

1 VIRGINIA ACTS OF ASSEMBLY — CHAPTER

2 *An Act to amend and reenact § 58.1-3713 of the Code of Virginia, relating to license taxes; local gas road*
 3 *improvement and Virginia Coalfield Economic Development Authority tax; sunset.*

4 [H 1579]

5 Approved

6 **Be it enacted by the General Assembly of Virginia:**7 **1. That § 58.1-3713 of the Code of Virginia is amended and reenacted as follows:**8 **§ 58.1-3713. Local gas road improvement and Virginia Coalfield Economic Development Authority**
 9 **tax.**10 A. In addition to the taxes authorized under § 58.1-3712, any county or city may adopt a license tax on
 11 every person engaging in the business of severing gases from the earth. The rate of such tax shall not exceed
 12 one percent. The provisions of § 58.1-3712 as they relate to measurement of gross receipts, filing of reports
 13 and record keeping shall be applicable to the tax imposed under this section.

14 The moneys collected for each county or city from the taxes imposed under authority of this section and
 15 subsection B of § 58.1-3741 shall be paid into a special fund of such county or city to be called the Coal and
 16 Gas Road Improvement Fund of such county or city, and shall be spent for such improvements to public
 17 roads as the coal and gas road improvement advisory committee and the governing body of such county or
 18 city may determine as provided in subsection B of this section. The county may also, in its discretion, elect to
 19 improve city or town roads with its funds if consent of the city or town council is obtained. Such funds shall
 20 be in addition to those allocated to such counties from state highway funds which allocations shall not be
 21 reduced as a result of any revenues received from the tax imposed hereunder. In those localities that comprise
 22 the Virginia Coalfield Economic Development Authority, the tax imposed under this section or subsection B
 23 of § 58.1-3741 shall be paid as follows: (i) three-fourths of the revenue shall be paid to the Coal and Gas
 24 Road Improvement Fund and used for the purposes set forth herein; however, one-fourth of such revenue
 25 may be used to fund the construction of new water or sewer systems and lines and the repair or enhancement
 26 of existing water or sewer systems and lines in areas with natural water supplies that are insufficient from the
 27 standpoint of quality or quantity, or the construction of natural gas service lines as authorized by §
 28 15.2-2109.3, and (ii) one-fourth of the revenue shall be paid to the Virginia Coalfield Economic Development
 29 Fund. Furthermore, with regard to the portion paid to the Coal and Gas Road Improvement Fund, a county or
 30 city may provide for an additional one-fourth allocation for the construction of new systems or lines for
 31 water, sewer, or natural gas as authorized by § 15.2-2109.3, or the repair or enhancement of existing water,
 32 sewer, or natural gas systems or lines in areas with natural water supplies or existing natural gas services that
 33 are insufficient from the standpoint of quality or quantity; however, if this option is initiated by a county or
 34 city, it must satisfy the requirements set forth in § 58.1-3713.01. Notwithstanding the foregoing limitations
 35 regarding revenues used for water systems, sewer systems, or natural gas systems, such revenues designated
 36 for water and water systems, sewer systems, or natural gas systems shall be distributed directly to the local
 37 public service authority for such purposes instead of the local governing body. Funds in the Coal and Gas
 38 Road Improvement Fund used to construct, repair, or enhance natural gas service lines or systems shall not
 39 exceed one-fourth of the revenue paid to the Coal and Gas Road Improvement Fund collected from the
 40 severance tax imposed upon the severance of natural gas pursuant to this section and may be so used only
 41 upon passage of a local ordinance or resolution of the governing body of the applicable county or city
 42 providing for the same. Furthermore, with regard to the portion paid to the Coal and Gas Road Improvement
 43 Fund, such funds may be used to construct flood mitigation measures that would reduce or prevent flooding
 44 of any infrastructure listed in this subsection if the construction, repair, or enhancement of such infrastructure
 45 is otherwise permissible under this section.

46 B. Any county or city imposing the tax authorized in this section or in subsection B of § 58.1-3741 shall
 47 establish a Coal and Gas Road Improvement Advisory Committee, to be composed of four members: (i) a
 48 member of the governing body of such county or city, appointed by the governing body, (ii) a representative
 49 of the Department of Transportation, and (iii) two citizens of such county or city connected with the coal and
 50 gas industry, appointed for a term of four years, initially commencing July 1, 1989, by the chief judge of the
 51 circuit court.

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

56 C. No tax shall be imposed under this section on or after January 1, ~~2026~~ 2028.

ENROLLED

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