



# Report of the Subcommittee on Transportation

Senate Finance Committee  
Virginia General Assembly

February 16, 2014



SENATE OF VIRGINIA

## Senate Finance Committee

### **2014 Report of the Transportation Subcommittee The Honorable Richard L. Saslaw, Chairman February 16, 2014**

Mr. Chairman and Members of the Committee:

Your Transportation subcommittee worked hard this session to prioritize strategic investments in congestion relief and economic development, while recognizing that state and federal revenues underpinning our transportation investments remain uncertain.

In the year since the passage of legislation fundamentally transforming transportation funding, the revenue forecast and assumptions that were used in preparing that legislation have changed substantially.

With the December 2013 reforecast, statewide transportation revenues were brought down by more than \$800 million over the six year planning horizon, and the revenue forecast for maintaining our core assets will be reduced by another \$60 million with repeal of the enhanced registration fees for hybrid vehicles, a fee that, arguably, should never have been included in the bill last year.

We have identified the resources to advance our proposed investments, which come largely from one-time undesignated bond proceeds originally authorized in 2008. With historically low interest rates, and incredibly competitive bids from our contracting partners, the projects originally specified in 2008 came in more than \$30 million under estimated cost.

The proposal of your transportation subcommittee uses approximately \$25 million of these balances to advance critical

planning and construction initiatives for both roads and rail as well as forward-looking investments that complement targeted economic development interests of the Commonwealth.

Included in these amounts is \$10.0 million for continued planning and environmental assessment required for the expansion of Hampton Roads Light Rail to Naval Station Norfolk, as well as initial planning for complementary light rail service to communities on the western side of Hampton Roads.

In Northern Virginia, a region with the most robust network of transit and intermodal transportation services in the Commonwealth, the transportation subcommittee proposes an investment of \$4.0 million to complete the Locally Preferred Alternative analysis for the Route 1 Corridor as well as \$2.0 million for advancing core capacity planning of Virginia Railway Express services.

Strategic investments in advancing economic development in rural communities on Virginia's Eastern Shore and central Virginia are also a priority of the Transportation subcommittee.

As you know, Virginia was one of only six states recently designated by the Federal Aviation Administration to conduct Unmanned Aircraft Research, and more than \$2.0 million has already been awarded to the Mid-Atlantic Aviation Partnership to commence with activities under this designation. The subcommittee recommends an investment of \$4.0 million for a dedicated runway within the fence of the Wallops Flight Facility specifically for the testing of these aircraft. This will provide for a designated test bed, with clear airspace over the Atlantic Ocean for advancing the technological development of these systems. This investment will be critical to recruiting companies to fully utilize the range of commercial aerospace services available in a traditionally agricultural Eastern Shore community.

In central Virginia, investments already approved for opening the Powhatan State Park are continuing, but the rural road network that provides access to this facility is insufficient to handle the thousands of daily commuters in addition to traffic into the Park. Our proposal includes \$4.5 million to complete this improvement and bring this jewel to completion while improving the daily flow of traffic through the surrounding area.

Mr. Chairman, your subcommittee heard testimony this session to the significant disparity of pavement conditions on the secondary system within counties of the same transportation districts. In an effort to begin to address perceived condition deficiencies in these counties, the subcommittee proposes that VDOT undertake a pilot project to report on asset condition inequity in the Richmond District.

Maintaining our economic advantage at the Port of Virginia is a strategic priority embraced by the subcommittee. To that end the subcommittee proposes to authorize the Secretary of Transportation to transfer up to \$3.5 million in each year from the highway construction fund to the Virginia Port Authority to advance planning for dredging the channels of the Hampton Roads Harbor and Elizabeth River to the maximum depths allowed by federal law. Virginia is the only port on the east coast that has federal authorization to be deepened to 55 feet. The time to begin planning for this necessary investment in economic competitiveness is now.

Mr. Chairman, this completes the report of your Transportation Subcommittee

Respectfully Submitted,

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The Honorable Richard L. Saslaw, Chairman

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The Honorable John C. Watkins

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The Honorable Frank W. Wagner

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The Honorable Phillip P. Puckett

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The Honorable Linda T. Puller

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The Honorable R. Creigh Deeds

## Report of the Subcommittee on Transportation

(Recommended Amendments to SB 29 and SB 30, As Introduced)

	Amendment	General Funds			
		FY 2014	FY 2015	FY 2016	Biennium
1	<b>Secretary of Transportation</b>				
2	Report on Local Construction Formula		Language		
3					
4	<b>Virginia Commercial Spaceflight Authority</b>				
5	Wallops Island UAS Runway		Language		
6					
7	<b>Department of Rail and Public Transportation</b>				
8	GRTC: Richmond-Petersburg Express Routes		Language		
9	Technical Corrections to Embedded Language		Language		
10	Shortline Railway Preservation Funding		Language		
11					
12	<b>Department of Transportation</b>				
13	Advance Strategic Priority Projects	Language			
14	Air Quality Monitoring: I-395		Language		
15	Increase Internal Allocation for Intermodal Planning		Language		
16	Report on Asset Condition: Richmond District		Language		
17	I-64 High-Rise Bridge		Language		
18					
19	<b>Virginia Port Authority</b>				
20	Provide NGF Authorization for Port Dredging		Language	(\$6,500,000)	
21	Level Fund Economic Development Zone Grant Program		(\$500,000)	(\$1,000,000)	
22	Remove Erroneous Port Capital Projects				
23					
24	<b>Part IV</b>				
25	Reduce Registration Fee of Diesel Passenger Vehicles		Language		

**Transportation**

Department Of Transportation

Language

**Language:**

Page 202, strike line 1 through line 4, and insert:

"\$31,070,647 shall be transferred to the Transportation Partnership Opportunity Fund to advance the planning, acquisition and construction of the following projects: capital construction needs for a unmanned aircraft system (UAS) test range on Wallops Island in support of activities designated in Virginia by the Federal Aviation Administration; the completion of a Draft Environmental Impact Statement to review a reasonable range of corridor and transit technology alternatives to provide for the extension of Hampton Roads Transit fixed guideway transit service to Naval Station Norfolk as well as future fixed guideway connectivity to other cities in Hampton Roads including, a transit study in the cities of Hampton and Newport News for (i) corridor planning to identify potential areas for high capacity, fixed guideway transit connectivity, (ii) defining areas of high commercial and residential growth and density as well as areas limited by increasing roadway congestion, and (iii) evaluation of options that will define transit needs and possible alignment and technology solutions on the Peninsula with consideration given to future transit connectivity options to other cities in the Hampton Roads region; funding appropriate to finalize the transit study along the US Route 1 corridor in Fairfax County that (i) addresses current and projected future traffic deficiencies with a viable long-term transit solution for the corridor, (ii) transforms the area into transit-oriented and transit-supportive mixed use development near stations and stops, (iii) initiates the environmental study to develop the documentation that will be required to comply with the National Environmental Protection Act (NEPA), (iv) conduct conceptual design and engineering for the locally preferred alternative (LPA), (v) refines the capital and operating costs for the LPA based on the conceptual design and engineering, (vi) refines the cash flow model and funding analysis based on updated capital and operating costs, and (vii) submit an application into the Federal Transit Administration's New Starts project development process; the identification of current and future core capacity gaps in Virginia Railway Express services; and additional costs incurred in the completion of intersection improvements at Route 617 and Route 522. Notwithstanding the limitation contained in §33.1-221.1:8 E. Code of Virginia, the Governor shall provide sufficient grants and loans from this amount to advance planning, acquisition, and construction of the projects listed above. Any funding remaining after the completion of the projects outlined above shall be returned to the Transportation Partnership Opportunity Fund in accordance

with §33.1-221.1:8 Code of Virginia."

**Explanation:**

(This amendment dedicates funding of less than \$31.0 million to five strategic transportation investment priorities.)

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Transportation Subcommittee

Item 1 #9s

**Legislative Department**

**FY 14-15**

**FY 15-16**

General Assembly Of Virginia

\$10,880

\$10,880 GF

**Language:**

Page 3, line 5, strike "\$38,308,556" and insert "\$38,319,436".

Page 3, line 5, strike "\$38,310,275" and insert "\$38,321,155".

**Explanation:**

(This amendment provides \$10,880 each year from the general fund for expenses related to a two-year study of the construction of the proposed Interstate 73, pursuant to Senate Resolution 32.)

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Transportation Subcommittee

Item 427 #1s

**Transportation**

Secretary Of Transportation

Language

**Language:**

Page 372, following line 43, insert:

“K. No later than December 15, 2014, the Secretary of Transportation shall provide recommendations to the General Assembly on methods to provide assistance for local transportation projects. The recommendations shall consider geographic equity as well as the needs of local governments, transit agencies and metropolitan planning organizations.”

**Explanation:**

(This amendment directs the Secretary of Transportation to report on the equity and efficiency of local construction funding formula prior to the expiration of the CTB formula provisions.)

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Transportation Subcommittee

Item 428 #2s

**Transportation**

Virginia Commercial Space Flight  
Authority

Language

**Language:**

Page 373, line 3, before "Pursuant", insert "A."

Page 373, following line 8, insert:

"B. Prior to allocation of funding authorized in the amendments to Chapter 806 for construction of a designated test runway for unmanned aerial systems, the Director, Virginia Commercial Space Flight Authority, shall negotiate appropriate terms and conditions with the National Aeronautical and Space Administration for the lease or fee-simple ownership of real property at the Wallops Flight Facility by the Commonwealth for the designated runway."

**Explanation:**

(This amendment directs the Virginia Commercial Spaceflight Authority to negotiate lease or ownership terms with NASA for a designated UAS runway at the Wallops Flight Facility from bond proceeds designated in amendments to SB 29.)

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Transportation Subcommittee

Item 439 #2s

**Transportation**

Department Of Rail And Public  
Transportation

Language

**Language:**

Page 378, after line 15, insert:

"E. Notwithstanding paragraph D of this item, from the amounts provided for public transportation programs \$200,000 in each year is provided to the Greater Richmond Transit Company in support of the I-95 Richmond/Petersburg Express Route for the provision of two morning and afternoon trips on the interstate corridor."

**Explanation:**

(This amendment dedicates \$400,000 NGF from transit formula funding for the Richmond Petersburg Express Route service.)

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Transportation Subcommittee

Item 439 #5g

**Transportation**

Department Of Rail And Public  
Transportation

Language

**Language:**

Page 377, line 16, delete "\$160,361,138" and insert "\$237,748,173".

Page 377, line 17, delete "\$160,361,138" and insert "\$248,236,659".

Page 377, line 19, delete "\$123,546,936" and "\$123,546,936" and insert: "\$177,424,325" and "\$184,983,594".

Page 377, line 21, delete "\$33,315,285" and "\$33,315,285" and insert: "\$52,521,293" and "\$55,136,665".

Page 377, line 36, delete "\$1,998,917" and "\$1,998,917" and insert: "\$6,302,555" and "\$6,616,400".

Page 377, line 43, delete "\$26,728,838" and insert "\$26,130,677".

Page 377, line 44, delete "\$26,728,838" and insert "\$26,130,677".

Page 378, line 10, delete ", subparagraphs b. through g.,".

**Explanation:**

(This amendment updates certain annualized funding estimates.)

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Transportation Subcommittee

Item 440 #2g

**Transportation**

Department Of Rail And Public  
Transportation

Language

**Language:**

Page 378, line 25, strike "33.01-221.1:1.1" and insert "33.1-221.1:1.1".

**Explanation:**

(This amendment corrects an incorrect Code reference.)

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Transportation Subcommittee

Item 440 #3s

**Transportation**

Department Of Rail And Public  
Transportation

Language

**Language:**

Page 378, line 25, strike "may" and insert "shall".

Page 378, line 25, strike "and §33.1-23.1".

**Explanation:**

(This amendment directs that funding for the Shortline Railway Preservation Fund come from Rail Enhancement Funds and not from highway construction funds.)

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Transportation Subcommittee

Item 442 #1s

**Transportation**

Department Of Transportation

Language

**Language:**

Page 379, after line 12, insert:

"A. Included in the amounts for Environmental Monitoring and Evaluation is \$187,443 in the first year and \$55,717 in the second year to establish baseline air quality measures of nitrogen dioxide and fine particulate matter at the terminus of the I-395 express lane at Turkeycock Run. Funding shall be used for a two-phased study including a six-month baseline monitoring commencing as soon after July 1, 2014 as practicable, prior to the opening of the ramp and twelve-month monitoring upon completion of the project; provided, however, that nothing required herein shall delay the opening of the ramp or the project or affect the continuing operation of the 95 Express lanes project. The study shall be conducted by the Department of Environmental Quality pursuant to a Memorandum of Agreement with the Department of Transportation."

**Explanation:**

(This amendment dedicates \$243,160 from VDOT's environmental monitoring program funding for air quality monitoring, to be conducted by the Department of Environmental Quality, at the I-395 express lanes terminus.)

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Transportation Subcommittee

Item 443 #1s

**Transportation**

Department Of Transportation

Language

**Language:**

Page 379, line 21, strike "\$4,500,000" and insert "\$7,000,000" and strike "\$4,500,000" and insert "\$7,000,000".

**Explanation:**

(This amendment increases the internal allocation for the Office of Intermodal

Planning from \$4.5 million to \$7.0 million in each year.)

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Transportation Subcommittee

Item 443 #1s

**Transportation**

Department Of Transportation

Language

**Language:**

Page 380, following line 13, insert:

"D. The Department shall undertake a study of the pavement and bridge conditions for all counties within the Richmond Construction District and shall issue a report by December 1, 2014, which contains a condition assessment of pavements and bridges in each county, and the amount of maintenance funds expended in FY13."

**Explanation:**

(This amendment directs VDOT to assess maintenance expenditures and asset conditions across all systems in the Richmond District.)

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Transportation Subcommittee

Item 444 #7s

**Transportation**

Department Of Transportation

Language

**Language:**

Page 381, after line 3, insert:

"G. Any balances remaining of the amounts provided in Item 446 H, Chapter 806 of the 2013 Acts of Assembly for environmental assessments for the replacement of the I-64 High Rise Bridge in Chesapeake, Virginia shall be reserved and reappropriated by the Commonwealth Transportation Board for preliminary engineering of the project."

**Explanation:**

(This amendment retains and reappropriates any balances remaining from the 2013 appropriation of \$5.0 million for environmental assessments related to the I-64 High Rise Bridge in Chesapeake for the preliminary engineering of the project.)

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Transportation Subcommittee

Item 454 #2s

<b>Transportation</b>	<b>FY 14-15</b>	<b>FY 15-16</b>	
Virginia Port Authority	\$0	(\$6,500,000)	GF

**Language:**

Page 387, line 14, strike "\$85,625,159" and insert "\$79,125,159".

Page 389, after line 47, insert:

"D. The Secretary of Transportation is hereby authorized to transfer up to \$3,500,000 the first year and \$3,500,000 the second year from the revenues of the Transportation Trust Fund available for highway construction for advancing the planning and preliminary engineering requirements of dredging the Norfolk Harbor channel to the maximum authorized depth of 55 feet and the Southern Branch of the Elizabeth River to the maximum depth of 45 feet."

**Explanation:**

(This amendment provides funding for advancing the planning and preliminary engineering of deepening the Norfolk Harbor and Southern Branch channels. The introduced budget provided \$6.5 million GF for this activity, but did not indicate that the proposed funding would be used for the desired purpose.)

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Transportation Subcommittee

Item 455 #1s

<b>Transportation</b>	<b>FY 14-15</b>	<b>FY 15-16</b>	
Virginia Port Authority	(\$500,000)	(\$1,000,000)	GF

**Language:**

Page 389, line 48, strike "\$4,682,625" and insert "\$4,182,625".

Page 389, line 48, strike "\$5,307,625" and insert "\$4,307,625".

Page 390, line 13:

Strike "\$1,500,000" and insert "\$1,000,000"

Strike "\$2,000,000" and insert "\$1,000,000".

**Explanation:**

(This amendment level funds the Port of Virginia Economic and Infrastructure Development Zone Fund at \$1.0 million in each year.)

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Transportation Subcommittee

Item C-38 #1s

<b>Transportation</b>	<b>FY 14-15</b>	<b>FY 15-16</b>	
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Virginia Port Authority

\$0 (\$60,000,000) NGF

**Language:**

Page 431, line 30, strike "\$60,000,000" and insert "\$0".

Page 431, strike line 29 through line 31.

**Explanation:**

(This amendment is a technical amendment to eliminate a previously approved project that did not need to be included in the introduced budget.)

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Transportation Subcommittee

Item C-39 #1s

**Transportation**

**FY 14-15**

**FY 15-16**

Virginia Port Authority

\$0 (\$30,000,000) NGF

**Language:**

Page 431, line 32, strike "\$0" and insert "(\$30,000,000)".

Page 431, strike lines 32 and 33.

**Explanation:**

(This amendment is a technical amendment to eliminate a previously approved project that did not need to be included in the introduced budget.)

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Transportation Subcommittee

Item 3-1.02 #1g

**Transfers**

Interagency Transfers

Language

**Language:**

Page 444, line 19, strike the "\$362,854" and "\$362,854" and insert:  
"\$388,254" and "\$388,254".

**Explanation:**

(This amendment increases the amount transferred from the Department of Transportation to the Department of General Services for motor fuels testing from \$362,854 to \$388,254 each year.)

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**Effective Date**

Effective Date

Language

**Language:**

Page 504, after line 36, insert:

**3. That the Code of Virginia is amended and re-enacted by adding a new Section 46.2-689.10, relating to annual motor vehicle registration fees for diesel-powered passenger vehicles, and amending and re-enacting Section 58.1-2259 as follows:**

*"46.2-689.10. Refund for Certain Diesel Passenger Vehicles.*

*The Department of Motor Vehicles shall discount by \$20.00 per year the fees provided in §§ 46.2-694 and 46.2-697, Code of Virginia, for any person registering or renewing the registration of any vehicle (i) that is designed to be powered by diesel fuel, (ii) that is either a passenger car, a pickup or panel truck, or a truck, as those terms are defined in § 46.2-100, Code of Virginia, and (iii) that, if it is a truck, has a gross vehicle weight rating of 10,000 pounds or less. The Department shall provide such discounted fees to vehicle registrants and shall not provide any refunds under subsection E of § 58.1-2259, Code of Virginia, to persons purchasing diesel fuel. Each discount provided by the Department shall be deducted from those portions of the registration fees that are to be deposited to the Highway Maintenance and Operating Fund.*

§ 58.1-2259. Fuel uses eligible for refund of taxes paid for motor fuels.

A. A refund of the tax paid for the purchase of fuel in quantities of five gallons or more at any time shall be granted in accordance with the provisions of § 58.1-2261 to any person who establishes to the satisfaction of the Commissioner that such person has paid the tax levied pursuant to this chapter upon any fuel:

1. Sold and delivered to a governmental entity for its exclusive use;
2. Used by a governmental entity, provided persons operating under contract with a governmental entity shall not be eligible for such refund;
3. Sold and delivered to an organization described in subdivision 2 of § 58.1-2226 or subdivision 2 of § 58.1-2250 for its exclusive use in the operation of an aircraft;



4. Used by an organization described in subdivision 2 of § 58.1-2226 or subdivision 2 of § 58.1-2250 for its exclusive use in the operation of an aircraft, provided persons operating under contract with such an organization shall not be eligible for such refund;
5. Purchased by a licensed exporter and subsequently transported and delivered by such licensed exporter to another state for sales or use outside the boundaries of the Commonwealth if the tax applicable in the destination state has been paid, provided a refund shall not be granted pursuant to this section on any fuel which is transported and delivered outside of the Commonwealth in the fuel supply tank of a highway vehicle or an aircraft;
6. Used by any person performing transportation under contract or lease with any transportation district for use in a highway vehicle controlled by a transportation district created under the Transportation District Act of 1964 (§ 15.2-4500 et seq.) and used in providing transit service by the transportation district by contract or lease, provided the refund shall be paid to the person performing such transportation;
7. Used by any private, nonprofit agency on aging, designated by the Department for Aging and Rehabilitative Services, providing transportation services to citizens in highway vehicles owned, operated or under contract with such agency;
8. Used in operating or propelling highway vehicles owned by a nonprofit organization that provides specialized transportation to various locations for elderly or disabled individuals to secure essential services and to participate in community life according to the individual's interest and abilities;
9. Used in operating or propelling buses owned and operated by a county or the school board thereof while being used to transport children to and from public school or from school to and from educational or athletic activities;
10. Used by buses owned or solely used by a private, nonprofit, nonreligious school while being used to transport children to and from such school or from such school to and from educational or athletic activities;
11. Used by any county or city school board or any private, nonprofit, nonreligious school contracting with a private carrier to transport children to and from public schools or any private, nonprofit, nonreligious school, provided the tax shall be refunded to the private carrier performing such transportation;

12. Used in operating or propelling the equipment of volunteer firefighting companies and of volunteer rescue squads within the Commonwealth used actually and necessarily for firefighting and rescue purposes;

13. Used in operating or propelling motor equipment belonging to counties, cities and towns, if actually used in public activities;

14. Used for a purpose other than in operating or propelling highway vehicles, watercraft or aircraft;

15. Used off-highway in self-propelled equipment manufactured for a specific off-road purpose, which is used on a job site and the movement of which on any highway is incidental to the purpose for which it was designed and manufactured;

16. Proven to be lost by accident, including the accidental mixing of (i) dyed diesel fuel with tax-paid motor fuel, (ii) gasoline with diesel fuel, or (iii) undyed diesel fuel with dyed kerosene, but excluding fuel lost through personal negligence or theft;

17. Used in operating or propelling vehicles used solely for racing other vehicles on a racetrack;

18. Used in operating or propelling unlicensed highway vehicles and other unlicensed equipment used exclusively for agricultural or horticultural purposes on lands owned or leased by the owner or lessee of such vehicles and not operated on or over any highway for any purpose other than to move it in the manner and for the purpose mentioned. The amount of refund shall be equal to the amount of the taxes paid less one-half cent per gallon on such fuel so used which shall be paid by the Commissioner into the state treasury to the credit of the Virginia Agricultural Foundation Fund;

19. Used in operating or propelling commercial watercraft. The amount of refund shall be equal to the amount of the taxes paid less one and one-half cents per gallon on such fuel so used which shall be paid by the Commissioner into the state treasury to be credited as provided in subsection D of § 58.1-2289. If any applicant so requests, the Commissioner shall pay into the state treasury, to the credit of the Game Protection Fund, the entire tax paid by such applicant for the purposes specified in subsection D of § 58.1-2289. If any applicant who is an operator of commercial watercraft so requests, the Commissioner shall pay into the state treasury, to the credit of the Marine Fishing Improvement Fund, the entire tax paid by such applicant for the purposes

specified in § 28.2-208;

20. Used in operating stationary engines, or pumping or mixing equipment on a highway vehicle if the fuel used to operate such equipment is stored in an auxiliary tank separate from the fuel tank used to propel the highway vehicle, and the highway vehicle is mechanically incapable of self-propulsion while fuel is being used from the auxiliary tank; or

21. Used in operating or propelling recreational and pleasure watercraft.

B. 1. Any person purchasing fuel for consumption in a solid waste compacting or ready-mix concrete highway vehicle, or a bulk feed delivery truck, where the vehicle's equipment is mechanically or hydraulically driven by an internal combustion engine that propels the vehicle, is entitled to a refund in an amount equal to 35 percent of the tax paid on such fuel. For purposes of this section, a "bulk feed delivery truck" means bulk animal feed delivery trucks utilizing power take-off (PTO) driven auger or air feed discharge systems for off-road deliveries of animal feed.

2. Any person purchasing fuel for consumption in a vehicle designed or permanently adapted solely and exclusively for bulk spreading or spraying of agricultural liming materials, chemicals, or fertilizer, where the vehicle's equipment is mechanically or hydraulically driven by an internal combustion engine that propels the vehicle, is entitled to a refund in an amount equal to 55 percent of the tax paid on such fuel.

C. Any person purchasing any fuel on which tax imposed pursuant to this chapter has been paid may apply for a refund of the tax if such fuel was consumed by a highway vehicle used in operating an urban or suburban bus line or a taxicab service. This refund also applies to a common carrier of passengers which has been issued a certificate pursuant to § 46.2-2075 or 46.2-2099.4 providing regular route service over the highways of the Commonwealth. No refund shall be granted unless the majority of the passengers using such bus line, taxicab service or common carrier of passengers do so for travel of a distance of not more than 40 miles, one way, in a single day between their place of abode and their place of employment, shopping areas or schools.

If the applicant for a refund is a taxicab service, he shall hold a valid permit from the Department to engage in the business of a taxicab service. No applicant shall be denied a refund by reason of the fee arrangement between the holder of the permit and the driver or drivers, if all other conditions of this section have been met.

Under no circumstances shall a refund be granted more than once for the same fuel. The amount of refund under this subsection shall be equal to the amount of the taxes paid, except refunds granted on the tax paid on fuel used by a taxicab service shall be in an amount equal to the tax paid less \$0.01 per gallon on the fuel used.

Any refunds made under this subsection shall be deducted from the urban highway funds allocated to the highway construction district, pursuant to Article 1.1 (§ 33.1-23.01 et seq.) of Chapter 1 of Title 33.1, in which the recipient has its principal place of business.

Except as otherwise provided in this chapter, all provisions of law applicable to the refund of fuel taxes by the Commissioner generally shall apply to the refunds authorized by this subsection. Any county having withdrawn its roads from the secondary system of state highways under provisions of § 11 Chapter 415 of the Acts of 1932 shall receive its proportionate share of such special funds as is now provided by law with respect to other fuel tax receipts.

D. Any person purchasing fuel for consumption in a vehicle designed or permanently adapted solely and exclusively for bulk spreading or spraying of agricultural liming materials, chemicals, or fertilizer, where the vehicle's equipment is mechanically or hydraulically driven by an internal combustion engine that propels the vehicle, is entitled to a refund in an amount equal to 55 percent of the tax paid on such fuel.

~~E. Any person purchasing diesel fuel used in operating or propelling a passenger car, a pickup or panel truck, or a truck having a gross vehicle weight rating of 10,000 pounds or less is entitled to a refund of a portion of the taxes paid in an amount equal to the difference between the rate of tax on diesel fuel and the rate of tax on gasoline and gasohol pursuant to § 58.1-2217. For purposes of this subsection, "passenger car," "pickup or panel truck," and "truck" shall have the meaning given in § 46.2-100. Notwithstanding any other provision of law, diesel fuel used in a vehicle upon which the fuels tax has been refunded pursuant to this subsection shall be exempt from the tax imposed under Chapter 6 (§ 58.1-600 et seq.).~~

F. Refunds resulting from any fuel shipments diverted from Virginia shall be based on the amount of tax paid for the fuel less discounts allowed by § 58.1-2233.

G. Any person who is required to be licensed under this chapter and is applying for a refund shall not be eligible for such refund if the applicant was not licensed at the time the refundable transaction was conducted. "

Page 504, line 37, strike "3." and insert "4."

Page 504, line 38, after "second" insert "and third".

Page 504, line 38, strike "enactment" and insert "enactments".

**Explanation:**

(This amendment modifies provisions of House Bill 2313 as adopted by the 2013 General Assembly relating to the provision of a refund on gasoline taxes paid by diesel powered passenger vehicles of 10,000 or fewer pounds. As adopted, HB 2313 provides a mechanism whereby owners of diesel passenger vehicles may apply for and receive a refund for the portion of motor fuel taxes they are charged that is in excess of the amount paid by gasoline powered passenger vehicles. This process has proven to be cumbersome. As an alternative, this language would reduce the annual vehicle registration fee paid by owners of these diesel passenger vehicles in an amount proportional to the motor fuel tax paid by the driver of an average diesel passenger vehicle. The reduction totals \$20.00 per year per vehicle.)

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