or an interstate corridor plan approved by the Board through (i) operational and transportation demand management strategies and (ii) other transportation improvements, strategies, or services.

C. The Board, with the assistance of the Office of Intermodal Planning and Investment, shall establish a process to evaluate and prioritize potential strategies and improvements, with priority given first to operational and transportation demand management strategies that improve reliability and safety of travel.

D. The Board may not use funds in the Program to supplant existing levels of support as of July 1, 2019, for existing operational and transportation demand management strategies.

E. The Board shall distribute to the Interstate 81 Corridor Improvement Fund established pursuant to 33.2-3601 an amount equal to the revenues provided to the Program multiplied by the 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.

F. The Board shall distribute to the Northern Virginia Transportation Authority Fund established pursuant to § 33.2-2509 an amount equal to the revenues provided to the Program multiplied by the ratio of vehicle miles traveled on interstate highways in Planning District 8 by vehicles classified as Class 6 or higher by the Federal Highway Administration to the total vehicles miles traveled on all interstate highways in the Commonwealth by vehicles classified as Class 6 or higher.

G. For any interstate highway with more than 10 percent of total vehicle miles traveled by vehicles classified as Class 6 or higher by the Federal Highway Administration, the Board shall ensure that the total long-term expenditure for each interstate highway shall be approximately equal to the proportion of the total revenue deposited in the Fund attributable to each interstate highway based on such interstate highway's proportional share of interstate vehicle miles traveled by vehicles classified as Class 6 or higher.

**§ 33.2-373. Virginia Highway Safety Improvement Program.**

A. The Board shall establish the Virginia Highway Safety Improvement Program (the Program) to reduce motorized and nonmotorized fatalities and severe injuries on highways in the Commonwealth, whether such highways are state or locally maintained. The Board shall use funds set aside pursuant to § 33.2-358 for the Program.

B. Beginning in fiscal year 2024, the Board shall, after program administration costs, allocate the funds in accordance with its adopted investment strategy pursuant to subsection C as follows:

1. At least 54 percent for infrastructure projects that address a hazardous road location or feature and address an identified highway safety problem;

2. At least 29 percent for strategies and activities to address behavioral causes of crashes that result in fatalities and severe injuries; and

3. The remaining amount for eligible purposes under this section pursuant to the investment strategy adopted pursuant to subsection C.

C. The Board shall adopt an investment strategy to guide the investments of the Program. The strategy shall cover a period of at least five years and seek to achieve a significant reduction in the anticipated number of fatalities and severe injuries over the covered period and shall give priority to projects, strategies, and activities based on the expected reduction in fatalities and severe injuries relative to cost, including improvements that are widely implemented based on a high-risk roadway feature that is correlated with a particular crash type, rather than crash frequency.

**§ 33.2-374. Special Structure Program.**

A. For purposes of this section, "special structure" means very large, indispensable, and unique bridges and tunnels identified by the Commissioner and approved by the Commonwealth Transportation Board.

B. The General Assembly declares it to be in the public interest that the maintenance, rehabilitation, and replacement of special structures in the Commonwealth occur timely as to provide and protect a safe and efficient highway system.

C. The Board shall establish a program for the maintenance, rehabilitation, and replacement of special structures in the Commonwealth. With the assistance of the Department of Transportation, the Board shall develop and maintain a plan for the maintenance, rehabilitation, and replacement of special

structures in the Commonwealth. The plan shall cover at a minimum a 30-year period and shall be updated biennially no later than November 1 of each even-numbered year.

D. The Board shall use the funds allocated in §§ 33.2-1524 and 33.2-1530 to the Special Structure Fund pursuant to § 33.2-1532 for maintenance, rehabilitation, and replacement of special structures to implement the plan developed pursuant to subsection C.

**§ 33.2-1502. Creation of the Virginia Transportation Infrastructure Bank.**

A. There is hereby created in the state treasury a special nonreverting, revolving loan fund, known as the Virginia Transportation Infrastructure Bank, that is a subfund of the Transportation Trust Fund established pursuant to § ~~33.2-1524~~ 33.2-1524.1. The Bank shall be established on the books of the Comptroller. The Bank shall be capitalized with (i) ~~two-thirds of all interest, dividends, and appreciation that may accrue to the Transportation Trust Fund and the Highway Maintenance and Operating Fund funds pursuant to subdivision B 3 of § 33.2-1524~~ and (ii) moneys appropriated by the General Assembly and credited to the Bank. Disbursements from the Bank shall be made by the State Treasurer on warrants issued by the Comptroller upon written request signed by the Commissioner of Highways or his designee. Payments on project obligations and interest earned on the moneys in the Bank shall be credited to the Bank. Any moneys remaining in the Bank, including interest thereon, at the end of each fiscal year shall not revert to the general fund but shall remain in the Bank. Notwithstanding anything to the contrary set forth in this article or in the management agreement, the Board will have the right to determine the projects for which loans or other financial assistance may be provided by the Bank. Moneys in the Bank shall be used solely for the purposes enumerated in subsection C.

B. The Board, the manager, and the Secretary of Finance are authorized to enter into a management agreement which may include provisions (i) setting forth the terms and conditions under which the manager will advise the Board on the financial propriety of providing particular loans or other financial assistance; (ii) setting forth the terms and conditions under which the substantive requirements of subsections C, D, and E and § 33.2-1505 will be applied and administered; and (iii) authorizing the manager to request the Board to disburse from the moneys in the Bank the reasonable costs and expenses the manager may incur in the management and administration of the Bank and a reasonable fee to be approved by the Board for the manager's management and administrative services.

C. 1. Moneys deposited in the Bank shall be used for the purpose of making loans and other financial assistance to finance projects.

2. Each project obligation shall be payable, in whole or in part, from reliable repayment sources pledged for such purpose.

3. The interest rate on a project obligation shall be determined by reference to the current market rates for comparable obligations, the nature of the project and the financing structure therefor, and the creditworthiness of the eligible borrower and other project sponsors.

4. The repayment schedule for each project obligation shall require (i) the amortization of principal beginning within five years following the later of substantial project completion or the date of incurrence of the project obligation and (ii) a final maturity date of not more than 35 years following substantial project completion.

D. The pledge of reliable repayment sources and other property securing any project obligation may be subordinate to the pledge securing any other senior debt obligations incurred to finance the project.

E. Notwithstanding subdivision C 4, the manager may at any time following substantial project completion defer payments on a project obligation if the project is unable to generate sufficient revenues to pay the scheduled payments.

F. No loan or other financial assistance may be provided or committed to be provided by the Bank in a manner that would cause such loan or other financial assistance to be tax-supported debt within the meaning of § 2.2-2713 or be deemed to constitute a debt of the Commonwealth or a pledge of the full faith and credit of the Commonwealth but shall be payable solely from legally available moneys held by the Bank.

G. Neither the Bank nor the manager is authorized or empowered to be or to constitute (i) a bank or trust company within the jurisdiction or under the control of the Commonwealth or an agency thereof or the Comptroller of Currency of the U.S. Treasury Department or (ii) a bank, banker, or dealer in securities within the meaning of, or subject to the provisions of, any securities, securities exchange, or securities dealers law of the United States or of the Commonwealth.

H. The Board or the manager may establish or direct the establishment of federal and state accounts or subaccounts as may be necessary to meet any applicable federal law requirements or desirable for the efficient administration of the Bank in accordance with this article.

**§ 33.2-1510. Fund for access roads and bikeways to public recreational areas and historical sites; construction, maintenance, etc., of such facilities.**

A. The General Assembly finds and declares that there is an increasing demand by the public for more public recreational areas throughout the Commonwealth, therefore creating a need for more access

to these areas. There are also many sites of historical significance to which access is needed.

The General Assembly hereby declares it to be in the public interest that access roads and bikeways to public recreational areas and historical sites be provided by using funds obtained from motor fuel tax collections on motor fuel used for propelling boats and ships and funds contained in the highway portion of the Transportation Trust Fund.

B. (Effective until July 1, 2020) The Board shall, from funds allocated to the primary system, secondary system, or urban system, set aside the sum of \$3 million initially. This fund shall be expended by the Board for the construction, reconstruction, maintenance, or improvement of access roads and bikeways within localities. At the close of each succeeding fiscal year, the Board shall replenish this fund to the extent it deems necessary to carry out the purpose intended, provided the balance in the fund plus the replenishment does not exceed \$3 million.

B. (Effective July 1, 2020) Prior to making allocations pursuant to subsection ~~D~~ B of § 33.2-358, the Board shall set aside the sum of \$3 million initially. This fund shall be expended by the Board for the construction, reconstruction, maintenance, or improvement of access roads and bikeways within localities. At the close of each succeeding fiscal year, the Board shall replenish this fund to the extent it deems necessary to carry out the purpose intended, provided the balance in the fund plus the replenishment does not exceed \$3 million.

C. Upon the setting aside of the funds as provided in this section, the Board shall construct, reconstruct, maintain, or improve access roads and bikeways to public recreational areas and historical sites upon the following conditions:

1. When the Director of the Department of Conservation and Recreation has designated a public recreational area as such or when the Director of the Department of Historic Resources has determined a site or area to be historic and recommends to the Board that an access road or bikeway be provided or maintained to that area;

2. When the Board pursuant to the recommendation from the Director of the Department of Conservation and Recreation declares by resolution that the access road or bikeway be provided or maintained;

3. When the governing body of the locality in which the access road or bikeway is to be provided or maintained passes a resolution requesting the road; and

4. When the governing body of the locality in which the bikeway is to be provided or maintained adopts an ordinance pursuant to Article 7 (§ 15.2-2280 et seq.) of Chapter 22 of Title 15.2.

No access road or bikeway shall be constructed, reconstructed, maintained, or improved on privately owned property.

D. Any access road constructed, reconstructed, maintained, or improved pursuant to the provisions of this section shall become part of the primary state highway system, the secondary state highway system, or the road system of the locality in which it is located in the manner provided by law and shall thereafter be constructed, reconstructed, maintained, and improved as other roads or highways in such systems. Any bikeway path constructed, reconstructed, maintained, or improved pursuant to the provisions of this section that is not situated within the right-of-way limits of an access road that has become, or which is to become, part of the primary state highway system, the secondary state highway system, or the road system of the locality shall, upon completion, become part of and be regulated and maintained by the authority or agency maintaining the public recreational area or historical site. It shall be the responsibility of the authority, agency, or locality requesting that a bikeway be provided for a public recreational or historical site to provide the right-of-way needed for the construction, reconstruction, maintenance, or improvement of the bikeway if such is to be situated outside the right-of-way limits of an access road.

To maximize the impact of the Fund, not more than \$400,000 of recreational access funds may be allocated for each individual access road project to or within any public recreational area or historical site operated by a state agency and not more than \$250,000 of recreational access funds may be allocated for each individual access road project to or within a public recreational area or historical site operated by a locality or an authority with an additional \$100,000 if supplemented on a dollar-for-dollar basis by the locality or authority from other than highway sources. Not more than \$75,000 of recreational access funds may be allocated for each individual bikeway project to a public recreational area or historical site operated by a state agency and not more than \$60,000 of recreational access funds may be allocated for each individual bikeway project to a public recreational area or historical site operated by a locality or an authority with an additional \$15,000 if supplemented on a dollar-for-dollar basis by a locality or authority from other than highway sources.

The Board, with the concurrence of the Director of the Department of Conservation and Recreation, is hereby authorized to establish guidelines to carry out the provisions of this section.

#### **§ 33.2-1524. Commonwealth Transportation Fund.**

A. There is hereby created in the Department of the Treasury a special nonreverting fund to be

known as the *Commonwealth Transportation Trust Fund*, consisting of (the Fund). The Fund shall be established on the books of the Comptroller. Any moneys remaining in the Fund at the end of the year shall not revert to the general fund but shall remain in the Fund. The Fund shall consist of all funds appropriated to the Fund and all funds dedicated to the Fund pursuant to law, including:

1. Funds remaining for highway construction purposes among the highway systems pursuant to § 33.2-358. Revenues pursuant to §§ 58.1-2289 and 58.1-2701;

2. The additional revenues generated by enactments of Chapters 11, 12, and 15 of the 1986 Acts of Assembly, Special Session I, and designated for this fund. Revenues pursuant to subsections A and G of § 58.1-638 and § 58.1-638.3;

3. Tolls and other revenues derived from the projects financed or refinanced pursuant to this title that are payable into the state treasury and tolls and other revenues derived from other transportation projects, which may include upon the request of the applicable appointed local governing body, as soon as their obligations have been satisfied, such tolls and revenue derived for transportation projects pursuant to the Chesapeake Bay Bridge and Tunnel District and Commission established in Chapter 22 (§ 33.2-2200 et seq.) and to the Richmond Metropolitan Transportation Authority established in Chapter 29 (§ 33.2-2900 et seq.), or if the appointed local governing body requests refunding or advanced refunding by the Board and such refunding or advanced refunding is approved by the General Assembly. Such funds shall be held in separate subaccounts of the *Commonwealth Transportation Trust Fund* to the extent required by law or the Board;

4. Revenues pursuant to § 58.1-2425;

5. Revenues pursuant to subdivisions A 1 through 12 of § 46.2-694 and §§ 46.2-694.1, 46.2-697, and 46.2-697.2, except where provided elsewhere in such sections and excluding revenues deposited into a special fund for the Department of Motor Vehicles pursuant to § 46.2-686;

6. Revenues pursuant to § 58.1-1741;

7. Revenues pursuant to § 58.1-815.4;

8. Revenues from § 58.1-2249;

9. Such other funds as may be appropriated by the General Assembly from time to time and designated for the *Commonwealth Transportation Trust Fund*;

10. All interest, dividends, and appreciation that may accrue to the Transportation Trust Fund established pursuant to § 33.2-1524.1 and the Highway Maintenance and Operating Fund established pursuant to § 33.2-1530;

11. All amounts required by contract to be paid over to the *Commonwealth Transportation Trust Fund*;

12. Concession payments paid to the Commonwealth by a private entity pursuant to the Public-Private Transportation Act of 1995 (§ 33.2-1800 et seq.); and

13. Revenues pursuant to § 58.1-2531.

B. Funds in the Fund shall be distributed as follows:

1. Of the funds from subdivisions A 1, 2, 4 through 8, and 13: (i) 51 percent to the Highway Maintenance and Operating Fund established pursuant to § 33.2-1530 and (ii) 49 percent to the Transportation Trust Fund established pursuant to § 33.2-1524.1;

2. The funds from subdivisions A 3 and 12 shall be deposited into the Transportation Trust Fund established pursuant to § 33.2-1524.1;

3. Of the funds from subdivision A 10: (i) two-thirds shall be deposited in the Virginia Transportation Infrastructure Bank established pursuant to Article 1 (§ 33.2-1500 et seq.) and (ii) one-third shall be deposited into the Transportation Partnership Opportunity Fund established pursuant to § 33.2-1529.1.

C. From funds available pursuant to subsection B, (i) \$40 million annually shall be deposited into the Route 58 Corridor Development Fund pursuant to § 33.2-2300, (ii) \$40 million annually shall be deposited into the Northern Virginia Transportation District Fund pursuant to § 33.2-2400, and (iii) \$80 million annually shall be deposited into the Special Structure Fund pursuant to § 33.2-1532, though the amount deposited shall be adjusted annually based on the change in the United States Average Consumer Price Index for all items, all urban consumers (CPI-U), as published by the Bureau of Labor Statistics of the U.S. Department of Labor. Such deposits may be made in one or more installments.

**§ 33.2-1524.1. Transportation Trust Fund.**

There is hereby created in the Department of Treasury a special nonreverting fund to be known as the Transportation Trust Fund, consisting of funds distributed from the Commonwealth Transportation Fund pursuant to § 33.2-1524. The revenues deposited pursuant to subdivision B 1 of § 33.2-1524 shall be distributed during the year to result in the following:

1. For construction programs pursuant to § 33.2-358, 53 percent;

2. To the Commonwealth Mass Transit Fund established pursuant to § 33.2-1526, 23 percent;

3. To the Commonwealth Rail Fund established pursuant to § 33.2-1526.4, 7.5 percent;

4. *To the Commonwealth Port Fund established pursuant to § 33.2-1526.5, 2.5 percent;*
5. *To the Commonwealth Aviation Fund established pursuant to § 33.2-1526.6, 1.5 percent;*
6. *To the Commonwealth Space Flight Fund established pursuant to § 33.2-1526.7, one percent;*
7. *To the Priority Transportation Fund established pursuant to § 33.2-1527, 10.5 percent; and*
8. *To a special fund within the Commonwealth Transportation Fund in the state treasury, one percent to be used to meet the necessary expenses of the Department of Motor Vehicles.*

**§ 33.2-1526. Commonwealth Mass Transit Fund.**

Of the funds becoming part of the Transportation Trust Fund pursuant to subdivision 2 of § 33.2-1524, an aggregate of 4.2 percent shall be set aside as the Commonwealth Port Fund as established in subdivision A 2 of § 58.1-638; an aggregate of 2.4 percent shall be set aside as the Commonwealth Airport Fund as established in subdivision A 3 of § 58.1-638; and an aggregate of 14.7 percent shall be set aside as the Commonwealth Mass Transit Fund as established in subdivision A 4 of § 58.1-638. Beginning with the Commonwealth's 2012-2013 fiscal year through the Commonwealth's 2023-2024 fiscal year, each fiscal year from the funds becoming part of the Transportation Trust Fund pursuant to subdivision 2 of § 33.2-1524 the Comptroller shall transfer \$15.8 million to the Commonwealth Space Flight Fund as established in subdivision A 3a of § 58.1-638. The remaining funds deposited into or held in the Transportation Trust Fund pursuant to subdivision 2 of § 33.2-1524, together with funds deposited pursuant to subdivisions 1 and 4 of § 33.2-1524, shall be expended for capital improvements, including construction, reconstruction, maintenance, and improvements of highways according to the provisions of subsection C or D of § 33.2-358 or to secure bonds issued for such purposes, as provided by the Board and the General Assembly.

A. *There is hereby created in the State Treasury a special nonreverting fund that shall be a part of the Transportation Trust Fund and shall be known as the Commonwealth Mass Transit Fund (the Fund). The Fund shall be established on the books of the Comptroller and any funds remaining in the Fund at the end of the biennium shall not revert to the general fund but shall remain in the Fund. Interest earned on such funds shall be credited to the Fund.*

B. *The amounts allocated to the Fund pursuant to § 33.2-1526.1 shall be used to support the operating, capital, and administrative costs of public transportation at a state share determined by the Board, and such amounts may be used to support the capital project costs of public transportation and ridesharing equipment, facilities, and associated costs at a state share determined by the Board. Capital costs may include debt service payments on local or agency transit bonds.*

**§ 33.2-1526.1. Use of the Commonwealth Mass Transit Fund.**

A. All funds deposited pursuant to §§ 58.1-638, 58.1-638.3, 58.1-815.4, and 58.1-2289 § 33.2-1524.1 into the Commonwealth Mass Transit Fund (the Fund), established pursuant to subdivision A 4 of § 58.1-638 § 33.2-1526, shall be allocated as set forth in this section.

B. *From funds available pursuant to subsection D, beginning in fiscal year 2022, up to \$50 million shall be allocated to the Washington Metropolitan Area Transit Authority as matching funds to federal and other funds provided by the Federal Transit Administration, the District of Columbia, and the State of Maryland. However, such funds shall only be provided if the District of Columbia and the State of Maryland each provide an amount equal to one-third of the funding provided by the Federal Transit Administration to the Washington Metropolitan Area Transit Authority. The funds provided by the Commonwealth shall not exceed the funds provided by the District of Columbia or the State of Maryland.*

C. The Board may establish policies for the implementation of this section, including the determination of the state share of operating, capital, and administrative costs related to mass transit. For purposes of this section, capital costs may include debt service payments on local or agency transit bonds. Funds may be paid to any local governing body, transportation district commission, or public service corporation for the purposes as set forth in this section. No funds from the Fund shall be allocated without a local match from the recipient.

D. Each year the Director of the Department of Rail and Public Transportation shall make recommendations to the Board for the allocation of funds from the Fund. Such recommendations, and the final allocations approved by the Board, shall adhere to the following:

1. ~~Thirty-one~~ *Twenty-seven* percent of the funds shall be allocated to support operating costs of transit providers and shall be distributed by the Board on the basis of service delivery factors, based on effectiveness and efficiency as established by the Board. Such measures and their relative weight shall be evaluated every three years and, if redefined by the Board, shall be published and made available for public comment at least one year in advance of being applied. The Washington Metropolitan Area Transit Authority (WMATA) shall not be eligible for an allocation of funds pursuant to this subdivision.

2. ~~Twelve and one-half~~ *Eighteen* percent of the funds shall be allocated for capital purposes and distributed utilizing the transit capital prioritization process established by the Board pursuant to § 33.2-214.4. The Washington Metropolitan Area Transit Authority shall not be eligible for an allocation

of funds pursuant to this subdivision.

3. ~~Fifty-three and one-half~~ *Forty-six and one-half* percent of the funds shall be allocated to the Northern Virginia Transportation Commission for distribution to WMATA for capital purposes and operating assistance, as determined by the Commission.

4. *Six percent of the funds shall be allocated by the Board for the Transit Ridership Incentive Program established pursuant to § 33.2-1526.3.*

~~Three~~ 5. *Two and one-half* percent of the funds shall be allocated for special programs, including ridesharing, transportation demand management programs, experimental transit, public transportation promotion, operation studies, and technical assistance, and may be allocated to any local governing body, planning district commission, transportation district commission, or public transit corporation. Remaining funds may also be used directly by the Department of Rail and Public Transportation to (i) finance a program administered by the Department of Rail and Public Transportation designed to promote the use of public transportation and ridesharing throughout the Commonwealth or (ii) finance up to 80 percent of the cost of development and implementation of projects with a purpose of enhancing the provision and use of public transportation services.

~~D.~~ E. The Board may consider the transfer of funds from subdivisions ~~E D~~ 2 and 4 5 to subdivision ~~E D~~ 1 in times of statewide economic distress or statewide special need.

~~E.~~ F. The Department of Rail and Public Transportation may reserve a balance of up to five percent of the Fund revenues in order to ensure stability in providing operating and capital funding to transit entities from year to year, provided that such balance shall not exceed five percent of revenues in a given biennium.

~~F.~~ G. The Board may allocate up to 3.5 percent of the funds set aside for the Fund to support costs of project development, project administration, and project compliance incurred by the Department of Rail and Public Transportation in implementing rail, public transportation, and congestion management grants and programs.

~~G.~~ H. Funds allocated to the Northern Virginia Transportation Commission (NVTC) for WMATA pursuant to subdivision ~~E D~~ 3 shall be credited to the Counties of Arlington and Fairfax and the Cities of Alexandria, Fairfax, and Falls Church. Beginning in the fiscal year when service starts on Phase II of the Silver Line, such funds shall also be credited to Loudoun County. Funds allocated pursuant to this subsection shall be credited as follows:

1. Local obligations for debt service for WMATA rail transit bonds apportioned to each locality using WMATA's capital formula shall be paid first by NVTC, which shall use 95 percent state aid for these payments.

2. The remaining funds shall be apportioned to reflect WMATA's allocation formulas by using the related WMATA-allocated subsidies and relative shares of local transit subsidies. Capital costs shall include 20 percent of annual local bus capital expenses. Local transit subsidies and local capital costs of Loudoun County shall not be included. Hold harmless protections and obligations for NVTC's jurisdictions agreed to by NVTC on November 5, 1998, shall remain in effect.

~~H.~~ I. Appropriations from the Fund are intended to provide a stable and reliable source of revenue, as defined by P.L. 96-184.

~~I.~~ J. Notwithstanding any other provision of law, funds allocated to WMATA may be disbursed by the Department of Rail and Public Transportation directly to WMATA or to any other transportation entity that has an agreement to provide funding to WMATA.

~~J.~~ K. In any year that the total Virginia operating assistance in the approved WMATA budget increases by more than ~~3 three~~ percent from the total operating assistance in the prior year's approved WMATA budget, the Board shall withhold an amount equal to 35 percent of the funds available under subdivision ~~E D~~ 3. The following items shall not be included in the calculation of any WMATA budget increase: (i) any service, equipment, or facility that is required by any applicable law, rule, or regulation; (ii) any capital project approved by the WMATA Board before or after the effective date of this provision; and (iii) any payments or obligations of any kind arising from or related to legal disputes or proceedings between or among WMATA and any other person or entity.

~~K.~~ L. The Board shall withhold 20 percent of the funds available pursuant to subdivision ~~E D~~ 3 if (i) any alternate directors participate or take action at an official WMATA Board meeting or committee meeting as Board directors for a WMATA compact member when both directors appointed by that same WMATA compact member are present at the WMATA Board meeting or committee meeting or (ii) the WMATA Board of Directors has not adopted bylaws that would prohibit such participation by alternate directors.

#### **§ 33.2-1526.2. Commonwealth Transit Capital Fund.**

A. *There is hereby created in the Department of the Treasury a special nonreverting fund known as the Commonwealth Transit Capital Fund. The Commonwealth Transit Capital Fund shall be a subaccount of the Commonwealth Mass Transit Fund.*



1399 *B. The Commonwealth Transit Capital Fund subaccount shall be established on the books of the*  
 1400 *Comptroller and consist of such moneys as are appropriated to it by the General Assembly and of all*  
 1401 *donations, gifts, bequests, grants, endowments, and other moneys given, bequeathed, granted, or*  
 1402 *otherwise made available to the Commonwealth Transit Capital Fund. Any funds remaining in the*  
 1403 *Commonwealth Transit Capital Fund at the end of the biennium shall not revert to the general fund, but*  
 1404 *shall remain in the Commonwealth Transit Capital Fund. Interest earned on funds within the*  
 1405 *Commonwealth Transit Capital Fund shall remain in and be credited to the Commonwealth Transit*  
 1406 *Capital Fund.*

1407 *C. Proceeds of the Commonwealth Transit Capital Fund may be paid to any political subdivision,*  
 1408 *another public entity created by an act of the General Assembly, or a private entity as defined in*  
 1409 *§ 33.2-1800 and for purposes as enumerated in subdivision 7 of § 33.2-1701 or expended by the*  
 1410 *Department of Rail and Public Transportation for the purposes specified in this subsection. Revenues of*  
 1411 *the Commonwealth Transit Capital Fund shall be used to support capital expenditures involving the*  
 1412 *establishment, improvement, or expansion of public transportation services through specific projects*  
 1413 *approved by the Commonwealth Transportation Board.*

1414 *D. The Commonwealth Transit Capital Fund shall not be allocated without requiring a local match*  
 1415 *from the recipient.*

1416 **§ 33.2-1526.3. Transit Ridership Incentive Program.**

1417 *A. The Board shall establish the Transit Ridership Incentive Program (the Program) to promote*  
 1418 *improved transit service in urbanized areas of the Commonwealth with a population in excess of*  
 1419 *100,000 and to reduce barriers to transit use for low-income individuals.*

1420 *B. The goal of the Program shall be to encourage the identification and establishment of routes of*  
 1421 *regional significance, the development and implementation of a regional subsidy allocation model,*  
 1422 *implementation of integrated fare collection, establishment of bus-only lanes on routes of regional*  
 1423 *significance, and other actions and service determined by the Board to improve transit service.*

1424 *C. The Board shall establish guidelines for the implementation the Program and review such*  
 1425 *guidelines, at a minimum, every five years. The funds in the Program shall be awarded such that on a*  
 1426 *five-year rolling average, the amount of funds awarded to each urbanized area shall be equal to a ratio*  
 1427 *of the population within the Commonwealth of such urbanized area compared to the total population*  
 1428 *within the Commonwealth of all eligible urbanized areas. The Board may through an affirmative vote of*  
 1429 *a majority of the members vote to waive this requirement for a period not to exceed two years when*  
 1430 *they find there is a need that justifies such waiver.*

1431 *D. Notwithstanding the provisions of this section, the Board shall use an amount not to exceed 25*  
 1432 *percent of the funds available to support the establishment of programs to reduce the impact of fares on*  
 1433 *low-income individuals, including reduced-fare programs and elimination of fares. The restrictions in*  
 1434 *subsection A shall not apply to funds used pursuant to this subsection.*

1435 *E. The Board shall report annually to the Governor and the General Assembly on the projects and*  
 1436 *services funded by the Program. The report shall, at a minimum, include an analysis of the performance*  
 1437 *of the funded projects, the performance of the identified routes of regional significance, transit ridership,*  
 1438 *efforts funded pursuant to subsection E, and any other information the Board determines to be*  
 1439 *appropriate.*

1440 **§ 33.2-1526.4. Commonwealth Rail Fund.**

1441 *A. The General Assembly declares it to be in the public interest that developing and continuing*  
 1442 *intercity passenger and freight rail operations and the development of rail infrastructure, rolling stock,*  
 1443 *and support facilities to support intercity passenger and freight rail service are important elements of a*  
 1444 *balanced transportation system in the Commonwealth and further declares it to be in the public interest*  
 1445 *that the retention, maintenance, improvement, and development of intercity passenger and freight*  
 1446 *rail-related infrastructure improvements and operations are essential to the Commonwealth's continued*  
 1447 *economic growth, vitality, and competitiveness in national and world markets.*

1448 *B. There is hereby established in the state treasury a special nonreverting fund to be known as the*  
 1449 *Commonwealth Rail Fund (the Fund). The Fund shall be established on the books of the Comptroller*  
 1450 *and shall consist of funds dedicated pursuant to subdivision 3 of § 33.2-1524.1. Interest earned on*  
 1451 *moneys in the Fund shall remain in the Fund and be credited to it. Any moneys remaining in the Fund,*  
 1452 *including interest thereon, at the end of each fiscal year shall not revert to the general fund but shall*  
 1453 *remain in the Fund. Moneys in the Fund shall be used solely as provided in this section.*

1454 *C. The amounts dedicated to the Fund pursuant to § 33.2-1524.1 shall be deposited monthly into the*  
 1455 *Fund. Thereafter, 93 percent shall be distributed to the Virginia Passenger Rail Authority as soon as*  
 1456 *practicable for use in accordance with the provisions of Article 6 (§ 33.2-287 et seq.) of Chapter 2. The*  
 1457 *remaining seven percent shall remain in the Fund for the Department of Rail and Public Transportation*  
 1458 *for planning purposes and for grants for rail projects not administered by the Virginia Passenger Rail*  
 1459 *Authority. The Department of Rail and Public Transportation may use up to \$4 million for the purposes*



of the Shortline Railway Preservation and Development Fund pursuant to § 33.2-1602.

**§ 33.2-1526.5. Commonwealth Port Fund.**

A. There is hereby created in the Department of the Treasury a special nonreverting fund that shall be a part of the Transportation Trust Fund and shall be known as the Commonwealth Port Fund (the Fund).

B. The Fund shall be established on the books of the Comptroller and the funds remaining in such Fund at the end of a biennium shall not revert to the general fund but shall remain in the Fund. Interest earned on such funds shall remain in the Fund and be credited to it. Funds may be paid to any authority, locality, or commission for the purposes hereinafter specified.

C. The amounts allocated pursuant to this section shall be allocated by the Board to the Board of Commissioners of the Virginia Port Authority to be used to support port capital needs and the preservation of existing capital needs of all ocean, river, or tributary ports within the Commonwealth. Expenditures for such capital needs are restricted to those capital projects specified in subsection B of § 62.1-132.1.

D. Fund revenue shall be allocated by the Board of Commissioners to the Virginia Port Authority in order to foster and stimulate the flow of maritime commerce through the ports of Virginia, including but not limited to the ports of Richmond, Hopewell, and Alexandria.

**§ 33.2-1526.6. Commonwealth Aviation Fund.**

A. There is hereby created in the Department of the Treasury a special nonreverting fund that shall be part of the Transportation Trust Fund and shall be known as the Commonwealth Aviation Fund (the Fund). The Fund shall be established on the books of the Comptroller and any funds remaining in the Fund at the end of a biennium shall not revert to the general fund but shall remain in the Fund. Interest earned on the funds shall be credited to the Fund. The funds shall be allocated by the Board to the Virginia Aviation Board, to be allocated by the Virginia Aviation Board to any Virginia airport that is owned by the Commonwealth, a governmental subdivision thereof, or a private entity to which the public has access for the purposes enumerated in § 5.1-2.16, or is owned or leased by the Metropolitan Washington Airports Authority (MWAA), as set forth in subsection B:

B. Any new funds in excess of \$12.1 million that are available for allocation by the Virginia Aviation Board shall be allocated as follows: 40 percent to air carrier airports as provided in subdivision 1 and 60 percent to MWAA, up to a maximum annual amount of \$2 million. Except for adjustments due to changes in enplaned passengers, no air carrier airport sponsor, excluding MWAA, shall receive less funds identified under subdivision 1 than it received in fiscal year 1994-1995.

Of the remaining amount:

1. Forty percent of the funds shall be allocated to air carrier airports that are not airports owned or leased by MWAA, based upon the percentage of enplanements for each airport to total enplanements at all air carrier airports that are not airports owned or leased by MWAA. No air carrier airport sponsor shall receive less than \$50,000 nor more than \$2 million per year from this provision.

2. Sixty percent of the funds shall be allocated as follows:

a. For the first six months of each fiscal year, the funds shall be allocated as follows:

(1) Forty percent of the funds shall be allocated by the Virginia Aviation Board for air carrier and reliever airports on a discretionary basis, except airports owned or leased by MWAA; and

(2) Twenty percent of the funds shall be allocated by the Virginia Aviation Board for general aviation airports on a discretionary basis; and

b. For the second six months of each fiscal year, all remaining funds shall be allocated by the Virginia Aviation Board for all eligible airports on a discretionary basis, except airports owned or leased by MWAA.

**§ 33.2-1526.7. Commonwealth Space Flight Fund.**

A. There is hereby created in the Department of the Treasury a special nonreverting fund that shall be a part of the Commonwealth Transportation Fund and shall be known as the Commonwealth Space Flight Fund (the Fund). The Fund shall be established on the books of the Comptroller and the funds remaining in such Fund at the end of a biennium shall not revert to the general fund but shall remain in the Fund. Interest earned on such funds shall remain in the Fund and be credited to it.

B. The amounts allocated to the Commonwealth Space Flight Fund pursuant to § 33.2-1524.1 shall be allocated by the Board to the Board of Directors of the Virginia Commercial Space Flight Authority to be used to support the capital needs, maintenance, and operating costs of any and all facilities owned and operated by the Virginia Commercial Space Flight Authority.

C. Commonwealth Space Flight Fund revenue shall be allocated by the Board of Directors to the Virginia Commercial Space Flight Authority in order to foster and stimulate the growth of the commercial space flight industry in Virginia.

**§ 33.2-1527. Priority Transportation Fund.**

A. There is hereby created in the state treasury a special nonreverting fund to be known as the

Priority Transportation Fund; hereafter referred to as " (the Fund)." The Fund shall be established on the books of the Comptroller. Interest earned on moneys in the Fund shall remain in the Fund and be credited to it. All funds as may be designated in the appropriation act for deposit to the Fund shall be paid into the state treasury and credited to the Fund. Such funds shall include:

1. Beginning with the fiscal year ending June 30, 2000, and for fiscal years thereafter, all revenues that exceed the official forecast, pursuant to § 2.2-1503, for (i) *the allocation to the Highway Maintenance and Operating Fund established in § 33.2-1530 as set forth in § 33.2-1524* and (ii) the allocation to highway and mass transit improvement projects as set forth in § ~~33.2-1526~~ 33.2-1524.1, but not including any amounts that are allocated to the Commonwealth Port Fund and the Commonwealth Airport Aviation Fund under such section;

2. All revenues deposited into the Fund pursuant to ~~§ 58.1-2531 subdivision 7 of § 33.2-1524.1;~~

3. All revenues deposited into the Fund pursuant to ~~subsection E of § 58.1-2289~~ § 33.2-226; and

4. Any other such funds as may be transferred, allocated, or appropriated.

All moneys in the Fund shall first be used for debt service payments on bonds or obligations for which the Fund is expressly required for making debt service payments, to the extent needed. The Fund shall be considered a part of the Transportation Trust Fund. 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 the purposes enumerated in subsection B. Expenditures and disbursements from the Fund shall be made by the State Treasurer on warrants issued by the Comptroller.

B. The Board shall use the Fund to facilitate the financing of priority transportation projects throughout the Commonwealth. The Board may use the Fund by (i) expending amounts therein on such projects directly; (ii) payment to any authority, locality, commission, or other entity for the purpose of paying the costs thereof; or (iii) using such amounts to support, secure, or leverage financing for such projects. No expenditures from or other use of amounts in the Fund shall be considered in allocating highway maintenance and construction funds under § 33.2-358 or apportioning Transportation Trust Fund funds under § 58.1-638 but shall be in addition thereto. The Board shall use the Fund to facilitate the financing of priority transportation projects as designated by the General Assembly, provided that at the discretion of the Board funds allocated to projects within a transportation district may be allocated among projects within the same transportation district as needed to meet construction cash-flow needs.

C. Notwithstanding any other provision of this section, beginning July 1, 2007, no bonds, obligations, or other evidences of debt (the bonds) that expressly require as a source for debt service payments or for the repayment of such bonds the revenues of the Fund shall be issued or entered into, unless at the time of the issuance the revenues then in the Fund or reasonably anticipated to be deposited into the Fund pursuant to the law then in effect are by themselves sufficient to make 100 percent of the contractually required debt service payments on all such bonds, including any interest related thereto and the retirement of such bonds.

#### **§ 33.2-1528. Concession Payments Account.**

A. Concession payments to the Commonwealth deposited into the Transportation Trust Fund pursuant to subdivision 7 B 2 of § 33.2-1524 from qualifying transportation facilities developed and/or operated pursuant to the Public-Private Transportation Act of 1995 (§ 33.2-1800 et seq.) shall be held in a separate subaccount to be designated the Concession Payments Account, (the Account) together with all interest, dividends, and appreciation that accrue to the Account and that are not otherwise specifically directed by law or reserved by the Board for other purposes allowed by law.

B. The Board may make allocations from the Account upon such terms and subject to such conditions as the Board deems appropriate to:

1. Pay or finance all or part of the costs of programs or projects, including the costs of planning, operation, maintenance, and improvements incurred in connection with the acquisition and construction of projects, provided that allocations from the Account shall be limited to programs and projects that are reasonably related to or benefit the users of the qualifying transportation facility that was the subject of a concession pursuant to the Public-Private Transportation Act of 1995 (§ 33.2-1800 et seq.). The priorities of metropolitan planning organizations, planning district commissions, local governments, and transportation corridors shall be considered by the Board in making project allocations from moneys in the Account.

2. Repay funds from the Toll Facilities Revolving Account or the Transportation Partnership Opportunity Fund.

3. Pay the Board's reasonable costs and expenses incurred in the administration and management of the Account.

C. Concession payments to the Commonwealth for a qualifying transportation facility located within the boundaries of a rapid rail project for which a federal Record of Decision has been issued shall be held in a subaccount separate from the Concession Payments Account together with all interest,

dividends, and appreciation that accrue to the subaccount. The Board may make allocations from the subaccount as the Board deems appropriate to:

1. Pay or finance all or part of the costs of planning, design, land acquisition, and improvements incurred in connection with the construction of such rapid rail project consistent with the issued federal Record of Decision, as may be revised; and

2. Upon determination by the Board that sufficient funds are or will be available to meet the schedule for construction of such rapid rail project, pay or finance all or part of the costs of planning, design, land acquisition, and improvements incurred in connection with other highway and public transportation projects within the corridor of the rapid rail project or within the boundaries of the qualifying transportation facility. In the case of highway projects, the Board shall follow an approval process generally in accordance with subsection B of § 33.2-208.

D. The provisions of this section shall be liberally construed to the end that its beneficial purposes may be effectuated. Insofar as this provision is inconsistent with the provisions of any other general, special, or local law, this provision shall be controlling.

**§ 33.2-1529.1. Transportation Partnership Opportunity Fund.**

A. There is hereby created the Transportation Partnership Opportunity Fund (the Fund) to be used by the Governor to provide funds to address the transportation aspects of economic development opportunities. The Fund shall consist of (i) ~~one-third of all interest, dividends, and appreciation that may accrue to the Transportation Trust Fund and the Highway Maintenance and Operating Fund funds pursuant to subdivision B 3 of § 33.2-1524~~ and (ii) any funds appropriated to it by the general appropriation act and revenue from any other source, public or private. The Fund shall be established on the books of the Comptroller, and any funds remaining in the Fund at the end of a biennium shall not revert to the general fund but shall remain in the Fund. All interest and dividends that are earned on the Fund shall be credited to the Fund. The Governor shall report to the Chairmen of the House Committees on Appropriations, Finance, and Transportation and the Senate Committees on Finance and Transportation as funds are awarded in accordance with this section.

B. The Fund shall be a subfund of the Transportation Trust Fund. Provisions of this title and Title 58.1 relating to the allocations or disbursements of proceeds of the Commonwealth Transportation Fund, the Transportation Trust Fund, or the Highway Maintenance and Operating Fund shall not apply to the Fund.

C. Funds shall be awarded from the Fund by the Governor as grants, revolving loans, or other financing tools and equity contributions to an agency or political subdivision of the Commonwealth. Loans shall be approved by the Governor and made in accordance with procedures established by the Board and approved by the Comptroller. Loans shall be interest-free and shall be repaid to the Fund. The Governor may establish the duration of any loan, but such term shall not exceed seven years. The Department shall be responsible for monitoring repayment of such loans and reporting the receivables to the Comptroller as required.

D. Grants or revolving loans may be used for transportation capacity development on and off site; road, rail, mass transit, or other transportation access costs beyond the funding capability of existing programs; studies of transportation projects, including environmental analysis, geotechnical assessment, survey, design and engineering, advance right-of-way acquisition, traffic analysis, toll sensitivity studies, and financial analysis; or anything else permitted by law. Funds may be used for any transportation project or any transportation facility. Any transportation infrastructure completed with moneys from the Fund shall not become private property, and the results of any studies or analysis completed as a result of a grant or loan from the Fund shall be property of the Commonwealth.

E. The Board, in consultation with the Secretary of Transportation and the Secretary of Commerce and Trade, shall develop guidelines and criteria that shall be used in awarding grants or making loans from the Fund; however, no grant shall exceed \$5 million and no loan shall exceed \$30 million. No grant or loan shall be awarded until the Governor has provided copies of the guidelines and criteria to the Chairmen of the House Committees on Appropriations, Finance, and Transportation and the Senate Committees on Finance and Transportation. The guidelines and criteria shall include provisions including the number of jobs and amounts of investment that must be committed in the event moneys are being used for an economic development project, a statement of how the studies and analysis to be completed using moneys from the Fund will advance the development of a transportation facility, a process for the application for and review of grant and loan requests, a timeframe for completion of any work, the comparative benefit resulting from the development of a transportation project, assessment of the ability of the recipient to repay any loan funds, and other criteria as necessary to support the timely development of transportation projects. The criteria shall also include incentives to encourage matching funds from any other local, federal, or private source.

F. Within 30 days of each six-month period ending June 30 and December 31, the Governor shall provide a report to the Chairmen of the House Committees on Appropriations, Finance, and

Transportation and the Senate Committees on Finance and Transportation that shall include the following information: the locality in which the project is being developed, the amount of the grant or loan made or committed from the Fund and the purpose for which it will be used, the number of jobs created or projected to be created, and the amount of a company's investment in the Commonwealth if the project is part of an economic development opportunity.

G. The Governor shall provide grants and commitments from the Fund in an amount not to exceed the total value of the moneys contained in the Fund. If the Governor commits funds for years beyond the fiscal years covered under the existing appropriation act, the State Treasurer shall set aside and reserve the funds the Governor has committed, and the funds set aside and reserved shall remain in the Fund for those future fiscal years. No grant or loan shall be payable in the years beyond the existing appropriation act unless the funds are currently available in the Fund.

**§ 33.2-1530. Highway Maintenance and Operating Fund.**

There is hereby created in the state treasury a special nonreverting fund to be known as the Highway Maintenance and Operating Fund; referred to in this section as "the Fund)." The Fund shall be established on the books of the Comptroller. Any moneys remaining in the Fund at the end of each fiscal year shall not revert to the general fund but shall remain in the Fund.

The sources of funds for the Fund shall be paid into the state treasury and credited to the Fund and, in addition to all funds appropriated by the General Assembly, includes shall consist of the following:

1. Revenues generated pursuant to § 33.2-213 allocated pursuant to subdivision B 1 of § 33.2-1524;
  2. Revenues generated pursuant to § 33.2-213;
  3. Right-of-way use fees pursuant to § 56-484.32;
  4. Civil penalties collected pursuant to § pursuant to §§ 33.2-216, 33.2-1224, 33.2-1229, 46.2-341.20:2, 46.2-1573, 46.2-1573.11, 46.2-1573.23, and 46.2-1573.36;
  3. Civil penalties collected pursuant to § 33.2-1224;
  4. Civil penalties collected pursuant to § 33.2-1229;
  5. Permit fees as outlined in § 46.2-652.1;
  6. Revenues generated pursuant to § 46.2-702.1;
  7. Permit fees pursuant to §§ 46.2-1128, 46.2-1140.1, 46.2-1142.1, 46.2-1143, 46.2-1148, and 46.2-1149.1;
  8. 6. Applicable portions of emissions inspection fees from on-road emissions inspectors as designated in § 46.2-1182;
  9. Revenues from subsection G of § 58.1-638 and § 58.1-638.3;
  10. Revenues generated pursuant to subsection B of § 58.1-2249;
  11. Revenues as apportioned in subsection E of § 58.1-2289;
  12. Revenues as outlined in subsection A of § 58.1-2425; and
  13. Taxes and fees pursuant to § 58.1-2701
7. Any other funds appropriated by the General Assembly.

In any year in which the Board determines funding in excess of the amount provided pursuant to § 33.2-1524 is necessary for the Special Structure Program pursuant to § 33.2-374, the Board shall allocate moneys from the Fund to the Special Structure Fund established pursuant to § 33.2-1532.

**§ 33.2-1532. Special Structure Fund.**

A. There is hereby created in the state treasury a special nonreverting fund to be known as the Special Structure Fund, referred to in this section as "the Fund." The Fund shall be established on the books of the Comptroller.

B. The amount allocated to the Fund pursuant to §§ 33.2-358, 33.2-369, 33.2-1524 and 33.2-1530 and any funds as may be appropriated by the General Assembly 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.

C. Moneys in the Fund shall be allocated by the Board and used solely for the purposes of funding maintenance, rehabilitation, and replacement of large and unique special structures, as defined in § 33.2-374. Expenditures and disbursements from the Fund shall be made by the State Treasurer on warrants issued by the Comptroller upon written request signed by the Secretary of Transportation. No later than November 30 each year, the Commissioner of Highways shall submit a report to the Governor and General Assembly on the use of moneys in the Fund.

**§ 33.2-1602. Shortline Railway Preservation and Development Fund.**

A. For the purposes of this section:

"Fund" means the Shortline Railway Preservation and Development Fund.

"Railway transportation support facilities" means facilities required for the loading, transfer, or additional track capacity to facilitate the shipment of goods by rail other than as provided for in § 33.2-1600 or 33.2-1601.

"Shortline railway" means any Class II or Class III railroad as defined by the U.S. Surface Transportation Board.

B. The General Assembly declares it to be in the public interest that shortline railway preservation and development of railway transportation support facilities are important elements of a balanced transportation system of the Commonwealth for freight and passengers, and further declares it to be in the public interest that the retention, maintenance, and improvement of the shortline railway and development of railway transportation support facilities are essential to the Commonwealth's continued economic growth, vitality, and competitiveness in national and world markets.

C. There is hereby created in the state treasury a special nonreverting fund to be known as the Shortline Railway Preservation and Development Fund. The Fund shall be established on the books of the Comptroller and shall consist of such funds from such sources as shall be set forth in the general appropriation act and shall be paid into the state treasury and credited to the Fund. Interest earned on moneys in the Fund shall remain in the Fund and be credited to it. Any moneys remaining in the Fund, including interest thereon, at the end of each fiscal year shall not revert to the general fund but shall remain in the Fund. Moneys in the Fund shall be used solely as provided in this section. Expenditures and disbursements from the Fund shall be made by the State Treasurer on warrants issued by the Comptroller upon written request signed by the Director of the Department of Rail and Public Transportation or the Director's designee.

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

E. The Director of the Department of Rail and Public Transportation shall administer and expend or commit, subject to the approval of the Board, the Fund for acquiring, leasing, or improving shortline railways and the development of railway transportation support facilities or assisting other appropriate entities to acquire, lease, or improve shortline railways and the development of railway transportation purposes whenever the Board has determined that such acquisition, lease, or improvement is for the common good of a region of the Commonwealth or the Commonwealth as a whole. The Director of the Department of Rail and Public Transportation may consult with other agencies or their designated representatives concerning projects to be undertaken under this section.

F. Tracks and facilities constructed, and property and equipment purchased, with funds under this section shall be the property of the Commonwealth for the useful life of the project, as determined by the Director of the Department of Rail and Public Transportation, and shall be made available for use by all common carriers using the railway system to which they connect under the trackage rights agreements between the parties. Projects undertaken pursuant to this section shall be limited to those of a region of the Commonwealth or the Commonwealth as a whole. Such projects shall include a minimum of 30 percent cash or in-kind matching contribution from a private source, which may include a railroad, a regional authority, private industry, a local government source, or a combination of such sources. No single project shall be allocated more than 50 percent of total available funds.

#### **§ 33.2-1604. Funds for administration of Department of Rail and Public Transportation.**

The Commonwealth Transportation Board may annually allocate up to 3.5 percent of the revenues available each year in the funds established pursuant to §§ ~~33.2-1601, 33.2-1526.4 and 33.2-1602, and 33.2-1603~~ and subdivision A 4 of § ~~58.1-638~~ to support the costs of project development, project administration, and project compliance incurred by the Department of Rail and Public Transportation in implementing rail, public transportation, and congestion management programs and grants.

#### **§ 33.2-1700. Definitions.**

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

"Board" means the Commonwealth Transportation Board, or if the Commonwealth Transportation Board is abolished, any board, commission, or officer succeeding to the principal functions thereof or upon whom the powers given by this chapter to the Board shall be given by law.

"Cost of the project," as applied to a project to be acquired by purchase or by condemnation, includes:

1. The purchase price or the amount of the award;
2. The cost of improvements, financing charges, and interest during any period of disuse before completion of improvements;
3. The cost of traffic estimates and of engineering data;
4. The cost of engineering and legal expenses;
5. The cost of plans, specifications and surveys, and estimates of cost and of revenues; and
6. Other expenses necessary or incident to determining the feasibility or practicability of the

enterprises, administrative expenses, and such other expenses as may be necessary or incident to the financing authorized in this chapter and the acquisition of the project and the placing of the project in operation.

"Cost of the project," as applied to a project to be constructed, includes:

1. The cost of construction;
2. The cost of all lands, properties, rights, easements, and franchises acquired that are deemed necessary for such construction;
3. The cost of acquiring by purchase or condemnation any ferry that is deemed by the Board to be competitive with any bridge to be constructed;
4. The cost of all machinery and equipment;
5. The cost of financing charges and interest prior to construction, during construction, and for one year after completion of construction;
6. The cost of traffic estimates and of engineering data;
7. The cost of engineering and legal expenses;
8. The cost of plans, specifications and surveys, estimates of cost and of revenues; and
9. Other expenses necessary or incident to determining the feasibility or practicability of the enterprise, administrative expenses, and such other expenses as may be necessary or incident to the financing authorized in this chapter, the construction of the project, the placing of the project in operation, and the condemnation of property necessary for such construction and operation.

"Improvements" means those repairs to, replacements of, additions to, and betterments of a project acquired by purchase or by condemnation as are deemed necessary to place it in a safe and efficient condition for the use of the public, if such repairs, replacements, additions, and betterments are ordered prior to the sale of any bonds for the acquisition of such project.

"Owner" includes all individuals, incorporated companies, partnerships, societies, and associations having any title or interest in any property rights, easements, or franchises authorized to be acquired by this chapter.

"Project" means any one or more of the following:

1. The York River Bridges, extending from a point within Yorktown in York County or within York County across the York River to Gloucester Point or some point in Gloucester County.
2. The Rappahannock River Bridge, extending from Greys Point, or its vicinity, in Middlesex County, across the Rappahannock River to a point in the vicinity of White Stone, in Lancaster County, or at some other feasible point in the general vicinity of the two respective points.
3. The James River Bridge, from a point at or near Jamestown, in James City County, across the James River to a point in Surry County.
4. The James River, Chuckatuck, and Nansemond River Bridges, together with necessary connecting roads, in the Cities of Newport News and Suffolk and the County of Isle of Wight.
5. The Hampton Roads Bridge-Tunnel or Bridge and Tunnel System, extending from a point or points in the Cities of Newport News and Hampton on the northwest shore of Hampton Roads across Hampton Roads to a point or points in the City of Norfolk or Suffolk on the southeast shore of Hampton Roads.
6. Interstate 264, extending from a point in the vicinity of the intersection of Interstate 64 and U.S. Route 58 at Norfolk to some feasible point between London Bridge and U.S. Route 60.
7. The Henrico-James River Bridge, extending from a point on the eastern shore of the James River in Henrico County to a point on the western shore, between Falling Creek and Bells Road interchanges of Interstate 95; however, the project shall be deemed to include all property, rights, easements, and franchises relating to this project and deemed necessary or convenient for its operation, including its approaches.
8. The limited access highway between the Newport News/Williamsburg International Airport area and the Newport News downtown area, which generally runs parallel to tracks of the Chesapeake and Ohio Railroad.
9. Transportation improvements in the Dulles Corridor, with an eastern terminus of the East Falls Church Metrorail station at Interstate 66 and a western terminus of Virginia Route 772 in Loudoun County, including without limitation the Dulles Toll Road; the Dulles Access Road; outer roadways adjacent or parallel thereto; mass transit, including rail; bus rapid transit; and capacity-enhancing treatments such as high-occupancy vehicle lanes, high-occupancy toll lanes, interchange improvements, commuter parking lots, and other transportation management strategies.
10. Subject to the limitations and approvals of § 33.2-1712, any other highway for a primary highway transportation improvement district or transportation service district that the Board has agreed to finance under a contract with any such district or any other alternative mechanism for generation of local revenues for specific funding of a project satisfactory to the Board, the financing for which is to be secured by Transportation Trust Fund revenues under any appropriation made by the General

Assembly for that purpose and payable first from revenues received under such contract or other local funding source; second, to the extent required, from funds appropriated and allocated, pursuant to the highway allocation formula as provided by law, to the highway construction district in which the project is located or to the county or counties in which the project is located; and third, to the extent required from other legally available revenues of the Transportation Trust Fund and from any other available source of funds.

11. The U.S. Route 58 Corridor Development Program projects as defined in §§ 33.2-2300 and 33.2-2301.

12. The Northern Virginia Transportation District Program as defined in §§ 33.2-2400 and 33.2-2401.

13. Any program for highways or mass transit or transportation facilities endorsed by the affected localities, which agree that certain distributions of state recordation taxes will be dedicated and used for the payment of any bonds or other obligations, including interest thereon, the proceeds of which were used to pay the cost of the program. Any such program shall be referred to as a "Transportation Improvement Program."

14. Any project designated by the General Assembly financed in whole or part through the issuance of Commonwealth of Virginia Federal Highway Reimbursement Anticipation Notes.

15. Any project authorized by the General Assembly financed in whole or in part by funds from the Priority Transportation Fund established pursuant to § 33.2-1527 or from the proceeds of bonds whose debt service is paid in whole or in part by funds from such Fund.

16. Any project identified by the Board to be financed in whole or in part through the issuance of Commonwealth of Virginia Federal Transportation Grant Anticipation Revenue Notes.

17. *The Interstate 81 Corridor Improvement Program projects as defined in §§ 33.2-3600 and 33.2-3602.*

18. *Railroad and other infrastructure improvements leading into Washington, D.C., from Virginia and new Metrorail-related improvements to, and serving, the Rosslyn Metrorail station in Arlington County.*

"Revenues" includes tolls and any other moneys received or pledged by the Board pursuant to this chapter, including legally available Transportation Trust Fund revenues and any federal highway reimbursements and any other federal highway assistance received by the Commonwealth.

"Toll project" means a project financed in whole or in part through the issuance of revenue bonds that are secured by toll revenues generated by the project.

"Undertaking" means all of the projects authorized to be acquired or constructed under this chapter.

#### **§ 33.2-1701. General powers of Commonwealth Transportation Board.**

The Board may, subject to the provisions of this chapter:

1. Acquire by purchase or by condemnation, construct, improve, operate, and maintain any one or more of the projects mentioned and included in the undertaking as defined in § 33.2-1700;

2. Issue revenue bonds of the Commonwealth to be known and designated as "Commonwealth of Virginia Toll Revenue Bonds," payable from earnings and from any other available sources of funds, to pay the cost of such projects;

3. Subject to the limitations and approvals of § 33.2-1712, issue revenue bonds of the Commonwealth to be known and designated as "Commonwealth of Virginia Transportation Contract Revenue Bonds," secured by Transportation Trust Fund revenues under a payment agreement between the Board and the Treasury Board, subject to their appropriation by the General Assembly and payable first from revenues received pursuant to contracts with a primary highway transportation improvement district or transportation service district or other local revenue sources for which specific funding of any such bonds may be authorized by law; second, to the extent required, from funds appropriated and allocated, pursuant to the highway allocation formula as provided by law, to the highway construction district in which the project to be financed is located or to the county or counties in which the project to be financed is located; and third, to the extent required, from other legally available revenues of the Transportation Trust Fund and from any other available source of funds;

4. Issue revenue bonds of the Commonwealth to be known and designated as "Commonwealth of Virginia Transportation Revenue Bonds," secured (i) by revenues received from the U.S. Route 58 Corridor Development Fund, subject to their appropriation by the General Assembly; (ii) to the extent required, from revenues legally available from the Transportation Trust Fund; and (iii) to the extent required, from any other legally available funds that have been appropriated by the General Assembly;

5. Issue revenue bonds of the Commonwealth to be known and designated as "Commonwealth of Virginia Transportation Revenue Bonds," secured, subject to their appropriation by the General Assembly, (i) first from revenues received from the Northern Virginia Transportation District Fund; (ii) to the extent required, from funds appropriated and allocated, pursuant to the highway allocation formula as provided by law, to the highway construction district in which the project to be financed is located or to the city or county in which the project to be financed is located; (iii) to the extent required, from

legally available revenues of the Transportation Trust Fund; and (iv) from such other funds that may be appropriated by the General Assembly;

6. Issue revenue bonds of the Commonwealth to be known and designated as "Commonwealth of Virginia Transportation Program Revenue Bonds," secured, subject to their appropriation by the General Assembly, (i) first from any revenues received from any Set-aside Fund established by the General Assembly pursuant to § 58.1-816.1; (ii) to the extent required, from revenues received pursuant to any contract with a locality or any alternative mechanism for generation of local revenues for specific funding of a project satisfactory to the Board; (iii) to the extent required, from funds appropriated and allocated, pursuant to the highway allocation formula as provided by law, to the highway construction district in which the project to be financed is located or to the city or county in which the project to be financed is located; (iv) to the extent required, from legally available revenues of the Transportation Trust Fund; and (v) from such other funds that may be appropriated by the General Assembly. No bonds for any project shall be issued under the authority of this subdivision unless such project is specifically included in a bill or resolution passed by the General Assembly;

7. Issue revenue bonds of the Commonwealth to be known and designated as "Commonwealth of Virginia Transportation Program Revenue Bonds," secured, subject to their appropriation by the General Assembly, (i) first from any revenues received from the Commonwealth Transit Capital Fund established by the General Assembly pursuant to subdivision A 4 e of § 58.1-638 § 33.2-1526.2; (ii) to the extent required, from legally available revenues of the Transportation Trust Fund; and (iii) from such other funds that may be appropriated by the General Assembly. No bonds for any project shall be issued under the authority of this subdivision unless such project is specifically included in a bill or resolution passed by the General Assembly;

8. Issue revenue bonds of the Commonwealth to be known and designated as "Commonwealth of Virginia Federal Highway Reimbursement Anticipation Notes," secured, subject to their appropriation by the General Assembly, (i) first from any federal highway reimbursements and any other federal highway assistance received by the Commonwealth; (ii) then, at the discretion of the Board, to the extent required, from legally available revenues of the Transportation Trust Fund; and (iii) then from such other funds, if any, that are designated by the General Assembly for such purpose;

9. Issue revenue bonds of the Commonwealth to be known and designated as "Commonwealth of Virginia Credit Assistance Revenue Bonds," secured, subject to their appropriation by the General Assembly, solely from revenues with respect to or generated by the project being financed thereby and any tolls or other revenues pledged by the Board as security therefor and in accordance with the applicable federal credit assistance authorized with respect to such project by the U.S. Department of Transportation;

10. Issue revenue bonds of the Commonwealth to be known and designated as "Commonwealth of Virginia Transportation Capital Projects Revenue Bonds," secured, subject to their appropriation by the General Assembly, (i) from the revenues deposited into the Priority Transportation Fund established pursuant to § 33.2-1527; (ii) to the extent required, from revenues legally available from the Transportation Trust Fund; and (iii) to the extent required, from any other legally available funds;

11. Issue grant anticipation notes of the Commonwealth from time to time to be known and designated as "Commonwealth of Virginia Federal Transportation Grant Anticipation Revenue Notes," secured, subject to their appropriation by the General Assembly, (i) first from the project-specific reimbursements pursuant to § 33.2-1520; (ii) then, at the discretion of the Board, to the extent required, from legally available revenues of the Transportation Trust Fund; and (iii) then from such other funds, if any, that are designated by the General Assembly for such purpose;

12. *Issue revenue bonds of the Commonwealth to be known and designated as "Commonwealth of Virginia Interstate 81 Program Revenue Bonds," secured, subject to appropriation by the General Assembly, by revenues received from the Interstate 81 Corridor Improvement Fund from deposits thereto pursuant to § 58.1-2299.20 derived from the receipt of the regional fuels tax levied pursuant to § 58.1-2295.*

13. Fix and collect tolls and other charges for the use of such projects or to refinance the cost of such projects;

14. Construct grade separations at intersections of any projects with public highways, railways, or streets and adjust the lines and grades thereof so as to accommodate the same to the design of such grade separations, the cost of such grade separations and any damage incurred in adjusting the lines and grades of such highways, railways, or streets to be ascertained and paid by the Board as a part of the cost of the project;

15. Vacate or change the location of any portion of any public highway and reconstruct the same at such new location as the Board deems most favorable for the project and of substantially the same type and in as good condition as the original highway, the cost of such reconstruction and any damage incurred in vacating or changing the location thereof to be ascertained and paid by the Board as a part



of the cost of the project. Any public highway vacated or relocated by the Board shall be vacated or relocated in the manner provided by law for the vacation or relocation of public highways, and any damages awarded on account thereof may be paid by the Board as a part of the cost of the project;

~~15.~~ 16. Make reasonable regulations for the installation, construction, maintenance, repair, renewal, and relocation of pipes, mains, sewers, conduits, cables, wires, towers, poles, and other equipment and appliances, referred to in this subdivision as "public utility facilities," of the Commonwealth and of any locality, political subdivision, public utility, or public service corporation owning or operating the same in, on, along, over, or under the project. Whenever the Board determines that it is necessary that any such public utility facilities should be relocated or removed, the Commonwealth or such locality, political subdivision, public utility, or public service corporation shall relocate or remove the same in accordance with the order of the Board. The cost and expense of such relocation or removal, including the cost of installing such public utility facilities in a new location or locations, the cost of any lands or any rights or interests in lands, and any other rights acquired to accomplish such relocation or removal, shall be ascertained by the Board.

On any toll project, the Board shall pay the cost and expense of relocation or removal as a part of the cost of the project for those public utility facilities owned or operated by the Commonwealth or such locality, political subdivision, public utility, or public service corporation. On all other projects under this chapter, the Board shall pay the cost and expense of relocation or removal as a part of the cost of the project for those public utility facilities owned or operated by the Commonwealth or such locality or political subdivision. The Commonwealth or such locality, political subdivision, public utility, or public service corporation may maintain and operate such public utility facilities with the necessary appurtenances in the new location for as long a period and upon the same terms and conditions as it had the right to maintain and operate such public utility facilities in their former location;

~~16.~~ 17. Acquire by the exercise of the power of eminent domain any lands, property, rights, rights-of-way, franchises, easements, and other property, including public lands, parks, playgrounds, reservations, highways, or parkways, or parts thereof or rights therein, of any locality or political subdivision, deemed necessary or convenient for the construction or the efficient operation of the project or necessary in the restoration, replacement, or relocation of public or private property damaged or destroyed.

The cost of such projects shall be paid solely from the proceeds of Commonwealth of Virginia Toll or Transportation Contract Revenue Bonds or a combination thereof or from such proceeds and from any grant or contribution that may be made thereto pursuant to the provisions of this chapter;

~~17.~~ 18. Notwithstanding any provision of this chapter to the contrary, the Board shall be authorized to exercise the powers conferred in this chapter, in addition to its general powers to acquire rights-of-way and to construct, operate, and maintain state highways, with respect to any project that the General Assembly has authorized or may hereafter authorize to be financed in whole or in part through the issuance of bonds of the Commonwealth pursuant to the provisions of Article X, Section 9 (c) of the Constitution of Virginia; ~~and~~

~~18.~~ 19. Enter into any agreements or take such other actions as the Board determines in connection with applying for or obtaining any federal credit assistance, including without limitation loan guarantees and lines of credit, pursuant to authorization from the U.S. Department of Transportation with respect to any project included in the Commonwealth's long-range transportation plan and the approved State Transportation Improvement Program; *and*

20. *Issue revenue bonds of the Commonwealth to be known and designated as "Commonwealth of Virginia Passenger Rail Facilities Bonds," secured, subject to their appropriation by the General Assembly from net revenues resulting from tolls, rates, fees, and charges for or in connection with the use, occupancy, and services of the Transform 66 Inside the Beltway express lanes project and remaining after payment of expenses incurred in operating such project's toll facilities.*

#### **§ 33.2-1708. Revenue bonds.**

The Board may provide by resolution, at one time or from time to time, for the issuance of revenue bonds, notes, or other revenue obligations of the Commonwealth for the purpose of paying all or any part of the cost, as defined in § 33.2-1700, of any one or more projects, as defined in § 33.2-1700. The principal or purchase price of, and redemption premium, if any, and interest on such obligations shall be payable solely from the special funds herein provided for such payment. For the purposes of this section, "special funds" includes any funds established for Commonwealth of Virginia Toll Revenue Bonds, Commonwealth of Virginia Transportation Contract Revenue Bonds, Commonwealth of Virginia Transportation Revenue Bonds, *Commonwealth of Virginia Interstate 81 Program Revenue Bonds*, Commonwealth of Virginia Federal Highway Reimbursement Anticipation Notes, or Commonwealth of Virginia Federal Transportation Grant Anticipation Revenue Notes, *or Commonwealth of Virginia Passenger Rail Facilities Bonds*.

#### **§ 33.2-1709. Credit of Commonwealth not pledged.**

2009 A. Commonwealth of Virginia Toll Revenue Bonds issued under the provisions of this chapter shall  
 2010 not be deemed to constitute a debt of the Commonwealth or a pledge of the full faith and credit of the  
 2011 Commonwealth, but such bonds shall be payable solely from the funds provided therefor from tolls and  
 2012 revenues pursuant to this chapter, from bond proceeds or earnings thereon, and from any other available  
 2013 sources of funds. All such bonds shall state on their face that the Commonwealth is not obligated to pay  
 2014 the same or the interest thereon except from the special fund provided therefor from tolls and revenues  
 2015 under this chapter, from bond proceeds or earnings thereon, and from any other available sources of  
 2016 funds, and that the full faith and credit of the Commonwealth are not pledged to the payment of the  
 2017 principal or interest of such bonds. The issuance of such revenue bonds under the provisions of this  
 2018 chapter shall not directly or indirectly or contingently obligate the Commonwealth to levy or to pledge  
 2019 any form of taxation whatever therefor or to make any appropriation for their payment, other than  
 2020 appropriate available funds derived as revenues from tolls and charges under this chapter or derived  
 2021 from bond proceeds or earnings thereon and from any other available sources of funds.

2022 B. Commonwealth of Virginia Transportation Contract Revenue Bonds issued under the provisions of  
 2023 this chapter shall not be deemed to constitute a debt of the Commonwealth or a pledge of the full faith  
 2024 and credit of the Commonwealth, but such bonds shall be payable solely from the funds provided  
 2025 therefor pursuant to this chapter (i) from revenues received pursuant to contracts with a primary highway  
 2026 transportation district or transportation service district or any other alternative mechanism for generation  
 2027 of local revenues for specific funding of a project satisfactory to the Board; (ii) to the extent required,  
 2028 from funds appropriated and allocated, pursuant to the highway allocation formula as provided by law,  
 2029 to the highway construction district in which the project to be financed is located or to the county or  
 2030 counties in which such project is located; (iii) from bond proceeds or earnings thereon; (iv) to the extent  
 2031 required, from other legally available revenues of the Transportation Trust Fund; and (v) from any other  
 2032 available source of funds. All such bonds shall state on their face that the Commonwealth is not  
 2033 obligated to pay the same or the interest thereon except from revenues in clauses (i) and (iii) and that  
 2034 the full faith and credit of the Commonwealth are not pledged to the payment of the principal and  
 2035 interest of such bonds. The issuance of such revenue bonds under the provisions of this chapter shall not  
 2036 directly or indirectly or contingently obligate the Commonwealth to levy or to pledge any form of  
 2037 taxation whatever or to make any appropriation for their payment, other than to appropriate available  
 2038 funds derived as revenues under this chapter from the sources set forth in clauses (i) and (iii). Nothing  
 2039 in this chapter shall be construed to obligate the General Assembly to make any appropriation of the  
 2040 funds set forth in clause (ii) or (iv) for payment of such bonds.

2041 C. Commonwealth of Virginia Transportation Revenue Bonds issued under the provisions of this  
 2042 chapter shall not be deemed to constitute a debt of the Commonwealth or a pledge of the full faith and  
 2043 credit of the Commonwealth, but such bonds shall be payable solely from the funds provided therefor  
 2044 pursuant to this chapter (i) from revenues received from the U.S. Route 58 Corridor Development Fund  
 2045 established pursuant to § 33.2-2300, subject to their appropriation by the General Assembly; (ii) to the  
 2046 extent required, from revenues legally available from the Transportation Trust Fund; and (iii) to the  
 2047 extent required, from any other legally available funds that may be appropriated by the General  
 2048 Assembly.

2049 D. Commonwealth of Virginia Transportation Revenue Bonds issued under this chapter for Category  
 2050 1 projects as provided in subdivision 12 of the definition of "project" in § 33.2-1700 shall not be  
 2051 deemed to constitute a debt of the Commonwealth or a pledge of the full faith and credit of the  
 2052 Commonwealth. Such bonds shall be payable solely, subject to their appropriation by the General  
 2053 Assembly, (i) first from revenues received from the Northern Virginia Transportation District Fund  
 2054 established pursuant to § 33.2-2400; (ii) to the extent required, from funds appropriated and allocated,  
 2055 pursuant to the highway allocation formula as provided by law, to the highway construction district in  
 2056 which the project to be financed is located or to the city or county in which the project to be financed is  
 2057 located; (iii) to the extent required, from legally available revenues of the Transportation Trust Fund;  
 2058 and (iv) from such other funds that may be appropriated by the General Assembly.

2059 E. Commonwealth of Virginia Transportation Program Revenue Bonds issued under this chapter for  
 2060 projects defined in subdivision 13 of the definition of "project" in § 33.2-1700 shall not be deemed to  
 2061 constitute a debt of the Commonwealth or a pledge of the full faith and credit of the Commonwealth.  
 2062 Such bonds shall be payable solely, subject to their appropriation by the General Assembly, (i) first  
 2063 from any revenues received from any Set-aside Fund established by the General Assembly pursuant to  
 2064 § 58.1-816.1; (ii) to the extent required, from revenues received pursuant to any contract with a locality  
 2065 or any alternative mechanism for generation of local revenues for specific funding of a project  
 2066 satisfactory to the Board; (iii) to the extent required, from funds appropriated and allocated, pursuant to  
 2067 the highway allocation formula as provided by law, to the highway construction district in which the  
 2068 project to be financed is located or to the city or county in which the project to be financed is located;  
 2069 (iv) to the extent required, from legally available revenues from the Transportation Trust Fund; and (v)

from such other funds that may be appropriated by the General Assembly.

F. Commonwealth of Virginia Federal Highway Reimbursement Anticipation Notes issued under this chapter shall not be deemed to constitute a debt of the Commonwealth or a pledge of the full faith and credit of the Commonwealth, but such obligations shall be payable solely, subject to appropriation by the General Assembly, (i) first from any federal highway reimbursements and any other federal highway assistance received by the Commonwealth; (ii) then, at the discretion of the Board, to the extent required, from legally available revenues of the Transportation Trust Fund; and (iii) then, from such other funds, if any, that are designated by the General Assembly for such purpose.

G. Commonwealth of Virginia Transportation Credit Assistance Revenue Bonds issued under the provisions of this chapter shall not be deemed to constitute a debt of the Commonwealth or a pledge of the full faith and credit of the Commonwealth, but such obligations shall be payable solely, subject to appropriation by the General Assembly, from revenues with respect to or generated by the project being financed thereby and any tolls or other revenues pledged by the Board as security therefor and in accordance with the applicable federal credit assistance authorized with respect to such project by the U.S. Department of Transportation.

H. Commonwealth of Virginia Transportation Capital Projects Revenue Bonds issued under the provisions of this chapter for projects as provided in subdivision 15 of the definition of "project" in § 33.2-1700 shall not be deemed to constitute a debt of the Commonwealth or a pledge of the full faith and credit of the Commonwealth, but such bonds shall be payable solely, subject to their appropriation by the General Assembly, (i) from the revenues deposited into the Priority Transportation Fund established pursuant to § 33.2-1527; (ii) to the extent required, from revenues legally available from the Transportation Trust Fund; and (iii) to the extent required, from any other legally available funds.

I. Commonwealth of Virginia Federal Transportation Grant Anticipation Revenue Notes issued under the provisions of Article 4 (§ 33.2-1511 et seq.) of Chapter 15 and this chapter shall not be deemed to constitute a debt of the Commonwealth or a pledge of the full faith and credit of the Commonwealth, but such notes shall be payable solely, subject to their appropriation by the General Assembly, (i) first from the project-specific reimbursements pursuant to § 33.2-1520; (ii) then, at the discretion of the Board, to the extent required, from legally available revenues of the Transportation Trust Fund; and (iii) then from such other funds, if any, that are designated by the General Assembly for such purpose.

*J. Commonwealth of Virginia Interstate 81 Program Revenue Bonds issued under the provisions of this chapter shall not be deemed to constitute a debt of the Commonwealth or a pledge of the full faith and credit of the Commonwealth, but such bonds shall be payable solely from the funds provided therefor pursuant to this chapter, subject to their appropriation by the General Assembly, from revenues received from the Interstate 81 Corridor Improvement Fund from deposits thereto pursuant to § 58.1-2299.20 derived from the receipt of the regional fuels tax levied pursuant to § 58.1-2295.*

*K. Commonwealth of Virginia Passenger Rail Facilities Bonds issued under the provisions of this chapter shall not be deemed to constitute a debt of the Commonwealth or a pledge of the full faith and credit of the Commonwealth but such bonds shall be payable solely from the funds provided therefor from tolls, rates, fees, and charges pursuant to this chapter. All such bonds shall state on their face that the Commonwealth is not obligated to pay the same or the interest thereon except from revenues and funds provided from tolls, rates, fees, and charges pursuant to this chapter and the full faith and credit of the Commonwealth are not pledged to the payment of the principal of and interest on such bonds. The issuance of such revenue bonds under the provisions of this chapter shall not directly or indirectly or contingently obligate the Commonwealth to levy or to pledge any form of taxation whatsoever or to make any appropriation for their payment, other than to appropriate available funds from pledged revenues.*

#### **§ 33.2-1803. Approval by the responsible public entity.**

A. The private entity may request approval by the responsible public entity. Any such request shall be accompanied by the following material and information unless waived by the responsible public entity in its guidelines or other instructions given, in writing, to the private entity with respect to the transportation facility or facilities that the private entity proposes to develop and/or operate as a qualifying transportation facility:

1. A topographic map (1:2,000 or other appropriate scale) indicating the location of the transportation facility or facilities;

2. A description of the transportation facility or facilities, including the conceptual design of such facility or facilities and all proposed interconnections with other transportation facilities;

3. The proposed date for development and/or operation of the transportation facility or facilities along with an estimate of the life-cycle cost of the transportation facility as proposed;

4. A statement setting forth the method by which the private entity proposes to secure any property interests required for the transportation facility or facilities;

5. Information relating to the current transportation plans, if any, of each affected locality or public

entity;

6. A list of all permits and approvals required for developing and/or operating improvements to the transportation facility or facilities from local, state, or federal agencies and a projected schedule for obtaining such permits and approvals;

7. A list of public utility's, locality's, or political subdivision's facilities, if any, that will be crossed by the transportation facility or facilities and a statement of the plans of the private entity to accommodate such crossings;

8. A statement setting forth the private entity's general plans for developing and/or operating the transportation facility or facilities, including identification of any revenue, public or private, or proposed debt or equity investment or concession proposed by the private entity;

9. The names and addresses of the persons who may be contacted for further information concerning the request;

10. Information on how the private entity's proposal will address the needs identified in the appropriate state, regional, or local transportation plan by improving safety, reducing congestion, increasing capacity, enhancing economic efficiency, or any combination thereof;

11. A statement of the risks, liabilities, and responsibilities to be transferred, assigned, or assumed by the private entity for the development and/or operation of the transportation facility, including revenue risk and operations and maintenance; and

12. Such additional material and information as the responsible public entity may reasonably request pursuant to its guidelines or other written instructions.

B. The responsible public entity may request proposals from private entities for the development and/or operation of transportation facilities subject to the following:

1. For transportation facilities where the Department of Transportation, *the Virginia Passenger Rail Authority*, or the Department of Rail and Public Transportation is the responsible public entity, the Transportation Public-Private Partnership Steering Committee established pursuant to § 33.2-1803.2 has determined that moving forward with the development and/or operation of the facility pursuant to this article serves the best interest of the public.

2. A finding of public interest pursuant to § 33.2-1803.1 has been issued by the responsible public entity.

3. The responsible public entity shall not charge a fee to cover the costs of processing, reviewing, and evaluating proposals received in response to such requests.

C. The responsible public entity may grant approval of the development and/or operation of the transportation facility or facilities as a qualifying transportation facility if the responsible public entity determines that it is in the best interest of the public. The responsible public entity may determine that the development and/or operation of the transportation facility or facilities as a qualifying transportation facility serves the best interest of the public if:

1. The private entity can develop and/or operate the transportation facility or facilities with a public contribution amount that is less than the maximum public contribution determined pursuant to subsection A of § 33.2-1803.1:1 for transportation facilities where the Department of Transportation, *the Virginia Passenger Rail Authority*, or the Department of Rail and Public Transportation is the responsible public entity;

2. There is a public need for the transportation facility or facilities the private entity proposes to develop and/or operate as a qualifying transportation facility and for transportation facilities where the Department of Transportation or the Department of Rail and Public Transportation is the responsible public entity, such facility or facilities meet a need included in the plan developed pursuant to § 33.2-353;

3. The plan for the development and/or operation of the transportation facility or facilities is anticipated to have significant benefits as determined pursuant to subdivision B 1 of § 33.2-1803.1;

4. The private entity's plans will result in the timely development and/or operation of the transportation facility or facilities or their more efficient operation; and

5. The risks, liabilities, and responsibilities transferred, assigned, or assumed by the private entity provide sufficient benefits to the public to not proceed with the development and/or operation of the transportation facility through other means of procurement available to the responsible public entity.

In evaluating any request, the responsible public entity may rely upon internal staff reports prepared by personnel familiar with the operation of similar facilities or the advice of outside advisors or consultants having relevant experience.

D. The responsible public entity shall not enter into a comprehensive agreement unless the chief executive officer of the responsible public entity certifies in writing to the Governor and the General Assembly that:

1. The finding of public interest issued pursuant to § 33.2-1803.1 is still valid;

2. The transfer, assignment, and assumption of risks, liabilities, and permitting responsibilities and

the mitigation of revenue risk by the private sector have not materially changed since the finding of public interest was issued pursuant to § 33.2-1803.1; and

3. The public contribution requested by the private entity does not exceed the maximum public contribution determined pursuant to subsection A of § 33.2-1803.1:1.

Changes to the project scope that do not impact the assignment of risks or liabilities or the mitigation of revenue risk shall not be considered material changes to the finding of public interest, provided that such changes were presented in a public meeting to the Commonwealth Transportation Board, other state board, or the governing body of a locality, as appropriate.

E. The responsible public entity may charge a reasonable fee to cover the costs of processing, reviewing, and evaluating the request submitted by a private entity pursuant to subsection A, including reasonable attorney fees and fees for financial and other necessary advisors or consultants. The responsible public entity shall also develop guidelines that establish the process for the acceptance and review of a proposal from a private entity pursuant to subsections A, B, C, and D. Such guidelines shall establish a specific schedule for review of the proposal by the responsible public entity, a process for alteration of that schedule by the responsible public entity if it deems that changes are necessary because of the scope or complexity of proposals it receives, the process for receipt and review of competing proposals, and the type and amount of information that is necessary for adequate review of proposals in each stage of review. For qualifying transportation facilities that have approved or pending state and federal environmental clearances, have secured significant right-of-way, have previously allocated significant state or federal funding, or exhibit other circumstances that could reasonably reduce the amount of time to develop and/or operate the qualifying transportation facility in accordance with the purpose of this chapter, the guidelines shall provide for a prioritized documentation, review, and selection process.

F. The approval of the responsible public entity shall be subject to the private entity's entering into an interim agreement or a comprehensive agreement with the responsible public entity. For any project with an estimated construction cost of over \$50 million, the responsible public entity also shall require the private entity to pay the costs for an independent audit of any and all traffic and cost estimates associated with the private entity's proposal, as well as a review of all public costs and potential liabilities to which taxpayers could be exposed (including improvements to other transportation facilities that may be needed as a result of the proposal, failure by the private entity to reimburse the responsible public entity for services provided, and potential risk and liability in the event the private entity defaults on the comprehensive agreement or on bonds issued for the project). This independent audit shall be conducted by an independent consultant selected by the responsible public entity, and all such information from such review shall be fully disclosed.

G. In connection with its approval of the development and/or operation of the transportation facility or facilities as a qualifying transportation facility, the responsible public entity shall establish a date for the acquisition of or the beginning of construction of or improvements to the qualifying transportation facility. The responsible public entity may extend such date.

H. The responsible public entity shall take appropriate action, as more specifically set forth in its guidelines, to protect confidential and proprietary information provided by the private entity pursuant to an agreement under subdivision 11 of § 2.2-3705.6.

I. The responsible public entity may also apply for, execute, and/or endorse applications submitted by private entities to obtain federal credit assistance for qualifying projects developed and/or operated pursuant to this chapter.

#### **§ 33.2-1803.1. Finding of public interest.**

A. Prior to the meeting of the Committee pursuant to subsection C of § 33.2-1803.2, the chief executive officer of the responsible public entity shall make a finding of public interest. Such finding shall include information set forth in subsection B. For transportation facilities where the Department of Transportation, the *Virginia Passenger Rail Authority*, or the Department of Rail and Public Transportation is the responsible public entity, the Secretary of Transportation, in his role as chairman of the Board, must concur with the finding of public interest.

B. At a minimum, a finding of public interest shall contain the following information:

1. A description of the benefits expected to be realized by the responsible public entity through the development and/or operation of the transportation facility, including person throughput, congestion mitigation, safety, economic development, environmental quality, and land use.

2. An analysis of the public contribution necessary for the development and/or operation of the facility or facilities pursuant to subsection A of § 33.2-1803.1:1, including a maximum public contribution that will be allowed under the procurement.

3. A description of the benefits expected to be realized by the responsible public entity through the use of this chapter compared with the development and/or operation of the transportation facility through other options available to the responsible public entity.

4. A statement of the risks, liabilities, and responsibilities to be transferred, assigned, or assumed by the private entity, which shall include the following:

a. A discussion of whether revenue risk will be transferred to the private entity and the degree to which any such transfer may be mitigated through other provisions in the interim or comprehensive agreements;

b. A description of the risks, liabilities, and responsibilities to be retained by the responsible public entity; and

c. Other items determined appropriate by the responsible public entity in the guidelines for this chapter.

5. The determination of whether the project has a high, medium, or low level of project delivery risk and a description of how such determination was made. If the qualifying transportation facility is determined to contain high risk, a description of how the public's interest will be protected through the transfer, assignment, or assumption of risks or responsibilities by the private entity in the event that issues arise with the development and/or operation of the qualifying transportation facility.

6. If the responsible public entity proposes to enter into an interim or comprehensive agreement pursuant to subdivision 2 of § 33.2-1819, information and the rationale demonstrating that proceeding in this manner is more beneficial than proceeding pursuant to subdivision 1 of § 33.2-1819.

#### **§ 33.2-1803.1:1. Public sector analysis and competition.**

A. For any transportation facility under consideration for development and/or operation under this chapter by the Department of Transportation, *the Virginia Passenger Rail Authority*, or the Department of Rail and Public Transportation, the responsible public entity shall ensure competition throughout the procurement process by developing a public sector option based on the analysis conducted in subsection B. The public sector option shall identify a maximum public contribution.

B. The responsible public entity shall undertake, in cooperation with the Secretary of Transportation and the Secretary of Finance, a public sector analysis of the cost for the responsible entity to develop and/or operate the transportation facility or facilities being considered for development and/or operation pursuant to this chapter. At a minimum, such analysis shall contain the following information:

1. Any mitigation of risk of user-fee financing through assumptions related to competing facilities, compensation for high usage of the facility by high-occupancy vehicles, or other considerations that may mitigate the risk of user-fee financing.

2. Whether the Department of Transportation, *the Virginia Passenger Rail Authority*, or the Department of Rail and Public Transportation intends to maintain and operate the facility, or if the public sector option is based on the transfer of such responsibilities to the private sector.

3. Public contribution, if any, that would still be required to cover all costs necessary for the development and/or operation of the transportation facility in excess of financing available should the General Assembly authorize the use of debt secured by a pledge of net revenues derived from rates, fees, or other charges and the full faith and credit of the Commonwealth pursuant to Article X, Section 9 (c) of the Constitution of Virginia.

4. Funds provided to support nonuser fee generating components of the project that contribute to the benefits expected to be realized from the transportation facility pursuant to subdivision B 1 of § 33.2-1803.1.

#### **§ 33.2-1803.2. Transportation Public-Private Partnership Steering Committee.**

A. There is hereby established the Transportation Public-Private Partnership Steering Committee (the Committee) to evaluate and review financing options for the development and/or operation of transportation facility or facilities.

The Committee shall consist of the following members:

1. Two members of the Commonwealth Transportation Board;

2. The staff director of the House Committee on Appropriations, or his designee, and the staff director of the Senate Committee on Finance, or his designee;

3. A Deputy Secretary of Transportation who shall serve as the chairman;

4. The chief financial officer of either the Department of Transportation or the Department of Rail and Public Transportation, as appropriate; and

5. A nonagency public financial expert, as selected by the Secretary of Transportation.

B. Prior to the initiation of any procurement pursuant to § 33.2-1803 by the Department of Transportation, *the Virginia Passenger Rail Authority*, or the Department of Rail and Public Transportation, the Committee shall meet to review the public sector analysis and competition developed pursuant to § 33.2-1803.1:1 and concur that:

1. The assumptions regarding the project scope, benefits, and costs of the public sector option developed pursuant to § 33.2-1803.1:1 were fully and reasonably developed;

2. The assumed financing costs and valuation of both financial and construction risk mitigation included in the public sector option are financially sound and reflect the best interest of the public; and

3. The terms sheet developed for the proposed procurement contains all necessary elements.

C. After receipt of responses to the request for qualifications, but prior to the issuance of the first draft request for proposals, the Committee shall meet to determine that the development and/or operation of the transportation facility or facilities as a qualifying transportation facility serves the public interest pursuant to § 33.2-1803.1. If the Committee makes an affirmative determination, as evidenced by an affirmative vote of a majority of the members of the Committee, the Department of Transportation or the Department of Rail and Public Transportation may proceed with the procurement pursuant to § 33.2-1803.

D. Meetings of the Committee shall be open to the public, and meetings will be scheduled on an as-needed basis. However, the Committee may convene a closed session pursuant to the provisions of subdivisions A 6 and 29 of § 2.2-3711 to allow the Committee to review the public sector analysis and competition and to review proposals received pursuant to a request for qualifications.

E. The Committee shall, within 10 business days of any meeting, report on the findings of such meeting. Such report shall be made to the Chairmen of the House and Senate Committees on Transportation, the House Committee on Appropriations, and the Senate Committee on Finance.

F. Within 60 days of the execution of a comprehensive agreement pursuant to § 33.2-1803, the Department of Transportation or the Department of Rail and Public Transportation, as appropriate, shall, in closed session, brief the Committee on the details of the final bids received and the details of the evaluation of such bids.

#### **§ 33.2-1809. Interim agreement.**

A. Prior to or in connection with the negotiation of the comprehensive agreement, the responsible public entity may enter into an interim agreement with the private entity proposing the development and/or operation of the facility or facilities. Such interim agreement may (i) permit the private entity to commence activities for which it may be compensated relating to the proposed qualifying transportation facility, including project planning and development, advance right-of-way acquisition, design and engineering, environmental analysis and mitigation, survey, conducting transportation and revenue studies, and ascertaining the availability of financing for the proposed facility or facilities; (ii) establish the process and timing of the negotiation of the comprehensive agreement; and (iii) contain any other provisions related to any aspect of the development and/or operation of a qualifying transportation facility that the parties may deem appropriate.

B. Notwithstanding any provision of this chapter to the contrary, a responsible public entity may enter in to an interim agreement with multiple private entities if the responsible public entity determines in writing that it is in the public interest to do so.

C. The Department of Transportation, *the Virginia Passenger Rail Authority*, and the Department of Rail and Public Transportation shall not enter into an interim agreement for the development of a transportation facility under this chapter that either (i) establishes a process and timing of the negotiations of the comprehensive agreement or (ii) allows for competitive negotiations as set forth in § 2.2-4302.2.

#### **§ 33.2-2300. U.S. Route 58 Corridor Development Fund.**

There is hereby created in the Department of the Treasury a special nonreverting fund that shall be a part of the Transportation Trust Fund and that shall be known as the U.S. Route 58 Corridor Development Fund, referred to in this chapter as "the Fund," consisting of the ~~first~~ \$40 million of annual collections of the state recordation taxes imposed by Chapter 8 of Title 58.1, provided, however, that this dedication shall not affect the local recordation taxes under subsection B of § 58.1-802 and § 58.1-814 from the Commonwealth Transportation Fund pursuant to § 33.2-1524. The Fund shall also include such other funds as may be appropriated by the General Assembly and designated for the Fund and all interest, dividends, and appreciation that may accrue thereto. Any moneys remaining in the Fund at the end of a biennium shall not revert to the general fund, but shall remain in the Fund. Allocations from the Fund may be paid to any authority, locality, or commission for the purposes specified in § 33.2-2301.

#### **§ 33.2-2301. U.S. Route 58 Corridor Development Program.**

A. The General Assembly declares it to be in the public interest that the economic development needs and economic growth potential of south-central and Southwest Virginia be addressed by the Fund. Moneys contained in the Fund shall be used for the costs of providing an adequate, modern, safe, and efficient highway system, generally along Virginia's southern boundary (the Program), including environmental and engineering studies, rights-of-way acquisition, construction, improvements, and financing costs.

B. Allocations from the Fund shall be made annually by the Commonwealth Transportation Board for the creation and enhancement of a safe, efficient highway system connecting the communities, businesses, places of employment, and residents of the southwestern-most portion of the Commonwealth to the communities, businesses, places of employment, and residents of the southeastern-most portion of

the Commonwealth, thereby enhancing the economic development potential, employment opportunities, mobility, and quality along such highway.

C. Allocations from the Fund shall not diminish or replace allocations made or planned to be made from other sources or diminish allocations to which any highway, project, facility, district, system, or locality would be entitled under other provisions of this title, but shall be supplemental to other allocations to the end that highway resource improvements in the U.S. Route 58 Corridor may be accelerated and augmented. Notwithstanding any contrary provisions of this title, allocations from the Fund may be applied to highway projects in the Interstate System, primary or secondary state highway system, or urban highway system. Allocations under this subsection shall not be limited to projects involving only existing U.S. Route 58 but may be made to projects involving other highways, provided that the broader goal of creation of an adequate modern highway system generally along Virginia's southern boundary is served thereby.

D. The Commonwealth Transportation Board may expend such funds from all sources as may be lawfully available to initiate the Program and to support bonds and other obligations referenced in subsection F. Any moneys expended from the Transportation Trust Fund for the Program, other than moneys contained in the Fund, may be reimbursed from the Fund, to the extent permitted by Article X, Section 9 of the Constitution of Virginia.

E. The Commonwealth Transportation Board is encouraged to utilize the existing four-lane divided highways, available rights-of-way acquired for additional four-laning, bypasses, connectors, and alternate routes.

F. To the extent permitted by Article X, Section 9 of the Constitution of Virginia, moneys contained in the Fund may be used to secure payment of bonds or other obligations, and the interest thereon, issued in furtherance of the purposes of this section. In addition, the Commonwealth Transportation Board is authorized to receive, dedicate, or use legally available Transportation Trust Fund revenues and any other available sources of funds to secure the payment of bonds or other obligations, including interest thereon, in furtherance of the Program. No bond or other obligations payable from revenues of the Fund shall be issued unless specifically approved by the General Assembly. No bond or other obligations, secured in whole or in part by revenues of the Fund, shall pledge the full faith and credit of the Commonwealth.

G. Forty million dollars shall be transferred annually to the Fund with the first such transfer to be made on July 1, 1990, or as soon thereafter as reasonably practicable. Such transfer shall be made by the issuance of a treasury loan at no interest in the amount of \$40 million to the Fund to ensure that the Fund is fully funded on the first day of the fiscal year. Such treasury loan shall be repaid from the Commonwealth's portion of the state recordation tax imposed by Chapter 8 (§ 58.1-800 et seq.) of Title 58.1 designated for the Fund by § 33.2-2300 *Commonwealth Transportation Fund pursuant to subsection C of § 33.2-1524*. For each fiscal year following July 1, 1990, the Secretary of Finance is authorized to make additional treasury loans in the amount of \$40 million on July 1 of such fiscal years, and such treasury loans shall be repaid in a like manner as provided in this subsection.

#### **§ 33.2-2400. Northern Virginia Transportation District Fund.**

A. There is hereby created in the Department of the Treasury a special nonreverting fund that shall be a part of the Transportation Trust Fund and that shall be known as the Northern Virginia Transportation District Fund, referred to in this chapter as "the Fund," consisting of transfers pursuant to § 58.1-816 of annual collections of the state recordation taxes attributable to the Cities of Alexandria, Fairfax, Falls Church, Manassas, and Manassas Park and the Counties of Arlington, Fairfax, Loudoun, and Prince William; however, this dedication shall not affect the local recordation taxes under subsection B of § 58.1-802 and § 58.1-814 \$40 million from the Commonwealth Transportation Fund pursuant to subsection C of § 33.2-1524. The Fund shall also include any public rights-of-way use fees appropriated by the General Assembly; any state or local revenues, including any funds distributed pursuant to § 33.2-366, that may be deposited into the Fund pursuant to a contract between a jurisdiction participating in the Northern Virginia Transportation District Program and the Commonwealth Transportation Board; and any other funds as may be appropriated by the General Assembly and designated for the Fund and all interest, dividends, and appreciation that may accrue thereto. Any moneys remaining in the Fund at the end of a biennium shall not revert to the general fund, but shall remain in the Fund, subject to the determination by the Commonwealth Transportation Board that a Category 2, 3, or 4 project may be funded.

B. Allocations from the Fund may be paid (i) to any authority, locality, or commission for the purposes of paying the costs of the Northern Virginia Transportation District Program, which consists of the following: the Fairfax County Parkway, the Route 234 Bypass, Metrorail capital improvements attributable to Fairfax County including Metro parking expansions, Metrorail capital improvements including the Franconia-Springfield Metrorail Station and new rail car purchases, the Route 7 improvements in Loudoun County and Fairfax County, the Route 50/Courthouse Road interchange



improvements in Arlington County, the Route 28/Route 625 interchange improvements in Loudoun County, Metrorail capital improvements attributable to the City of Alexandria including the King Street Metrorail Station access, Metrorail capital improvements attributable to Arlington County including Ballston Station improvements, the Route 15 safety improvements in Loudoun County, the Route 28 parallel roads in Loudoun County, the Route 28/Sterling Boulevard interchange in Loudoun County, the Route 1/Route 123 interchange improvements in Prince William County, the Lee Highway improvements in the City of Fairfax, the Route 123 improvements in Fairfax County, the Telegraph Road improvements in Fairfax County, the Route 123 Occoquan River Bridge, Gallows Road in Fairfax County, the Route 1/Route 234 interchange improvements in Prince William County, the ~~Potomac-Rappahannock~~ Potomac and Rappahannock Transportation Commission bus replacement program, and the Dulles Corridor Enhanced Transit program and (ii) for Category 4 projects as provided in § 2 of the act or acts authorizing the issuance of Bonds for the Northern Virginia Transportation District Program.

C. On or before July 15, 1994, \$19 million shall be transferred to the Fund. Such transfer shall be made by the issuance of a treasury loan at no interest in the amount of \$19 million in the event such an amount is not included for the Fund in the general appropriation act enacted by the 1994 Session of the General Assembly. Such treasury loan shall be repaid from the Commonwealth's portion of the state recordation tax imposed by Chapter 8 (§ 58.1-800 et seq.) of Title 58.1 designated for the Fund by this section and § 58.1-816 Commonwealth Transportation Fund pursuant to subsection C of § 33.2-1524.

D. Beginning in fiscal year 2019, \$20 million each year shall be transferred from the Fund to the Washington Metropolitan Area Transit Authority Capital Fund established pursuant to § 33.2-3401.

E. Beginning in fiscal year 2021, \$20 million each year shall be transferred from the Fund to the Northern Virginia Transportation Authority Fund established pursuant to § 33.2-2509.

**§ 33.2-2401. Northern Virginia Transportation District Program.**

A. The General Assembly declares it to be in the public interest that the economic development needs and economic growth potential of Northern Virginia be addressed by a special transportation program to provide for the costs of providing an adequate, modern, safe, and efficient transportation network in Northern Virginia that shall be known as the Northern Virginia Transportation District Program (the Program), including environmental and engineering studies, rights-of-way acquisition, construction, improvements to all modes of transportation, and financing costs. The Program consists of the projects listed in clause (i) of subsection B of § 33.2-2400.

B. Allocations to the Program from the Fund shall be made annually by the Commonwealth Transportation Board for the creation and enhancement of a safe and efficient transportation system connecting the communities, businesses, places of employment, and residences of the Commonwealth, thereby enhancing the economic development potential, employment opportunities, mobility, and quality of life in the Commonwealth.

C. Except in the event that the Fund is insufficient to pay for the costs of the Program, allocations to the Program shall not diminish or replace allocations made from other sources or diminish allocations to which any district, system, or locality would be entitled under other provisions of this title but shall be supplemental to other allocations to the end that transportation improvements in the Northern Virginia Transportation District may be accelerated and augmented. Allocations under this subsection shall be limited to projects specified in subdivision 12 of § 33.2-1700.

D. The Commonwealth Transportation Board may expend such funds from all sources as may be lawfully available to initiate the Program and to support bonds and other obligations referenced in subsection E and in subsection D of § 33.2-2400.

E. The Commonwealth Transportation Board is authorized to receive, dedicate, or use (i) first from revenues received from the Fund; (ii) to the extent required, funds available for distribution after providing for subsection B A of § 33.2-358; (iii) to the extent required, legally available revenues of the Transportation Trust Fund; and (iv) such other funds that may be appropriated by the General Assembly for the payment of bonds or other obligations, including interest thereon, issued in furtherance of the Program. No such bond or other obligations shall pledge the full faith and credit of the Commonwealth.

**§ 33.2-2509. Northern Virginia Transportation Authority Fund.**

There is hereby created in the state treasury a special nonreverting fund for Planning District 8 to be known as the Northern Virginia Transportation Authority Fund, referred to in this chapter as "the Fund." The Fund shall be established on the books of the Comptroller. All revenues dedicated to the Fund pursuant to § §§ 33.2-2400, 58.1-638, and 58.1-802.4, any other funds that may be appropriated by the General Assembly, and any funds that may be received for the credit of the Fund from any other source 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.

The amounts dedicated to the Fund pursuant to § §§ 33.2-2400, 58.1-638, and 58.1-802.4 shall be

deposited monthly by the Comptroller into the Fund and thereafter distributed to the Authority as soon as practicable for use in accordance with § 33.2-2510. If the Authority determines that such moneys distributed to it exceed the amount required to meet the current needs and demands to fund transportation projects pursuant to § 33.2-2510, the Authority may invest such excess moneys to the same extent as provided in subsection A of § 33.2-1525 for excess funds in the Transportation Trust Fund.

**§ 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, 33.2-372 and 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.

**§ 46.2-214.3. Discount for multiyear registration.**

A. In addition to any other fee imposed and collected by the Department, the Department shall impose and collect a service charge upon each person who carries out the registration renewal of a vehicle in any of the Department's Customer Service Centers if such registration can be conducted (i) by mail or telephone or by using an electronic medium using a format prescribed by the Commissioner, or (ii) through an agent of the Department that has entered into an agreement with the Department to perform certain services as described in subsection B of § 46.2-205. The service charge shall not apply (a) if concurrently with the registration of the vehicle, the person undertakes another transaction at a Customer Service Center, which other transaction cannot be conducted through a means described in clause (i) or (ii), (b) to the registration of any vehicle for which no registration fee is otherwise required by law, or (c) to any registration conducted by a motor vehicle dealer subject to the provisions of § 46.2-1530.2.

B. The service charge shall equal \$5 per vehicle registration renewal that is carried out in any Customer Service Center of the Department. The Department shall include information regarding such service charge in all vehicle registration renewal notices sent to vehicle owners.

C. All service charges imposed and collected by the Commissioner under this section shall be paid into the state treasury and shall be set aside as a special fund to be used to meet the expenses of the Department.

D. Pursuant to subsection C of § 46.2-646, for each motor vehicle, trailer, or semitrailer registered, the Commissioner may offer, at his discretion, a discount for multiyear registrations of such vehicles. The discount shall be equal to \$1 for each year of the multiyear registration or fraction thereof. The discount shall not be applicable to any motor vehicle, trailer, or semitrailer registered (i) under the International Registration Plan or (ii) as an uninsured motor vehicle. When this option is offered and chosen by the registrant, all annual and 12-month fees due at the time of registration shall be multiplied by the number of years or fraction thereof that the vehicle will be registered.

E. B. In addition to the discount authorized in subsection D A, for the renewal of registration of each motor vehicle, trailer, or semitrailer pursuant to § 46.2-646, the Commissioner shall offer a discount for renewal when such registration renewal is conducted using the Internet. The discount shall be equal to \$1. The discount shall not apply to any motor vehicle, trailer, or semitrailer registered (i) under the International Registration Plan or (ii) as an uninsured motor vehicle.

**§ 46.2-332. Fees.**

On and after January 1, 1990, the fee for each driver's license other than a commercial driver's license shall be \$2.40 per year. If the license is a commercial driver's license or seasonal restricted commercial driver's license, the fee shall be \$6 per year. Persons 21 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 \$5. For any one or more driver's license endorsements or classifications, except a motorcycle classification, there shall be an additional fee of \$1 per year; for a motorcycle classification, there shall be an additional fee of \$2 per year. For any and all driver's license classifications, there shall be an additional fee of \$1 per year. For any revalidation of a seasonal restricted commercial driver's license, the fee shall be \$5. A fee

of \$10 shall be charged to extend the validity period of a driver's license pursuant to subsection B of § 46.2-221.2.

In addition to any other fee imposed and collected by the Department, the Department shall impose and collect a service charge of \$5 upon each person who carries out the renewal of a driver's license or special identification card in any of the Department's Customer Service Centers if such renewal can be conducted by mail or telephone or by using an electronic medium in a format prescribed by the Commissioner. Such service charge shall not apply if, concurrently with the renewal of the driver's license or special identification card, the person undertakes another transaction at a Customer Service Center that cannot be conducted by mail or telephone or by using an electronic medium in a format prescribed by the Commissioner. Such service charge shall be paid by the Commissioner into the state treasury and shall be set aside as a special fund to be used to meet the expenses of the Department.

A reexamination fee of \$2 shall be charged for each administration of the knowledge portion of the driver's license examination taken by an applicant who is 18 years of age or older if taken more than once within a 15-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 18 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 15 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 \$2.40 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 \$2 reexamination fee, \$1.50 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 classifications shall be distributed as provided in § 46.2-1191.

This section shall supersede conflicting provisions of this chapter.

**§ 46.2-341.20:5. Prohibition on texting and use of handheld mobile telephone; penalties.**

A. No person driving a commercial motor vehicle shall text or use a handheld mobile telephone while driving such vehicle. A driver who violates this section is subject to a civil penalty not to exceed \$2,750. Civil penalties collected under this section shall be deposited into the ~~Transportation Trust~~ *Highway Maintenance and Operating* Fund established pursuant to ~~§ 33.2-1524~~ § 33.2-1530. Pursuant to 49 C.F.R. § 386.81, the determination of the actual civil penalties assessed is based on consideration of information available at the time the claim is made concerning the nature and gravity of the violation and, with respect to the violator, the degree of culpability, history of prior offenses, ability to pay, effect on ability to continue to do business, and such other matters as justice and public safety may require.

B. Notwithstanding the definition of commercial motor vehicle in § 46.2-341.4, this section shall apply to any driver who drives a vehicle designed or used to transport between nine and 15 passengers, including the driver, not for direct compensation.

C. The provisions of this section shall not apply to drivers who are texting or using a handheld mobile telephone when necessary to communicate with law-enforcement officials or other emergency services.

D. The following words and phrases when used in this section only shall have the meanings respectively ascribed to them in this section except in those instances where the context clearly indicates a different meaning:

"Driving" means operating a commercial motor vehicle on a highway, including while temporarily stationary because of traffic, a traffic control device, or other momentary delays. Driving does not include operating a commercial motor vehicle when the driver has moved the vehicle to the side of or off a highway and has halted in a location where the vehicle can safely remain stationary.

"Mobile telephone" means a mobile communication device that falls under or uses any commercial

mobile radio service, as defined in regulations of the Federal Communications Commission, 47 C.F.R. § 20.3. "Mobile telephone" does not include two-way or citizens band radio services.

"Texting" means manually entering alphanumeric text into, or reading text from, an electronic device. This action includes, but is not limited to, short message service, emailing, instant messaging, a command or request to access a website, pressing more than a single button to initiate or terminate a voice communication using a mobile telephone, or engaging in any other form of electronic text retrieval or entry for present or future communication. "Texting" does not include inputting, selecting, or reading information on a global positioning system or navigation system; pressing a single button to initiate or terminate a voice communication using a telephone; or using a device capable of performing multiple functions (e.g., fleet management systems, dispatching devices, smartphones, citizens band radios, music players, etc.) for a purpose that is not otherwise prohibited in this section.

"Use a handheld mobile telephone" means using at least one hand to hold a mobile telephone to conduct a voice communication; dialing or answering a mobile telephone by pressing more than a single button; or reaching for a mobile telephone in a manner that requires a driver to maneuver so that he is no longer in a seated driving position, restrained by a seat belt that is installed in accordance with 49 C.F.R. § 393.93 and adjusted in accordance with the vehicle manufacturer's instructions.

**§ 46.2-341.20:6. Prohibition on requiring use of handheld mobile telephone or texting; motor carrier penalty.**

No motor carrier shall allow or require its drivers to use a handheld mobile telephone or to text while driving a commercial motor vehicle. Motor carriers violating this section are subject to a civil penalty not to exceed \$11,000. Civil penalties collected under this section shall be deposited into the Transportation Trust Highway Maintenance and Operating Fund established pursuant to § 33.2-1524 § 33.2-1530. Pursuant to 49 C.F.R. § 386.81, the determination of the actual civil penalties assessed is based on consideration of information available at the time the claim is made concerning the nature and gravity of the violation and, with respect to the violator, the degree of culpability, history of prior offenses, ability to pay, effect on ability to continue to do business, and such other matters as justice and public safety may require. "Driving," "mobile telephone," "texting," and "use a handheld mobile telephone" have the same meanings as assigned to them in § 46.2-341.20:5.

**§ 46.2-686. Portion of certain fees to be paid into special fund.**

Except as provided in subdivision A 13 of subsection A of § 46.2-694 and § 46.2-703, an amount equal to ~~twenty~~ 19.6 percent of the fees collected, after refunds, from the registration of motor vehicles, trailers, and semitrailers pursuant to this chapter; ~~calculated at the rates in effect on December 31, 1986;~~ shall be transferred from the special fund established by the provisions of § 46.2-206 to a special fund in the state treasury to be used to meet the expenses of the Department.

**§ 46.2-694. (Contingent expiration date) Fees for vehicles designed and used for transportation of passengers; weights used for computing fees; burden of proof.**

A. The annual registration fees for motor vehicles, trailers, and semitrailers designed and used for the transportation of passengers on the highways in the Commonwealth are:

1. ~~Thirty-three~~ *a. Twenty-three* dollars for each private passenger car ~~or motor home~~ if the passenger car ~~or motor home~~ weighs 4,000 pounds or less, provided that it is not used for the transportation of passengers for compensation and is not kept or used for rent or for hire, or is not operated under a lease without a chauffeur; however, the fee provided under this subdivision shall apply to a private passenger car ~~or motor home~~ that weighs 4,000 pounds or less and is used as a TNC partner vehicle as defined in § 46.2-2000.

*b. Thirty-three dollars for each motor home if the motor home weighs 4,000 pounds or less, provided that it is not used for the transportation of passengers for compensation and is not kept or used for rent or for hire, or is not operated under a lease without a chauffeur.*

2. ~~Thirty-eight~~ *a. Twenty-eight* dollars for each private passenger car ~~or motor home~~ that weighs more than 4,000 pounds, provided that it is not used for the transportation of passengers for compensation and is not kept or used for rent or for hire, or is not operated under a lease without a chauffeur; however, the fee provided under this subdivision shall apply to a private passenger car ~~or motor home~~ that weighs more than 4,000 pounds and is used as a TNC partner vehicle as defined in § 46.2-2000.

*b. Thirty-eight dollars for each motor home if the motor home weighs more than 4,000 pounds, provided that it is not used for the transportation of passengers for compensation and is not kept or used for rent or for hire, or is not operated under a lease without a chauffeur.*

3. Thirty cents per 100 pounds or major fraction thereof for a private motor vehicle other than a motorcycle with a normal seating capacity of more than 10 adults, including the driver, if the private motor vehicle is not used for the transportation of passengers for compensation and is not kept or used for rent or for hire or is not operated under a lease without a chauffeur. In no case shall the fee be less than \$23 if the vehicle weighs 4,000 pounds or less or \$28 if the vehicle weighs more than 4,000

pounds.

4. Thirty cents per 100 pounds or major fraction thereof for a school bus. In no case shall the fee be less than \$23 if the vehicle weighs 4,000 pounds or less or \$28 if the vehicle weighs more than 4,000 pounds.

5. Twenty-three dollars for each trailer or semitrailer designed for use as living quarters for human beings.

6. Thirteen dollars plus \$0.30 per 100 pounds or major fraction thereof for each motor vehicle, trailer, or semitrailer used as a common carrier of passengers, operating either intrastate or interstate. Interstate common carriers of interstate passengers may elect to be licensed and pay the fees prescribed in subdivision 7 on submission to the Commissioner of a declaration of operations and equipment as he may prescribe. An additional \$5 shall be charged if the motor vehicle weighs more than 4,000 pounds.

7. Thirteen dollars plus \$0.70 per 100 pounds or major fraction thereof for each motor vehicle, trailer, or semitrailer used as a common carrier of interstate passengers if election is made to be licensed under this subsection. An additional \$5 shall be charged if the motor vehicle weighs more than 4,000 pounds. In lieu of the foregoing fee of \$0.70 per 100 pounds, a motor carrier of passengers, operating two or more vehicles both within and outside the Commonwealth and registered for insurance purposes with the Surface Transportation Board of the U.S. Department of Transportation, Federal Highway Administration, may apply to the Commissioner for prorated registration. Upon the filing of such application, in such form as the Commissioner may prescribe, the Commissioner shall apportion the registration fees provided in this subsection so that the total registration fees to be paid for such vehicles of such carrier shall be that proportion of the total fees, if there were no apportionment, that the total number of miles traveled by such vehicles of such carrier within the Commonwealth bears to the total number of miles traveled by such vehicles within and outside the Commonwealth. Such total mileage in each instance is the estimated total mileage to be traveled by such vehicles during the license year for which such fees are paid, subject to the adjustment in accordance with an audit to be made by representatives of the Commissioner at the end of such license year, the expense of such audit to be borne by the carrier being audited. Each vehicle passing into or through Virginia shall be registered and licensed in Virginia and the annual registration fee to be paid for each such vehicle shall not be less than \$33. For the purpose of determining such apportioned registration fees, only those motor vehicles, trailers, or semitrailers operated both within and outside the Commonwealth shall be subject to inclusion in determining the apportionment provided for herein.

8. Thirteen dollars plus \$0.80 per 100 pounds or major fraction thereof for each motor vehicle, trailer or semitrailer kept or used for rent or for hire or operated under a lease without a chauffeur for the transportation of passengers. An additional fee of \$5 shall be charged if the vehicle weighs more than 4,000 pounds. This subdivision does not apply to vehicles used as common carriers or as TNC partner vehicles as defined in § 46.2-2000.

9. Twenty-three dollars for a taxicab or other vehicle which is kept for rent or hire operated with a chauffeur for the transportation of passengers, and which operates or should operate under permits issued by the Department as required by law. An additional fee of \$5 shall be charged if the vehicle weighs more than 4,000 pounds. This subdivision does not apply to vehicles used as common carriers or as TNC partner vehicles as defined in § 46.2-2000.

10. ~~Eighteen~~ *Fourteen* dollars for a motorcycle, with or without a sidecar. To this fee shall be added a surcharge of \$3 which shall be distributed as provided in § 46.2-1191.

10a. ~~Fourteen~~ *Twelve* dollars for a moped, to be paid into the state treasury and set aside as a special fund to be used to meet the expenses of the Department.

10b. ~~Eighteen~~ *Fourteen* dollars for an autocycle.

11. Twenty-three dollars for a bus used exclusively for transportation to and from church school, for the purpose of religious instruction, or church, for the purpose of divine worship. If the empty weight of the vehicle exceeds 4,000 pounds, the fee shall be \$28.

12. Thirteen dollars plus \$0.70 per 100 pounds or major fraction thereof for other passenger-carrying vehicles.

13. An additional fee of \$4.25 per year shall be charged and collected at the time of registration of each pickup or panel truck and each motor vehicle under subdivisions 1 through 12. All funds collected from \$4 of the \$4.25 fee shall be paid into the state treasury and shall be set aside as a special fund to be used only for emergency medical services purposes. The moneys in the special emergency medical services fund shall be distributed as follows:

a. Two percent shall be distributed to the State Department of Health to provide funding to the Virginia Association of Volunteer Rescue Squads to be used solely for the purpose of conducting volunteer recruitment, retention, and training activities;

b. Thirty percent shall be distributed to the State Department of Health to support (i) emergency medical services training programs (excluding advanced life support classes); (ii) advanced life support

2741 training; (iii) recruitment and retention programs (all funds for such support shall be used to recruit and  
 2742 retain volunteer emergency medical services personnel only, including public awareness campaigns,  
 2743 technical assistance programs, and similar activities); (iv) emergency medical services system  
 2744 development, initiatives, and priorities based on needs identified by the State Emergency Medical  
 2745 Services Advisory Board; (v) local, regional, and statewide performance contracts for emergency medical  
 2746 services to meet the objectives stipulated in § 32.1-111.3; (vi) technology and radio communication  
 2747 enhancements; and (vii) improved emergency preparedness and response. Any funds set aside for  
 2748 distribution under this provision and remaining undistributed at the end of any fiscal year shall revert to  
 2749 the Rescue Squad Assistance Fund;

2750 c. Thirty-two percent shall be distributed to the Rescue Squad Assistance Fund;

2751 d. Ten percent shall be available to the State Department of Health's Office of Emergency Medical  
 2752 Services for use in emergency medical services; and

2753 e. Twenty-six percent shall be returned by the Comptroller to the locality wherein such vehicle is  
 2754 registered, to provide funding for training of volunteer or salaried emergency medical services personnel  
 2755 of nonprofit emergency medical services agencies that hold a valid license issued by the Commissioner  
 2756 of Health and for the purchase of necessary equipment and supplies for use in such locality for  
 2757 emergency medical services provided by nonprofit emergency medical services agencies that hold a valid  
 2758 license issued by the Commissioner of Health.

2759 All revenues generated by the remaining \$0.25 of the \$4.25 fee approved by the 2008 Session of the  
 2760 General Assembly shall be deposited into the Rescue Squad Assistance Fund and used only to pay for  
 2761 the costs associated with the certification and recertification training of emergency medical services  
 2762 personnel.

2763 The Comptroller shall clearly designate on the warrant, check, or other means of transmitting these  
 2764 funds that such moneys are only to be used for purposes set forth in this subdivision. Such funds shall  
 2765 be in addition to any local appropriations and local governing bodies shall not use these funds to  
 2766 supplant local funds. Each local governing body shall report annually to the Board of Health on the use  
 2767 of the funds returned to it pursuant to this section. In any case in which the local governing body grants  
 2768 the funds to a regional emergency medical services council to be distributed to the nonprofit emergency  
 2769 medical services agency that holds a valid license issued by the Commissioner of Health, the local  
 2770 governing body shall remain responsible for the proper use of the funds. If, at the end of any fiscal  
 2771 year, a report on the use of the funds returned to the locality pursuant to this section for that year has  
 2772 not been received from a local governing body, any funds due to that local governing body for the next  
 2773 fiscal year shall be retained until such time as the report has been submitted to the Board.

2774 B. All motor vehicles, trailers, and semitrailers registered as provided in subsection B of § 46.2-646  
 2775 shall pay a registration fee equal to one-twelfth of all fees required by subsection A of this section or  
 2776 § 46.2-697 for such motor vehicle, trailer, or semitrailer, computed to the nearest cent, multiplied by the  
 2777 number of months in the registration period for such motor vehicles, trailers, and semitrailers.

2778 C. The manufacturer's shipping weight or scale weight shall be used for computing all fees required  
 2779 by this section to be based upon the weight of the vehicle.

2780 D. The applicant for registration bears the burden of proof that the vehicle for which registration is  
 2781 sought is entitled by weight, design, and use to be registered at the fee tendered by the applicant to the  
 2782 Commissioner or to his authorized agent.

2783 **§ 46.2-697. (Contingent expiration date) Fees for vehicles not designed or used for**  
 2784 **transportation of passengers.**

2785 A. Except as otherwise provided in this section, the fee for registration of all motor vehicles not  
 2786 designed and used for the transportation of passengers shall be \$23 plus an amount determined by the  
 2787 gross weight of the vehicle or combination of vehicles of which it is a part, when loaded to the  
 2788 maximum capacity for which it is registered and licensed, according to the schedule of fees set forth in  
 2789 this section. For each 1,000 pounds of gross weight, or major fraction thereof, for which any such  
 2790 vehicle is registered, there shall be paid to the Commissioner the fee indicated in the following schedule  
 2791 immediately opposite the weight group and under the classification established by the provisions of  
 2792 subsection B of § 46.2-711 into which such vehicle, or any combination of vehicles of which it is a part,  
 2793 falls when loaded to the maximum capacity for which it is registered and licensed. The fee for a pickup  
 2794 or panel truck shall be ~~\$33~~ \$23 if its gross weight is 4,000 pounds or less; and ~~\$38~~ \$28 if its gross  
 2795 weight is 4,001 pounds through 6,500 pounds. The fee shall be ~~\$39~~ \$32 for any motor vehicle with a  
 2796 gross weight of 6,501 pounds through 10,000 pounds.

2797 Fee Per Thousand Pounds of Gross Weight

2798 Gross Weight Groups	Private Carriers	For Rent or For Hire Carriers
2799 (pounds)		
2800 10,001 — 11,000	\$3.17	\$4.75
2801 11,001 — 12,000	3.42	4.90
2802 12,001 — 13,000	3.66	5.15

2803	13,001 — 14,000	3.90	5.40
2804	14,001 — 15,000	4.15	5.65
2805	15,001 — 16,000	4.39	5.90
2806	16,001 — 17,000	4.88	6.15
2807	17,001 — 18,000	5.37	6.40
2808	18,001 — 19,000	5.86	7.50
2809	19,001 — 20,000	6.34	7.70
2810	20,001 — 21,000	6.83	7.90
2811	21,001 — 22,000	7.32	8.10
2812	22,001 — 23,000	7.81	8.30
2813	23,001 — 24,000	8.30	8.50
2814	24,001 — 25,000	8.42	8.70
2815	25,001 — 26,000	8.48	8.90
2816	26,001 — 27,000	10.07	10.35
2817	27,001 — 28,000	10.13	10.55
2818	28,001 — 29,000	10.18	10.75
2819	29,001 — 40,000	10.31	10.95
2820	40,001 — 45,000	10.43	11.15
2821	45,001 — 50,000	10.68	11.25
2822	50,001 — 55,000	11.29	13.25
2823	55,001 — 76,000	13.73	15.25
2824	76,001 — 80,000	16.17	16.25

2825 For all such motor vehicles exceeding a gross weight of 6,500 pounds, an additional fee of ~~five~~  
 2826 ~~dollars~~ \$5 shall be imposed.

2827 B. In lieu of registering any motor vehicle referred to in this section for an entire licensing year, the  
 2828 owner may elect to register the vehicle only for one or more quarters of a licensing year, and in such  
 2829 case, the fee shall be ~~twenty-five~~ 25 percent of the annual fee plus ~~five dollars~~ \$5 for each quarter that  
 2830 the vehicle is registered.

2831 C. When an owner elects to register and license a motor vehicle under subsection B of this section,  
 2832 the provisions of §§ 46.2-646 and 46.2-688 shall not apply.

2833 D. Notwithstanding any other provision of law, no vehicle designed, equipped, and used to tow  
 2834 disabled or inoperable motor vehicles shall be required to register in accordance with any gross weight  
 2835 other than the gross weight of the towing vehicle itself, exclusive of any vehicle being towed.

2836 E. All registrations and licenses issued for less than a full year shall expire on the date shown on the  
 2837 license and registration.

2838 **§ 46.2-752. Taxes and license fees imposed by counties, cities, and towns; limitations on**  
 2839 **amounts; disposition of revenues; requiring evidence of payment of personal property taxes and**  
 2840 **certain fines; prohibiting display of licenses after expiration; failure to display valid local license**  
 2841 **required by other localities; penalty.**

2842 A. Except as provided in § 46.2-755, counties, cities, and towns may levy and assess taxes and  
 2843 charge license fees on motor vehicles, trailers, and semitrailers. However, none of these taxes and  
 2844 license fees shall be assessed or charged by any county on vehicles owned by residents of any town  
 2845 located in the county when such town constitutes a separate school district if the vehicles are already  
 2846 subject to town license fees and taxes, nor shall a town charge a license fee to any new resident of the  
 2847 town, previously a resident of a county within which all or part of the town is situated, who has  
 2848 previously paid a license fee for the same tax year to such county. The amount of the license fee or tax  
 2849 imposed by any county, city, or town on any motor vehicle, trailer, or semitrailer shall not be greater  
 2850 than the annual or one-year fee imposed by the Commonwealth on the motor vehicle, trailer, or  
 2851 semitrailer *in effect on January 1, 2020*. The license fees and taxes shall be imposed in such manner, on  
 2852 such basis, for such periods, and subject to proration for fractional periods of years, as the proper local  
 2853 authorities may determine.

2854 Owners or lessees of motor vehicles, trailers, and semitrailers who have served outside of the United  
 2855 States in the armed services of the United States shall have a 90-day grace period, beginning on the date  
 2856 they are no longer serving outside the United States, in which to comply with the requirements of this  
 2857 section. For purposes of this section, "the armed services of the United States" includes active duty  
 2858 service with the regular Armed Forces of the United States or the National Guard or other reserve  
 2859 component.

2860 Local licenses may be issued free of charge for any or all of the following:

- 2861 1. Vehicles powered by clean special fuels as defined in § 46.2-749.3, including dual-fuel and bi-fuel
- 2862 vehicles,
- 2863 2. Vehicles owned by volunteer emergency medical services agencies,
- 2864 3. Vehicles owned by volunteer fire departments,
- 2865 4. Vehicles owned or leased by active members or active auxiliary members of volunteer emergency

2866 medical services agencies,  
 2867 5. Vehicles owned or leased by active members or active auxiliary members of volunteer fire  
 2868 departments,  
 2869 6. Vehicles owned or leased by auxiliary police officers,  
 2870 7. Vehicles owned or leased by volunteer police chaplains,  
 2871 8. Vehicles owned by surviving spouses of persons qualified to receive special license plates under  
 2872 § 46.2-739,  
 2873 9. Vehicles owned or leased by auxiliary deputy sheriffs or volunteer deputy sheriffs,  
 2874 10. Vehicles owned by persons qualified to receive special license plates under § 46.2-739,  
 2875 11. Vehicles owned by any of the following who served at least 10 years in the locality: former  
 2876 members of volunteer emergency medical services agencies, former members of volunteer fire  
 2877 departments, former auxiliary police officers, members and former members of authorized police  
 2878 volunteer citizen support units, members and former members of authorized sheriff's volunteer citizen  
 2879 support units, former volunteer police chaplains, and former volunteer special police officers appointed  
 2880 under former § 15.2-1737. In the case of active members of volunteer emergency medical services  
 2881 agencies and active members of volunteer fire departments, applications for such licenses shall be  
 2882 accompanied by written evidence, in a form acceptable to the locality, of their active affiliation or  
 2883 membership, and no member of an emergency medical services agency or member of a volunteer fire  
 2884 department shall be issued more than one such license free of charge,  
 2885 12. All vehicles having a situs for the imposition of licensing fees under this section in the locality,  
 2886 13. Vehicles owned or leased by deputy sheriffs; however, no deputy sheriff shall be issued more  
 2887 than one such license free of charge,  
 2888 14. Vehicles owned or leased by police officers; however, no police officer shall be issued more than  
 2889 one such license free of charge,  
 2890 15. Vehicles owned or leased by officers of the State Police; however, no officer of the State Police  
 2891 shall be issued more than one such license free of charge,  
 2892 16. Vehicles owned or leased by salaried firefighters; however, no salaried firefighter shall be issued  
 2893 more than one such license free of charge,  
 2894 17. Vehicles owned or leased by salaried emergency medical services personnel; however, no salaried  
 2895 emergency medical services personnel shall be issued more than one such license free of charge,  
 2896 18. Vehicles with a gross weight exceeding 10,000 pounds owned by museums officially designated  
 2897 by the Commonwealth,  
 2898 19. Vehicles owned by persons, or their surviving spouses, qualified to receive special license plates  
 2899 under subsection A of § 46.2-743, and  
 2900 20. Vehicles owned or leased by members of the Virginia Defense Force; however, no member of  
 2901 the Virginia Defense Force shall be issued more than one such license free of charge.  
 2902 The governing body of any county, city, or town issuing licenses under this section may by  
 2903 ordinance provide for a 50 percent reduction in the fee charged for the issuance of any such license  
 2904 issued for any vehicle owned or leased by any person who is 65 years old or older. No such discount,  
 2905 however, shall be available for more than one vehicle owned or leased by the same person.  
 2906 The governing body of any county, city, or town issuing licenses free of charge under this subsection  
 2907 may by ordinance provide for (i) the limitation, restriction, or denial of such free issuance to an  
 2908 otherwise qualified applicant, including without limitation the denial of free issuance to a taxpayer who  
 2909 has failed to timely pay personal property taxes due with respect to the vehicle and (ii) the grounds for  
 2910 such limitation, restriction, or denial.  
 2911 The situs for the imposition of licensing fees under this section shall in all cases, except as  
 2912 hereinafter provided, be the county, city, or town in which the motor vehicle, trailer, or semitrailer is  
 2913 normally garaged, stored, or parked. If it cannot be determined where the personal property is normally  
 2914 garaged, stored, or parked, the situs shall be the domicile of its owner. In the event the owner of the  
 2915 motor vehicle is a full-time student attending an institution of higher education, the situs shall be the  
 2916 domicile of such student, provided the student has presented sufficient evidence that he has paid a  
 2917 personal property tax on the motor vehicle in his domicile.  
 2918 B. The revenue derived from all county, city, or town taxes and license fees imposed on motor  
 2919 vehicles, trailers, or semitrailers shall be applied to general county, city, or town purposes.  
 2920 C. A county, city, or town may require that no motor vehicle, trailer, or semitrailer shall be locally  
 2921 licensed until the applicant has produced satisfactory evidence that all personal property taxes on the  
 2922 motor vehicle, trailer, or semitrailer to be licensed have been paid and satisfactory evidence that any  
 2923 delinquent motor vehicle, trailer, or semitrailer personal property taxes owing have been paid which  
 2924 have been properly assessed or are assessable against the applicant by the county, city, or town. A  
 2925 county, city, or town may also provide that no motor vehicle license shall be issued unless the tangible  
 2926 personal property taxes properly assessed or assessable by that locality on any tangible personal property



used or usable as a dwelling titled by the Department of Motor Vehicles and owned by the taxpayer have been paid. Any county and any town within any such county may by agreement require that all personal property taxes assessed by either the county or the town on any vehicle be paid before licensure of such vehicle by either the county or the town.

C1. The Counties of Dinwiddie, Lee, and Wise may, by ordinance or resolution adopted after public notice and hearing and, with the consent of the treasurer, require that no license may be issued under this section unless the applicant has produced satisfactory evidence that all fees, including delinquent fees, payable to such county or local solid waste authority, for the disposal of solid waste pursuant to the Virginia Water and Waste Authorities Act (§ 15.2-5100 et seq.), or pursuant to § 15.2-2159, have been paid in full. For purposes of this subsection, all fees, including delinquent fees, payable to a county for waste disposal services described herein, shall be paid to the treasurer of such county; however, in Wise County, the fee shall be paid to the county or its agent.

D. The Counties of Arlington, Fairfax, Loudoun, and Prince William and towns within them and any city may require that no motor vehicle, trailer, or semitrailer shall be licensed by that jurisdiction unless all fines owed to the jurisdiction by the owner of the vehicle, trailer, or semitrailer for violation of the jurisdiction's ordinances governing parking of vehicles have been paid. The provisions of this subsection shall not apply to vehicles owned by firms or companies in the business of renting motor vehicles.

E. If in any county imposing license fees and taxes under this section, a town therein imposes like fees and taxes on vehicles of owners resident in the town, the owner of any vehicle subject to the fees or taxes shall be entitled, on the owner's displaying evidence that he has paid the fees or taxes, to receive a credit on the fees or taxes imposed by the county to the extent of the fees or taxes he has paid to the town. Nothing in this section shall deprive any town now imposing these licenses and taxes from increasing them or deprive any town not now imposing them from hereafter doing so, but subject to the limitations provided in subsection D. The governing body of any county and the governing body of any town in that county wherein each imposes the license tax herein provided may provide mutual agreements so that not more than one license plate or decal in addition to the state plate shall be required.

F. Notwithstanding the provisions of subsection E, in a consolidated county wherein a tier-city exists, the tier-city may, in accordance with the provisions of the agreement or plan of consolidation, impose license fees and taxes under this section in addition to those fees and taxes imposed by the county, provided that the combined county and tier-city rates do not exceed the maximum provided in subsection A. No credit shall be allowed on the fees or taxes imposed by the county for fees or taxes paid to the tier-city, except as may be provided by the consolidation agreement or plan. The governing body of any county and the governing body of any tier-city in such county wherein each imposes the license tax herein may provide by mutual agreement that no more than one license plate or decal in addition to the state license plate shall be required.

G. Any county, city, or town may by ordinance provide that it shall be unlawful for any owner or operator of a motor vehicle, trailer, or semitrailer (i) to fail to obtain and, if any required by such ordinance, to display the local license required by any ordinance of the county, city or town in which the vehicle is registered, or (ii) to display upon a motor vehicle, trailer, or semitrailer any such local license, required by ordinance to be displayed, after its expiration date. The ordinance may provide that a violation shall constitute a misdemeanor the penalty for which shall not exceed that of a Class 4 misdemeanor and may, in the case of a motor vehicle registered to a resident of the locality where such vehicle is registered, authorize the issuance by local law-enforcement officers of citations, summonses, parking tickets, or uniform traffic summonses for violations. Any such ordinance may also provide that a violation of the ordinance by the registered owner of the vehicle may not be discharged by payment of a fine except upon presentation of satisfactory evidence that the required license has been obtained. Nothing in this section shall be construed to require a county, city, or town to issue a decal or any other tangible evidence of a local license to be displayed on the licensed vehicle if the county's, city's, or town's ordinance does not require display of a decal or other evidence of payment. No ordinance adopted pursuant to this section shall require the display of any local license, decal, or sticker on any vehicle owned by a public service company, as defined in § 56-76, having a fleet of at least 2,500 vehicles garaged in the Commonwealth.

H. Except as provided by subsections E and F, no vehicle shall be subject to taxation under the provisions of this section in more than one jurisdiction. Furthermore, no person who has purchased a local vehicle license, decal, or sticker for a vehicle in one county, city, or town and then moves to and garages his vehicle in another county, city, or town shall be required to purchase another local license, decal, or sticker from the county, city, or town to which he has moved and wherein his vehicle is now garaged until the expiration date of the local license, decal, or sticker issued by the county, city, or town from which he moved.

I. Purchasers of new or used motor vehicles shall be allowed at least a 10-day grace period,

beginning with the date of purchase, during which to pay license fees charged by local governments under authority of this section.

J. The treasurer or director of finance of any county, city, or town may enter into an agreement with the Commissioner whereby the Commissioner will refuse to issue or renew any vehicle registration of any applicant therefor who owes to such county, city, or town any local vehicle license fees or delinquent tangible personal property tax or parking citations. Before being issued any vehicle registration or renewal of such license or registration by the Commissioner, the applicant shall first satisfy all such local vehicle license fees and delinquent taxes or parking citations and present evidence satisfactory to the Commissioner that all such local vehicle license fees and delinquent taxes or parking citations have been paid in full. However, a vehicle purchased by an applicant subsequent to the onset of enforcement action under this subsection may be issued an initial registration for a period of up to 90 days to allow the applicant to satisfy all applicable requirements under this subsection, provided that a fee sufficient for the registration period, as calculated under subsection B of § 46.2-694, is paid. Such initial registration shall not be eligible for the one-month registration extension provided for in § 46.2-646.2 for this same purpose. The Commissioner shall charge a reasonable fee to cover the costs of such enforcement action, and the treasurer or director of finance may add the cost of this fee to the delinquent tax bill or the amount of the parking citation. The treasurer or director of finance of any county, city, or town seeking to collect delinquent taxes or parking citations through the withholding of registration or renewal thereof by the Commissioner as provided for in this subsection shall notify the Commissioner in the manner provided for in his agreement with the Commissioner and supply to the Commissioner information necessary to identify the debtor whose registration or renewal is to be denied. Any agreement entered into pursuant to the provisions of this subsection shall provide the debtor notice of the intent to deny renewal of registration or issuance of registration for any currently unregistered vehicle at least 30 days prior to the expiration date of a current vehicle registration. For the purposes of this subsection, notice by first-class mail to the registrant's address as maintained in the records of the Department of Motor Vehicles shall be deemed sufficient. In the case of parking violations, the Commissioner shall only refuse to issue or renew the vehicle registration of any applicant therefor pursuant to this subsection for the vehicle that incurred the parking violations. The provisions of this subsection shall not apply to vehicles owned by firms or companies in the business of renting motor vehicles.

K. The governing bodies of any two or more counties, cities, or towns may enter into compacts for the regional enforcement of local motor vehicle license requirements. The governing body of each participating jurisdiction may by ordinance require the owner or operator of any motor vehicle, trailer, or semitrailer to display on his vehicle a valid local license issued by another county, city, or town that is a party to the regional compact, provided that the owner or operator is required by the jurisdiction of situs, as provided in § 58.1-3511, to obtain and display such license. The ordinance may also provide that no motor vehicle, trailer, or semitrailer shall be locally licensed until the applicant has produced satisfactory evidence that (i) all personal property taxes on the motor vehicle, trailer, or semitrailer to be licensed have been paid to all participating jurisdictions and (ii) any delinquent motor vehicle, trailer, or semitrailer personal property taxes that have been properly assessed or are assessable by any participating jurisdiction against the applicant have been paid. Any city and any county having the urban county executive form of government, the counties adjacent to such county and towns within them may require that no motor vehicle, trailer, or semitrailer shall be licensed by that jurisdiction or any other jurisdiction in the compact unless all fines owed to any participating jurisdiction by the owner of the vehicle for violation of any participating jurisdiction's ordinances governing parking of vehicles have been paid. The ordinance may further provide that a violation shall constitute a misdemeanor the penalty for which shall not exceed that of a Class 4 misdemeanor. Any such ordinance may also provide that a violation of the ordinance by the owner of the vehicle may not be discharged by payment of a fine and applicable court costs except upon presentation of satisfactory evidence that the required license has been obtained. The provisions of this subsection shall not apply to vehicles owned by firms or companies in the business of renting motor vehicles.

L. In addition to the taxes and license fees permitted in subsection A, counties, cities, and towns may charge a license fee of no more than \$1 per motor vehicle, trailer, and semitrailer. Except for the provisions of subsection B, such fee shall be subject to all other provisions of this section. All funds collected pursuant to this subsection shall be paid pursuant to § 51.1-1204 to the Volunteer Firefighters' and Rescue Squad Workers' Service Award Fund to the accounts of all members of the Fund who are volunteers for fire departments or emergency medical services agencies within the jurisdiction of the particular county, city, or town.

M. In any county, the county treasurer or comparable officer and the treasurer of any town located wholly or partially within such county may enter into a reciprocal agreement, with the approval of the respective local governing bodies, that provides for the town treasurer to collect license fees or taxes on

any motor vehicle, trailer, or semitrailer owed to the county that are non-delinquent, delinquent, or both or for the county treasurer to collect license fees or taxes on any motor vehicle, trailer, or semitrailer owed to the town that are non-delinquent, delinquent, or both. A treasurer or comparable officer collecting any such license fee or tax pursuant to an agreement entered into under this subsection shall account for and pay over such amounts to the locality owed such license fee or tax in the same manner as provided by law. As used in this subsection, with regard to towns, "treasurer" means the town officer or employee vested with authority by the charter, statute, or governing body to collect local taxes.

N. For any summons issued for a violation of this section, the court may, in its discretion, dismiss the summons, where proof of compliance with this section is provided to the court on or before the court date.

#### CHAPTER 7.

#### HIGHWAY USE FEE AND MILEAGE-BASED USER FEE PROGRAM.

##### **§ 46.2-770. Definitions.**

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

"Alternative fuel vehicle" means a vehicle equipped to be powered by a combustible gas, liquid, or other source of energy that can be used to generate power to operate a highway vehicle and that is neither a motor fuel nor electricity used to recharge an electric motor vehicle or a hybrid electric motor vehicle.

"Electric motor vehicle" means a vehicle that uses electricity as its only source of motive power.

"Fuel-efficient vehicle" means a vehicle that has a combined fuel economy of 25 miles per gallon or greater.

##### **§ 46.2-771. Purpose.**

The purpose of this chapter is to ensure more equitable contributions to the Commonwealth Transportation Fund from alternative fuel vehicles, electric motor vehicles, and fuel-efficient vehicles using highways in the Commonwealth.

##### **§ 46.2-772. Highway use fee.**

A. Except as provided in subsection C, there is hereby imposed an annual highway use fee on any motor vehicle registered in the Commonwealth under § 46.2-694 or 46.2-697 that is an alternative fuel vehicle, an electric motor vehicle, or a fuel-efficient vehicle. The fee shall be collected by the Department at the time of vehicle registration. If the vehicle is registered for a period of other than one year as provided in § 46.2-646, the highway use fee shall be multiplied by the number of years or fraction thereof that the vehicle will be registered.

B. For an electric motor vehicle, the highway use fee shall be 85 percent of the amount of taxes paid under subsection A of § 58.1-2217 on fuel used by a vehicle with a combined fuel economy of 23.7 miles per gallon for the average number of miles traveled by a passenger vehicle in the Commonwealth, as determined by the Commissioner. For all other fuel-efficient vehicles, the highway use fee shall be 85 percent of the difference between the tax paid under subsection A of § 58.1-2217 on the fuel used by a vehicle with a combined fuel economy of 23.7 miles per gallon for the average number of miles traveled by a passenger vehicle in the Commonwealth in a year, as determined by the Commissioner, and the tax paid under subsection A of § 58.1-2217 on the fuel used by the vehicle being registered for the average number of miles traveled by a passenger vehicle in the Commonwealth in a year, as determined by the Commissioner.

For purposes of this chapter, the Commissioner shall use combined fuel economy as determined by the manufacturer of the vehicle. If the Commissioner is unable to obtain the manufacturer's fuel economy for a vehicle, then the Commissioner shall use the final estimate of average fuel economy, as determined by the U.S. Environmental Protection Agency, of (i) all trucks having the same model year as the vehicle being registered, if the vehicle has a gross weight between 6,000 pounds and 10,000 pounds, or (ii) all cars having the same model year as the vehicle. If data is not available for the model year of the vehicle being registered, then the Commissioner shall use available data for the model year that is closest to the model year of the vehicle being registered.

The Commissioner shall update the fees calculated under this section by July 1 of each year.

C. This section shall not apply to:

1. An autocycle, moped, or motorcycle;
2. A vehicle with a gross weight over 10,000 pounds;
3. A vehicle that is owned by a governmental entity as defined in § 58.1-2201; or
4. A vehicle that is registered under the International Registration Plan.

A vehicle shall not be subject to the fee set forth in this section in any year in which such vehicle is registered to participate in the mileage-based user fee program established pursuant to § 46.2-773.

##### **§ 46.2-773. Mileage-based user fee program.**

A. There is hereby established a mileage-based user fee program. The program shall be a voluntary program that allows owners of vehicles subject to the highway use fee pursuant to § 46.2-772 to pay a

3110 mileage-based fee in lieu of the highway use fee. No owner of a motor vehicle registered in the  
 3111 Commonwealth shall be required to participate in the program established pursuant to this section.

3112 *B. In any year that an owner pays the fee set forth in this section, such owner shall not be subject to*  
 3113 *the fee set forth in § 46.2-772 for the same vehicle. In no case shall the fees paid pursuant to this*  
 3114 *section during a 12-month period exceed the annual highway use fee that would have otherwise been*  
 3115 *paid.*

3116 *C. The fee schedule for the mileage-based user fee program shall be calculated by dividing the*  
 3117 *amount of the highway use fee as determined pursuant to subsection B of § 46.2-772 by the average*  
 3118 *number of miles traveled by a passenger vehicle in the Commonwealth to determine a fee per mile*  
 3119 *driven.*

3120 *D. The Department shall establish procedures for the collection of the fees set forth in this section.*  
 3121 *Such procedures may limit the total number of participants during the first four years of the program.*

3122 **§ 46.2-774. Distribution of revenues.**

3123 *All revenues collected pursuant to this chapter shall be used first to pay for the direct cost of*  
 3124 *administration of this chapter by the Department, and then shall be deposited into the Commonwealth*  
 3125 *Transportation Fund established pursuant to § 33.2-1524.*

3126 **§ 46.2-1158. Frequency of inspection; scope of inspection.**

3127 *Motor vehicles, trailers, and semitrailers required to be inspected pursuant to the provisions of*  
 3128 *§ 46.2-1157 shall be reinspected within 12 months of the month of the first inspection and at least once*  
 3129 *every 12 months thereafter.*

3130 *Each inspection shall be a complete inspection. A reinspection of a rejected vehicle by the same*  
 3131 *station during the period of validity of the rejection sticker on such vehicle, however, need only include*  
 3132 *an inspection of the item or items previously found defective unless there is found an obvious defect*  
 3133 *that would warrant further rejection of the vehicle.*

3134 *A rejection sticker shall be valid for 15 calendar days beyond the day of issuance, during which time*  
 3135 *the operator of the vehicle shall not be charged for a violation of vehicle equipment requirements set*  
 3136 *forth in Article 3 (§ 46.2-1010 et seq.) through Article 9 (§ 46.2-1066 et seq.) for such vehicle. A*  
 3137 *complete inspection shall be performed on any vehicle bearing an expired rejection sticker.*

3138 *The completion of the conversion process for a converted electric vehicle shall invalidate any*  
 3139 *inspection of such vehicle conducted in accordance with this section prior to the conversion. Following*  
 3140 *the initial inspection of a converted electric vehicle, as required under § 46.2-602.3 and the provisions of*  
 3141 *this chapter, such vehicle shall be reinspected in accordance with this section.*

3142 **§ 46.2-1158.02. Penalty for failure to have motor vehicle inspection.**

3143 *A. Notwithstanding the penalty provisions of § 46.2-1171, a violation of § 46.2-1158 constitutes a*  
 3144 *traffic infraction. The court may, in its discretion, dismiss a summons issued under § 46.2-1158 where*  
 3145 *correction of vehicle or safety equipment defects or proof of compliance with § 46.2-1158 is provided to*  
 3146 *the court subsequent to the issuance of the summons.*

3147 *B. The operator of a motor vehicle who is cited for a violation of § 46.2-1158 shall not be cited*  
 3148 *during the same occurrence for a violation of vehicle equipment requirements set forth in Article 3*  
 3149 *(§ 46.2-1010 et seq.) through Article 9 (§ 46.2-1066 et seq.) for such vehicle, nor shall the operator of*  
 3150 *the motor vehicle that is subject to the citation be cited for a violation of such vehicle equipment*  
 3151 *requirements for such vehicle for a period of 15 calendar days.*

3152 **§ 46.2-1507. Penalties.**

3153 *Except as otherwise provided in this chapter, any person violating any of the provisions of this*  
 3154 *chapter may be assessed a civil penalty by the Board. No such civil penalty shall exceed \$1,000 for any*  
 3155 *single violation. Civil penalties collected under this chapter shall be deposited in the Commonwealth*  
 3156 *Transportation Trust Fund established pursuant to § 33.2-1524.*

3157 **§ 46.2-1546. Registration of dealers; fees.**

3158 *Every manufacturer, distributor, or dealer, before he commences to operate vehicles in his inventory*  
 3159 *for sale or resale, shall apply to the Commissioner for a dealer's certificate of vehicle registration and*  
 3160 *license plates. For the purposes of this article, a vehicle is in inventory when it is owned by or assigned*  
 3161 *to a dealer and is offered and available for sale or resale. All dealer's certificates of vehicle registration*  
 3162 *and license plates issued under this section may, at the discretion of the Commissioner, be placed in a*  
 3163 *system of staggered issue to distribute the work of issuing vehicle registration certificates and license*  
 3164 *plates as uniformly as practicable throughout the year. Dealerships which sold fewer than ~~twenty-five~~ 25*  
 3165 *vehicles during the last ~~twelve~~ 12 months of the preceding license year shall be eligible to receive no*  
 3166 *more than two dealer's license plates; dealerships which sold at least ~~twenty-five~~ 25 but fewer than fifty*  
 3167 *50 vehicles during the last ~~twelve~~ 12 months of the preceding license year shall be eligible to receive no*  
 3168 *more than four dealer's license plates. However, dealerships ~~which~~ that sold ~~fifty~~ 50 or more vehicles*  
 3169 *during their current license year may apply for additional license plates not to exceed four times the*  
 3170 *number of licensed salespersons employed by that dealership. Dealerships ~~which~~ that sold ~~fifty~~ 50 or*

more vehicles during the last ~~twelve~~ 12 months of the preceding license year shall be eligible to receive a number of dealer's license plates not to exceed four times the number of licensed salespersons employed by that dealership. A new applicant for a dealership shall be eligible to receive a number of dealer's license plates not to exceed four times the number of licensed salespersons employed by that dealership. For the purposes of this article, a salesperson or employee shall be considered to be employed only if he (i) works for the dealership at least ~~twenty-five~~ 25 hours each week on a regular basis and (ii) is compensated for this work. All salespersons' or employees' employment records shall be retained in accordance with the provisions of § 46.2-1529. A salesperson shall not be considered employed, within the meaning of this section, if he is an independent contractor as defined by the United States Internal Revenue Code. The fee for the issuance of dealer's license plates shall be determined by the Board, but not more than \$30 per license plate; however, the fee for the first two dealer's plates shall not be less than ~~twenty-four dollars~~ \$24 and the fee for additional dealer's license plates shall not be less than ~~ten dollars and forty cents~~ \$10.40 each. For the first two dealer's license plates issued by the Department to a dealer, ~~twenty-four dollars~~ \$24 shall be deposited into the ~~Commonwealth Transportation Trust~~ Fund established pursuant to § 33.2-1524 and the remainder shall be deposited into the Motor Vehicle Dealer Fund. For each additional dealer's license plate issued to a dealer, ~~ten dollars and forty cents~~ \$10.40 shall be deposited into the Transportation Trust Fund and the remainder shall be deposited into the Motor Vehicle Dealer Fund.

**§ 46.2-1573. Hearings and other remedies; civil penalties.**

A. In every case of a hearing before the Commissioner authorized under this article, the Commissioner shall give reasonable notice of each hearing to all interested parties, and the Commissioner's decision shall be binding on the parties, subject to the rights of judicial review and appeal as provided in Chapter 40 (§ 2.2-4000 et seq.) of Title 2.2. In every case of a hearing before the Commissioner authorized under this article based on a request or petition of a motor vehicle dealer, the manufacturer, factory branch, distributor, or distributor branch shall have the burden of proving by a preponderance of the evidence that the manufacturer, factory branch, distributor, or distributor branch has good cause to take the action or actions for which the dealer has filed the petition for a hearing or that such actions are reasonable if required under the relevant provision.

B. The hearing process before the Commissioner under this article shall commence within 90 days of the request for a hearing by prehearing conference between the hearing officer and the parties in person, by telephone, or by other electronic means designated by the Commissioner. The hearing officer will set the hearing on a date or dates consistent with the rights of due process of the parties. The Commissioner's decision shall be rendered within 60 days from the receipt of the hearing officer's recommendation. Hearings authorized under this article shall be presided over by a hearing officer selected from a list prepared by the Executive Secretary of the Supreme Court of Virginia within 60 days following the request for a hearing. Reasonable efforts shall be made to ensure that a hearing officer shall have at least five years of experience as a hearing officer in administrative hearings in the Commonwealth, shall have telephone and email capability, and shall be an active member of the Virginia State Bar. On request of the Commissioner, the Executive Secretary will name a hearing officer from the list, selected on a rotation system administered by the Executive Secretary. The hearing officer shall provide recommendations to the Commissioner within 90 days of the conclusion of the hearing.

C. Notwithstanding any contrary provision of this article, the Commissioner shall initiate investigations, conduct hearings, and determine the rights of parties under this article whenever he is provided information by the Motor Vehicle Dealer Board or any other person indicating a possible violation of any provision of this article. The Commissioner shall issue a response to the Motor Vehicle Dealer Board or person reporting the alleged violation and any other party to the investigation providing an explanation of action taken under this section and the reason for such action.

D. For purposes of any matter brought to the Commissioner under subdivisions 3, 4, 5, 6 and 7b of § 46.2-1569 with respect to which the Commissioner is to determine whether there is good cause for a proposed action or whether it would be unreasonable under the circumstances, the Commissioner shall consider:

1. The volume of the affected dealer's business in the relevant market area;
2. The nature and extent of the dealer's investment in its business;
3. The adequacy of the dealer's capitalization to the franchisor's standards and the adequacy of the dealer's facilities, equipment, parts, supplies, and personnel;
4. The effect of the proposed action on the community;
5. The extent and quality of the dealer's service under motor vehicle warranties;
6. The dealer's performance under the terms of its franchise;
7. Other economic and geographical factors reasonably associated with the proposed action; and
8. The recommendations, if any, from a three-member panel composed of members of the Board who are franchised dealers not of the same line-make involved in the hearing and who are appointed to

the panel by the Commissioner.

E. An interested party in a hearing held pursuant to subsection A of this section shall comply with the effective date of compliance established by the Commissioner in his decision in such hearing, unless a stay or extension of such date is granted by the Commissioner or the Commissioner's decision is under judicial review and appeal as provided in subsection A of this section. If, after notice to such interested party and an opportunity to comment, the Commissioner finds an interested party has not complied with his decision by the designated date of compliance, unless a stay or extension of such date has been granted by the Commissioner or the Commissioner's decision is under judicial review and appeal, the Commissioner may assess such interested party a civil penalty not to exceed \$1,000 per day of noncompliance. Civil penalties collected under this subsection shall be deposited into the *Commonwealth Transportation Trust Fund* established pursuant to § 33.2-1524.

F. During the hearing process, parties may obtain documents and materials by discovery pursuant to Rules 4:9 and 4:9A of the Supreme Court of Virginia. The parties shall exchange reports of experts, which shall meet the standard of Rule 4:1 of the Supreme Court of Virginia, at times to be established by the hearing officer. The parties may utilize any other form of discovery provided under the Rules of Supreme Court of Virginia if allowed by the hearing officer based on good cause shown. For discovery permitted under the Rules of Supreme Court of Virginia, a party may object to the discovery sought or seek to limit the discovery sought on any grounds permitted by the Rules or applicable law.

**§ 46.2-1573.11. Hearings and other remedies; civil penalties.**

A. In every case of a hearing before the Commissioner authorized under this article, the Commissioner shall give reasonable notice of each hearing to all interested parties, and the Commissioner's decision shall be binding on the parties, subject to the rights of judicial review and appeal as provided in the Administrative Process Act (§ 2.2-4000 et seq.).

B. Hearings before the Commissioner under this article shall commence within 90 days of the request for a hearing, and the Commissioner's decision shall be rendered within 60 days from the receipt of the hearing officer's recommendation. Hearings authorized under this article shall be presided over by a hearing officer selected from a list prepared by the Executive Secretary of the Supreme Court. On request of the Commissioner, the Executive Secretary will name a hearing officer from the list, selected on a rotation system administered by the Executive Secretary. The hearing officer shall provide recommendations to the Commissioner within 90 days of the conclusion of the hearing.

C. Notwithstanding any contrary provision of this article, the Commissioner shall initiate investigations, conduct hearings, and determine the rights of parties under this article whenever he is provided information indicating a possible violation of any provision of this article.

D. For purposes of any matter brought to the Commissioner under subdivisions 3, 4, 5, 6, and 9 of § 46.2-1573.5 with respect to which the Commissioner is to determine whether there is good cause for a proposed action or whether it would be unreasonable under the circumstances, the Commissioner shall consider:

1. The volume of the affected dealer's business in the relevant market area;
2. The nature and extent of the dealer's investment in its business;
3. The adequacy of the dealer's service facilities, equipment, parts, supplies, and personnel;
4. The effect of the proposed action on the community;
5. The extent and quality of the dealer's service under recreational vehicle warranties;
6. The dealer's performance under the terms of its franchise; and
7. Other economic and geographical factors reasonably associated with the proposed action.

With respect to subdivision 6, any performance standard or program for measuring dealership performance that may have a material effect on a dealer, and the application of any such standard or program by a manufacturer or distributor, shall be fair, reasonable, and equitable and, if based upon a survey, shall be based upon a statistically valid sample. Upon the request of any dealer, a manufacturer or distributor shall disclose in writing to the dealer a description of how a performance standard or program is designed and all relevant information used in the application of the performance standard or program to that dealer.

E. An interested party in a hearing held pursuant to subsection A shall comply with the effective date of compliance established by the Commissioner in his decision in such hearing, unless a stay or extension of such date is granted by the Commissioner or the Commissioner's decision is under judicial review and appeal as provided in subsection A. If, after notice to such interested party and an opportunity to comment, the Commissioner finds an interested party has not complied with his decision by the designated date of compliance, unless a stay or extension of such date has been granted by the Commissioner or the Commissioner's decision is under judicial review and appeal, the Commissioner may assess such interested party a civil penalty not to exceed \$1,000 per day of noncompliance. Civil penalties collected under this subsection shall be deposited into the *Transportation Trust Highway Maintenance and Operating Fund* established pursuant to ~~§ 33.2-1524~~ § 33.2-1530.

**§ 46.2-1573.23. Hearings and other remedies; civil penalties.**

A. In every case of a hearing before the Commissioner authorized under this article, the Commissioner shall give reasonable notice of each hearing to all interested parties, and the Commissioner's decision shall be binding on the parties, subject to the rights of judicial review and appeal as provided in the Administrative Process Act (§ 2.2-4000 et seq.).

B. Hearings before the Commissioner under this article shall commence within 90 days of the request for a hearing, and the Commissioner's decision shall be rendered within 60 days from the receipt of the hearing officer's recommendation. Hearings authorized under this article shall be presided over by a hearing officer selected from a list prepared by the Executive Secretary of the Supreme Court. On request of the Commissioner, the Executive Secretary will name a hearing officer from the list, selected on a rotation system administered by the Executive Secretary. The hearing officer shall provide recommendations to the Commissioner within 90 days of the conclusion of the hearing.

C. Notwithstanding any contrary provision of this article, the Commissioner shall initiate investigations, conduct hearings, and determine the rights of parties under this article whenever he is provided information indicating a possible violation of any provision of this article.

D. For purposes of any matter brought to the Commissioner under subdivisions 3, 4, 5, 6, and 9 of § 46.2-1573.16 with respect to which the Commissioner is to determine whether there is good cause for a proposed action or whether it would be unreasonable under the circumstances, the Commissioner shall consider:

1. The volume of the affected dealer's business in the relevant market area;
2. The nature and extent of the dealer's investment in its business;
3. The adequacy of the dealer's service facilities, equipment, parts, supplies, and personnel;
4. The effect of the proposed action on the community;
5. The extent and quality of the dealer's service under trailer warranties;
6. The dealer's performance under the terms of its franchise; and
7. Other economic and geographical factors reasonably associated with the proposed action.

With respect to subdivision 6, any performance standard or program for measuring dealership performance that may have a material effect on a dealer, and the application of any such standard or program by a manufacturer or distributor, shall be fair, reasonable, and equitable and, if based upon a survey, shall be based upon a statistically valid sample. Upon the request of any dealer, a manufacturer or distributor shall disclose in writing to the dealer a description of how a performance standard or program is designed and all relevant information used in the application of the performance standard or program to that dealer.

E. An interested party in a hearing held pursuant to subsection A shall comply with the effective date of compliance established by the Commissioner in his decision in such hearing, unless a stay or extension of such date is granted by the Commissioner or the Commissioner's decision is under judicial review and appeal as provided in subsection A. If, after notice to such interested party and an opportunity to comment, the Commissioner finds an interested party has not complied with his decision by the designated date of compliance, unless a stay or extension of such date has been granted by the Commissioner or the Commissioner's decision is under judicial review and appeal, the Commissioner may assess such interested party a civil penalty not to exceed \$1,000 per day of noncompliance. Civil penalties collected under this subsection shall be deposited into the ~~Transportation Trust~~ *Highway Maintenance and Operating Fund* established pursuant to ~~§ 33.2-1524~~ § 33.2-1530.

**§ 46.2-1573.36. Hearings and other remedies; civil penalties.**

A. In every case of a hearing before the Commissioner authorized under this article, the Commissioner shall give reasonable notice of each hearing to all interested parties, and the Commissioner's decision shall be binding on the parties, subject to the rights of judicial review and appeal as provided in the Administrative Process Act (§ 2.2-4000 et seq.).

B. Hearings before the Commissioner under this article shall commence within 90 days of the request for a hearing, and the Commissioner's decision shall be rendered within 60 days from the receipt of the hearing officer's recommendation. Hearings authorized under this article shall be presided over by a hearing officer selected from a list prepared by the Executive Secretary of the Supreme Court. On request of the Commissioner, the Executive Secretary will name a hearing officer from the list, selected on a rotation system administered by the Executive Secretary. The hearing officer shall provide recommendations to the Commissioner within 90 days of the conclusion of the hearing.

C. Notwithstanding any contrary provision of this article, the Commissioner shall initiate investigations, conduct hearings, and determine the rights of parties under this article whenever he is provided information indicating a possible violation of any provision of this article.

D. For purposes of any matter brought to the Commissioner under subdivisions 3, 4, 5, 6, and 9 of § 46.2-1573.28 with respect to which the Commissioner is to determine whether there is good cause for a proposed action or whether it would be unreasonable under the circumstances, the Commissioner shall

3354 consider:

- 3355 1. The volume of the affected dealer's business in the relevant market area;
- 3356 2. The nature and extent of the dealer's investment in its business;
- 3357 3. The adequacy of the dealer's service facilities, equipment, parts, supplies, and personnel;
- 3358 4. The effect of the proposed action on the community;
- 3359 5. The extent and quality of the dealer's service under motorcycle warranties;
- 3360 6. The dealer's performance under the terms of its franchise; and
- 3361 7. Other economic and geographical factors reasonably associated with the proposed action.

3362 With respect to subdivision 6, any performance standard or program for measuring dealership  
 3363 performance that may have a material effect on a dealer, and the application of any such standard or  
 3364 program by a manufacturer or distributor, shall be fair, reasonable, and equitable and, if based upon a  
 3365 survey, shall be based upon a statistically valid sample. Upon the request of any dealer, a manufacturer  
 3366 or distributor shall disclose in writing to the dealer a description of how a performance standard or  
 3367 program is designed and all relevant information used in the application of the performance standard or  
 3368 program to that dealer.

3369 E. An interested party in a hearing held pursuant to subsection A shall comply with the effective date  
 3370 of compliance established by the Commissioner in his decision in such hearing, unless a stay or  
 3371 extension of such date is granted by the Commissioner or the Commissioner's decision is under judicial  
 3372 review and appeal as provided in subsection A. If, after notice to such interested party and an  
 3373 opportunity to comment, the Commissioner finds an interested party has not complied with his decision  
 3374 by the designated date of compliance, unless a stay or extension of such date has been granted by the  
 3375 Commissioner or the Commissioner's decision is under judicial review and appeal, the Commissioner  
 3376 may assess such interested party a civil penalty not to exceed \$1,000 per day of noncompliance. Civil  
 3377 penalties collected under this subsection shall be deposited into the ~~Transportation Trust Highway~~  
 3378 *Maintenance and Operating* Fund established pursuant to ~~§ 33.2-1524~~ § 33.2-1530.

3379 **§ 58.1-608.3. Entitlement to certain sales tax revenues.**

3380 A. As used in this section, the following words and terms have the following meanings, unless some  
 3381 other meaning is plainly intended:

3382 "Bonds" means any obligations of a municipality for the payment of money.

3383 "Cost," as applied to any public facility or to extensions or additions to any public facility, includes:  
 3384 (i) the purchase price of any public facility acquired by the municipality or the cost of acquiring all of  
 3385 the capital stock of the corporation owning the public facility and the amount to be paid to discharge  
 3386 any obligations in order to vest title to the public facility or any part of it in the municipality; (ii)  
 3387 expenses incident to determining the feasibility or practicability of the public facility; (iii) the cost of  
 3388 plans and specifications, surveys and estimates of costs and of revenues; (iv) the cost of all land,  
 3389 property, rights, easements and franchises acquired; (v) the cost of improvements, property or  
 3390 equipment; (vi) the cost of engineering, legal and other professional services; (vii) the cost of  
 3391 construction or reconstruction; (viii) the cost of all labor, materials, machinery and equipment; (ix)  
 3392 financing charges; (x) interest before and during construction and for up to one year after completion of  
 3393 construction; (xi) start-up costs and operating capital; (xii) payments by a municipality of its share of the  
 3394 cost of any multijurisdictional public facility; (xiii) administrative expense; (xiv) any amounts to be  
 3395 deposited to reserve or replacement funds; and (xv) other expenses as may be necessary or incident to  
 3396 the financing of the public facility. Any obligation or expense incurred by the public facility in  
 3397 connection with any of the foregoing items of cost may be regarded as a part of the cost.

3398 "Municipality" means any county, city, town, authority, commission, or other public entity.

3399 "Public facility" means (i) any auditorium, coliseum, convention center, or conference center, which  
 3400 is owned by a Virginia county, city, town, authority, or other public entity and where exhibits, meetings,  
 3401 conferences, conventions, seminars, or similar public events may be conducted; (ii) any hotel which is  
 3402 owned by a foundation whose sole purpose is to benefit a baccalaureate public institution of higher  
 3403 education in the Commonwealth and which is attached to and is an integral part of such facility,  
 3404 together with any lands reasonably necessary for the conduct of the operation of such events; (iii) any  
 3405 hotel which is attached to and is an integral part of such facility; (iv) any hotel that is adjacent to a  
 3406 convention center owned by a public entity and where the hotel owner enters into a public-private  
 3407 partnership whereby the locality contributes infrastructure, real property, or conference space; or (v) a  
 3408 sports complex consisting of a minor league baseball stadium and related tournament, training, and  
 3409 parking facilities, where a municipality owns a component of the sports complex. However, such public  
 3410 facility must be located in the City of Fredericksburg, City of Hampton, City of Lynchburg, City of  
 3411 Newport News, City of Norfolk, City of Portsmouth, City of Richmond, City of Roanoke, City of  
 3412 Salem, City of Staunton, City of Suffolk, City of Virginia Beach, City of Winchester, or Town of Wise.  
 3413 Any property, real, personal, or mixed, which is necessary or desirable in connection with any such  
 3414 auditorium, coliseum, convention center, sports complex, or conference center, including, without



limitation, facilities for food preparation and serving, parking facilities, and office space, is encompassed within this definition. However, structures commonly referred to as "shopping centers" or "malls" shall not constitute a public facility hereunder. A public facility shall not include residential condominiums, townhomes, or other residential units. In addition, only a new public facility, or a public facility which will undergo a substantial and significant renovation or expansion, shall be eligible under subsection C. A new public facility is one whose construction began after December 31, 1991. A substantial and significant renovation entails a project whose cost is at least 50 percent of the original cost of the facility being renovated and shall have begun after December 31, 1991. A substantial and significant expansion entails an increase in floor space of at least 50 percent over that existing in the preexisting facility and shall have begun after December 31, 1991; or an increase in floor space of at least 10 percent over that existing in a public facility that qualified as such under this section and was constructed after December 31, 1991.

"Sales tax revenues" means such tax collections realized under the Virginia Retail Sales and Use Tax Act (§ 58.1-600 et seq.), as limited herein. "Sales tax revenues" does not include the revenue generated by (i) the 0.5 percent sales and use tax increase enacted by the 1986 Special Session of the General Assembly which shall be paid to the *Commonwealth Transportation Trust Fund as defined in established pursuant to § 33.2-1524*, (ii) the 1.0 percent of the state sales and use tax revenue distributed among the counties and cities of the Commonwealth pursuant to subsection D of § 58.1-638 on the basis of school age population, or (iii) any sales and use tax revenues generated by increases or allocation changes imposed by the 2013 Session of the General Assembly.

B. Notwithstanding the definition of "public facility" in subsection A, a development project that meets the requirements for a "development of regional impact" set forth herein shall be deemed to be a public facility under the provisions of this section. The locality in which the public facility is located shall be entitled to all sales tax revenues generated by transactions taking place at such public facility solely to pay the cost of any bonds issued to pay the cost, or portion thereof, of such public facility pursuant to subsection C. For purposes of this subsection, the development of regional impact must be located in the City of Bristol.

For purposes of this subsection, a "development of regional impact" means a development project (i) towards which the locality contributes infrastructure or real property as part of a public-private partnership with the developer that is equal to at least 20 percent of the aggregate cost of development, (ii) that is reasonably expected to require a capital investment of at least \$50 million, (iii) that is reasonably expected to generate at least \$5 million annually in state sales and use tax revenue from sales within the development, (iv) that is reasonably expected to attract at least one million visitors annually, (v) that is reasonably expected to create at least 2,000 permanent jobs, (vi) that is located in a locality that had a rate of unemployment at least three percentage points higher than the statewide average in November 2011, and (vii) that is located in a locality that is adjacent to a state that has adopted a Border Region Retail Tourism Development District Act. Within 30 days from the date of notification by a locality that it intends to contribute infrastructure or real property as part of a public-private partnership with the developer of a development of regional impact, the Department of Taxation shall review the findings of the locality with respect to clauses (i) through (vi) and shall file a written report with the Chairmen of the House Committee on Finance, the House Committee on Appropriations, and the Senate Committee on Finance.

C. Any municipality which has issued bonds (i) after December 31, 1991, but before January 1, 1996, (ii) on or after January 1, 1998, but before July 1, 1999, (iii) on or after January 1, 1999, but before July 1, 2001, (iv) on or after July 1, 2000, but before July 1, 2003, (v) on or after July 1, 2001, but before July 1, 2005, (vi) on or after July 1, 2004, but before July 1, 2007, (vii) on or after July 1, 2009, but before July 1, 2012, (viii) on or after January 1, 2011, but prior to July 1, 2015, or (ix) on or after January 1, 2013, but prior to July 1, 2020, to pay the cost, or portion thereof, of any public facility shall be entitled to all sales tax revenues generated by transactions taking place in such public facility. In the case of a public facility described in clause (v) of the definition of public facility, all such sales tax revenues shall be applied solely to repayment of the bonds issued to pay the cost, or portion thereof, of the municipality-owned component of the sports complex. Such entitlement shall continue for the lifetime of such bonds, or any refinancing or refunding thereof, but in no event shall such entitlement exceed 35 years from the initial date that any bonds were issued to pay the cost, or a portion thereof, of any public facility, and all such sales tax revenues shall be applied to repayment of the bonds. The State Comptroller shall remit such sales tax revenues to the municipality on a quarterly basis, subject to such reasonable processing delays as may be required by the Department of Taxation to calculate the actual net sales tax revenues derived from the public facility. The State Comptroller shall make such remittances to eligible municipalities, as provided herein, notwithstanding any provisions to the contrary in the Virginia Retail Sales and Use Tax Act (§ 58.1-600 et seq.). No such remittances shall be made until construction is completed and, in the case of a renovation or expansion, until the governing body

of the municipality has certified that the renovation or expansion is completed; however, in the case of any public facility consisting of more than one building or structure, such remittances shall be made on a quarterly basis beginning with the first quarter in which any sales tax revenue is generated by transactions taking place at any building or structure within such public facility, whether or not construction of all or any portion, phase, building, or structure of such public facility has been completed.

D. Nothing in this section shall be construed as authorizing the pledging of the faith and credit of the Commonwealth of Virginia, or any of its revenues, for the payment of any bonds. Any appropriation made pursuant to this section shall be made only from sales tax revenues derived from the public facility for which bonds may have been issued to pay the cost, in whole or in part, of such public facility.

**§ 58.1-638. Disposition of state sales and use tax revenue.**

A. The Comptroller shall designate a specific revenue code number for all the state sales and use tax revenue collected under the preceding sections of this chapter.

1. The sales and use tax revenue generated by the one-half percent sales and use tax increase enacted by the 1986 Special Session of the General Assembly shall be paid, in the manner hereinafter provided in this section, to the *Commonwealth Transportation Trust Fund* as defined in *established pursuant to* § 33.2-1524. Of the funds paid to the Transportation Trust Fund, an aggregate of 4.2 percent shall be set aside as the *Commonwealth Port Fund* as provided in this section; an aggregate of 2.4 percent shall be set aside as the *Commonwealth Airport Fund* as provided in this section; and an aggregate of 14.7 percent shall be set aside as the *Commonwealth Mass Transit Fund* as provided in this section. The Fund's share of such net revenue shall be computed as an estimate of the net revenue to be received into the state treasury each month, and such estimated payment shall be adjusted for the actual net revenue received in the preceding month. All payments shall be made to the Fund on the last day of each month.

2. There is hereby created in the Department of the Treasury a special nonreverting fund which shall be a part of the Transportation Trust Fund and which shall be known as the *Commonwealth Port Fund*.

a. The *Commonwealth Port Fund* shall be established on the books of the Comptroller and the funds remaining in such Fund at the end of a biennium shall not revert to the general fund but shall remain in the Fund. Interest earned on such funds shall remain in the Fund and be credited to it. Funds may be paid to any authority, locality or commission for the purposes hereinafter specified.

b. The amounts allocated pursuant to this section shall be allocated by the Commonwealth Transportation Board to the Board of Commissioners of the Virginia Port Authority to be used to support port capital needs and the preservation of existing capital needs of all ocean, river, or tributary ports within the Commonwealth. Expenditures for such capital needs are restricted to those capital projects specified in subsection B of § 62.1-132.1.

c. *Commonwealth Port Fund* revenue shall be allocated by the Board of Commissioners to the Virginia Port Authority in order to foster and stimulate the flow of maritime commerce through the ports of Virginia, including but not limited to the ports of Richmond, Hopewell, and Alexandria.

3. There is hereby created in the Department of the Treasury a special nonreverting fund which shall be part of the Transportation Trust Fund and which shall be known as the *Commonwealth Airport Fund*. The *Commonwealth Airport Fund* shall be established on the books of the Comptroller and any funds remaining in such Fund at the end of a biennium shall not revert to the general fund but shall remain in the Fund. Interest earned on the funds shall be credited to the Fund. The funds so allocated shall be allocated by the Commonwealth Transportation Board to the Virginia Aviation Board. The funds shall be allocated by the Virginia Aviation Board to any Virginia airport which is owned by the Commonwealth, a governmental subdivision thereof, or a private entity to which the public has access for the purposes enumerated in § 5.1-2.16, or is owned or leased by the Metropolitan Washington Airports Authority (MWAA), as follows:

Any new funds in excess of \$12.1 million which are available for allocation by the Virginia Aviation Board from the Commonwealth Transportation Fund, shall be allocated as follows: 60 percent to MWAA, up to a maximum annual amount of \$2 million, and 40 percent to air carrier airports as provided in subdivision A 3 a. Except for adjustments due to changes in enplaned passengers, no air carrier airport sponsor, excluding MWAA, shall receive less funds identified under subdivision A 3 a than it received in fiscal year 1994-1995.

Of the remaining amount:

a. Forty percent of the funds shall be allocated to air carrier airports, except airports owned or leased by MWAA, based upon the percentage of enplanements for each airport to total enplanements at all air carrier airports, except airports owned or leased by MWAA. No air carrier airport sponsor, however, shall receive less than \$50,000 nor more than \$2 million per year from this provision.

b. Sixty percent of the funds shall be allocated as follows:

(1) For the first six months of each fiscal year, the funds shall be allocated as follows:

(a) Forty percent of the funds shall be allocated by the Aviation Board for air carrier and reliever airports on a discretionary basis, except airports owned or leased by MWA; and

(b) Twenty percent of the funds shall be allocated by the Aviation Board for general aviation airports on a discretionary basis; and

(2) For the second six months of each fiscal year, all remaining funds shall be allocated by the Aviation Board for all eligible airports on a discretionary basis, except airports owned or leased by MWA.

3a. There is hereby created in the Department of the Treasury a special nonreverting fund that shall be a part of the Transportation Trust Fund and that shall be known as the Commonwealth Space Flight Fund. The Commonwealth Space Flight Fund shall be established on the books of the Comptroller and the funds remaining in such Fund at the end of a biennium shall not revert to the general fund but shall remain in the Fund. Interest earned on such funds shall remain in the Fund and be credited to it.

a. The amounts allocated to the Commonwealth Space Flight Fund pursuant to § 33.2-1526 shall be allocated by the Commonwealth Transportation Board to the Board of Directors of the Virginia Commercial Space Flight Authority to be used to support the capital needs, maintenance, and operating costs of any and all facilities owned and operated by the Virginia Commercial Space Flight Authority.

b. Commonwealth Space Flight Fund revenue shall be allocated by the Board of Directors to the Virginia Commercial Space Flight Authority in order to foster and stimulate the growth of the commercial space flight industry in Virginia.

4. There is hereby created in the Department of the Treasury a special nonreverting fund which shall be a part of the Transportation Trust Fund and which shall be known as the Commonwealth Mass Transit Fund.

a. The Commonwealth Mass Transit Fund shall be established on the books of the Comptroller and any funds remaining in such Fund at the end of the biennium shall not revert to the general fund but shall remain in the Fund. Interest earned on such funds shall be credited to the Fund.

b. The amounts allocated pursuant to § 33.2-1526.1 shall be used to support the operating, capital, and administrative costs of public transportation at a state share determined by the Commonwealth Transportation Board, and these amounts may be used to support the capital project costs of public transportation and ridesharing equipment, facilities, and associated costs at a state share determined by the Commonwealth Transportation Board. Capital costs may include debt service payments on local or agency transit bonds.

c. There is hereby created in the Department of the Treasury a special nonreverting fund known as the Commonwealth Transit Capital Fund. The Commonwealth Transit Capital Fund shall be part of the Commonwealth Mass Transit Fund. The Commonwealth Transit Capital Fund subaccount shall be established on the books of the Comptroller and consist of such moneys as are appropriated to it by the General Assembly and of all donations, gifts, bequests, grants, endowments, and other moneys given, bequeathed, granted, or otherwise made available to the Commonwealth Transit Capital Fund. Any funds remaining in the Commonwealth Transit Capital Fund at the end of the biennium shall not revert to the general fund, but shall remain in the Commonwealth Transit Capital Fund. Interest earned on funds within the Commonwealth Transit Capital Fund shall remain in and be credited to the Commonwealth Transit Capital Fund. Proceeds of the Commonwealth Transit Capital Fund may be paid to any political subdivision, another public entity created by an act of the General Assembly, or a private entity as defined in § 33.2-1800 and for purposes as enumerated in subdivision 7 of § 33.2-1701 or expended by the Department of Rail and Public Transportation for the purposes specified in this subdivision. Revenues of the Commonwealth Transit Capital Fund shall be used to support capital expenditures involving the establishment, improvement, or expansion of public transportation services through specific projects approved by the Commonwealth Transportation Board. The Commonwealth Transit Capital Fund shall not be allocated without requiring a local match from the recipient.

B. The sales and use tax revenue generated by a one percent sales and use tax shall be distributed among the counties and cities of the Commonwealth in the manner provided in subsections C and D.

C. The localities' share of the net revenue distributable under this section among the counties and cities shall be apportioned by the Comptroller and distributed among them 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. The distribution of the localities' share of such net revenue shall be computed with respect to the net revenue received into the state treasury during each month, and such distribution shall be made as soon as practicable after the close of each such month.

D. The net revenue so distributable among the counties and cities shall be apportioned and distributed upon the basis of the latest yearly estimate of the population of cities and counties ages five to 19, provided by the Weldon Cooper Center for Public Service of the University of Virginia. Such

3598 population estimate produced by the Weldon Cooper Center for Public Service of the University of  
 3599 Virginia shall account for persons who are domiciled in orphanages or charitable institutions or who are  
 3600 dependents living on any federal military or naval reservation or other federal property within the school  
 3601 division in which the institutions or federal military or naval reservation or other federal property is  
 3602 located. Such population estimate produced by the Weldon Cooper Center for Public Service of the  
 3603 University of Virginia shall account for members of the military services who are under 20 years of age  
 3604 within the school division in which the parents or guardians of such persons legally reside. Such  
 3605 population estimate produced by the Weldon Cooper Center for Public Service of the University of  
 3606 Virginia shall account for individuals receiving services in state hospitals, state training centers, or  
 3607 mental health facilities, persons who are confined in state or federal correctional institutions, or persons  
 3608 who attend the Virginia School for the Deaf and the Blind within the school division in which the  
 3609 parents or guardians of such persons legally reside. Such population estimate produced by the Weldon  
 3610 Cooper Center for Public Service of the University of Virginia shall account for persons who attend  
 3611 institutions of higher education within the school division in which the student's parents or guardians  
 3612 legally reside. To such estimate, the Department of Education shall add the population of students with  
 3613 disabilities, ages two through four and 20 through 21, as provided to the Department of Education by  
 3614 school divisions. The revenue so apportionable and distributable is hereby appropriated to the several  
 3615 counties and cities for maintenance, operation, capital outlays, debt and interest payments, or other  
 3616 expenses incurred in the operation of the public schools, which shall be considered as funds raised from  
 3617 local resources. In any county, however, wherein is situated any incorporated town constituting a school  
 3618 division, the county treasurer shall pay into the town treasury for maintenance, operation, capital outlays,  
 3619 debt and interest payments, or other expenses incurred in the operation of the public schools, the proper  
 3620 proportionate amount received by him in the ratio that the school population of such town bears to the  
 3621 school population of the entire county. If the school population of any city or of any town constituting a  
 3622 school division is increased by the annexation of territory since the last estimate of school population  
 3623 provided by the Weldon Cooper Center for Public Service, such increase shall, for the purposes of this  
 3624 section, be added to the school population of such city or town as shown by the last such estimate and a  
 3625 proper reduction made in the school population of the county or counties from which the annexed  
 3626 territory was acquired.

3627 E. Beginning July 1, 2000, of the remaining sales and use tax revenue, the revenue generated by a  
 3628 two percent sales and use tax, up to an annual amount of \$13 million, collected from the sales of  
 3629 hunting equipment, auxiliary hunting equipment, fishing equipment, auxiliary fishing equipment,  
 3630 wildlife-watching equipment, and auxiliary wildlife-watching equipment in Virginia, as estimated by the  
 3631 most recent U.S. Department of the Interior, Fish and Wildlife Service and U.S. Department of  
 3632 Commerce, Bureau of the Census National Survey of Fishing, Hunting, and Wildlife-Associated  
 3633 Recreation, shall be paid into the Game Protection Fund established under § 29.1-101 and shall be used,  
 3634 in part, to defray the cost of law enforcement. Not later than 30 days after the close of each quarter, the  
 3635 Comptroller shall transfer to the Game Protection Fund the appropriate amount of collections to be  
 3636 dedicated to such Fund. At any time that the balance in the Capital Improvement Fund, established  
 3637 under § 29.1-101.01, is equal to or in excess of \$35 million, any portion of sales and use tax revenues  
 3638 that would have been transferred to the Game Protection Fund, established under § 29.1-101, in excess  
 3639 of the net operating expenses of the Board, after deduction of other amounts which accrue to the Board  
 3640 and are set aside for the Game Protection Fund, shall remain in the general fund until such time as the  
 3641 balance in the Capital Improvement Fund is less than \$35 million.

3642 F. 1. Of the net revenue generated from the one-half percent increase in the rate of the state sales  
 3643 and use tax effective August 1, 2004, pursuant to enactments of the 2004 Special Session I of the  
 3644 General Assembly, the Comptroller shall transfer from the general fund of the state treasury to the  
 3645 Public Education Standards of Quality/Local Real Estate Property Tax Relief Fund established under  
 3646 § 58.1-638.1 an amount equivalent to one-half of the net revenue generated from such one-half percent  
 3647 increase as provided in this subdivision. The transfers to the Public Education Standards of  
 3648 Quality/Local Real Estate Property Tax Relief Fund under this subdivision shall be for one-half of the  
 3649 net revenue generated (and collected in the succeeding month) from such one-half percent increase for  
 3650 the month of August 2004 and for each month thereafter.

3651 2. Beginning July 1, 2013, of the remaining sales and use tax revenue, an amount equal to the  
 3652 revenue generated by a 0.125 percent sales and use tax shall be distributed to the Public Education  
 3653 Standards of Quality/Local Real Estate Property Tax Relief Fund established under § 58.1-638.1, and be  
 3654 used for the state's share of Standards of Quality basic aid payments.

3655 3. For the purposes of the Comptroller making the required transfers under subdivision 1 and 2, the  
 3656 Tax Commissioner shall make a written certification to the Comptroller no later than the twenty-fifth of  
 3657 each month certifying the sales and use tax revenues generated in the preceding month. Within three  
 3658 calendar days of receiving such certification, the Comptroller shall make the required transfers to the

Public Education Standards of Quality/Local Real Estate Property Tax Relief Fund.

G. (Contingent expiration date) Beginning July 1, 2013 2020, of the remaining sales and use tax revenue, an amount equal to the following percentages 20 percent of the revenue generated by a one-half percent sales and use tax, such as that paid to the *Commonwealth Transportation Trust Fund* as provided in subdivision subsection A 4, shall be paid to the *Highway Maintenance and Operating Commonwealth Transportation Fund* established pursuant to § 33.2-1530:

1. For fiscal year 2014, an amount equal to 10 percent;
2. For fiscal year 2015, an amount equal to 20 percent;
3. For fiscal year 2016, an amount equal to 30 percent; and
4. For fiscal year 2017 and thereafter, an amount equal to 35 percent § 33.2-1524.

The *Highway Maintenance and Operating Commonwealth Transportation Fund's* share of the net revenue distributable under this subsection shall be computed as an estimate of the net revenue to be received into the state treasury each month, and such estimated payment shall be adjusted for the actual net revenue received in the preceding month. All payments shall be made to the Fund on the last day of each month.

H. (Contingent expiration date) 1. The additional revenue generated by increases in the state sales and use tax from Planning District 8 pursuant to §§ 58.1-603.1, 58.1-604.01, 58.1-604.1, and 58.1-614 shall be deposited by the Comptroller in the fund established under § 33.2-2509.

2. The additional revenue generated by increases in the state sales and use tax from Planning District 23 pursuant to §§ 58.1-603.1, 58.1-604.01, 58.1-604.1, and 58.1-614 shall be deposited by the Comptroller in the fund established under § 33.2-2600.

3. The additional revenue generated by increases in the state sales and use tax in any other Planning District pursuant to §§ 58.1-603.1, 58.1-604.01, 58.1-604.1, and 58.1-614 shall be deposited into special funds that shall be established by appropriate legislation.

4. The net revenues distributable under this subsection shall be computed as an estimate of the net revenue to be received by the state treasury each month, and such estimated payment shall be adjusted for the actual net revenue received in the preceding month. All payments shall be made to the appropriate funds on the last day of each month.

I. (For contingent expiration date, see Acts 2018, c. 850) The additional revenue generated by increases in the state sales and use tax from the Historic Triangle pursuant to § 58.1-603.2 shall be deposited by the Comptroller as follows: (i) 50 percent shall be deposited into the Historic Triangle Marketing Fund established pursuant to subsection E of § 58.1-603.2; and (ii) 50 percent shall be deposited in the special fund created pursuant to subdivision D 2 of § 58.1-603.2 and distributed to the localities in which the revenues were collected. The net revenues distributable under this subsection shall be computed as an estimate of the net revenues to be received by the state treasury each month, and such estimated payment shall be adjusted for the actual net revenue received in the preceding month. All payments shall be made to the appropriate funds on the last day of each month.

J. Beginning July 1, 2020, the first \$40 million of sales and use taxes remitted by online retailers with a physical nexus established pursuant to subsection D of § 58.1-612 shall be deposited into the Major Headquarters Workforce Grant Fund established pursuant to § 59.1-284.31.

K. If errors are made in any distribution, or adjustments are otherwise necessary, the errors shall be corrected and adjustments made in the distribution for the next quarter or for subsequent quarters.

L. The term "net revenue," as used in this section, means the gross revenue received into the general fund or the *Commonwealth Transportation Trust Fund* of the state treasury under the preceding sections of this chapter, less refunds to taxpayers.

### **§ 58.1-638.3. (Contingent expiration date) Disposition of 0.3 percent state and local sales tax for transportation.**

A. The sales and use tax revenue generated by the 0.3 percent sales and use tax increase enacted by the 2013 Session of the General Assembly shall be allocated as follows:

1. An amount equal to a 0.175 percent sales and use tax shall be deposited into the *Highway Maintenance and Operating Fund* established pursuant to § 33.2-1530;
2. An amount equal to a 0.05 percent sales and use tax shall be deposited into the *Intercity Passenger Rail Operating and Capital Fund* established under § 33.2-1603; and
3. An amount equal to a 0.075 percent sales and use tax shall be deposited into the *Commonwealth Mass Transit Fund* deposited into the *Commonwealth Transportation Fund* established pursuant to § 33.2-1524.

B. The net revenues distributable under this section shall be computed as an estimate of the net revenue to be received by the state treasury each month, and such estimated payment shall be adjusted for the actual net revenue received in the preceding month. All payments shall be made to the funds set forth in subsection A on the last day of each month.

### **§ 58.1-802.3. Regional transportation improvement fee.**

In addition to any other tax or fee imposed under the provisions of this chapter, a fee, delineated as the "regional WMATA capital fee," is hereby imposed on each deed, instrument, or writing by which lands, tenements, or other realty located in any county or city that is a member of the Northern Virginia Transportation 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 ~~\$0.15~~ \$0.10 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.

No such deed, instrument, or other writing shall be admitted to record unless certification of the clerk wherein first recorded has been affixed thereto that the fee imposed pursuant to this section has been paid.

Fees imposed by this section shall be collected by the clerk of the court. For fees collected in a county or city located in a transportation district established pursuant to Chapter 19 (§ 33.2-1900 et seq.) of Title 33.2 that as of January 1, 2018, meets the criteria established in § 33.2-1936 shall be transferred to the state treasury as soon as practicable and deposited into the fund established in § 33.2-3401. The fees collected in any other county or city in which the fee is imposed shall be retained by the county or city, and shall be used solely for transportation purposes.

**§ 58.1-802.4. Regional congestion relief fee.**

*In addition to any other tax or fee imposed under the provisions of this chapter, a fee, delineated as the "regional congestion relief fee," is hereby imposed on each deed, instrument, or writing by which lands, tenements, or other realty located in any county or city in a planning district described in this section 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 fee shall be imposed in a planning district established pursuant to Chapter 42 (§ 15.2-4200 et seq.) of Title 15.2 that (i) as of January 1, 2013, has a population of two million or more, as shown by the most recent United States census, has not less than 1.7 million motor vehicles registered therein, and has a total transit ridership of not less than 50 million riders per year across all transit systems within the planning district or (ii) as shown by the most recent United States census meets the population criteria set forth in clause (i) and also meets the vehicle registration and ridership criteria set forth in clause (i). The rate of the fee, when the consideration or value of the interest, whichever is greater, equals or exceeds \$100, shall be \$0.10 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. In any case in which the fee is imposed pursuant to clause (ii) such fee shall be effective beginning on the July 1 immediately following the calendar year in which all of the criteria under such clause have been met.*

*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.*

*No such deed, instrument, or other writing shall be admitted to record unless certification of the clerk wherein first recorded has been affixed thereto that the fee imposed pursuant to this section has been paid.*

*Fees imposed by this section shall be collected by the clerk of the court and deposited into the state treasury as soon as practicable. Such fees shall then be deposited into special funds established by law. In the case of Planning District 8, the revenue generated and collected therein shall be deposited into the fund established in § 33.2-2509. For additional planning districts that may become subject to this section, funds shall be established by appropriate legislation.*

**§ 58.1-811. (Contingent expiration date) Exemptions.**

A. The taxes imposed by §§ 58.1-801 and 58.1-807 shall not apply to any deed conveying real estate or lease of real estate:

1. To an incorporated college or other incorporated institution of learning not conducted for profit, where such real estate is intended to be used for educational purposes and not as a source of revenue or profit;

2. To an incorporated church or religious body or to the trustee or trustees of any church or religious body, or a corporation mentioned in § 57-16.1, where such real estate is intended to be used exclusively for religious purposes, or for the residence of the minister of any such church or religious body;

3. To the United States, the Commonwealth, or to any county, city, town, district, or other political subdivision of the Commonwealth;

4. To the Virginia Division of the United Daughters of the Confederacy;

5. To any nonstock corporation organized exclusively for the purpose of owning or operating a

hospital or hospitals not for pecuniary profit;

6. To a corporation upon its organization by persons in control of the corporation in a transaction which qualifies for nonrecognition of gain or loss pursuant to § 351 of the Internal Revenue Code as it exists at the time of the conveyance;

7. From a corporation to its stockholders upon complete or partial liquidation of the corporation in a transaction which qualifies for income tax treatment pursuant to § 331, 332, 333, or 337 of the Internal Revenue Code as it exists at the time of liquidation;

8. To the surviving or new corporation, partnership, limited partnership, business trust, or limited liability company upon a merger or consolidation to which two or more such entities are parties, or in a reorganization within the meaning of § 368(a)(1)(C) and (F) of the Internal Revenue Code as amended;

9. To a subsidiary corporation from its parent corporation, or from a subsidiary corporation to a parent corporation, if the transaction qualifies for nonrecognition of gain or loss under the Internal Revenue Code as amended;

10. To a partnership or limited liability company, when the grantors are entitled to receive not less than 50 percent of the profits and surplus of such partnership or limited liability company, provided that the transfer to a limited liability company is not a precursor to a transfer of control of the assets of the company to avoid recordation taxes;

11. From a partnership or limited liability company, when the grantees are entitled to receive not less than 50 percent of the profits and surplus of such partnership or limited liability company, provided that the transfer from a limited liability company is not subsequent to a transfer of control of the assets of the company to avoid recordation taxes;

12. To trustees of a revocable inter vivos trust, when the grantors in the deed and the beneficiaries of the trust are the same persons, regardless of whether other beneficiaries may also be named in the trust instrument, when no consideration has passed between the grantor and the beneficiaries;

13. When the grantor is an organization exempt from taxation under § 501(c)(3) of the Internal Revenue Code that is organized and operated primarily to acquire land and purchase materials to erect or rehabilitate low-cost homes on such land, which homes are sold at cost to persons who otherwise would be unable to afford to buy a home through conventional means;

14. When it is a deed of partition, or any combination of deeds simultaneously executed and having the effect of a deed of partition, among joint tenants, tenants in common, or coparceners; or

15. When it is a deed transferring property pursuant to a decree of divorce or of separate maintenance or pursuant to a written instrument incident to such divorce or separation.

B. The taxes imposed by §§ 58.1-803 and 58.1-804 shall not apply to any deed of trust or mortgage:

1. Given by an incorporated college or other incorporated institution of learning not conducted for profit;

2. Given by the trustee or trustees of a church or religious body or given by an incorporated church or religious body, or given by a corporation mentioned in § 57-16.1;

3. Given by any nonstock corporation organized exclusively for the purpose of owning and/or operating a hospital or hospitals not for pecuniary profit;

4. Given by any local governmental entity or political subdivision of the Commonwealth to secure a debt payable to any other local governmental entity or political subdivision;

5. Securing a loan made by an organization described in subdivision A 13;

6. Securing a loan made by a county, city, or town, or an agency of such a locality, to a borrower whose household income does not exceed 80 percent of the area median household income established by the U.S. Department of Housing and Urban Development, for the purpose of erecting or rehabilitating a home for such borrower, including the purchase of land for such home; or

7. Given by any entity organized pursuant to Chapter 9.1 (§ 56-231.15 et seq.) of Title 56.

C. The tax imposed by § 58.1-802 and the fee imposed by §§ 58.1-802.3 and 58.1-802.4 shall not apply to any:

1. Transaction described in subdivisions A 6 through 12, 14, and 15;

2. Instrument or writing given to secure a debt;

3. Deed conveying real estate from an incorporated college or other incorporated institution of learning not conducted for profit;

4. Deed conveying real estate from the United States, the Commonwealth or any county, city, town, district, or other political subdivision thereof;

5. Conveyance of real estate to the Commonwealth or any county, city, town, district, or other political subdivision thereof, if such political unit is required by law to reimburse the parties taxable pursuant to § 58.1-802 or subject to the fee under § 58.1-802.3; or

6. Deed conveying real estate from the trustee or trustees of a church or religious body or from an incorporated church or religious body, or from a corporation mentioned in § 57-16.1.

D. No recordation tax shall be required for the recordation of any deed of gift between a grantor or

grantors and a grantee or grantees when no consideration has passed between the parties. Such deed shall state therein that it is a deed of gift.

E. The tax imposed by § 58.1-807 shall not apply to any lease to the United States, the Commonwealth, or any county, city, town, district, or other political subdivision of the Commonwealth.

F. The taxes and fees imposed by §§ 58.1-801, 58.1-802, 58.1-802.3, 58.1-807, 58.1-808, and 58.1-814 shall not apply to (i) any deed of gift conveying real estate or any interest therein to The Nature Conservancy or (ii) any lease of real property or any interest therein to The Nature Conservancy, where such deed of gift or lease of real estate is intended to be used exclusively for the purpose of preserving wilderness, natural, or open space areas.

G. The words "trustee" or "trustees," as used in subdivisions A 2, B 2, and C 6, include the trustees mentioned in § 57-8 and the ecclesiastical officers mentioned in § 57-16.

H. No recordation tax levied pursuant to this chapter shall be levied on the release of a contractual right, if the release is contained within a single deed that performs more than one function, and at least one of the other functions performed by the deed is subject to the recordation tax.

I. No recordation tax levied pursuant to this chapter shall be levied on a deed, lease, easement, release, or other document recorded in connection with a concession pursuant to the Public-Private Transportation Act of 1995 (§ 33.2-1800 et seq.) or similar federal law.

J. No recordation tax shall be required for the recordation of any transfer on death deed or any revocation of transfer on death deed made pursuant to the Uniform Real Property Transfer on Death Act (§ 64.2-621 et seq.) when no consideration has passed between the parties.

K. No recordation tax levied pursuant to this chapter shall be required for the recordation of any deed of distribution when no consideration has passed between the parties. Such deed shall state therein on the front page that it is a deed of distribution. As used in this subsection, "deed of distribution" means a deed conveying property from an estate or trust (i) to the original beneficiaries of a trust from the trustees holding title under a deed in trust; (ii) the purpose of which is to comply with a devise or bequest in the decedent's will or to transfer title to one or more beneficiaries after the death of the settlor in accordance with a dispositive provision in the trust instrument; (iii) that carries out the exercise of a power of appointment; or (iv) is pursuant to the exercise of the power under the Uniform Trust Decanting Act (§ 64.2-779.1 et seq.).

**§ 58.1-815.4. (Contingent expiration dates) Distribution of recordation tax to the Commonwealth Transportation Fund.**

Of the state recordation taxes imposed pursuant to §§ 58.1-801 and 58.1-803, the revenues collected each fiscal year from \$0.03 of the total tax imposed under each section shall be deposited by the Comptroller into the Commonwealth ~~Mass Transit~~ *Transportation* Fund established pursuant to subdivision A 4 of § 58.1-638 ~~33.2-1524~~.

**§ 58.1-816. Distribution of recordation tax to cities and counties.**

A. Effective October 1, 1993, ~~twenty~~ \$20 million ~~dollars~~ of the taxes imposed under §§ 58.1-801 through 58.1-809 ~~which that~~ are actually paid into the state treasury, shall be distributed among the counties and cities of ~~this~~ *the* Commonwealth, *except for counties and cities located in Planning District 8*, in the manner provided in subsection B of ~~this~~ *section*. Effective July 1, 1994, such annual distribution shall increase to ~~forty~~ \$40 million ~~dollars~~. *Effective July 1, 2021, such annual distribution shall be \$20 million.*

B. Subject to any ~~transfers~~ *transfer* required under ~~§§ 33.2-2400 and~~ § 58.1-816.1, the share of the state taxes distributable under this section among the counties and cities shall be apportioned and distributed quarterly to each county or city by the Comptroller by multiplying the amount to be distributed by a fraction in which the numerator is the amount of the taxes imposed under §§ 58.1-801 through 58.1-809 and actually paid into the state treasury which are attributable to deeds and other instruments recorded in the county or city and the denominator is the amount of taxes imposed under §§ 58.1-801 through 58.1-809 actually paid into the state treasury. All distributions pursuant to this section shall be made on a quarterly basis within ~~thirty~~ *30* days of the end of the quarter. Such quarterly distribution shall equal ~~ten~~ \$10 million ~~dollars~~. Each clerk of the court shall certify to the Comptroller, within ~~fifteen~~ *15* days after the end of the quarter, all amounts collected under §§ 58.1-801 through 58.1-809 and actually paid into the state treasury which are attributable to deeds and other instruments recorded in such county or city.

C. All moneys distributed to counties and cities pursuant to this section shall be used for (i) transportation purposes, including, without limitation, construction, administration, operation, improvement, maintenance and financing of transportation facilities, or (ii) public education.

As used in this section, the term "transportation facilities" shall include all transportation-related facilities including, but not limited to, all highway systems, public transportation or mass transit systems as defined in § 33.2-100, airports as defined in § 5.1-1, and port facilities as defined in § 62.1-140. Such term shall be liberally construed for purposes of this section.



D. If any revenues distributed to a county or city under subsection C of this section are applied or expended for any transportation facilities under the control and jurisdiction of any state agency, board, commission or authority, such transportation facilities shall be constructed, operated, administered, improved and maintained in accordance with laws, rules, regulations, policies and procedures governing such state agency, board, commission or authority; however, in the event these revenues, or a portion thereof, are expended for improving or constructing highways in a county which is subject to the provisions of § 33.2-338, such expenditures shall be undertaken in the manner prescribed in that statute.

E. In the case of any distribution to a county or city in which an office sharing agreement pursuant to §§ 15.2-1637 and 15.2-3822 is in effect, the Comptroller shall divide the distribution among the office sharing counties and cities. Each clerk of the court acting pursuant to an office sharing agreement shall certify to the Comptroller, within fifteen 15 days after the end of the quarter, all amounts collected under §§ 58.1-801 through 58.1-809 and actually paid into the state treasury which are attributable to deeds and other instruments recorded on behalf of each county and city.

**§ 58.1-816.1. Transportation Improvement Program Set-aside Fund.**

There is hereby created in the Department of the Treasury a special nonreverting fund which shall be a part of the Transportation Trust Fund established pursuant to ~~§ 33.2-1524~~ § 33.2-1524.1 and which shall be known as the Transportation Improvement Program Set-aside Fund ("Set-aside Fund"), consisting of transfers pursuant to § 58.1-816 of annual collections of the state recordation taxes attributable to any local jurisdiction which adopts an ordinance to dedicate and use its share of state recordation tax distributions for transportation purposes; however, this dedication shall not affect the local recordation taxes under §§ 58.1-802 B and 58.1-814. Any local jurisdiction making such an election shall transmit a copy of its ordinance to the State Treasurer at least ninety days before transfers to the Set-aside Fund are to take effect. The State Treasurer is hereby authorized to commingle the funds of the various local jurisdictions in the Set-aside Fund, subject to the establishment of an accounting system which allows for the separate tracking of each local jurisdiction's share. The election to participate in the Set-aside Fund shall be revocable by the passage of an ordinance to that effect; however, if debt has been issued or other obligations incurred on the local jurisdiction's behalf, the election to participate shall be irrevocable so long as such bonds, or other obligations, are outstanding. A permitted revocation shall entitle the local jurisdiction to receive its remaining share, plus earnings and less the Treasurer's investment charges.

The Set-aside Fund shall also include such other funds as may be appropriated by the General Assembly from time to time and designated for the Set-aside Fund and all interest, dividends and appreciation which may accrue thereto. Any moneys remaining in the Set-aside Fund at the end of a biennium shall not revert to the general fund, but shall remain in the Set-aside Fund. Allocations from the Set-aside Fund may be paid to any authority, locality or commission for the purposes of paying the costs of any Transportation Improvement Program in which the local jurisdiction elects to participate.

**§ 58.1-1741. Disposition of revenues.**

A. After the direct costs of administering this article are recovered by the Department of Taxation, the remaining revenues collected hereunder by the Tax Commissioner shall be forthwith paid into the state treasury. Except as otherwise provided in this section, these funds shall constitute special funds within the Commonwealth Transportation Fund. Any balances remaining in these funds at the end of the year shall be available for use in subsequent years for the purposes set forth in this article, and any interest income on such funds shall accrue to these funds. The revenue so derived, after refunds have been deducted, is hereby allocated for the construction, reconstruction, and maintenance of highways and the regulation of traffic thereon and for no other purpose. However, (i) all funds collected from the additional tax imposed by subdivision A 2 of § 58.1-1736 on the rental of daily rental vehicles shall be distributed quarterly to the county, city, or town wherein such vehicle was delivered to the rentee; (ii) except as provided in clause (iii), an amount equivalent to the net additional revenues from the motor vehicle rental tax generated by enactments of the 1986 Special Session of the Virginia General Assembly which amended §§ 46.2-694, 46.2-697, and by §§ 58.1-1735, 58.1-1736 and this section, shall be distributed to and paid into the ~~Commonwealth Transportation Trust~~ Fund established pursuant to § 33.2-1524, a special fund within the Commonwealth Transportation Fund, and are hereby appropriated to the Commonwealth Transportation Board for transportation needs; (iii) all moneys collected from the tax on the gross proceeds from the rental in Virginia of any motor vehicle pursuant to subdivision A 1 of § 58.1-1736 at the tax rate in effect on December 31, 1986, shall be paid by the Tax Commissioner into the state treasury and two-thirds of which shall be paid into the ~~Rail Enhancement~~ Commonwealth Transportation Fund established by ~~§ 33.2-1601~~ pursuant to § 33.2-1524 and one-third of which shall be deposited into the Washington Metropolitan Area Transit Authority Capital Fund pursuant to § 33.2-3401; and (iv) all additional revenues resulting from the fee imposed under subdivision A 3 of § 58.1-1736 shall be used to pay the debt service on the bonds issued by the Virginia Public Building Authority for the Statewide Agencies Radio System (STARS) for the Department of State Police

3964 pursuant to the authority granted by the 2004 Session of the General Assembly.

3965 B. As provided in subsection A of ~~§ 58.1-638~~, of the funds becoming part of the Transportation  
3966 Trust Fund pursuant to subdivision A 2, an aggregate of 4.2 percent shall be set aside as the  
3967 Commonwealth Port Fund; an aggregate of 2.4 percent shall be set aside as the Commonwealth Airport  
3968 Fund; and an aggregate of 14.7 percent shall be set aside as the Commonwealth Mass Transit Fund.

3969 **§ 58.1-1743. Transportation district transient occupancy tax.**

3970 In addition to all other fees and taxes imposed under law, there is hereby imposed an additional  
3971 transient occupancy tax at the rate of ~~two~~ *three* percent of the amount of the charge for the occupancy  
3972 of any room or space occupied in any county or city located in a transportation district established  
3973 pursuant to Chapter 19 (§ 33.2-1900 et seq.) of Title 33.2 that as of January 1, 2018, meets the criteria  
3974 established in § 33.2-1936.

3975 The tax imposed under this section shall be imposed only for the occupancy of any room or space  
3976 that is suitable or intended for occupancy by transients for dwelling, lodging, or sleeping purposes.

3977 The tax imposed under this section shall be administered by the locality in which the room or space  
3978 is located in the same manner as it administers the tax authorized by § 58.1-3819 or 58.1-3840, mutatis  
3979 mutandis, except as herein provided. The revenue generated and collected from the tax shall be  
3980 deposited by the local treasurer into the state treasury pursuant to § 2.2-806 and transferred by the  
3981 Comptroller into special funds established by law. In the case of the Northern Virginia Transportation  
3982 District, the revenue generated and collected therein shall be deposited into the fund established in  
3983 § 33.2-3401. For additional transportation districts that may become subject to this section, funds shall  
3984 be established by appropriate legislation.

3985 **§ 58.1-1744. Local transportation transient occupancy tax.**

3986 In addition to all other fees and taxes imposed under law, there is hereby imposed an additional  
3987 transient occupancy tax at the rate of ~~two~~ *three* percent of the amount of the charge for the occupancy  
3988 of any room or space occupied in any county or city that is (i) a member of the Northern Virginia  
3989 Transportation Authority *and (ii) that is not described in § 58.1-1743.*

3990 The tax imposed under this section shall be imposed only for the occupancy of any room or space  
3991 that is suitable or intended for occupancy by transients for dwelling, lodging, or sleeping purposes.

3992 The tax imposed under this section shall be administered by the locality in which the room or space  
3993 is located in the same manner as it administers the tax authorized by § 58.1-3819 or 58.1-3840, mutatis  
3994 mutandis, except as herein provided. The revenue generated and collected from the tax shall be  
3995 deposited by the local treasurer *and may be used only for public transportation purposes. Two-thirds of*  
3996 *the revenue collected pursuant to this section may be used only for public transportation purposes and*  
3997 *the remaining revenue may be used for any transportation purpose.*

3998 **§ 58.1-2217. Taxes levied; rate.**

3999 A. There is hereby levied a tax at the rate of seventeen and one-half cents per gallon on gasoline and  
4000 gasohol. Beginning January 1, 2015, the tax rate shall be ~~5.1~~ percent of the statewide average wholesale  
4001 price of a gallon of unleaded regular gasoline for the applicable base period, excluding federal and state  
4002 excise taxes, as determined by the Commissioner.

4003 In computing the average wholesale price of a gallon of gasoline, the Commissioner shall use the  
4004 period from December 1 through May 31 as the base period for such determination for the immediately  
4005 following period beginning July 1 and ending December 31, inclusive. The period from June 1 through  
4006 November 30 shall be the next base period for the immediately following period beginning January 1  
4007 and ending June 30, inclusive. In no case shall the average wholesale price computed for purposes of  
4008 this section be less than the statewide average wholesale price of a gallon of unleaded regular gasoline  
4009 on February 20, 2013. *There is hereby levied an excise tax on gasoline and gasohol as follows:*

- 4010 1. *On an after July 1, 2020, but before July 1, 2021, the rate shall be 21.2 cents per gallon;*
- 4011 2. *On and after July 1, 2021, but before July 1, 2022, the rate shall be 26.2 cents per gallon; and*
- 4012 3. *On an after July 1, 2022, the rate shall be adjusted annually based on the greater of (i) the*  
4013 *change in the United States Average Consumer Price Index for all items, all urban consumers (CPI-U),*  
4014 *as published by the Bureau of Labor Statistics for the U.S. Department of Labor for the previous year*  
4015 *or (ii) zero.*

4016 B. There is hereby levied a tax at the rate of seventeen and one-half cents per gallon on diesel fuel.  
4017 Beginning January 1, 2015, the tax rate shall be six percent of the statewide average wholesale price of  
4018 a gallon of diesel fuel for the applicable base period, excluding federal and state excise taxes, as  
4019 determined by the Commissioner.

4020 In computing the average wholesale price of a gallon of diesel fuel, the Commissioner shall use the  
4021 period from December 1 through May 31 as the base period for such determination for the immediately  
4022 following period beginning July 1 and ending December 31, inclusive. The period from June 1 through  
4023 November 30 shall be the next base period for the immediately following period beginning January 1  
4024 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. There is hereby levied an excise tax on diesel fuel as follows:

1. On an after July 1, 2020, but before July 1, 2021, the rate shall be 21.2 cents per gallon;
2. On and after July 1, 2021, but before July 1, 2022, the rate shall be 27 cents per gallon; and
3. On an after July 1, 2022, the rate shall be adjusted annually based on the greater of (i) the change in the United States Average Consumer Price Index for all items, all urban consumers (CPI-U), as published by the Bureau of Labor Statistics for the U.S. Department of Labor for the previous year or (ii) zero.

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

D. There is hereby levied a tax at the rate of five cents per gallon on aviation gasoline. Any person, whether or not licensed under this chapter, who uses, acquires for use, sells or delivers for use in highway vehicles any aviation gasoline shall be liable for the tax at the rate levied on gasoline and gasohol, along with any penalties and interest that may accrue.

E. There is hereby levied a tax at the rate of five cents per gallon on aviation jet fuel purchased or acquired for use by a user of aviation fuel other than an aviation consumer. There is hereby levied a tax at the rate of five cents per gallon upon the first 100,000 gallons of aviation jet fuel, excluding bonded aviation jet fuel, purchased or acquired for use by any aviation consumer in any fiscal year. There is hereby levied a tax at the rate of one-half cent per gallon on all aviation jet fuel, excluding bonded aviation jet fuel, purchased or acquired for use by an aviation consumer in excess of 100,000 gallons in any fiscal year. Any person, whether or not licensed under this chapter, who uses, acquires for use, sells or delivers for use in highway vehicles any aviation jet fuel taxable under this chapter shall be liable for the tax imposed at the rate levied on diesel fuel, along with any penalties and interest that may accrue.

F. In accordance with § 62.1-44.34:13, a storage tank fee is imposed on each gallon of gasoline, aviation gasoline, diesel fuel (including dyed diesel fuel), blended fuel, and heating oil sold and delivered or used in the Commonwealth.

#### **§ 58.1-2249. Tax on alternative fuel.**

A. There is hereby levied a tax at the rate levied on gasoline and gasohol on liquid alternative fuel used to operate a highway vehicle by means of a vehicle supply tank that stores fuel only for the purpose of supplying fuel to operate the vehicle. There is hereby levied a tax at a rate equivalent to that levied on gasoline and gasohol on all other alternative fuel used to operate a highway vehicle. The Commissioner shall determine the equivalent rate applicable to such other alternative fuels.

B. (Contingent expiration date) In addition to any tax imposed by this article, there is hereby levied an annual license tax of \$64 per vehicle on each highway vehicle registered in Virginia that is an electric motor vehicle or an alternative fuel vehicle. However, no license tax shall be levied on any vehicle that (i) is subject to the tax on fuels levied pursuant to subsection A, (ii) is subject to the federal excise tax levied under § 4041 of the Internal Revenue Code, (iii) is a moped as defined in § 46.2-100, or (iv) is registered under the International Registration Plan. If such a highway vehicle is registered for a period other than one year as provided under § 46.2-646, the license tax shall be multiplied by the number of years or fraction thereof that the vehicle will be registered. The revenues generated by this subsection shall be deposited in the Highway Maintenance and Operating Fund established pursuant to § 33.2-1530.

B. (Contingent effective date) In addition to any tax imposed by this article, there is hereby levied an annual license tax of \$50 per vehicle on each highway vehicle registered in Virginia that is an electric motor vehicle. If such a highway vehicle is registered for a period other than one year as provided under § 46.2-646, the license tax shall be multiplied by the number of years or fraction thereof that the vehicle will be registered.

#### **§ 58.1-2289. Disposition of tax revenue generally.**

A. Unless otherwise provided in this section, all taxes and fees, including civil penalties, collected by the Commissioner pursuant to this chapter, less a reasonable amount to be allocated for refunds, shall be promptly paid into the state treasury and shall constitute special funds within the Commonwealth Transportation Fund. Any balances remaining in these funds at the end of the year shall be available for use in subsequent years for the purposes set forth in this chapter, and any interest income on such funds shall accrue to these funds.

The Governor is hereby authorized to transfer out of such fund an amount necessary for the inspection of gasoline and motor grease measuring and distributing equipment, and for the inspection and analysis of gasoline for purity.

B. The tax collected on each gallon of aviation fuel sold and delivered or used in this Commonwealth, less refunds, shall be paid into a special fund of the state treasury. Proceeds of this special fund within the Commonwealth Transportation Fund shall be disbursed upon order of the Department of Aviation, on warrants of the Comptroller, to defray the cost of the administration of the

laws of this Commonwealth relating to aviation, for the construction, maintenance and improvement of airports and landing fields to which the public now has or which it is proposed shall have access, and for the promotion of aviation in the interest of operators and the public generally.

C. One-half cent of the tax collected on each gallon of fuel on which a refund has been paid for gasoline, gasohol, diesel fuel, blended fuel, or alternative fuel, for fuel consumed in tractors and unlicensed equipment used for agricultural purposes shall be paid into a special fund of the state treasury, known as the Virginia Agricultural Foundation Fund, to be disbursed to make certain refunds and defray the costs of the research and educational phases of the agricultural program, including supplemental salary payments to certain employees at Virginia Polytechnic Institute and State University, the Department of Agriculture and Consumer Services and the Virginia Truck and Ornamentals Research Station, including reasonable expenses of the Virginia Agricultural Council.

D. One and one-half cents of the tax collected on each gallon of fuel used to propel a commercial watercraft upon which a refund has been paid shall be paid to the credit of the Game Protection Fund of the state treasury to be made available to the Board of Game and Inland Fisheries until expended for the purposes provided generally in subsection C of § 29.1-701, including acquisition, construction, improvement and maintenance of public boating access areas on the public waters of this Commonwealth and for other activities and purposes of direct benefit and interest to the boating public and for no other purpose. However, one and one-half cents per gallon on fuel used by commercial fishing, oystering, clamming, and crabbing boats shall be paid to the Department of Transportation to be used for the construction, repair, improvement and maintenance of the public docks of this Commonwealth used by said commercial watercraft. Any expenditures for the acquisition, construction, improvement and maintenance of the public docks shall be made according to a plan developed by the Virginia Marine Resources Commission.

From the tax collected pursuant to the provisions of this chapter from the sales of gasoline used for the propelling of watercraft, after deduction for lawful refunds, there shall be paid into the state treasury for use by the Marine Resources Commission, the Virginia Soil and Water Conservation Board, the State Water Control Board, and the Commonwealth Transportation Board to (i) improve the public docks as specified in this section, (ii) improve commercial and sports fisheries in Virginia's tidal waters, (iii) make environmental improvements including, without limitation, fisheries management and habitat enhancement in the Chesapeake and its tributaries, and (iv) further the purposes set forth in § 33.2-1510, a sum as established by the General Assembly.

E. Of the remaining revenues deposited into the Commonwealth Transportation Fund pursuant to this chapter less refunds authorized by this chapter: (i) 80 percent shall be deposited into the Highway Maintenance and Operating Fund established pursuant to § 33.2-1530, (ii) 11.3 percent shall be deposited into the Transportation Trust Fund established pursuant to § 33.2-1524, (iii) four percent shall be deposited into the Priority Transportation Fund, (iv) 3.7 percent shall be deposited into the Commonwealth Mass Transit Fund established pursuant to subdivision A 4 of § 58.1-638, and (v) one percent shall be transferred to a special fund within the Commonwealth Transportation Fund in the state treasury, to be used to meet the necessary expenses of the Department of Motor Vehicles. *All remaining revenue shall be deposited into the Commonwealth Transportation Fund established pursuant to § 33.2-1524.*

**§ 58.1-2295. (Contingent expiration date) Levy; payment of tax.**

A. 1. 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 that is a member of (i) any transportation district in which a rapid heavy rail commuter mass transportation system operating on an exclusive right-of-way and a bus commuter mass transportation system are owned, operated, or controlled by an agency or commission as defined in § 33.2-1901 or (ii) any transportation district that is subject to subsection C of § 33.2-1915 and that is contiguous to the Northern Virginia Transportation District.

2. 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 that is located in a Planning District established pursuant to Chapter 42 (§ 15.2-4200 et seq.) of Title 15.2 that (i) as of January 1, 2013, has a population of not less than 1.5 million but fewer than two million, as shown by the most recent United States Census, has not less than 1.2 million but fewer than 1.7 million motor vehicles registered therein, and has a total transit ridership of not less than 15 million but fewer than 50 million riders per year across all transit systems within the Planning District or (ii) as shown by the most recent United States Census meets the population criteria set forth in clause (i) and also meets the vehicle registration and ridership criteria set forth in clause (i). In any case in which the tax is imposed pursuant to clause (ii), such tax shall be effective beginning on the July 1 immediately following the calendar year in which all of the criteria have been met.

3. *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 (i) any county or city, or (ii) any city wholly embraced by a county, through which an interstate passes that (a) is more than 300 miles in length in the Commonwealth and (b) as of January 1, 2019, carried more than 40 percent of interstate vehicle miles traveled for vehicles classified as Class 6 or higher.

4. 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 which a tax is not otherwise imposed pursuant to this section.

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 2.4 percent of the statewide average distributor price of a gallon of unleaded regular gasoline as determined by the Commissioner pursuant to subdivision C 1 7.6 cents per gallon on gasoline and gasohol. Beginning July 1, 2021, the tax rate shall be adjusted annually based on the greater of (i) the change in the United States Average Consumer Price Index for all items, all urban consumers (CPI-U), as published by the Bureau of Labor Statistics for the U.S. Department of Labor for the previous year or (ii) zero. 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 at a rate of 2.4 percent of the statewide average distributor price of a gallon of diesel fuel as determined by the Commissioner pursuant to subdivision C 2 7.7 cents per gallon on diesel fuel. Beginning July 1, 2021, the tax rate shall be adjusted annually based on the greater of (i) the change in the United States Average Consumer Price Index for all items, all urban consumers (CPI-U), as published by the Bureau of Labor Statistics for the U.S. Department of Labor for the previous year or (ii) zero.

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 to November 30, inclusive, as the base period for the determination of the rate of the tax for the immediately following applied period beginning January 1 and ending June 30, inclusive. The Commissioner shall use the period from December 1 to May 31, inclusive, as the base period for the determination of the rate of the tax for the immediately following applied 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 the 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 to November 30, inclusive, as the base period for the determination of the rate of the tax for the immediately following applied period beginning January 1 and ending June 30, inclusive. The Commissioner shall use the period from December 1 to May 31, inclusive, as the base period for the determination of the rate of the tax for the immediately following applied 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 the 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. D. 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 a 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. E. 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.

#### **§ 58.1-2299.20. (Contingent expiration dates) 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

4208 Fund established pursuant to § 33.2-3500;

4209 2. a. Until June 30, 2019, an amount equal to the increase in taxes, interest, and civil penalties paid  
4210 to the Commissioner each month, compared with the same month for fiscal year 2018, minus any  
4211 amounts deposited pursuant to subdivision 1, shall be deposited into the Washington Metropolitan Area  
4212 Transit Capital Fund established pursuant to § 33.2-3401; and

4213 b. Beginning on July 1, 2019, an amount equal to one-twelfth of the increase in taxes, interest, and  
4214 civil penalties paid to the Commissioner in fiscal year 2019 compared to fiscal year 2018, minus any  
4215 amounts deposited pursuant to subdivision A 1, *One-twelfth of \$22.183 million* shall be deposited in the  
4216 Washington Metropolitan Area Transit Authority Capital Fund established pursuant to § 33.2-3401; and

4217 3. All remaining funds shall be deposited in a special fund entitled the "Special Fund Account of the  
4218 Transportation District of \_\_\_\_\_." The amounts deposited in the special fund shall be distributed  
4219 monthly to the applicable transportation district commission of which the county or city is a member to  
4220 be applied to the operating deficit, capital, and debt service of the mass transit system of such district  
4221 or, in the case of a transportation district subject to the provisions of subsection C of § 33.2-1915, to be  
4222 applied to and expended for any transportation purpose of such district. In the case of a jurisdiction  
4223 which, after July 1, 1989, joins a transportation district which was established on or before January 1,  
4224 1986, and is also subject to subsection C of § 33.2-1915, the funds collected from that jurisdiction shall  
4225 be applied to and expended for any transportation purpose of such jurisdiction.

4226 B. All taxes, interest, and civil penalties paid to the Commissioner pursuant to this chapter for the  
4227 sale of fuels at wholesale to retail dealers for retail sale in any county or city set forth in clause (ii) of  
4228 subdivision A 1 of § 58.1-2295, after subtraction of the direct costs of administration by the Department,  
4229 shall be deposited each month as follows:

4230 1. One-twelfth of an amount determined by multiplying \$15 million by a fraction, the numerator of  
4231 which shall be such transportation district's share of funding for the commuter rail service jointly  
4232 operated by the two transportation districts and the denominator of which shall be the total funding  
4233 share for such commuter rail service, shall be deposited in the Commuter Rail Operating and Capital  
4234 Fund established pursuant to § 33.2-3500; and

4235 2. All remaining funds shall be deposited in a special fund entitled the "Special Fund Account of the  
4236 Transportation District of \_\_\_\_\_." The amounts deposited in the special fund shall be distributed  
4237 monthly to the applicable transportation district commission of which the county or city is a member to  
4238 be applied to the operating deficit, capital, and debt service of the mass transit system of such district  
4239 or, in the case of a transportation district subject to the provisions of subsection C of § 33.2-1915, to be  
4240 applied to and expended for any transportation purpose of such district. In the case of a jurisdiction  
4241 which, after July 1, 1989, joins a transportation district that was established on or before January 1,  
4242 1986, and is also subject to subsection C of § 33.2-1915, the funds collected from that jurisdiction shall  
4243 be applied to and expended for any transportation purpose of such jurisdiction.

4244 C. All taxes, interest, and civil penalties paid to the Commissioner pursuant to this chapter for the  
4245 sale of fuels at wholesale to retail dealers for retail sale in any county or city set forth in subdivision A  
4246 2 of § 58.1-2295, after subtraction of the direct costs of administration by the Department, shall be  
4247 deposited into special funds established by law. In the case of Planning District 23, the revenue  
4248 generated and collected therein shall be deposited into the fund established in § 33.2-2600. For  
4249 additional Planning Districts that may become subject to this section, funds shall be established by  
4250 appropriate legislation.

4251 D. All taxes, interest, and civil penalties paid to the Commissioner pursuant to this chapter for the  
4252 sale of fuels at wholesale to retail dealers for retail sale in any county or city set forth in ~~§ 58.1-2295.1~~  
4253 *subdivision A 3 of § 58.1-2295*, after subtraction of the direct costs of administration by the Department,  
4254 shall be deposited into the Interstate 81 Corridor Improvement Fund established pursuant to Chapter 36  
4255 (§ 33.2-3600) of Title 33.2.

4256 E. *All taxes, interest, and civil penalties paid to the Commissioner pursuant to this chapter for the*  
4257 *sale of fuels at wholesale to retail dealers for retail sale in any county or city set forth in subdivision A*  
4258 *4 of § 58.1-2295, after subtraction of the direct costs of administration by the Department, shall be*  
4259 *deposited in a special fund titled the "Special Fund Account for the Highway Construction District*  
4260 *Grant Program" to be allocated by the Commonwealth Transportation Board as highway construction*  
4261 *district grants pursuant to § 33.2-371 to the construction districts in which the taxes, interest, and civil*  
4262 *penalties were generated.*

4263 F. The direct cost of administration of this section shall be credited to the funds appropriated to the  
4264 Department.

4265 **§ 58.1-2299.20. (For contingent effective date see Acts 2019, cc. 837 and 846) Disposition of tax**  
4266 **revenues.**

4267 A. All taxes, interest, and civil penalties paid to the Commissioner pursuant to this chapter for the  
4268 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, *One-twelfth of \$22.183 million* 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 subdivision A 4 of § 58.1-2295, after subtraction of the direct costs of administration by the Department, shall be deposited in a special fund titled the "Special Fund Account for the Highway Construction District Grant Program" to be allocated by the Commonwealth Transportation Board as highway construction district grants pursuant to § 33.2-371 to the construction districts in which the taxes, interest, and civil penalties were generated.*

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

**§ 58.1-2425. (Contingent expiration date) Disposition of revenues.**

A. (For contingent expiration date, see Acts 2019, c. 52, cl. 2) Funds collected hereunder by the Commissioner shall be forthwith paid into the state treasury. Except as otherwise provided in this



section, these funds shall constitute special funds within the Commonwealth Transportation Fund. Any balances remaining in these funds at the end of the year shall be available for use in subsequent years for the purposes set forth in this chapter, and any interest income on such funds shall accrue to these funds. The revenue so derived, after refunds have been deducted, is hereby allocated for the construction, reconstruction and maintenance of highways and the regulation of traffic thereon and for no other purpose. However, (i) all funds collected pursuant to the provisions of this chapter from manufactured homes, as defined in § 46.2-100, shall be distributed to the city, town, or county wherein such manufactured home is to be situated as a dwelling; (ii) effective January 1, 1987, an amount equivalent to the net additional revenues from the sales and use tax on motor vehicles generated by enactments of the 1986 Special Session of the Virginia General Assembly which amended §§ 46.2-694, 46.2-697, 58.1-2401, 58.1-2402, and this section shall be distributed to and paid into the Transportation Trust Fund established pursuant to § 33.2-1524, a special fund within the Commonwealth Transportation Fund, and are hereby appropriated to the Commonwealth Transportation Board for transportation needs; (iii) the net additional revenues generated by increases in the rates of taxes under subdivisions A 1 and A 2 of § 58.1-2402 and generated by the increase in the minimum tax under subdivision A 3 of § 58.1-2402 pursuant to enactments of a Session of the General Assembly held in 2013 shall be deposited by the Comptroller into the Highway Maintenance and Operating Fund established pursuant to § 33.2-1530; and (iv) all funds collected pursuant to the provisions of this chapter from all-terrain vehicles, mopeds, and off-road motorcycles, as those terms are defined in § 46.2-100, shall be distributed as follows: (a) an amount equal to a one percent tax shall be distributed in the same manner as the one percent local sales tax pursuant to § 58.1-605, except that this amount collected on sales by anyone other than a Virginia dealer or on sales outside of Virginia shall be distributed to the county or city in which the vehicle is used or stored for use; (b) an amount equal to a 4.3 percent tax shall be distributed in the same manner as the state sales and use tax pursuant to §§ 58.1-638 and 58.1-638.3, except that this amount collected on sales by anyone other than a Virginia dealer or on sales outside of Virginia shall be distributed to the county or city in which the vehicle is used or stored for use; (c) if the all-terrain vehicle, moped, or off-road motorcycle was purchased from a Virginia dealer in a county or city in a planning district described in § 58.1-603.1, an amount equal to a 0.7 percent tax shall be distributed pursuant to § 58.1-603.1; (d) if the all-terrain vehicle, moped, or off-road motorcycle was purchased from anyone other than a Virginia dealer or outside of Virginia and then used or stored for use in a county or city in a planning district described in § 58.1-603.1, an amount equal to a 0.7 percent tax shall be distributed to the county or city in which the vehicle is used or stored for use; and (e) an amount equal to a one percent tax shall be distributed in a manner consistent with the provisions of subsection I of § 58.1-638 for each all-terrain vehicle, moped, and off-road motorcycle subject to the additional tax within the Historic Triangle under subdivision A 1 of § 58.1-2402; and (iii) *all remaining funds, after the collection costs of the Department of Motor Vehicles, from the sales and use tax on motor vehicles shall be distributed to and paid into the Commonwealth Transportation Fund pursuant to § 33.2-1524.*

A. (For contingent effective date, see Acts 2019, c. 52, cl. 2) Funds collected hereunder by the Commissioner shall be forthwith paid into the state treasury. Except as otherwise provided in this section, these funds shall constitute special funds within the Commonwealth Transportation Fund. Any balances remaining in these funds at the end of the year shall be available for use in subsequent years for the purposes set forth in this chapter, and any interest income on such funds shall accrue to these funds. The revenue so derived, after refunds have been deducted, is hereby allocated for the construction, reconstruction and maintenance of highways and the regulation of traffic thereon and for no other purpose. However, (i) all funds collected pursuant to the provisions of this chapter from manufactured homes, as defined in § 46.2-100, shall be distributed to the city, town, or county wherein such manufactured home is to be situated as a dwelling; (ii) effective January 1, 1987, an amount equivalent to the net additional revenues from the sales and use tax on motor vehicles generated by enactments of the 1986 Special Session of the Virginia General Assembly which amended §§ 46.2-694, 46.2-697, 58.1-2401, 58.1-2402, and this section shall be distributed to and paid into the Transportation Trust Fund established pursuant to § 33.2-1524, a special fund within the Commonwealth Transportation Fund, and are hereby appropriated to the Commonwealth Transportation Board for transportation needs; (iii) the net additional revenues generated by increases in the rates of taxes under subdivisions A 1 and A 2 of § 58.1-2402 and generated by the increase in the minimum tax under subdivision A 3 of § 58.1-2402 pursuant to enactments of a Session of the General Assembly held in 2013 shall be deposited by the Comptroller into the Highway Maintenance and Operating Fund established pursuant to § 33.2-1530; and (iv) all funds collected pursuant to the provisions of this chapter from all-terrain vehicles, mopeds, and off-road motorcycles, as those terms are defined in § 46.2-100, shall be distributed as follows: (a) an amount equal to a one percent tax shall be distributed in the same manner as the one percent local sales tax pursuant to § 58.1-605, except that this amount collected on sales by anyone



other than a Virginia dealer or on sales outside of Virginia shall be distributed to the county or city in which the vehicle is used or stored for use; (b) an amount equal to a 4.3 percent tax shall be distributed in the same manner as the state sales and use tax pursuant to §§ 58.1-638 and 58.1-638.3, except that this amount collected on sales by anyone other than a Virginia dealer or on sales outside of Virginia shall be distributed to the county or city in which the vehicle is used or stored for use; (c) if the all-terrain vehicle, moped, or off-road motorcycle was purchased from a Virginia dealer in a county or city in a planning district described in § 58.1-603.1, an amount equal to a 0.7 percent tax shall be distributed pursuant to § 58.1-603.1; and (d) if the all-terrain vehicle, moped, or off-road motorcycle was purchased from anyone other than a Virginia dealer or outside of Virginia and then used or stored for use in a county or city in a planning district described in § 58.1-603.1, an amount equal to a 0.7 percent tax shall be distributed to the county or city in which the vehicle is used or stored for use; *and (iii) all remaining funds, after the collection costs of the Department of Motor Vehicles, from the sales and use tax on motor vehicles shall be distributed to and paid into the Commonwealth Transportation Fund pursuant to § 33.2-1524.*

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

**§ 58.1-2425. (Contingent effective date) Disposition of revenues.**

A. (For contingent expiration date, see Acts 2019, c. 52, cl. 2) Funds collected hereunder by the Commissioner shall be forthwith paid into the state treasury. Except as otherwise provided in this section, these funds shall constitute special funds within the Commonwealth Transportation Fund. Any balances remaining in these funds at the end of the year shall be available for use in subsequent years for the purposes set forth in this chapter, and any interest income on such funds shall accrue to these funds. The revenue so derived, after refunds have been deducted, is hereby allocated for the construction, reconstruction and maintenance of highways and the regulation of traffic thereon and for no other purpose. However, (i) all funds collected pursuant to the provisions of this chapter from manufactured homes, as defined in § 46.2-100, shall be distributed to the city, town, or county wherein such manufactured home is to be situated as a dwelling; (ii) ~~effective January 1, 1987, an amount equivalent to the net additional revenues from the sales and use tax on motor vehicles generated by enactments of the 1986 Special Session of the Virginia General Assembly which amended §§ 46.2-694, 46.2-697, 58.1-2401, 58.1-2402 and this section shall be distributed to and paid into the Transportation Trust Fund established pursuant to § 33.2-1524, a special fund within the Commonwealth Transportation Fund, and are hereby appropriated to the Commonwealth Transportation Board for transportation needs;~~ *and (iii) all funds collected pursuant to the provisions of this chapter from all-terrain vehicles, mopeds, and off-road motorcycles, as those terms are defined in § 46.2-100, shall be distributed as follows: (a) an amount equal to a one percent tax shall be distributed in the same manner as the one percent local sales tax pursuant to § 58.1-605, except that this amount collected on sales by anyone other than a Virginia dealer or on sales outside of Virginia shall be distributed to the county or city in which the vehicle is used or stored for use; (b) an amount equal to a four percent tax shall be distributed in the same manner as the state sales and use tax pursuant to § 58.1-638, except that this amount collected on sales by anyone other than a Virginia dealer or on sales outside of Virginia shall be distributed to the county or city in which the vehicle is used or stored for use; and (c) an amount equal to a one percent tax shall be distributed in a manner consistent with the provisions of subsection I of § 58.1-638 for each all-terrain vehicle, moped, and off-road motorcycle subject to the additional tax within the Historic Triangle under subdivision A 1 of § 58.1-2402; and (iii) all remaining funds, after the collection costs of the Department of Motor Vehicles, from the sales and use tax on motor vehicles shall be distributed to and paid into the Commonwealth Transportation Fund established pursuant to § 33.2-1524.*

A. (For contingent effective date, see Acts 2019, c. 52, cl. 2) Funds collected hereunder by the Commissioner shall be forthwith paid into the state treasury. Except as otherwise provided in this section, these funds shall constitute special funds within the Commonwealth Transportation Fund. Any balances remaining in these funds at the end of the year shall be available for use in subsequent years for the purposes set forth in this chapter, and any interest income on such funds shall accrue to these funds. The revenue so derived, after refunds have been deducted, is hereby allocated for the construction, reconstruction and maintenance of highways and the regulation of traffic thereon and for no other purpose. However, (i) all funds collected pursuant to the provisions of this chapter from manufactured homes, as defined in § 46.2-100, shall be distributed to the city, town, or county wherein such manufactured home is to be situated as a dwelling; (ii) ~~effective January 1, 1987, an amount equivalent to the net additional revenues from the sales and use tax on motor vehicles generated by enactments of the 1986 Special Session of the Virginia General Assembly which amended §§ 46.2-694,~~

4452 46.2-697, 58.1-2401, 58.1-2402 and this section shall be distributed to and paid into the Transportation  
 4453 Trust Fund established pursuant to § 33.2-1524, a special fund within the Commonwealth Transportation  
 4454 Fund; and are hereby appropriated to the Commonwealth Transportation Board for transportation needs;  
 4455 and (iii) all funds collected pursuant to the provisions of this chapter from all-terrain vehicles, mopeds,  
 4456 and off-road motorcycles, as those terms are defined in § 46.2-100, shall be distributed as follows: (a) an  
 4457 amount equal to a one percent tax shall be distributed in the same manner as the one percent local sales  
 4458 tax pursuant to § 58.1-605, except that this amount collected on sales by anyone other than a Virginia  
 4459 dealer or on sales outside of Virginia shall be distributed to the county or city in which the vehicle is  
 4460 used or stored for use and (b) an amount equal to a four percent tax shall be distributed in the same  
 4461 manner as the state sales and use tax pursuant to § 58.1-638, except that this amount collected on sales  
 4462 by anyone other than a Virginia dealer or on sales outside of Virginia shall be distributed to the county  
 4463 or city in which the vehicle is used or stored for use; and (iii) *all remaining funds, after the collection*  
 4464 *costs of the Department of Motor Vehicles, from the sales and use tax on motor vehicles shall be*  
 4465 *distributed to and paid into the Commonwealth Transportation Fund established pursuant to*  
 4466 *§ 33.2-1524.*

4467 B. As provided in subsection A of § ~~58.1-638~~, of the funds becoming part of the Transportation  
 4468 Trust Fund pursuant to clause (ii) of subsection A of this section, an aggregate of 4.2 percent shall be  
 4469 set aside as the Commonwealth Port Fund; an aggregate of 2.4 percent shall be set aside as the  
 4470 Commonwealth Airport Fund; and an aggregate of 14.5 percent in fiscal year 1998-1999 and 14.7  
 4471 percent in fiscal year 1999-2000 and thereafter shall be set aside as the Commonwealth Mass Transit  
 4472 Fund.

4473 **§ 58.1-2531. Distribution of certain revenue.**

4474 A. Beginning with the Commonwealth's fiscal year beginning on July 1, 2008 and for each fiscal  
 4475 year thereafter, an amount equal to one-third of all revenues collected by the Department in the most  
 4476 recently ended fiscal year from the tax imposed under this chapter, less one-third of the total amount of  
 4477 such tax refunded in the most recently ended fiscal year, shall be deposited by the Comptroller to the  
 4478 *Priority Commonwealth Transportation Fund established under § 33.2-1527* 33.2-1524.

4479 B. For purposes of the Comptroller's deposits under this section, the Tax Commissioner shall, no  
 4480 later than July 15 of each year, provide a written certification to the Comptroller that reports the amount  
 4481 to be deposited pursuant to subsection A. After the required amount has been deposited as provided in  
 4482 subsection A, all remaining revenues from the tax imposed under this chapter shall be deposited into the  
 4483 general fund of the state treasury. The Comptroller shall make all deposits under this section as soon as  
 4484 practicable.

4485 **§ 58.1-2701. (Contingent expiration date) Amount of tax.**

4486 A. Except as provided in subsection C, every motor carrier shall pay a road tax per gallon equivalent  
 4487 to the cents per gallon credit for diesel fuel as determined under subsection A of § 58.1-2706 for the  
 4488 relevant period plus an additional amount per gallon, as determined by subsection B, calculated on the  
 4489 amount of motor fuel, diesel fuel or liquefied gases (which would not exist as liquids at a temperature  
 4490 of 60 degrees Fahrenheit and a pressure of 14.7 pounds per square inch absolute), used in its operations  
 4491 within the Commonwealth.

4492 The tax imposed by this chapter shall be in addition to all other taxes of whatever character imposed  
 4493 on a motor carrier by any other provision of law.

4494 B. The additional amount per gallon shall be determined by the Commissioner annually, effective  
 4495 July 1 of each year. On July 1, 2019, the additional amount per gallon shall be calculated by  
 4496 multiplying the average fuel economy by \$0.01125. On July 1, 2020, and each July 1 thereafter, the  
 4497 additional amount per gallon shall be calculated by multiplying the average fuel economy by \$0.0225.  
 4498 The additional amount per gallon shall be rounded to the nearest one-tenth of a cent. For purposes of  
 4499 this subsection, "average fuel economy" shall be calculated by dividing the total taxable miles driven in  
 4500 the Commonwealth by the total taxable gallons of fuel consumed in the Commonwealth, as reported in  
 4501 IFTA returns in the preceding taxable year.

4502 C. In lieu of the tax imposed in subsection A, motor carriers registering qualified highway vehicles  
 4503 that are not registered under the International Registration Plan shall pay a fee of \$150 per year for each  
 4504 qualified highway vehicle regardless of whether such vehicle will be included on the motor carrier's  
 4505 IFTA return. For the period of July 1, 2019, through June 30, 2020, the fee shall be adjusted based on  
 4506 the percent change in the road tax imposed pursuant to subsection A from June 30, 2019, to July 1,  
 4507 2019. The Commissioner shall adjust the fee annually on July 1 of every year thereafter based on the  
 4508 percentage change in the road tax imposed pursuant to subsection A for the previous fiscal year as  
 4509 compared to the current fiscal year. The fee is due and payable when the vehicle registration fees are  
 4510 paid pursuant to the provisions of Article 7 (§ 46.2-685 et seq.) of Chapter 6 of Title 46.2.

4511 If a vehicle becomes a qualified highway vehicle before the end of its registration period, the fee due  
 4512 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.

D. 1. Except as provided in subdivision 2, all *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 *deposited into* the Commonwealth Transportation Fund *established pursuant to § 33.2-1524*.

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.

#### § 62.1-132.1. General powers.

A. Except as provided in subsection B, the Authority is vested with the powers of a body corporate, including, without limitation, to:

1. Sue and be sued;
2. Make contracts;
3. Adopt and use a common seal, and alter such seal at its pleasure;
4. Procure insurance, participate in insurance plans, and provide self-insurance. The purchase of insurance, participation in an insurance plan, or the creation of a self-insurance plan by the Authority shall not be deemed a waiver or relinquishment of any sovereign immunity to which the Authority or its officers, directors, employees, or agents are otherwise entitled;
5. Develop policies and procedures generally applicable to the procurement of goods, services and construction based on competitive principles; and

6. Exercise all the powers that are conferred upon industrial development authorities created pursuant to Chapter 49 (§ 15.2-4900 et seq.) of Title 15.2, except that the power to effect a change in ownership or operation of the Port of Virginia shall be subject to the provisions of § 62.1-132.19.

B. Expenditures by the Authority for capital projects are restricted to projects located on real property that is owned, leased, or operated by the Virginia Port Authority, except those expenditures (i) as provided in § 62.1-132.13 or 62.1-132.14, (ii) on grants to local government for financial assistance for port facilities as approved by the Board in policies posted on the Authority's website, or (iii) to provide support for the types of projects eligible for funding under subsection A of § 33.2-1509, subsection A of § 33.2-1600, or subsection A of § 33.2-1601 § 33.2-1526.2.

**2. That the General Assembly finds that the completion of Corridor Q of the Appalachian Development Highway System is required to provide an adequate, modern, safe, and efficient highway that will further the economic development needs and economic growth potential of south-central and southwest Virginia.**

**3. That § 2 of the first enactment of Chapter 8 of the Acts of Assembly of 1989, Special Session II, as amended by Chapter 538 of the Acts of Assembly of 1999 and Chapter 296 of the Acts of Assembly of 2013, is amended and reenacted as follows:**

§ 2. The Commonwealth Transportation Board is hereby authorized, by and with the consent of the Governor, to issue, pursuant to the provisions of §§ 33.1-267 through 33.1-295 *the Transportation Development and Revenue Bond Act* (§ 33.2-1700 et seq. of the Code of Virginia), at one time or from time to time, bonds of the Commonwealth to be designated "Commonwealth of Virginia Transportation Revenue Bonds, Series .....", in an aggregate principal amount not exceeding \$1,300,000,000, to finance the cost of the project plus an amount for the issuance costs, reserve funds, and other financing expenses. However, the additional amount of bonds that may be issued solely because of the

4574 amendments to this section by the 2013 Session of the General Assembly may be issued only if the debt  
 4575 service of such bonds can be met solely with the revenues provided to the Route 58 Corridor  
 4576 Development Fund pursuant to the provisions of § 58.1-815 of the Code of Virginia. The proceeds of  
 4577 such bonds shall be used exclusively for the purpose of providing funds, with any other available funds,  
 4578 for paying all costs incurred or to be incurred for the construction of an adequate, modern, safe, and  
 4579 efficient highway system, generally along Virginia's southern boundary and which comprises the U.S.  
 4580 Route 58 Corridor Development Program as established in § ~~33.1-221.1:2~~ 33.2-2301 of the Code of  
 4581 Virginia, consisting of the environmental and engineering studies, rights-of-way acquisition, construction  
 4582 and related improvements (the Project).

4583 Of the \$104.3 million increase in bond issuance authorized by the 1999 Session of the General  
 4584 Assembly, \$82 million shall be issued for portions of the Project as follows:

4585	Portion of the Project	Bond amount
4586	Ben Hur to Pennington Gap in Lee County	\$9,800,000
4587	Pennington Gap to Dryden in Lee County	\$35,600,000
4588	Anticipated shortfall on the Danville Bypass, Clarksville Bypass,	\$35,100,000
4589	Stuart Bypass, and completion of a gap west of Jonesville in Lee	
4590	County	
4591	Taylors Valley in Washington County	\$1,500,000
4592	Total	\$82,000,000

4593 The remaining balance of the bond issuance in the amount of \$22.3 million, together with any bond  
 4594 issuance not necessary to complete the above projects, shall be issued for right-of-way acquisition from  
 4595 the Town of Stuart, in Patrick County along the Route 58 corridor to its intersection with Interstate 77  
 4596 in Carroll County.

4597 Beginning July 1, 2013, completion of the following portions of the Project shall have priority over  
 4598 any other portions of the Project:

4599 Crooked Oak Section  
 4600 ROW Acquisition  
 4601 Utility Relocation  
 4602 Permitting and Mitigation  
 4603 Design  
 4604 Construction and Inspection  
 4605 Vesta Section  
 4606 ROW Acquisition  
 4607 Utility Relocation  
 4608 Permitting and Mitigation  
 4609 Design  
 4610 Construction and Inspection  
 4611 Lover's Leap Section  
 4612 ROW Acquisition  
 4613 Utility Relocation  
 4614 Permitting and Mitigation  
 4615 Design  
 4616 Construction and Inspection  
 4617 *Final Section of Corridor Q - Route 121/460 Poplar Creek, Phase B*  
 4618 *ROW Acquisition*  
 4619 *Utility Relocation*  
 4620 *Permitting and Mitigation*  
 4621 *Design*  
 4622 *Construction and Inspection*

4623 Of the foregoing four sections of the Project, construction of the Lover's Leap Section shall have  
 4624 priority over construction of the other three sections. However, construction of these other three sections  
 4625 may proceed simultaneously with the construction of the Lover's Leap Section if such simultaneous  
 4626 construction does not delay construction of the Lover's Leap Section.

4627 Such revenue bonds shall be issued by the Commonwealth Transportation Board and sold through  
 4628 the Treasury Board, which is hereby designated the sales and paying agent of the Commonwealth  
 4629 Transportation Board with respect to such bonds. The Treasury Board's duties shall include the approval  
 4630 of the terms and structure of the bonds.

4631 4. That §§ 33.2-1601, 33.2-1603, 46.2-702.1, 46.2-702.1:1, 58.1-2217.1, and 58.1-2295.1 of the Code  
 4632 of Virginia are repealed.

4633 5. That the fifth enactments of Chapters 837 and 846 of the Acts of Assembly of 2019 are  
 4634 repealed.

4635 6. That the provisions of § 46.2-773 of the Code of Virginia, as created by this act, shall become

effective on July 1, 2022.

7. That the Commissioner of the Department of Motor Vehicles (the Commissioner) shall convene a working group to assist the Department of Motor Vehicles in the development of the mileage-based user fee program authorized pursuant to § 46.2-773 of the Code of Virginia, as created by this act. In developing recommendations, the working group shall consider (i) the protection of all personally identifiable information that may be divulged in the reporting of highway usage; (ii) methods to record and report highway usage; (iii) the administration of the program, including the collection of fees for highway usage; and (iv) other issues identified by the Commissioner. The Commissioner shall issue an interim report no later than July 1, 2021, and a final report no later than December 15, 2021, on the findings of the working group. The Commissioner shall issue guidelines for the program no later than May 15, 2022. Such guidelines shall not be subject to the Administrative Process Act (§ 2.2-4000 et seq. of the Code of Virginia).

8. That the prioritization process established pursuant to subsection C of § 33.2-372 of the Code of Virginia, as created by this act, shall not apply to projects and strategies included or identified in the Interstate 81 Corridor Improvement Plan adopted by the Commonwealth Transportation Board on December 5, 2018.

9. That the initial terms for members of the Board of the Virginia Passenger Rail Authority shall be staggered as follows: (i) of the members appointed pursuant to subdivision A 1 of § 33.2-289 of the Code of Virginia, as created by this act, one shall be for a term of two years, one shall be for a term of three years, and one shall be for a term of four years; (ii) of the members appointed pursuant to subdivision A 2 of § 33.2-289, one shall be for a term of one year, one shall be for a term of two years, and one shall be for a term of four years; (iii) of the members appointed pursuant to subdivision A 3 of § 33.2-289, one shall be shall be for a term of one year, and one shall be for a term of three years; (iv) of the members appointed pursuant to subdivision A 4 of § 33.2-289, one shall be for a term of two years and one shall be for a term of four years; and (v) of the members appointed pursuant to subdivision A 5 of § 33.2-289, one shall be for a term of one year and one shall be for a term of three years.

10. That the provisions of this act generating additional state revenue for transportation 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 purposes.

11. That notwithstanding the provisions of this act, the Commonwealth Transportation Board (i) shall take actions deemed necessary in fiscal years 2021, 2022 and 2023 to ensure appropriate coverage ratios for any outstanding debt backed by the Transportation Trust Fund and (ii) shall ensure funds for modal programs and the highway maintenance and operating fund are at least equal to the amounts provided for the six-year financial plan for the Commonwealth Transportation Fund as in effect on January 1, 2020.

12. That the General Assembly has determined that the development, expansion, and continuation of commuter and intercity passenger rail service and the development of rail infrastructure, rolling stock, and support facilities to support commuter and intercity passenger rail service are important elements of a balanced transportation system in the Commonwealth and are essential to the Commonwealth's continued economic growth, vitality, and competitiveness in national and world markets; and that, in pursuit of the development, expansion, and continuation of commuter and intercity passenger rail service, the Commonwealth is pursuing various rail and other infrastructure improvements leading into Washington, D.C., from Virginia, including a new bridge structure that crosses the Potomac River between Arlington County and the District of Columbia in the vicinity of the 14th Street Bridge complex and the Metro Fenwick Bridge and which may include, in addition to the river crossing, reasonably related new track approaches to the new bridge, as well as property acquisition and upgrades to the existing tracks on the Virginia and the Washington, D.C., sides of the new bridge; and that new Metrorail related improvements to, and serving, the Rosslyn Metrorail station in Arlington County that would facilitate the movement of passengers and relieve train congestion on the Blue, Orange, and Silver Metrorail lines, and which may include a new platform and station, pedestrian connections to the existing Rosslyn Metrorail station, and a future new extension of Metrorail under the Potomac River (the Rail Improvements); and that the Commonwealth, through either or both of the Virginia Department of Rail and Public Transportation and the Virginia Passenger Rail Authority or such other Commonwealth agency or political subdivision as the General Assembly may authorize, will own the network of Rail Improvements and the various rail facilities, structures, and equipment constructed or acquired in connection therewith (the Rail Network) and may partner with one or more passenger or commuter rail service providers, including but not limited to Amtrak and the owners and operators of Virginia Rail Express, to deliver enhanced and reliable passenger rail service throughout the Rail Network; and that the Commonwealth, through the Virginia

4697 Department of Transportation, owns and operates the tolled express lanes comprising part of the  
 4698 Transform 66 Inside the Beltway express lanes project (the Inside the Beltway Express Lanes) and  
 4699 the revenues therefrom are intended to be applied to pay for transportation and other  
 4700 infrastructure improvements in and around the I-66 corridor; and that the General Assembly  
 4701 desires to authorize the incurrence of obligations secured, in part, by a pledge of certain net toll  
 4702 revenues from the Inside the Beltway Express Lanes collected by the Commonwealth and  
 4703 appropriated by the General Assembly, to finance the costs of (i) acquiring, constructing,  
 4704 renovating, expanding, enlarging, improving, installing, and equipping the Rail Improvements and  
 4705 the Rail Network; (ii) acquiring any lands, structures, fixtures, rights-of-way, franchises,  
 4706 easements, and other property rights and interests related to the Rail Improvements; and (iii)  
 4707 demolishing, removing, or relocating any buildings, structures, or fixtures on lands acquired for  
 4708 the Rail Improvements.

4709 13. That notwithstanding the provisions of § 33.2-1524 of the Code of Virginia, as amended by this  
 4710 act, the Special Structure Fund established pursuant to § 33.2-1532 of the Code of Virginia shall  
 4711 receive \$10 million in Fiscal Year 2021 and \$30 million in Fiscal Year 2022.

4712 14. §1. Commonwealth of Virginia Passenger Rail Facilities Bond Act of 2020.

4713 *This act shall be known and may be cited as the "Commonwealth of Virginia Passenger Rail*  
 4714 *Facilities Bond Act of 2020" (the Act).*

4715 § 2. Authorization of bonds and bond anticipation notes.

4716 *The Commonwealth Transportation Board (the Transportation Board) is hereby authorized, by and*  
 4717 *with the consent of the Governor, to sell and issue, pursuant to Article X, Section 9 (d) of the*  
 4718 *Constitution of Virginia, at one time or from time to time, bonds of the Commonwealth, to be designated*  
 4719 *"Commonwealth of Virginia Passenger Rail Facilities Bonds, Series ....." in an aggregate principal*  
 4720 *amount not exceeding \$1 billion, plus amounts needed to fund issuance costs, reserve funds, capitalized*  
 4721 *interest, and other financing expenses. The Transportation Board is further hereby authorized, by and*  
 4722 *with the consent of the Governor, to borrow money in anticipation of the issuance of bonds by the*  
 4723 *issuance of bond anticipation notes (BANs), including BANs issued as commercial paper. The proceeds*  
 4724 *of such bonds and BANs, excluding amounts needed to fund issuance costs, reserve funds, capitalized*  
 4725 *interest, and other financing expenses, shall be used exclusively for the purpose of providing funds,*  
 4726 *together with any other available funds made available by the Transportation Board, the Virginia*  
 4727 *Department of Rail and Public Transportation, and the Virginia Passenger Rail Authority, to pay all or*  
 4728 *a portion of the costs of (i) acquiring, constructing, renovating, expanding, enlarging, improving,*  
 4729 *installing, and equipping the Rail Improvements, as defined in the twelfth enactment of this act, and the*  
 4730 *various rail facilities, structures, and equipment constructed or acquired in connection therewith; (ii)*  
 4731 *acquiring any lands, structures, fixtures, rights-of-way, franchises, easements, and other property rights*  
 4732 *and interests related to the Rail Improvements; and (iii) demolishing, removing, or relocating any*  
 4733 *buildings, structures, or fixtures on lands acquired for the Rail Improvements (any of which may be*  
 4734 *referred to as an "authorized capital project").*

4735 § 3. Deposit and application of proceeds.

4736 *The proceeds, including any premium, of bonds and BANs (except the proceeds of (i) bonds the*  
 4737 *issuance of which has been anticipated by BANs, (ii) refunding bonds, and (iii) refunding BANs), shall*  
 4738 *be deposited in a special capital outlay fund in the state treasury or may be placed with a trustee, and,*  
 4739 *together with the investment income thereon, shall be disbursed for paying all or any part of the costs*  
 4740 *of an authorized capital project, including financing costs. The proceeds of (a) bonds the issuance of*  
 4741 *which has been anticipated by BANs, (b) refunding bonds, and (c) refunding BANs shall be used to pay*  
 4742 *such BANs, refunded bonds, and refunded BANs.*

4743 § 4. Details, sale of bonds and BANs.

4744 *The terms and structure of each issue of bonds and BANs shall be determined by the Transportation*  
 4745 *Board, subject to approval of the Treasury Board if required by the provisions of § 2.2-2416 of the*  
 4746 *Code of Virginia. The bonds and BANs shall be dated, and may be made redeemable before their*  
 4747 *maturity or maturities at such price or prices or within such price parameters, all as may be determined*  
 4748 *by the Transportation Board. Bonds and BANs shall be in such form, shall bear interest at such rate or*  
 4749 *rates, either at fixed rates or at rates established by formula or other method, and may contain such*  
 4750 *other provisions, including senior and subordinate lien priorities on the pledged toll revenues as*  
 4751 *provided in § 7, with respect to such bonds and BANs, all as determined by the Transportation Board.*  
 4752 *The principal of and premium, if any, and the interest on bonds and BANs shall be payable in lawful*  
 4753 *money of the United States of America. Bonds and BANs may be certificated or uncertificated as*  
 4754 *determined by the Transportation Board. The Transportation Board may contract for services of such*  
 4755 *registrars, transfer agents, or other authenticating agents as it deems appropriate to maintain a record*  
 4756 *of the persons entitled to the bonds and BANs. Bonds and BANs issued in certificated form may be*  
 4757 *issued under a system of book entry for recording the ownership and transfer of ownership of rights to*

receive payments on the bonds and BANs. The Treasury Board shall fix the authorized denomination or denominations of the bonds and the place or places of payment of certificated bonds and BANs, which may be at the Office of the State Treasurer or at any bank or trust company within or without the Commonwealth. Bonds shall mature at such time or times not exceeding 39 years from their date or dates, and BANs shall mature at such time or times not exceeding five years from their date or dates.

The Transportation Board may sell bonds and BANs at one time or from time to time, at public or private sale, by competitive bidding, negotiated sale, or private placement with private lenders or governmental lenders, and for such price or prices, all as it may determine to be in the best interest of the Commonwealth.

§ 5. Execution of bonds and BANs.

The bonds and BANs shall be signed on behalf of the Transportation Board by the chairman or vice-chairman of the Transportation Board, or shall bear the facsimile signature of such officer, and shall bear the official seal of the Transportation Board, which shall be attested by the manual or facsimile signature of the secretary or assistant secretary of the Transportation Board. In the event that the bonds or BANs shall bear the facsimile signature of the chairman or vice-chairman of the Transportation Board, such bonds or BANs shall be signed by such administrative assistant as the chairman of the Transportation Board shall determine or by any registrar or paying agent that may be designated by the Transportation Board. If any officer whose signature or facsimile signature appears on any bonds or BANs ceases to be such officer before delivery, such signature or facsimile signature shall nevertheless be valid and sufficient for all purposes the same as if such officer had remained in office until such delivery.

§ 6. Sources for payment of expenses.

All expenses incurred under this act or in connection with the issuance of bonds or BANs shall be paid from the proceeds of bonds or BANs or from other available funds as the Transportation Board shall determine.

§ 7. Revenues.

The Transportation Board is hereby authorized (i) to fix, revise, charge, and collect tolls, rates, fees, and charges for or in connection with the use, occupancy, and services of the Inside the Beltway Express Lanes, as defined in the twelfth enactment of this act, in amounts sufficient to provide for the operating costs of the Inside the Beltway Express Lanes tolling facilities and to provide for the payment of the principal of and the premium, if any, and interest on the bonds and BANs and the debt service and sinking funds and reserves established as provided below and (ii) to pledge to the payment of the bonds or any portion thereof or BANs issued to finance or refinance the Rail Improvements the net revenues resulting from such tolls, rates, fees, and charges and remaining after payment of expenses incurred in operating the Inside the Beltway Express Lanes tolling facilities (the Toll Revenues). The Transportation Board is further authorized to create debt service and sinking funds for the payments of the principal of and premium, if any, and interest on the bonds and BANs and other reserves required by any of the purchasers.

§ 8. Investments and contracts.

A. Pending the application of the proceeds of the bonds or BANs (including refunding bonds and BANs) to the purpose for which they have been authorized and the application of funds set aside for the purpose to the payment of bonds or BANs, they may be invested by the State Treasurer or by a trustee in securities that are legal investments under the laws of the Commonwealth for public funds and sinking funds, as the case may be. Whenever the State Treasurer or trustee receives interest from the investment of the proceeds of bonds or any BANs, such interest shall become a part of the principal of the bonds and any BANs and shall be used in the same manner as required for principal of the bonds or BANs.

B. The Commonwealth may enter into any contract or other arrangement that is determined to be necessary or appropriate to place the obligation or investment of the Commonwealth, as represented by bonds, BANs, or investments, in whole or in part, on the interest rate, cash flow, or other basis desired by the Commonwealth. Such contract or other arrangement may include, without limitation, contracts commonly known as interest rate swap agreements and futures or contracts providing for payments based on levels of, or changes in, interest rates. These contracts or arrangements may be entered into by the Commonwealth in connection with, incidental to, entering into, or maintaining, any (i) agreement that secures bonds or BANs or (ii) investment, or contract providing for investment, otherwise authorized by law. These contracts and arrangements may contain such payment, security, default, remedy, and other terms and conditions as determined by the Commonwealth, after giving due consideration to the creditworthiness of the counterparty or other obligated party, including any rating by any nationally recognized rating agency, and any other criteria as may be appropriate. The determinations referred to in this subsection may be made by the Treasury Board or any public funds manager with professional investment capabilities duly authorized by the Treasury Board to make such

determinations.

C. Any money set aside and pledged to secure payments of bonds, BANs, or any of the contracts entered into pursuant to this section may be invested in accordance with subsection A and may be pledged to and used to service any of the contracts or other arrangements entered into pursuant to subsection B.

§ 9. Security for bonds and BANs.

Subject to appropriation by the General Assembly of such amounts, the Toll Revenues are hereby irrevocably pledged for the payment of the principal of and premium, if any, and interest on bonds and BANs issued under this act. The proceeds of (i) bonds the issuance of which has been anticipated by BANs, (ii) refunding bonds, and (iii) refunding BANs are hereby irrevocably pledged for the payment of principal of and premium, if any, and interest on the BANs or bonds to be paid or redeemed thereby. Nothing in this act or the bonds or BANs shall be deemed to create or constitute a pledge of the faith and credit of the Commonwealth or any political subdivision thereof.

§ 10. Exemption of interest from tax.

The bonds and BANs issued under the provisions of this act, their transfer and the income therefrom, including any profit made on the sale thereof, shall at all times be free and exempt from taxation by the Commonwealth and by any county, city, or town, or other political subdivision thereof. The Transportation Board is authorized to take or refrain from taking any and all actions and to covenant to such effect, and to require the Transportation Board, the Virginia Department of Rail and Public Transportation, and the Virginia Passenger Rail Authority to do and to covenant likewise, to the extent that, in the judgment of the Transportation Board, it is appropriate in order that interest on the bonds and BANs may be exempt from federal income tax. Alternatively, interest on bonds and BANs may be made subject to inclusion in gross income of the holders thereof for federal income tax purposes.

§ 11. Refunding bonds and BANs.

The Transportation Board is authorized, by and with the consent of the Governor, to sell and issue, at one time or from time to time, refunding bonds and BANs of the Commonwealth and to refund any or all of the bonds and BANs, respectively, issued under this act. Refunding bonds and BANs may be issued in a principal amount up to the amount necessary to pay at maturity or redeem the bonds and BANs to be refunded and pay all issuance costs and other financing expenses of the refunding. Such refunding bonds and BANs may be issued whether or not the obligations to be refunded are then subject to redemption.

§ 12. Defeasance.

Any bond or BAN for which cash or direct obligations of the United States of America shall have been set aside in escrow with the State Treasurer or a bank or trust company, within or without the Commonwealth, shall be deemed no longer outstanding under the applicable authorizing instrument, this act, and Article X, Section 9 (d) of the Constitution of Virginia.

§ 13. Legal investments.

All obligations issued under the provisions of this act are hereby made securities in which all public officers and bodies of the Commonwealth and political subdivisions thereof, insurance companies and associations, savings banks and savings institutions, including savings and loan associations, trust companies, beneficial and benevolent associations, administrators, guardians, executors, trustees, and other fiduciaries in the Commonwealth may properly and legally invest funds under their control.

§ 14. Severability.

The provisions of this act or the application thereof to any person or circumstances that are held invalid shall not affect the validity of other provisions or applications of this act which can be given effect without the invalid provisions or applications.

§ 15. Appropriation.

The proceeds of the bonds are hereby appropriated for disbursement from the state treasury pursuant to Article X, Section 7 of the Constitution of Virginia and § 2.2-1819 of the Code of Virginia. The general conditions and general provisions of the general appropriation act enacted pursuant to Chapter 15 (§ 2.2-1500 et seq.) of Title 2.2 of the Code of Virginia, as such general appropriation act may be amended from time to time, and all of the terms and conditions contained therein shall apply to the authorized capital project described in this act.

15. §1. Commonwealth Transportation Interstate 81 Corridor Bond Act of 2020.

This act shall be known and may be cited as the "Commonwealth Transportation Interstate 81 Corridor Bond Act of 2020."

§ 2. Definitions.

"Act" means the Commonwealth Transportation Interstate 81 Corridor Bond Act of 2020.

"Board" means the Commonwealth Transportation Board established pursuant to Article 1 (§ 33.2-200 et seq.) of Chapter 2 of Title 33.2 of the Code of Virginia.

"Bond" means a bond, a note, a credit facility, an anticipatory borrowing, and any other evidence of



indebtedness issued pursuant to the provisions of the Act. A bond may contain any designation appropriate to the debt instrument.

"Bond Act" means Chapter 17 (§ 33.2-1700 et seq.) of Title 33.2 of the Code of Virginia and any amendments thereto.

"Fund" means the same as such term is defined in § 33.2-3600 of the Code of Virginia.

"Plan" means the same as such term is defined in § 33.2-3600 of the Code of Virginia.

"Program" means the same as such term is defined in § 33.2-3600 of the Code of Virginia.

§ 3. Authorization of bonds and bond anticipation notes.

The Board is hereby authorized, by and with the consent of the Governor, to issue, pursuant to the provisions of the Bond Act, revenue obligations of the Commonwealth, to be designated "Commonwealth of Virginia Interstate 81 Corridor Program Revenue Bonds, Series .....". The Board may issue bonds in one or multiple issues, provided that the aggregate principal amount does not exceed \$1 billion after all costs. Such amount shall include amounts needed to fund issuance costs, reserve funds, capitalized interest, and other financing expenses, but shall exclude any refunding bonds. Such aggregate principal amount shall not include the principal amount of any bonds issued to refund prior obligations issued under this Act and shall not include any pre-project completion interest that may be converted to principal in connection with any federal program borrowing undertaken pursuant to subsection D of § 6.

§ 4. The Board shall use the proceeds of any bonds, including any premium received on the sale thereof, for the exclusive purpose of paying costs incurred or to be incurred in relation to the Plan and the Program. Such costs may include payment of bond interest during and after the construction of transportation improvements, as determined by the Board. Such costs may include expenditures for:

1. Environmental and engineering studies;
2. Acquisition of rights of way;
3. Improvements to any existing mode of transportation;
4. Acquisition of real and personal property;
5. Construction of new modes of transportation and improvements thereto;
6. Contributions to reserve funds;
7. Any financing expenses; and
8. Any purpose the Board deems necessary to implementing the Plan and the Program.

§ 5. The Board shall make proceeds of the bonds available to pay costs for the purposes identified in § 4, or to refund previously issued bonds providing funds to pay for the purposes identified in § 4. The Board may make payments to any authority, commission, locality, or other entity of the Commonwealth for purposes of paying such entity's costs related to transportation projects. The Board shall use bond proceeds together with any federal, local, or private funds that may be made available for similar purposes. The Board may use proceeds from the bonds, together with any investment earnings from such bonds, to secure the payment of principal or the purchase price and redemption premium, if any, and interest on the bonds.

§ 6. A. The Board shall determine the terms and structure of each issue of bonds, provided that its determination shall be subject to approval by the Treasury Board in accordance with § 2.2-2416 of the Code of Virginia and any amendments thereto. The bonds of each issue shall:

1. Be dated;
2. Be issued in a principal amount subject to the limitations identified in § 3;
3. Bear interest at rate or rates, which may be fixed, adjustable, variable, or a combination thereof and which may be determined according to a formula or other method;
4. Mature at a time or times not exceeding 39 years from the date of issue, except as provided in subsection D; and

5. If directed by the Board, be issued under a system of book entry for recording the ownership and transfer of ownership of rights to receive payments of principal or purchase price and redemption premium, if any, and interest on such bonds.

B. The Board may determine that bonds be made subject to purchase or redemption before their maturity or maturities, at such price or prices and under such terms and conditions it deems appropriate. The Board shall:

1. Determine the form of the bonds;
2. Determine whether the bonds are certificated or uncertificated;
3. Fix the authorized denomination of the bonds, provided that interest on the bonds shall be made payable in lawful money of the United States; and
4. Fix the place or places of payment of the bonds' principal, purchase price, redemption premium, if any, and interest, provided that such place may be the office of the State Treasurer or any bank or trust company in the United States.

C. All bonds issued under the Act shall have, as between successive holders, all the qualities and incidents of negotiable instruments under the Commonwealth's negotiable instruments laws.

D. Notwithstanding the maturity limitation prescribed in subdivision A 4, if the Board enters into an agreement with the authorization of the U.S. Department of Transportation pursuant to the provisions of subdivision 18 of § 33.2-1701 of the Code of Virginia, any loan, credit facility, or other borrowing that occurs under such agreement, including any advancement under a line of credit or lending program with an individualized prepayment schedule, shall not exceed 39 years from the first scheduled payment of principal. The first scheduled payment of principal shall be not more than five years from the initial advancement of funds under such loan, credit facility, line of credit, or other borrowing.

E. The Board may sell bonds from time to time at public or private sale for such price or prices as it determines to be in the best interest of the Commonwealth. The Board may sell bonds by competitive bidding, negotiated sale, or private placement with private lenders or governmental agencies.

§ 7. A. Any bonds issued pursuant to this act shall (i) be signed on behalf of the Board by the chairman or vice-chairman of the Board or shall bear the facsimile signature of such officer and (ii) bear the official seal of the Board, which shall be attested to by the manual or facsimile signature of the secretary or assistant secretary of the Board. If a bond bears a facsimile signature pursuant to clause (i), the bonds shall be signed by a designee of the Board, who may be an administrative assistant, a registrar, or a paying agent. If an officer whose signature or facsimile signature ceases to be an officer before the delivery of a bond that he signed, his signature or facsimile signature shall be valid and sufficient for all purposes as if he had remained an officer until delivery of such bonds.

B. If a loan, line of credit, or other borrowing is not evidenced by a bond, any agreements and instruments as may be necessary to provide evidence of such loan, line of credit, or other borrowing shall be signed on behalf of the Board by the chairman or vice-chairman of the Board. Such agreements and instruments may bear the official seal of the Board. Such agreements and instruments shall be signed by the secretary or assistant secretary of the Board.

§ 8. All expenses incurred under this Act or in connection with any bond issuance shall be paid from the proceeds of such bonds or from any available funds in the Fund.

§ 9. A. The proceeds of the bonds and of any anticipation notes authorized pursuant to the Act shall be placed by the State Treasurer in a special fund in the State Treasury or placed with a trustee in accordance with the provisions of § 33.2-1716 of the Code of Virginia and any amendments thereto. Such proceeds shall be disbursed only for the purpose for which such bonds and anticipation notes were issued. Proceeds derived from the sale of bonds authorized by this Act shall first be used to pay anticipation notes, if any were issued in anticipation of the sale of such bonds and renewals of such bonds.

B. Subsection A shall not apply to the proceeds of bonds when the issuance of such bonds has been anticipated by anticipation notes.

C. In accordance with subsection C of § 33.2-3601 of the Code of Virginia, proceeds of bonds and the distribution and expenditure of such proceeds shall not reduce the share of federal, state, or local revenues otherwise available to jurisdictions along the Interstate 81 corridor. Such revenues shall not affect the calculation of a locality's ability to pay for public education for purposes of determining appropriations of state revenues to localities for public education.

§ 10. The Board may receive any other funds that may be made available to pay costs of projects related to the Plan and the Program and, subject to appropriation by the General Assembly, may make available such funds for the payment of the principal, purchase price, and redemption premium, if any, and interest on bonds authorized under this Act. The Board is authorized to enter into agreements with any department or agency of the Commonwealth or any other party to allow for such funds, and any other funds, to be paid into the state treasury, or to a trustee in accordance with the provisions of § 33.2-1716 of the Code of Virginia and any amendments thereto, to pay a part of the costs of such projects, to pay any costs of issuance, to fund any part of any reserve fund, or to pay the principal or purchase price of, and redemption premium, if any, and interest on the bonds.

§ 11. In connection with the issuance or planned issuance of any bonds, the Board shall establish a fund either in the state treasury with the cooperation of the State Treasurer, or with a trustee in accordance with the provisions of § 33.2-1716 of the Code of Virginia and any amendments thereto. Such fund shall secure and be used for the payments of the bonds to the credit of which there shall be deposited such amounts, subject to appropriation by the General Assembly, necessary to pay principal, purchase price of, redemption premium if any, and interest on the bonds, as and when such costs become due and payable. Such costs shall be paid from the revenues deposited into the Interstate 81 Corridor Improvement Fund pursuant to § 58.1-2299.20 of the Code of Virginia derived from the receipt of regional fuels tax levied pursuant to § 58.1-2295 of the Code of Virginia.

§ 12. In connection with the issuance or planned issuance of any bonds, the Board may pay any necessary and appropriate support costs, including debt service or deposits to reserve funds, from revenues deposited to the Interstate 81 Corridor Improvement Fund pursuant to § 58.1-2299.20 of the Code of Virginia derived from the receipt of regional fuels tax levied pursuant to § 58.1-2295 of the

5002 *Code of Virginia.*

5003     § 13. *The State Treasurer shall invest bond proceeds and moneys in any reserve funds and sinking*  
 5004 *funds related to bonds in accordance with the provisions of Chapter 18 (§ 2.2-1800 et seq.) of Title 2.2*  
 5005 *of the Code of Virginia and any applicable law governing management of funds by a trustee pursuant to*  
 5006 *§ 33.2-1716 of the Code of Virginia, and any amendments thereto.*

5007     § 14. *No tax or fee shall be imposed by the Commonwealth, a locality, or any other entity of the*  
 5008 *Commonwealth on the interest income and profit made on the sale of obligations issued under the*  
 5009 *provisions of the Act.*

5010     § 15. *Any obligation issued under this Act shall be considered a security in which any person and*  
 5011 *entity identified in § 33.2-1713 of the Code of Virginia may properly and legally invest funds.*

5012     § 16. *If any provision of this Act conflicts with a provision of the Bond Act, the provision of this Act*  
 5013 *shall control.*

5014     § 17. *This Act, being necessary for the welfare of the Commonwealth and its inhabitants, shall be*  
 5015 *liberally construed to effect the purpose of this Act.*

5016     § 18. *That should any portion of this Act be held unconstitutional by a court of competent*  
 5017 *jurisdiction, the remaining portions of this Act shall remain in effect.*

5018 **16. That the provisions of this act may result in a net increase in periods of imprisonment or**  
 5019 **commitment. Pursuant to § 30-19.1:4 of the Code of Virginia, the estimated amount of the**  
 5020 **necessary appropriation cannot be determined for periods of imprisonment in state adult**  
 5021 **correctional facilities; therefore, Chapter 854 of the Acts of Assembly of 2019 requires the Virginia**  
 5022 **Criminal Sentencing Commission to assign a minimum fiscal impact of \$50,000. Pursuant to**  
 5023 **§ 30-19.1:4 of the Code of Virginia, the estimated amount of the necessary appropriation is \$0 for**  
 5024 **periods of commitment to the custody of the Department of Juvenile Justice.**