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HOUSE BILL NO. 1531

Offered January 11, 2023

Prefiled January 5, 2023

A *BILL to amend the Code of Virginia by adding sections numbered 33.2-2600.2 and 58.1-603.3, relating to Hampton Roads Interstate Highway Corridor Improvement Program and Fund; sales and use tax; Planning District 23.*

Patron—Jenkins

Referred to Committee on Transportation

Be it enacted by the General Assembly of Virginia:

1. That the Code of Virginia is amended by adding sections numbered 33.2-2600.2 and 58.1-603.3 as follows:

§ 33.2-2600.2. Hampton Roads Interstate Highway Corridor Improvement Program and Fund.

A. There is hereby created in the state treasury a special nonreverting fund to be known as the Hampton Roads Interstate Highway Corridor Improvement Fund, referred to in this chapter as "the Highway Corridor Improvement Fund," to be managed and administered by the Commission. The Highway Corridor Improvement Fund shall be established on the books of the Comptroller. All revenues generated pursuant to § 58.1-603.3 shall be paid into the state treasury and credited to the Highway Corridor Improvement Fund. Interest earned on moneys in the Highway Corridor Improvement Fund shall remain in the Highway Corridor Improvement Fund and be credited to it. Any moneys remaining in the Highway Corridor Improvement Fund, including interest thereon, at the end of each fiscal year shall not revert to the general fund but shall remain in the Highway Corridor Improvement Fund. Moneys in the Highway Corridor Improvement Fund shall be used solely as provided in this section.

B. The Commission shall establish and administer the Hampton Roads Interstate Highway Corridor Improvement Program (the Program) for the purpose of making infrastructure and safety improvements to highway corridors surrounding and paralleling interstate highways in Planning District 23. The Commission shall identify highways that are used as alternative routes to interstate highways, including U.S. Routes 58 and 460, and develop a long-term plan for addressing increased vehicle traffic on such highways. In selecting projects for the Program, the Commission shall (i) prioritize congestion mitigation and highway safety; (ii) consult with relevant localities; and (iii) consider the impact of traffic from the Port of Virginia on such highways.

C. The amounts dedicated to the Highway Corridor Improvement Fund shall be deposited monthly by the Comptroller into the Highway Corridor Improvement Fund and thereafter distributed to the Commission as soon as practicable for use in accordance with this section. If the Commission determines that such moneys distributed to it exceed the amount required to meet the current needs and demands identified in this section, the Commission may invest such excess moneys to the same extent and in the same manner as provided in subsection A of § 33.2-1525 for excess funds in the Transportation Trust Fund.

D. The amounts deposited into the Highway Corridor Improvement 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 participating localities. Further, such revenues and moneys shall not be included in any computation of, or formula for, a composite index of local ability-to-pay, upon which appropriations of state revenues to local governments for public education are determined.

§ 58.1-603.3. Additional state sales and use tax for certain transportation purposes; fund.

A. In addition to the sales tax imposed pursuant to §§ 58.1-603 and 58.1-603.1, there is hereby levied and imposed in Planning District 23 established pursuant to Chapter 42 (§ 15.2-4200 et seq.) of Title 15.2 a retail sales tax at the rate of 0.30 percent. Such tax shall not be levied upon food purchased for human consumption or essential personal hygiene products, as such terms are defined in § 58.1-611.1. Such tax shall be added to the rate of the state sales tax imposed pursuant to §§ 58.1-603 and 58.1-603.1 in each such county and city and shall be subject to all the provisions of this chapter and the rules and regulations published with respect thereto. No discount under § 58.1-622 shall be allowed for the tax imposed under this section. Such tax shall be administered and collected by the Tax Commissioner in the same manner and subject to the same penalties as provided for the state sales tax under § 58.1-603.

B. In addition to the use tax imposed pursuant to §§ 58.1-604 and 58.1-604.01, there is hereby levied and imposed in Planning District 23 established pursuant to Chapter 42 (§ 15.2-4200 et seq.) of Title 15.2 a retail use tax at the rate of 0.30 percent. Such tax shall not be levied upon food purchased for

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59 *human consumption or essential personal hygiene products, as such terms are defined in § 58.1-611.1.*
60 *Such tax shall be added to the rate of the state use tax imposed pursuant to §§ 58.1-604 and*
61 *58.1-604.01 in each such county and city and shall be subject to all the provisions of this chapter and*
62 *the rules and regulations published with respect thereto. No discount under § 58.1-622 shall be allowed*
63 *for the tax imposed under this section. Such tax shall be administered and collected by the Tax*
64 *Commissioner in the same manner and subject to the same penalties as provided for the state use tax*
65 *under § 58.1-604.*

66 *C. The revenue generated and collected pursuant to the tax authorized under this section, less the*
67 *applicable portion of any refunds to taxpayers, shall be deposited by the Comptroller in the fund*
68 *established pursuant to § 33.2-2600.2.*

69 **2. That the provisions of this act that generate additional revenues for transportation shall expire**
70 **on December 31 of any year in which the General Assembly or a locality located in Planning**
71 **District 23 appropriates or transfers any of such additional revenue for any**
72 **non-transportation-related purpose.**