



DASH Board of Directors Meeting Agenda

February 11, 2026 5:30pm - 7:30pm EST

DASH Facility

1. Welcome

5:30pm

a. Call to Order

David Kaplan

b. Attendance

c. Welcome and Introductions

David Kaplan

2. Collaboration and Engagement

5:35pm

a. Public Comment

b. Chairs Report

David Kaplan

Report from the Chair of the Board

c. T&ES Report

Hillary Orr

Report from the Deputy Director of Transportation & Environmental Services for the City of Alexandria

 [TES Deputy Directors Notes 2.2026.pdf](#)

d. Other Member Reports

5:35pm

i. Report by Board Nominating Committee

Matt Harris
Jesse O'Connell

5:35pm

Status Report from the Board Nominating Committee and recommendations for a new Board Member to bring to the stockholders.

3. Regular Business

6:05pm

a. Consideration of Approval: Meeting Minutes

 [January Board Meeting Minutes.pdf](#)

b. **Review of Financials**

Edward Ryder

 [DASH Financial Update - February 2026 Board Packet - December 2025 Financials.pdf](#)

4. **Action Items**

6:10pm

a. **ATC Board of Directors Policies**

Josh Baker
Mary Gayle Holden

6:10pm

Consideration of Approval: Recommended revised Policies of the Board as approved by the sub-committee and Counsel.

 [ATC Board Policy Manual - 01_12_26.pdf](#)

 [ATC Board Policy - Code of Conduct - 01_12_26.pdf](#)

 [ATC Board Policy - Conflict of Interest - 01_12_26.pdf](#)

b. **Legislative Updates**

Josh Baker

6:15pm

Legislative overview by the General Manager on the following bills being considered by the Virginia General Assembly

Action Item: Consideration of authorization for the Chair of the Board to issue letters stating the position of ATC on these bills.

Support:

HB900/SB730 & HB1179/SB638 - Transit Funding Bills

HB564/SB583 - Bus Obstruction Monitoring Systems

Oppose:

HB547/SB731 - Private Companies providing Public Transportation Services

i. **Transit Funding Bills - Support**

Josh Baker

 [ATC Board Letter to VA Senate Finance - re Dedicated Transit Funding - Feb 2026.pdf](#)

 [SB730 - Support.pdf](#)

 [HB638 - Support.pdf](#)

 [HB1179 - Support.pdf](#)

 [HB900 - Support.pdf](#)

1. **Transit Funding Bills**

ii. **Bus Obstruction Monitoring Systems - Support**

 [HB564.pdf](#)

 [SB583.pdf](#)

iii. **Private Companies providing Public Transportation Services - Oppose**

 [HB547.pdf](#)

 [SB731.pdf](#)

5. **Staff Reports**

6:30pm

a. **Post Storm Debrief & Discussion**

Josh Baker
Stephanie Salzone
Raymond Mui

6:30pm

Staff presentation on Winter Storm Fern response and recovery, discussion regarding Bus Stop maintenance.

 [Winter Storm Fern.pdf](#)

 [February 2026 Board Meeting - Winter Storm.pdf](#)

b. **FY 2027 Alexandria Transit Strategic Plan Draft**

Stevie Mathews

7:00pm

Stevie Mathews, Director of Planning and Scheduling, will provide a brief overview of the Draft Alexandria Transit Strategic Plan (ATSP). This initiates the community outreach, public feedback, and revisions to the document. The Board will be presented with a final draft later in the spring, with final adoption of the ATSP scheduled for the June Board Meeting.

 [FY27 ATSP Addendum DRAFT 20260204.pdf](#)

c. **Ridership Report**

Josh Baker

Due to some data integrity issues, the Ridership Report for this month has been delayed for additional analysis. The report will be provided as soon as a certified report is available.

d. **Space of Her Own (SOHO) DASH Experience and Tour Event**

SOHO pairs preteen girls with volunteer mentors and engages them in life skills and art/STEM projects, including beginner trade skills like soldering and welding, making this a strong fit for a facility-based experience.

 [SOHO.pdf](#)

e. **100 Years of Black History Month**

 [Transit Equity Day.pdf](#)

Yvonne Jung, Chief Labor Relations and Engagement Officer, will present an overview of the DASH Employee Engagement survey and action items we are working on related to our Engagement Plan

g. **Staff Response - Follow-up Questions from January Meeting**

At the January 2026 Meeting, two questions were posed which staff were unable to answer at the time, status and responses are provided here:

1. Downtime/Utilization of BEBs - How does DASH's experience compare with the industry and what insights can TransDev provide through their network?

- We are working with TransDev to see if we can obtain this information. Due to the storm and other factors, this has been delayed, and a response will be posted soon.

2. Injury rate metric - What is the metric (incidents per some # of days)? How does DASH compare to industry benchmarks?

- OSHA classifies workplace injuries in two ways:

Recordable - When the event results in two or more consecutive days away from work following the event

Reportable - if there is a fatality or severe, inpatient hospitalization

- Based on this criteria, they calculate the total number of cases per 100 FT employees.
- **DASH had a case rate of 0 recorded for 2024 compared to the industry average of 7.0 cases.** "0" for us does not mean that we did not have any cases; it simply means our rate is so low that it is recorded as "0".

6. **Adjournment**

T&ES Deputy Director Notes
ATC Board of Directors Meeting 2.11.2026

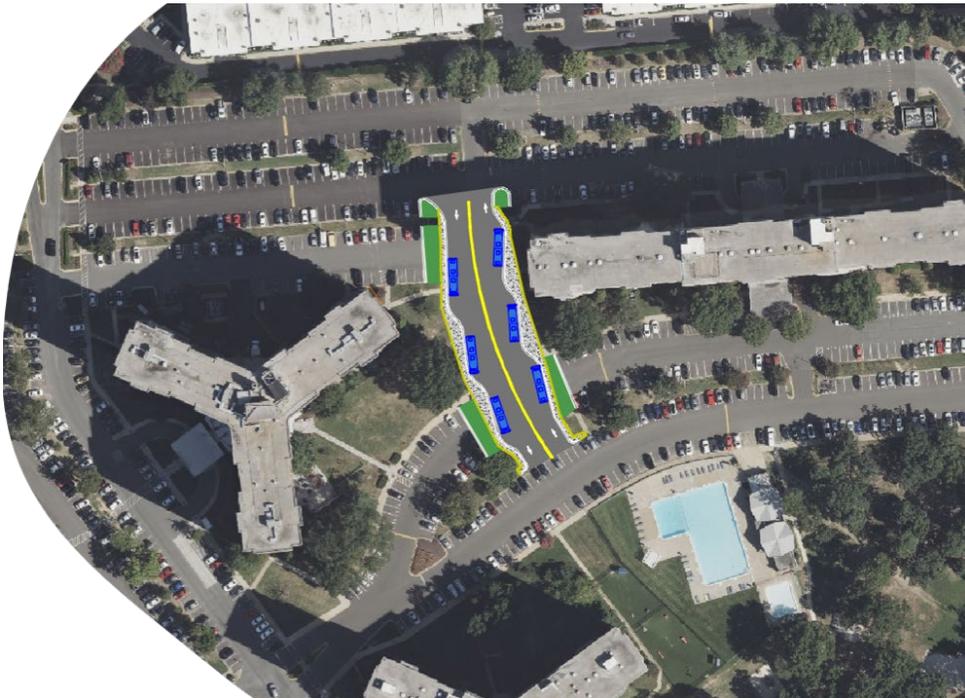
FY27 WMATA Budget

WMATA recently released their [proposed FY2027 operating and capital budgets](#), which are currently under review and subject to public comment and Board action later this spring. The proposed operating budget totals approximately \$2.74 billion and assumes no fare increase, while supporting continued service restoration, including increased bus and rail service across the system. The proposed capital budget totals approximately \$2.1 billion and is part of WMATA's six-year capital program focused on maintaining and modernizing core infrastructure such as railcars, stations, track, and bus facilities. Both the operating and capital budgets remain preliminary and may change prior to final adoption by the WMATA Board.

Under the proposed budget, Alexandria's FY2027 operating subsidy is projected to increase by approximately \$7 million, or about 11 percent, compared to the current year. This increase is not driven by new service in Alexandria and does not reflect a change in subsidy policy, but instead results from updated ridership and revenue data, correction of a prior-year data issue affecting regional cost allocation, and systemwide operating cost pressures. Staff are continuing to coordinate with WMATA and NVTC to review Alexandria-specific assumptions as additional information is released and will return with updates as the regional budget process advances.

Southern Towers Transit Center

T&ES staff are refining a scope of work to move the Southern Towers Transit Center project towards implementation. Project kick-off for design services is anticipated in late spring 2026.



Legislative Updates

This week, key legislative updates were mostly focused on providing support around photo enforcement and transit funding bills. On Friday, City and DASH staff will provide a briefing of the two transit funding bills and what they mean for Alexandria.

DMV Moves Update

Following adoption of the DMVMoves Plan by the COG and WMATA Boards in November 2025 and endorsement by the Transportation Planning Board in January 2026, the region is moving into implementation of the Regional Transit Integration Action Plan. TPB and WMATA staff will kick off this next phase with a virtual coordination meeting on Wednesday, February 25 to align partners on goals and objectives, planned activities, roles and responsibilities, reconvening select DMVMoves working groups, and development of an annual progress report. TPB staff are beginning work on the Detailed Action Plan for Regional Transit Integration and will be reaching out to prior working group participants to schedule targeted meetings as needed, including a Bus Stop, Amenities, and Customer Information working group meeting on February 11 to address near-term decisions. Jurisdictions are being asked to engage through the Coordination Group to support overall implementation, with additional one-on-one discussions and a future in-person meeting anticipated as activities are further defined.

NVTC Transportation Technology Committee

NVTA's Transportation Technology Committee (TTC) held its quarterly meeting. The group's primary focus is improving regional coordination around transportation technology—sharing information to align strategies, strengthen procurement opportunities, and increase visibility of technology initiatives across jurisdictions. The group is working on developing a path forward for the focus areas that were agreed upon at the last meeting:

TTC Focus Areas

NVTA Lead

1. Regional Technology Coordination and Procurement Strategies
2. Active Transportation
3. Smart Signals
4. Automated Traffic Enforcement (ATE)

Locality/Agency Lead with NVTA Support

5. Transit Technology Integration
6. Predictive Safety Analytics
7. Autonomous Vehicle (AV) Regional Readiness and Coordination
8. Dynamic Curbside Management and Parking
9. Artificial Intelligence and Cybersecurity Education

1. Welcome

A meeting of the Board of Directors of the Alexandria Transit Company was held at 5:30 pm on Wednesday, January 14, 2026, at the Charles Beatley Central Library. A recording of the meeting was made and is available upon request.

Board members present: David Kaplan, Matt Harris, Praveen Kathpal, Hillary Orr, Ajashu Thomas, Laura Gates, Jesse O'Connell, Kursten Phelps, Arish Gajjar

Board members participating remotely: Arthur Wicks from residence due to illness

Staff members present: Josh Baker, Beth Reveles, Edward Ryder, Kato Carter, Michael Randolph, Raymond Mui, Stevie Mathews, Joseph Quansah, John Jones, Camila Olivares, Yvonne Jung

- a. Call to Order**
- b. Attendance**
- c. Welcome and Introductions**

Chair David Kaplan welcomed everyone and called the meeting to order at 5:31 pm. A quorum was reached at that time. Arish Gajjar arrived at 5:35 pm.

2. Collaboration and Engagement

- a. Public Comment**

Chair Kaplan opened the meeting to public comment. As there were no speakers, the Chair closed public comment.

- b. Chairs Report**

Chair Kaplan provided a brief history on the Alexandria Transit Company/DASH.

Chair Kaplan asked the Board vacancy committee to provide an update. Vice Chair Jesse O'Connell informed the Board that he and Matt Harris would be interviewing five candidates on January 27th. Following the interviews they hoped to have a candidate recommendation at the February meeting.

The Chair bid farewell to Laura Gates as she will be leaving employment with the City. He thanked her for her service.

The Chair announced that the Stockholders meeting is scheduled for March 24th at the Del Pepper Community Resource Center.

- c. T&ES Report**

Transportation Deputy Director Hillary Orr reviewed her written report which was shared with the Board in advance of the meeting.

- d. Other Member Reports**

Praveen Kathpal stated that he was recently at the King Street bus bays and observed tourists waiting at the Trolley bus stop while a DASH circulator bus was present. Mr. Kathpal informed the tourists that rather than waiting on the Trolley they could take the DASH circulator which would take them in the same direction and was also fare free. It was not obvious to the tourists that the circulator was fare free.

Jesse O'Connell mentioned that DASH worked with a local family to celebrate a four-year-old boys birthday party on a DASH bus. The family arranged for a DASH charter bus to transport the birthday boy's party guests from place to place throughout the City. They also toured the DASH facility and went through the bus wash. Mr. O'Connell commended DASH staff for organizing this celebration, which received a lot of positive local new coverage.

Arish Gajjar stated that the King Street Trolley had been parked at the Christmas Market in North Old Town. He attended the Market with neighbors who brought their two-year old child. The child enjoyed boarding and disembarking the bus and ringing the bell. The bus operator was very friendly and welcoming.

3. Regular Business

a. Consideration of Approval: Meeting Minutes

The Chair called for a motion to approve the December meeting minutes and asked if there were any corrections, revisions, or amendments. A motion was made by Jesse O'Connell and seconded by Arish Gajjar to approve the minutes. There was no further discussion, and the motion carried. Kursten Phelps abstained from the vote.

b. Review of Financials

CFO Edward Ryder provided the financial report which was provided to the Board in advance of the meeting.

5. Staff Reports

General Manager Josh Baker provided updates on the following:

- Board Policies and Rules—he thanked the committee members for their feedback and informed the group that he is working with Mary Gayle in finalizing the documents. They should be ready for the Board to vote on at the February meeting.
- Strategic Plan—Staff is working internally to work on a redraft of the Strategic Plan, which will be presented to the Board.
- Timeline for ACPS Whitepaper—the paper is expected to be presented to the Board and City Council next month. The paper will describe Staff's experience working with ACPS and will include an evaluation of possible opportunities. We want to ensure it is available to the public.

- Timeline for Board/City Council Work Session Summary/Q&A—Staff is working to update the summary based on Board feedback. Once completed, it will be presented to the Board and City Council for any additional questions or follow-up.

- Staff Response re: Electricity Costs—Alexandria participates in the Virginia Energy Purchasing Governmental Association to negotiate and secure better electricity contracts with Dominion Energy; DASH has confirmed that the base cost per kWh decreases with more usage; When accounting for all applicable riders to our bill, DASH has averaged \$0.13 kWh; DASH has learned that demand by time-of-day impacts utility cost. Charge Management should help optimize this.

- Cost per Mile by Propulsion Type: Diesel Fleet Cost per Mile--\$0.59; Electric Fleet Cost per Miler--\$0.52

a. Ridership Report

Mr. Baker reviewed the report which was shared with the Board in advance of the meeting.

b. Maintenance Department Updates

COO Stephanie Salzone provided maintenance department updates following last year's challenges that the department had been facing. She explained the inflationary effects on the cost of parts. She reviewed a couple of metrics : Utilization by Vehicle Type (Electric, Diesel/Electric Hybrid, Diesel) (a mileage-based metric), Reliability by Vehicle Type (an hour-based metric). She reviewed departmental successes: low workplace injury, increased employee morale, declining deadline. She reviewed departmental challenges: recruitment for mechanics, data collection, quality of parts. She explained the strategy for the department to deal with the challenges: focus on quality, build resiliency, fulfill training needs, improve data integrity.

6. Executive Session

Consideration of Convening an Executive Session for the Purpose of Discussing Matters pursuant to Section 2.2-3711 (A.6) of the Code of Virginia.

A motion was offered by Matt Harris and seconded by Kursten Phelps to enter Executive Session pursuant to Section 2.2-3711 (A1) of the Code of Virginia. A vote was called, and the motion was approved unanimously.

At the conclusion of the Executive Session, a motion was offered by Matt Harris and seconded by Hillary Orr to reconvene the public meeting. A vote was called, and the motion was approved unanimously.

A motion was offered by Matt Harris and seconded by Ajashu Thomas to certify what was discussed during the Executive Session was pursuant to Section 2.2-3711 (A1) of the Code of Virginia. A vote was called, and the motion was approved unanimously.

7. Adjournment

The next regular meeting of the Alexandria Transit Company Board of Directors is scheduled for February 11 at 5:30 pm at the DASH Facility.

Alexandria Transit Company (DASH) Financial Update

Financial Results Through the Month Ending December 31, 2025 (Month 6)

This report provides the financial results through the first half of Fiscal Year 2026.

With six months of the fiscal year now complete, DASH's year-end financial forecast now projects a modest **~\$200,000 deficit**, driven primarily by higher-than-budgeted maintenance expenditures. As this remains a forecast, staff continues to actively monitor spending trends and assess mitigation measures to minimize impacts through the remainder of the fiscal year.

- **Key Highlights:**

- **Maintenance Services** is now projected to exceed budget at year-end, resulting in an overall (\$200,000) deficit to the overall year-end forecast. This variance is driven primarily by higher-than-anticipated preventive maintenance activity and significant repair expenditures necessary to return Proterra buses to service.

These investments reflect the department's focus on keeping pace with scheduled preventative maintenance requirements while addressing major component repairs and reliability issues that impact fleet availability. Restoring vehicles to service remains critical to supporting daily operations and maintaining service reliability for ridership.

- **Line 32 Enhancement One-Time Funding** is now called out as a separate line item in the subsidy revenue section of DASH's financial reporting. This was done to reflect the one-time nature of this funding and to properly record that the funding is separate from our regular subsidy. This one-time funding was transferred to DASH from the City in January 2026.

ALEXANDRIA TRANSIT COMPANY
Summary Income Statement for the Month Ending December 31, 2025
With Application of t-395 Reimbursements

Description	Jul	Aug*	Sep	Oct	Nov	Dec	Jan*	Feb	Mar	Apr	May	Jun	FY 26 Projected	FY26 Budget	Variance
REVENUE															
Other Charter Revenue	5,126	-	22,057	7,374	2,292	1,407	9,922	30,162	30,162	30,162	8,754	8,754	156,170	175,000	(18,830)
Advertising Revenue	10,000	-	42,061	12,514	19,920	12,555	98,006	-	-	-	33,006	-	228,062	160,000	68,062
DASH Merchandise Sales	110	51	387	668	2,354	420	-	-	-	-	-	-	3,990	-	3,990
Miscellaneous Revenue	11,630	-	7,979	693	-	1,498	5,000	5,000	5,000	5,000	5,000	5,000	51,800	60,000	(8,200)
TOTAL OPERATING REVENUE	26,866	51	72,484	21,248	24,565	15,880	112,928	35,162	35,162	68,168	13,754	13,754	440,022	395,000	45,022
City Contribution - DASH	3,072,452	3,072,452	3,072,452	3,072,452	3,072,452	3,072,452	3,032,452	3,032,452	3,032,452	3,032,452	3,032,452	3,032,445	36,629,417	36,629,417	-
TOTAL REVENUE	3,099,318	3,072,503	3,144,936	3,093,700	3,097,017	3,088,332	3,145,380	3,067,614	3,067,614	3,100,620	3,046,206	3,046,199	37,069,439	37,024,417	45,022
OPERATING EXPENDITURES															
OPERATIONS															
Wages - O	478,263	1,678,679	1,036,943	1,081,586	1,003,854	973,118	1,625,892	984,794	997,498	1,097,767	1,098,502	1,463,240	13,520,136	14,188,232	668,096
Overtime - O	66,831	295,352	152,857	144,262	150,759	133,572	235,080	130,493	110,514	110,536	110,536	135,451	1,776,243	1,430,864	(345,379)
Fringe Benefits - O	185,484	265,773	204,181	285,153	213,310	266,601	208,440	208,440	208,440	208,440	208,440	208,440	2,671,139	2,501,275	(169,864)
Payroll Taxes - O	42,049	150,306	91,639	94,700	89,011	86,182	134,241	90,580	90,601	90,623	90,678	112,402	1,163,011	1,171,110	8,100
Retirement Contributions - O	43,788	156,025	93,308	93,865	86,287	83,519	141,127	94,554	94,577	94,600	94,659	117,831	1,194,140	1,224,760	30,620
Total Operations Personnel	816,416	2,546,135	1,578,928	1,699,566	1,543,220	1,542,991	2,344,779	1,508,861	1,501,630	1,601,965	1,602,815	2,037,364	20,324,669	20,516,241	191,573
Operating Materials and Supplies	1,560	1,601	11,500	19,297	(22,601)	3,046	3,246	3,246	3,246	3,246	3,246	3,246	33,877	38,950	5,073
Operator Training	7,327	1,830	1,970	3,450	2,799	3,945	3,208	3,208	3,208	3,208	3,208	3,208	40,572	38,500	(2,072)
Training and Travel - O	4,592	1,917	3,332	802	3,661	2,924	3,963	3,963	3,963	3,963	3,963	3,963	41,003	47,550	6,547
TOTAL OPERATIONS EXPENDITURES	829,895	2,551,483	1,595,730	1,723,115	1,527,079	1,552,905	2,355,196	1,519,277	1,512,046	1,612,382	1,613,231	2,047,781	20,440,120	20,641,241	201,121
MAINTENANCE															
Wages - M	116,050	364,479	218,305	234,611	233,305	241,199	375,479	242,403	242,720	242,720	242,720	342,555	3,096,546	3,583,000	486,454
Overtime - M	2,951	9,230	7,767	9,534	10,919	11,379	13,129	8,651	8,651	11,323	11,345	15,414	120,293	150,700	30,407
Fringe Benefits - M	10,407	65,452	35,435	67,720	39,621	64,409	32,650	32,650	32,650	32,650	32,650	32,650	478,943	391,800	(87,143)
Payroll Taxes - M	8,116	27,967	17,048	18,430	18,436	19,062	29,729	19,206	19,230	19,434	19,436	27,385	243,478	281,500	38,022
Retirement Contributions - M	7,167	21,542	14,695	15,652	15,142	16,512	31,089	20,084	20,110	20,323	20,325	28,638	231,280	294,400	63,120
Total Maintenance Personnel	144,691	488,670	293,250	345,948	317,422	352,561	482,075	322,994	323,361	326,451	326,477	446,641	4,170,540	4,701,400	530,860
Fuel & Lubricants	204,688	165,014	173,155	166,272	145,870	164,288	164,147	164,147	164,147	164,147	164,147	164,147	2,004,168	2,291,938	287,770
Repair Parts & Supplies	143,698	170,648	154,761	175,127	53,588	401,451	128,049	128,049	128,049	138,049	138,049	138,049	1,897,567	1,656,586	(240,981)
Maintenance Services	47,046	34,871	76,671	120,313	378,570	293,836	82,068	71,759	38,425	28,425	28,425	28,425	1,228,834	341,100	(887,734)
Training and Travel - M	1,164	50	1,403	7,733	1,886	(8,764)	1,667	1,667	1,667	1,667	1,667	1,667	13,472	20,000	6,528
TOTAL MAINTENANCE EXPENDITURES	541,287	859,254	699,241	815,393	897,335	1,203,372	858,006	688,615	655,648	658,738	658,764	778,929	9,314,582	9,011,024	(303,558)
ADMINISTRATION															
Wages - A	99,204	341,470	218,777	220,506	208,366	239,486	339,500	233,619	234,721	236,457	236,457	288,555	2,897,117	3,033,300	136,183
Fringe Benefits - A	21,208	56,148	37,902	60,204	(2,169)	83,816	26,824	26,824	26,824	26,824	26,824	37,902	429,132	321,890	(107,242)
Payroll Taxes - A	7,421	25,560	16,369	16,488	15,334	16,966	26,571	17,879	17,962	18,092	18,092	22,074	218,808	231,800	12,992
Retirement Contributions - A	8,325	25,656	16,708	18,299	16,925	17,140	25,972	18,690	18,778	18,917	18,917	23,980	228,305	243,000	14,695
Facilities Maintenance (Personnel)	22,859	74,594	43,556	45,282	39,646	44,633	27,160	40,084	40,084	40,084	40,084	47,716	505,783	508,700	2,917
Total Administrative Personnel	159,017	523,428	333,311	360,778	278,102	402,041	446,027	337,096	338,369	340,374	340,374	420,228	4,279,145	4,338,690	59,545
Facilities Maintenance (Non-Personnel)	19,949	46,025	25,229	32,796	41,225	42,721	23,917	23,917	23,917	23,917	23,917	23,917	351,444	287,000	(64,444)
Insurance	81,422	81,422	81,422	81,942	87,812	87,812	81,942	81,942	81,942	81,942	81,942	81,942	993,484	895,635	(97,849)
Professional Services	172,855	9,659	112,909	68,752	157,466	107,478	81,308	81,308	81,308	81,308	81,308	81,308	1,116,969	975,700	(141,269)
Utilities	29,972	29,520	28,867	26,801	35,228	39,832	28,396	28,396	28,396	28,396	39,258	39,258	382,320	471,094	88,774
Telecommunications	9,393	9,573	9,916	9,602	9,191	10,335	9,667	9,667	9,667	9,667	9,667	9,667	116,009	116,000	(9)
Printing & Advertising	4,817	14,833	963	10,260	(5,389)	-	4,208	4,208	4,208	4,208	4,208	3,208	49,732	50,500	768
Training, Travel, Events	11,785	9,708	4,217	6,666	5,107	1,355	5,179	5,179	5,179	5,179	5,179	3,250	66,984	62,150	(4,834)
Office Equipment and Supplies	21,441	4,848	24,571	10,216	7,484	11,392	10,533	10,533	10,533	10,533	10,533	10,533	143,152	126,400	(16,752)
Employee Recognition	-	4,450	2,136	8,514	10,008	13,342	4,957	4,957	4,957	4,957	4,957	4,957	68,192	59,483	(8,709)
Dues and Subscriptions	2,334	1,668	1,399	1,511	1,977	2,531	2,042	2,042	2,042	2,042	2,042	2,042	23,670	24,500	830
Grant Local Match	-	-	-	-	3,516	-	1,250	1,250	1,250	1,250	1,250	1,250	11,016	15,000	3,984
TOTAL ADMIN EXPENDITURES	512,984	735,134	624,939	617,838	631,727	718,840	699,426	590,495	591,768	593,773	603,635	681,559	7,602,119	7,422,152	(179,967)
CAPITAL OUTLAYS (non-CIP)															
Computer and Office Equipment	-	-	17,009	-	-	-	-	-	-	-	-	-	17,009	-	(17,009)
Maintenance Equipment	4,324	-	-	-	-	-	-	-	-	-	-	42,069	46,393	60,000	13,607
Other Equipment Investments	3,608	-	-	-	-	-	-	97,500	-	-	-	-	101,108	130,000	28,892
TOTAL CAPITAL OUTLAYS (non-CIP)	7,932	-	17,009	-	-	-	-	97,500	-	-	-	42,069	164,509	190,000	25,491
TOTAL OPERATING EXPENDITURES	1,892,097	4,145,871	2,936,919	3,156,346	3,056,141	3,475,117	3,912,627	2,895,888	2,759,463	2,864,893	2,875,630	3,550,338	37,521,330	37,264,417	(256,912)
NET SURPLUS (DEFICIT)	1,207,221	(1,073,367)	208,017	(62,646)	40,876	(386,785)	(767,247)	171,726	308,150	235,727	170,576	(504,138)	(451,891)	(240,000)	(211,890)

ALEXANDRIA TRANSIT COMPANY
Summary Income Statement for the Month Ending December 31, 2025

Budget vs Actual

Description	Dec Actuals	Dec Budget	Variance	YTD Actuals	YTD Forecast	Variance	FY26 Year End Projection	FY 26 Budget	Variance
REVENUE									
Other Charter Revenue	1,407	9,922	(8,515)	38,254	57,085	(18,830)	156,170	175,000	(18,830)
Advertising Revenue	12,555	-	12,555	97,050	80,000	17,050	228,062	160,000	68,062
DASH Merchandise Sales	420	-	420	3,990	-	3,990	3,990	-	3,990
Miscellaneous Revenue	1,498	5,000	(3,502)	21,800	30,000	(8,200)	51,800	60,000	(8,200)
TOTAL OPERATING REVENUE	15,880	14,922	958	161,095	167,085	(5,990)	440,022	395,000	45,022
City Contribution - DASH	3,072,452	3,072,451	1	18,434,712	18,434,709	4	36,629,417	36,629,417	-
Line 32 Enhancement One-Time Funding	-	-	-	-	-	-	240,000	240,000	-
TOTAL REVENUE	3,088,332	3,087,373	958	18,595,807	18,601,793	(5,986)	37,309,439	37,264,417	45,022
OPERATING EXPENDITURES									
OPERATIONS									
Wages - O	973,118	1,094,794	121,676	6,252,443	6,808,099	555,656	13,520,136	14,188,232	668,096
Overtime - O	133,572	110,444	(23,127)	943,632	689,343	(254,289)	1,776,243	1,430,864	(345,379)
Fringe Benefits - O	266,601	208,440	(58,161)	1,420,502	1,250,638	(169,864)	2,671,139	2,501,275	(169,864)
Payroll Taxes - O	86,182	90,393	4,211	553,887	561,986	8,100	1,163,011	1,171,110	8,100
Retirement Contributions - O	83,519	94,355	10,836	556,292	587,412	30,620	1,194,140	1,224,760	30,620
Total Operations Personnel	1,542,991	1,598,426	55,435	9,727,255	9,897,477	170,222	20,324,669	20,516,241	191,573
Operating Materials and Supplies	3,046	3,246	200	14,402	19,475	5,073	33,877	38,950	5,073
Operator Training	3,945	3,208	(737)	21,322	19,250	(2,072)	40,572	38,500	(2,072)
Training and Travel - O	2,924	3,963	1,039	17,228	23,775	6,547	41,003	47,550	6,547
TOTAL OPERATIONS EXPENDITURES	1,552,905	1,608,842	55,937	9,780,207	9,959,977	179,771	20,440,120	20,641,241	201,121
MAINTENANCE									
Wages - M	241,199	271,442	30,243	1,407,948	1,713,373	305,425	3,096,546	3,583,000	486,454
Overtime - M	11,379	11,239	(140)	51,781	70,844	19,063	120,293	150,700	30,407
Fringe Benefits - M	64,409	32,650	(31,759)	283,043	195,900	(87,143)	478,943	391,800	(87,143)
Payroll Taxes - M	19,062	21,324	2,262	109,059	134,553	25,494	243,478	281,500	38,022
Retirement Contributions - M	16,512	22,256	5,744	90,711	140,589	49,878	231,280	294,400	63,120
Total Maintenance Personnel	352,561	358,911	6,350	1,942,541	2,255,258	312,717	4,170,540	4,701,400	530,860
Fuel & Lubricants	164,288	190,995	26,707	1,019,286	1,145,969	126,683	2,004,168	2,291,938	287,770
Repair Parts & Supplies	401,451	138,049	(263,402)	1,099,274	828,293	(270,981)	1,897,567	1,656,586	(240,981)
Maintenance Services	293,836	28,425	(265,411)	951,307	170,550	(780,757)	1,228,834	341,100	(887,734)
Training and Travel - M	(8,764)	1,667	10,431	3,472	10,000	6,528	13,472	20,000	6,528
TOTAL MAINTENANCE EXPENDITURES	1,203,372	718,046	(485,326)	5,015,881	4,410,070	(605,811)	9,314,582	9,011,024	(303,558)
ADMINISTRATION									
Wages - A	239,486	232,643	(6,843)	1,327,808	1,446,991	119,183	2,897,117	3,033,300	136,183
Fringe Benefits - A	83,816	26,824	(56,992)	257,109	160,945	(96,164)	429,132	321,890	(107,242)
Payroll Taxes - A	16,966	17,806	840	98,138	110,672	12,534	218,808	231,800	12,992
Retirement Contributions - A	17,140	18,611	1,471	103,052	115,759	12,707	228,305	243,000	14,695
Facilities Maintenance (Personnel)	44,633	39,869	(4,764)	270,570	245,622	(24,948)	505,783	508,700	2,917
Total Administrative Personnel	402,041	335,753	(66,287)	2,056,677	2,079,989	23,312	4,279,145	4,338,690	59,545
Facilities Maintenance (Non-Personnel)	42,721	23,917	(18,804)	207,944	143,500	(64,444)	351,444	287,000	(64,444)
Insurance	87,812	74,636	(13,176)	501,832	447,818	(54,015)	993,484	895,635	(97,849)
Professional Services	107,478	81,308	(26,170)	629,119	487,850	(141,269)	1,116,969	975,700	(141,269)
Utilities	39,832	39,258	(574)	190,220	235,547	45,327	382,320	471,094	88,774
Telecommunications	10,335	9,667	(668)	58,009	58,000	(9)	116,009	116,000	(9)
Printing & Advertising	-	4,208	4,208	25,483	25,250	(233)	49,732	50,500	768
Training, Travel, Events	1,355	5,179	3,824	38,838	31,075	(7,763)	66,984	62,150	(4,834)
Office Equipment and Supplies	11,392	10,533	(858)	79,952	63,200	(16,752)	143,152	126,400	(16,752)
Employee Recognition	13,342	4,957	(8,385)	38,450	29,742	(8,709)	68,192	59,483	(8,709)
Dues and Subscriptions	2,531	2,042	(490)	11,420	12,250	830	23,670	24,500	830
Grant Local Match	-	1,250	1,250	3,516	7,500	3,984	11,016	15,000	3,984
TOTAL ADMIN EXPENDITURES	718,840	592,709	(126,131)	3,841,462	3,621,720	(219,742)	7,602,119	7,422,152	(179,967)
CAPITAL OUTLAYS (non-CIP)									
Computer and Office Equipment	-	-	-	17,009	-	(17,009)	17,009	-	(17,009)
Maintenance Equipment	-	-	-	4,324	-	(4,324)	46,393	60,000	13,607
Other Equipment Investments	-	-	-	3,608	-	(3,608)	101,108	130,000	28,892
TOTAL CAPITAL OUTLAYS (non-CIP)	-	-	-	24,941	-	(24,941)	164,509	190,000	25,491
TOTAL OPERATING EXPENDITURES	3,475,117	2,919,597	(555,519)	18,662,490	17,991,768	(670,722)	37,521,330	37,264,417	(256,912)
NET SURPLUS (DEFICIT)	(386,785)	167,776	(554,561)	(66,683)	610,025	(676,709)	(211,891)	(0)	(211,890)

ALEXANDRIA TRANSIT COMPANY
Summary Income Statement for the Month Ending December 31, 2025

	Actual YTD	Budget YTD	Variance	FY26 Year End Projection	FY 26 Budget	Variance
REVENUES:						
Charter Revenue	38,254	57,085	(18,830)	156,170	175,000	(18,830)
Advertising Revenue	97,050	80,000	17,050	228,062	160,000	68,062
DASH Merchandise Sales	3,990	-	3,990	3,990	-	3,990
Miscellaneous Revenue	21,800	30,000	(8,200)	51,800	60,000	(8,200)
Total Operating Revenue	161,095	167,085	(5,990)	440,022	395,000	45,022
City Contribution - DASH	18,434,712	18,434,709	4	36,629,417	36,629,417	-
Line 32 Enhancement One-Time Funding	-	-	-	240,000	240,000	-
Total Revenue	18,595,807	18,601,793	(5,986)	37,309,439	37,264,417	45,022
EXPENDITURES:						
Operations	9,780,207	9,959,977	179,771	20,440,120	20,641,241	201,121
Maintenance	5,015,881	4,410,070	(605,811)	9,314,582	9,011,024	(303,558)
Administration	3,841,462	3,621,720	(219,742)	7,602,119	7,422,152	(179,967)
Capital Outlay	24,940	-	(24,940)	164,509	190,000	25,491
Total Expenditures	18,662,490	17,991,768	(670,722)	37,521,330	37,264,417	(256,912)
Net Surplus (Deficit)	(66,683)	610,025	(676,709)	(211,891)	(0)	(211,890)

ALEXANDRIA TRANSIT COMPANY
Balance Sheet as of December 31, 2025

ASSETS

Cash - City of Alexandria Pooled	\$ (4,052,642)
Cash - Payroll Account	1,528,096
Due from Other Governments	-
Receivables	-
Prepaid Expenditures	475,191
Parts and Supplies Inventory	1,307,253
Capital Assets	76,804,637
Less: Accumulated Depreciation	<u>(46,615,950)</u>
TOTAL ASSETS	<u>\$ 29,446,585</u>

LIABILITIES

Accounts Payable	\$ 617,208
Payroll Liabilities	29,242
Accrued Vacation	1,502,318
Deferred Revenue	-
Total Liabilities	<u>\$ 2,148,768</u>

NET POSITION

Net Investment in Capital Assets	\$ 30,188,687
Unrestricted	<u>(2,890,870)</u>
Total Net Position	<u>\$ 27,297,817</u>

TOTAL LIABILITIES AND NET POSITION

<u>\$ 29,446,585</u>

ARTICLE I: INTRODUCTION

The purposes of a Board Policies Manual (“BPM”) are:

- Have and maintain all ongoing Board policies in one place
- Eliminate redundant or conflicting policies over time
- Facilitate legal compliance
- Ease of reviewing current policies when considering new issues
- Clear policies to guide the Directors of the Board (each, a “Director”, more than one, the “Directors”), the CEO/General Manager (the “CEO”), and staff

Each policy in this BPM should be consistent with all applicable laws, ordinances, rules, and regulations (collectively, the “Applicable Laws”), the Articles of Incorporation of the Company, and the By-Laws. The BPM will help facilitate legal compliance, such as implementing conflict of interest and whistleblower policies. It will also help with the Board’s effective management of its oversight and governance responsibilities.

The policies in this BPM should be reviewed periodically and updated and revised as needed. The CEO should maintain the BPM file and provide updated copies to the Board as changes are made.

ARTICLE II: ORGANIZATION ESSENTIALS

The Alexandria Transit Company “ATC” is a nonprofit corporation organized under Chapter 1, Title 13.1 of the Code of Virginia (1950), as amended, for the purpose of providing mass transportation services as a not for profit public service corporation. ATC was incorporated on January 6, 1984, and the organizational meeting of the Alexandria Transit Company was held on February 6, 1984. The common stock of the Corporation, consisting of seven shares with a par value of \$1 a share, is owned by the City of Alexandria, Virginia.

The Board of Directors, consisting of nine to eleven Directors who serve without compensation, is elected annually by the City Council, acting in the capacity of sole stockholder.

ATC owns or controls all of the physical assets of the transit system, but has no employees. The CEO is under contract with the Board, and his/her payroll and benefits are processed through the City of Alexandria. All others are employed by Transit Management of Alexandria, Inc. (TMA), a wholly owned subsidiary of TransDev/First Transit.

All operations, under the policy direction of the Board of Directors, are the responsibility of the CEO, with supplemental assistance provided by the “Transit Management Advisory and Technical Services” agreement currently in place.

The City of Alexandria furnishes limited accounting services in support of the transit system.

The key governing documents are the Articles of Incorporation and the By-Laws. All ATC policies must comply with these documents, as well as all Applicable Laws.

ATC adopts policies for effective self-regulation as needed. At present, ATC has the following policies in effect:

- Public Participation Policy
- Electronic Participation Policy
- Correspondence Policy
- Code of Conduct
- Conflict of Interest Policy

ARTICLE III: GOVERNANCE

EFFECTIVE GOVERNANCE BY THE BOARD

1. **Position and Roles of the Board:** The Directors are individuals who support ATC’s mission and are legally responsible for its conduct. The Board of Directors must be committed to teamwork and effective decision-making. Directors are responsible for ensuring that ATC fulfills its mission, looks to the future, adheres to Applicable Laws, and meets high standards in its financial and human resources practices.

TOWARDS THIS END, DIRECTORS WILL:

- Endeavour to represent the broader interests of ATC and/or stakeholders;
- Seek to balance their contribution as both an advisor and learner;
- Refrain from trying to influence other Directors outside of meetings that might have the effect of creating factions and limiting free and open discussion;
- Be willing to be a dissenting voice, endeavor to build on other Director’s ideas, offer alternative points of view as options to be considered and invite others to do so as well;
- On important issues, be balanced in one’s effort to understand other Directors and to make oneself understood;
- Once a Board decision is made, support the decision even if one’s own view is a minority one; Directors shall not act contrary to a Board decision, though a Director may note his/her dissent to such decision.
- Not disclose or discuss differences of opinion on the Board with those who are not on the Board. The Board should communicate externally with “one voice”;
- Respect the confidentiality of information on sensitive issues, especially in personnel matters;
- Be an advocate for ATC and its mission wherever and whenever the opportunity arises in one’s own personal and professional networks. Keep informed about community issues relevant to the mission of ATC;
- Disclose one’s involvement with other organizations, businesses or individuals where such a relationship could be viewed as a conflict of interest (see Conflict of Interest Policy);
- Refrain from giving direction, as an individual Director, to the CEO or any member of TMA (DASH) staff;
- Refrain from investigating or discussing the CEO’s performance with staff members particularly outside the context of the Board’s regular CEO evaluation.
- Help to monitor the performance of ATC in relation to its vision, mission and core values;
- Participate in the development of ATC’s strategic plan and ensure the objectives identified are reflected in the Board’s work;
- Abide by the By-Laws, code of conduct, conflict of interest and other polices that apply to the Board;
- Participate in the approval of the annual budget and monitor the financial performance of ATC;

- Establish, review, and monitor policies concerning the Board’s own practices;
- Review and monitor the implementation of high-level operational policies including ones that set ATC’s human relations standards; and
- Review Board meeting reports and come prepared with questions and suggestions.

ROLE OF THE BOARD CHAIR:

2. The Board Chair is the most critical and involved Board position. First and foremost, the Chair is responsible for the effective functioning of the Board. The Chair serves, and is accountable to, the Board of Directors. The Chair has no individual formal authority to direct the Board or the affairs of ATC, including the CEO’s work, unless otherwise decided.

The role of the Chair is to:

- a. Participate, in collaboration with the CEO, in the preparation of the Board’s meeting agendas;
- b. Facilitate all meetings of the Board;
- c. Remind Directors, when needed, of their responsibilities under the conflict of interest and code of conduct policies;
- d. Coach other Directors of the Board;
- e. Ensure there is a process to evaluate the CEO and the effectiveness of the Board;
- f. Serve as spokesperson, together with the CEO, for ATC; and
- g. Ensure communication with other Directors on matters relevant to the Board’s work.

Like other Directors, the Chair is entitled to make motions and vote on matters before ATC. The Chair may be authorized to sign checks and other contractual documents on behalf of ATC, but may not enter into contracts on behalf of ATC without the knowledge and approval of the Board.

IMPLEMENTING EFFECTIVE GOVERNANCE BY THE BOARD

Effective governance involves three (3) functions.

1. **Oversight:** The Board can delegate day-to-day management of ATC to the CEO, but it cannot delegate oversight. The Board should ensure that ATC, including the Board itself, is conducting itself in accordance with recognized sound principles and best practices, such as those set out in ATC’s written policies.

As part of its role of oversight, the Board is to ensure that:

- a. ATC operates legally and ethically and follows well-established and accepted organizational practices, financial and otherwise,
- b. ATC has policies to guide its own actions and those of the CEO, and these are regularly reported on to and reviewed by the Board;
- c. ATC actively listens, communicates with, and strives to create an organization that is transparent and accountable to its stakeholders and constituents;
- d. Board meetings serve as an open space for deliberation and learning; and as a forum where the group makes decisions and commits to actions;
- e. ATC has complete, current, and accurate financial records and strong financial controls; and
- f. The Board reviews its governing and organizational documents at least every three years.

2. **Evaluation and Accountability of the CEO:** The Board must ensure that the CEO is regularly evaluated on their performance in adhering to policy, communicating with the Board and other constituencies, and making progress on ATC's organizational goals.
3. **Strategic Leadership:** Working with the CEO in helping ATC to be forward-looking in achieving its mission and goals. ATC must have a governing body that is responsible for reviewing and approving ATC's mission and strategic direction, annual budget and key financial transactions, and fiscal and governance policies of ATC.

BOARD/CEO/STAFF RELATIONSHIPS

The responsibility for ATC's governance is shared between the Board and the CEO. In working together, the Board and the CEO will:

- Strive to respect distinctions between governance work and operational functions, and manage any overlap in a spirit of partnership;
- Establish clear lines of responsibility and accountability for one or the other, or both;
- Define the standards ATC shall meet and reflect these in its written strategic plan and work plans; and
- Ensure that ATC, including the Board itself, operates in accordance with the plans and priorities whose intent is to focus governance work and strategic initiatives.

ROLE OF THE CEO

This Board is a governing group and not an operational one. The authority to direct the operations of ATC is delegated to the CEO by the Board of Directors. The CEO's accountability is the accumulated accountability of all staff and therefore represents an accountability for all aspects of ATC's operations except for the work of the Board itself.

The CEO is accountable to the Board for:

- The pursuit and achievement of ATC's mission and objectives;
- Progress in meeting strategic organizational goals except where the responsibility for strategic matters is shared with the Board, or is a matter that is primarily the Board's responsibility;
- The financial management of ATC;
- The hiring, firing, direction, and evaluation of staff consistent with the workplace principles and practices in accordance with the organizations Employment Policy;
- The implementation of, and compliance with, policies that direct ATC's operations in other operational areas.

The CEO will regularly report on these matters to the Board as formally agreed upon and/or as specified in the specific policy areas. The CEO will make a reasonable interpretation of all governing policies with respect to operations and make decisions and take actions consistent with them. The CEO will establish more detailed operational-level policies and procedures, where greater clarity is important to staff and transparency is expected. Where operational policies are inadequate or need to be improved, the CEO will implement appropriate changes in the interest of the organization.

The CEO may delegate specific responsibilities and authority to staff. However, these responsibilities shall remain, from the Board's perspective, the work of the CEO. In other words, the Board shall hold the CEO accountable for the work of the staff.

Only decisions of the Board, acting as a whole, are binding upon the CEO. In particular:

- Decisions or instructions by individual Directors, Officers, or committees are not binding except where specific authorization is given by the Board;



- In the case of an individual Director’s request for information or assistance, the CEO may refuse such requests if, in the CEO’s judgment, the effort required adversely compromises established Board priorities or the priority of the safe operation of the system; and
- The CEO may call upon individual Directors for advice, but since such advice does not carry the authority of the Board, the accountability for resulting decisions rests solely with the CEO.

ARTICLE IV: FINANCIAL OVERSIGHT

ATC must keep complete, current, and accurate financial records and ensure strong financial controls. The CEO is responsible for internal and external financial reporting. This will include:

- a) The regular reporting of financial results to the Board, particularly year-to-date budget figures;
- b) Reporting any extraordinary changes to assets and liabilities (balance sheet/statement of financial position, etc);
- c) Reporting on any other financial issues that jeopardize the ability of ATC to meet its short and long term financial obligations; and
- d) Responding to the advice from the appointed auditors on needed improvements to financial management practices.

The CEO is authorized to make all expenditures, enter into contracts, issue procurements, and establish purchasing protocols that are in accordance with budget approved by the Board. This includes settling payroll and paying invoices or other liabilities in a timely manner and ensuring that staff work time is recorded for payroll and cost allocation purposes.

The budget is a primary planning tool in enabling ATC to keep track of, and measure its financial performance. The budget should be developed with sufficient information to reasonably judge the reality of the projections of both revenues and expenditures.

ARTICLE V: POLICIES

CONFLICT AND COMPLAINT RESOLUTION POLICY

ATC is committed to creating and maintaining a work environment characterized by constructive, productive and supportive relationships. Such relationships are often subject to contrasting styles of understanding and acting, and to different points of view. All persons involved with ATC have an obligation to communicate openly and respectfully with one another and to provide reasons for particular decisions or actions. When disagreements or conflicts arise, greater understanding by all is needed.

The CEO is ultimately responsible for ensuring that conflicts involving staff and volunteers are resolved in a satisfactory manner. He/She has a duty to inform the Board of any conflicts that impinge on ATC’s ability to function or may damage its reputation. Conflicts should be addressed at the earliest possible opportunity as unresolved conflict can lead to a stressful, and in the worst cases, a poisoned work environment.

Either the CEO or the Chair of the Board have an obligation to act immediately in addressing a complaint if the physical and mental health and safety of any of the parties is perceived to be at risk. In doing so, one of the parties may be granted a temporary leave of absence with pay until the issue has been satisfactorily resolved or for up to two weeks, whichever is shorter

If threats to persons are made, or the CEO or the Board of Directors, or any Director of the Board perceives a possible danger to a party or to other employees, including the possibility of one party being a danger to themselves, external professional assistance must be sought immediately.

ETHICS HOTLINE

The employees of Transit Management of Alexandria, Inc. are the sole and exclusive responsibility of the CEO; however, there may be circumstances where a complaint is made about the CEO that requires escalation to the Board of Directors.

In such a circumstances, it is the responsibility of the Board to ensure that such complaints are not representative of a systemic issue or an ethical violation by the CEO. Although rare, such circumstances require a straightforward process and expedited attention. As such, in order to ensure a clear process exists for these situations, an Ethics Hotline exists for TMA staff and is an externally contracted service.

The Ethics Hotline is provided by an independent third party, Mitrtech. Reports are maintained as confidential at Mitrtech, are retrievable only by the trained DASH investigator assigned to investigate the report, and are disclosed only as required by law. In 2019, Lighthouse Services and Syntrio merged, and in 2024, Mitrtech acquired Syntrio, which includes Lighthouse Services technology. Lighthouse Services is the anonymous reporting app (see below).

Employees at all levels of TMA are encouraged to voice any Code of Conduct concern or violation through the Ethics Hotline and can expect a timely investigation. Employees are protected from retaliation when reporting in good faith suspected ethics violations.

The Ethics Hotline is available 24 days per day, 365 days per year, and employees can initiate a report to the Ethics Hotline via any of the following methods:

Website	https://report.syntrio.com/dashbus
Anonymous Reporting App	 <p>The Syntrio anonymous reporting app</p>
Toll-free Telephone	English: 855-893-7004 Spanish: 800-216-1288 All Other languages: 844-301-0005
E-mail	standard-reports@mitratech.com (<i>must include company name with report</i>)
Fax	215-689-3885 (<i>must include company name with report</i>)
Text	Send a text to the Ethics Hotline email address: standard-reports@mitratech.com

In the event a report is filed within this system by a TMA employee in which the CEO is named, the system will automatically route the report to ATC's Counsel for review. Counsel will then notify the Board Chair and confer/collaborate on any investigation, should it be deemed necessary. The Board Chair will notify the Directors if an investigation occurs as a result of a complaint filed. A resolution is then determined, corrective action is taken if required, the case is updated, and the case is closed in the Ethics Hotline system.

TMA maintains a parallel Ethics Hotline program, and a report of utilization and trends will be provided at least bi-annually to the Board of Directors by the CEO or designee.

CONFLICT OF INTEREST

ATC maintains a separate Conflict of Interest policy, which must be reviewed and acknowledged annually following the Annual Meeting by all Directors. Please ask the Board Chair or CEO/General Manager for assistance in locating this policy if needed.

ARTICLE VI: EXECUTIVE SESSIONS

The Board may, at times, need to enter into an Executive Session to meet with only Directors, and Counsel may be present if so requested by the Chair.

Executive sessions must have a legitimate purpose, and are limited by Virginia Law as they restrict the range and quality of information available to the public.

The Board may, by motion and vote of the Directors present, enter into or add an executive session to any meeting agenda where the item to be discussed concerns one or multiple of the following:

- Confidential personnel matters about an identifiable individual, including employees, Directors, or committee members – VA Code § 2.2-3711(A)(1)
- Real-property Negotiations (acquisition/disposition) - VA Code § 2.2-3711(A)(3)
- Protection of personal privacy (non-public business) - VA Code § 2.2-3711(A)(4)
- Prospective business/industry expansion discussions - VA Code § 2.2-3711(A)(5)
- Investment of public funds where bargaining/competition is involved - VA Code § 2.2-3711(A)(6)
- Consultation with legal counsel / actual or probable litigation - VA Code § 2.2-3711(A)(7)
- Consultation with legal counsel employed or retained by a public body, regardless of specific legal matters requiring the provision of legal advice by such counsel - VA Code § 2.2-3711(A)(8)
- Discussion or consideration of honorary degrees or special awards - VA Code § 2.2-3711(A)(11)
- Public-safety, terrorism, or cybersecurity concerns — VA Code § 2.2-3711(A)(19)
- Discussion of the award of a public contract involving the expenditure of public funds - VA Code § 2.2-3711(A)(29)

The minutes of any Board meeting that has an executive session must reflect that the session took place. Following the executive session, the Board must publicly vote to certify that the session complied with Virginia law; and such a vote shall be reflected in the public meeting minutes.

ATC's Board acknowledges that as a City-owned public service corporation, it qualifies as a "public body" under the Virginia Freedom of Information Act (FOIA), §2.2-3700 et seq., meaning that Board records, and meetings are presumptively open to the public. A "public record" includes any writing or recording prepared or possessed in the transaction of public business.

1. Handling Board Materials: Board materials shall be considered for public disclosure consistent with FOIA. ATC shall apply exemptions narrowly and shall redact only when valid statutory exemptions apply. The Board Secretary shall function as the organization's FOIA Officer responsible for receiving FOIA requests, determining exemptions, redacting documents, communicating with requesters, and maintaining FOIA logs.
2. Director Responsibilities:
 - a. Directors must annually complete training on FOIA presented by ATC.
 - b. Directors shall not independently withhold or restrict disclosure of information unless permitted by FOIA.
 - c. Directors must preserve documents in their original form and shall not delete, destroy, or alter records to avoid FOIA obligations.
 - d. Any FOIA request received directly by a Director must be forwarded immediately to the FOIA Officer. (Secretary of the Board)
3. Communication and Transparency: Meeting agendas, packets, and minutes (including redacted versions when necessary) should be made publicly available in a timely manner consistent with FOIA.

ARTICLE VII: PERSONNEL POLICY



The CEO will ensure that the Human Resource practices of ATC adhere to the principles of fairness and respect and that ATC abides by all Applicable Laws.

BOARD TRAVEL AND ATTENDANCE AT MEETINGS

Directors may, on occasion, travel to meetings and/or conferences in the interest of supporting the goals of the organization, or for their own personal development in executing their duties as a Director. The Secretary of the Board shall coordinate such travel and travel shall only take place under the authorization of the Board Chair. Travel expenses will comply with the organizational policies established for TMA employees.

MEMBERSHIP IN THE VIRGINIA TRANSIT LIABILITY POOL (VTLP); OTHER INSURANCE

ATC is a founding member of the Virginia Transit Liability Pool (VTLP) and the CEO of his/her designee shall serve as a representative of the Board for VTLP. VTLP shall be the carrier for all liability coverages associated with the provision of transit services. Where VTLP does not offer a service or coverage necessary for the organization, the CEO is responsible for securing adequate coverage elsewhere. ATC shall maintain Errors and Omission coverage for the Board in a commercially reasonable amount as determined by the CEO, either with VTLP or other appropriate insurance company. ATC also obtains insurance as needed from other sources. For example, Selective Insurance now handles the Directors and Officers Insurance coverage for ATC,

NON-DISCRIMINATION

In the provision of transit services, in the functions as a Board, in the performance of Directors' duties, and in all actions associated with the operations of the Company, ATC will not discriminate against any person on the basis of race, color, sex or gender, religion, ancestry, national origin, marital status, age, disability, sexual orientation, gender identity or transgender status.

POLICY EFFECTIVE DATE:

The effective date of the policy or policy revision shall be the date the ATC Board ratifies it.

Original Policy Date: _____

Policy Revision Date(s): _____

RECEIPT AND ACKNOWLEDGEMENT OF BOARD POLICY MANUAL

I acknowledge receipt of the Board Policy Manual of Alexandria Transit Company. I certify that I have read the Manual and agree to abide by its terms. Based on the terms of the Board Policy Manual, I know of no reason why I cannot serve as a Director of the Alexandria Transit Company.

Directors Name

Directors Signature

Date Signed

Witness (Board Secretary)



ARTICLE I: PURPOSE

The Alexandria Transit Company (ATC) is committed to operating its business in accordance with the highest standards of integrity and ethical conduct. To maintain this commitment, it is vital that each of the Directors of ATC's Board (each a "Director", more than one, the "Directors") also adhere to these high standards. These standards include fulfilling a Director's statutory obligations – a Director owes ATC the fiduciary duties of care and loyalty and must use good faith judgment while acting solely in ATC's best interests. This duty is owed to ATC, not to any one or more employees of ATC or to ATC's officers or CEO/General Manager. The failure by a single Director to act in accordance with these high standards could significantly erode public confidence and support, and jeopardize ATC's future success. A Director's fiduciary duty to ATC is not preempted by other state laws, and a Director must remain subject to this standard of fiduciary duty at all times.

The purpose of the Code of Conduct is to provide a set of principles and policies that reflect these standards so that each Director will understand what is expected of him/her and what actions he/she must take to ensure that his/her conduct reflects these standards. The adoption of the Code of Conduct by the Board of Directors confirms the Directors' individual and collective commitment to ATC's standards of integrity and ethical conduct.

ARTICLE II: STANDARDS OF ETHICAL CONDUCT

The principles of ethical conduct set out below as the Standards of Ethical Conduct are not to be treated as a set of rigid rules. They do not – indeed, they cannot – specifically address every ethical situation that a Director may encounter. In the final analysis, the Board must rely on its own judgment to interpret and implement these principles.

1. A Director shall maintain the highest standard of integrity and ethical behavior in performing his/her duties as a Director.
2. A Director shall fulfill the duties of care and loyalty that each Director owes to ATC, and shall exercise his/her judgment only in a manner that is in the best interests of ATC.
3. A Director shall maintain loyalty to the interests of ATC by supporting its mission. Loyalty to ATC supersedes any Director's personal interests. However, the City Council is the shareholder of ATC and ATC must also act in the best interests of its shareholder. While normally the interests of ATC coincide with the interests of the City Council, in the unlikely event that a conflict between a decision of the Board and a decision of the City Council arises, the Board should work with the City Council to resolve such conflict.
4. A Director shall regularly attend Board meetings and the meetings of any committee of which he/she is a member, and shall keep himself/herself knowledgeable about the business of ATC to be able to make informed decisions as a Director of ATC.
5. Although ATC encourages individual participation in political activity, a Director shall not use his/her association with ATC in connection with the promotion of partisan politics, religious matters, or positions on any issue not in conformity with the positions of ATC. A Director shall not attempt to influence the decision of an ATC employee to make, or refrain from making, a personal political contribution to a candidate or party.
6. No Director shall accept any gifts, favors, or hospitality that might influence his/her decision-making or actions affecting ATC.

7. It is ATC’s policy to comply with all applicable laws, ordinances, rules and regulations, including, but not limited to, anti-discrimination, environmental, safety, and health laws relating to the operation of transit service (collectively, “Applicable Laws”). A Director shall take no action that, in his/her best judgment, is not in compliance with such Applicable Laws, and shall notify the President or the Chair of the Board (the “Chair”) of any violation or any potential or threatened violation of any such Applicable Laws as soon as he/she becomes aware of such violation or such potential or threatened violation.
8. A Director shall comply with all Applicable Laws concerning government business. Payment for entertainment, including meals, of government employees must be handled in accordance with all appropriate regulations.
9. An individual Director may not exercise any authority over ATC or any of its employees unless specifically authorized or delegated to do so by the Board.
10. Unless expressly authorized by the Board or requested by the Chair, only the Chair is officially authorized to speak for the Board.
11. A Director shall avoid any outside interests that might influence his/her decisions or actions as a Director, and shall promptly notify the President or the Chair of any actual or potential conflict of interest. (See the Conflict of Interest Policy)

ARTICLE III: CONFIDENTIAL INFORMATION AND FOIA

1. ATC’s Board acknowledges that as a City-owned public service corporation, it qualifies as a “public body” under the Virginia Freedom of Information Act (FOIA), §2.2-3700 et seq., meaning that many Board records and meetings are presumptively open to the public. A “public record” includes any writing or recording prepared or possessed in the transaction of public business.
2. Permissible Executive (Closed) Sessions: Executive (closed) sessions may only be held for purposes explicitly authorized under FOIA (e.g., personnel matters, contract negotiations, investment of public funds) and must follow statutory procedures for calling and conducting such sessions consistent with ATC’s FOIA Policy. (See the FOIA Policy)
3. Handling Board Materials: Board materials shall be considered for public disclosure consistent with ATC’s FOIA Policy. (See the FOIA Policy)
4. Director must comply with all applicable requirements in ATC’s FOIA Policy. (See the FOIA Policy)
5. Communication and Transparency: Meeting agendas, packets, and minutes (including redacted versions when necessary) should be made publicly available in a timely manner consistent with FOIA. Executive session minutes should include the statutory basis for closure and be redacted only as permitted.

ARTICLE IV: SEEKING ASSISTANCE

ATC is aware that, while some ethical situations are clear cut and the answers obvious, in many situations the answers are not so obvious. A Director may be faced with a situation where the Code of Conduct does not provide a readily identifiable resolution. Without guidance or assistance, a decision made by a Director in good faith may inadvertently prove to be the wrong one. ATC encourages each of its Directors to talk with ATC’s Board Chair or General Counsel if he/she has a question relating to the application of the Code of Conduct, or to seek assistance in resolving issues related to the application of any Applicable Laws.

ARTICLE V: OTHER PROVISIONS

1. A Director shall notify the Chair or CEO/General Manager of any violation or a potential or threatened violation of this Policy as soon as he/she becomes aware of such violation or such potential or threatened violation.
2. Upon becoming a Director, and each year following the annual meeting thereafter, each Director shall be advised of the Code of Conduct and shall sign acknowledgement of receipt.

POLICY EFFECTIVE DATE:

The effective date of the policy or policy revision shall be the date the ATC Board ratifies it.

Original Policy Date: _____

Policy Revision Date(s): _____

RECEIPT AND ACKNOWLEDGEMENT OF CODE OF CONDUCT

I acknowledge receipt of the Code of Conduct of Alexandria Transit Company. I certify that I have read the Code of Conduct and agree to abide by its terms. Based on the terms of the Code of Conduct, I know of no reason why I cannot serve as a Director of the Alexandria Transit Company.

Directors Name

Directors Signature

Date Signed

Witness (Board Secretary)



CONFLICT OF INTEREST POLICY

ARTICLE I: PURPOSE

The purpose of the conflict of interest policy is to protect the interests of Alexandria Transit Company (“ATC”) when it is contemplating entering into a transaction or arrangement that might benefit the private interest of an officer of ATC (each, an “Officer”, more than one, “Officers”), a member of the Board of ATC (each a “Director”, more than one, “Directors”), or a member of an ATC committee, or if it might result in a possible excess benefit transaction. This policy is intended to supplement but not replace any applicable state and federal laws governing conflict of interest applicable to nonprofit organizations.

ARTICLE II: DEFINITIONS

1. Interested Person: Any Director, the CEO/General Manager (the “CEO”), or member of a committee (a “Committee Member”) with Board delegated powers, who has a direct or indirect financial interest, as defined below, is an interested person.
2. Financial Interest: A person has a financial interest if the person has, directly or indirectly, through business, investment, or family:
 - a. An ownership or investment interest in any entity with which ATC has a transaction or arrangement,
 - b. A compensation arrangement with ATC or with any entity or individual with which ATC has a transaction or arrangement, or
 - c. A potential ownership or investment interest in, or compensation arrangement with, any entity or individual with which ATC is negotiating a transaction or arrangement.
 - d. Compensation includes direct and indirect remuneration as well as gifts or favors that aren’t insubstantial.

A financial interest isn’t necessarily a conflict of interest. Under Article III, Section 2, a person who has a financial interest may have a conflict of interest only if the appropriate Board or committee decides that a conflict of interest exists.

ARTICLE III: OVERVIEW

Directors have a fiduciary duty to ATC and are expected to operate according to high ethical standards. This includes recognizing that if conflicts of interest exist, such conflicts have the potential to inhibit the wisdom of particular decisions, and possibly damage ATC’s reputation.

Conflicts of interest exist where a person:

- 1) Has, or is perceived to have, a personal, family, or business interest that might benefit from a decision either in its making, or in the ability to influence those making it.
- 2) Is involved with a competing or sister organization that may result in divided loyalty in the context of making a decision.

Conflicts of interest are unavoidable and should not prevent an individual from serving as a Director, Officer, or Committee Member unless the extent of the interest is so significant that the potential for undue influence is present and exists in many situations.

Directors are expected to disclose potential conflicts, if anticipated, prior to their nomination or election to the Board. Otherwise, they are obliged to disclose them when the circumstances arise. They should be disclosed to the Chair of the Board of Directors (the “Chair”) and/or to the whole Board.

Should the CEO have or anticipate having a conflict of interest in matters involving Board discussions, he/she must disclose such conflict of interest to the Board, and the Board shall determine if a conflict exists.

ARTICLE IV: PROCEDURES

Determination of Conflict: Prior to any discussions, the Chair or the CEO should assess the presence of a conflict of interest, or the perception of one, and determine what actions, if any, are appropriate to address the situation.

Stepping Out: Directors and staff have a duty to exempt themselves from participating in any discussion and voting on matters where they have, or may be perceived as having, a conflict of interest.

Recording: Minutes of Board meetings should report the presence of a conflict of interest and, if simple disclosure is not a sufficient remedy, a Director steps out in advance of the meeting or during the relevant discussion and decision.

Procedure for a conflict of interest disclosure:

1. **Determining Whether a Conflict of Interest Exists:** After disclosure of the interest and all material facts, and after any discussion with them, the interested persons shall leave the Board or committee meeting while the determination of a conflict of interest is discussed and voted upon. The remaining Directors or Committee Members shall decide if a conflict of interest exists.
2. **Procedures for Addressing the Conflict of Interest:**
 - a. An interested person may make a presentation at the Board or committee meeting, but after the presentation, the interested person shall leave the meeting during the discussion of, and the vote on, the transaction or arrangement involving the possible conflict of interest.
 - b. The Chair or a chair of the committee shall, if appropriate, appoint a disinterested person or committee to investigate alternatives to the proposed transaction or arrangement.
 - c. After exercising due diligence, the Board or committee shall determine whether ATC can obtain, with reasonable efforts, a more advantageous transaction or arrangement from a person or entity that would not give rise to a conflict of interest.
 - d. If a more advantageous transaction or arrangement isn't reasonably possible under circumstances that do not produce a conflict of interest, the Board or committee shall determine by a majority vote of the disinterested Directors whether the transaction or arrangement is in ATC's best interest, for its own benefit, and whether it is fair and reasonable. In conformity with the above determination, it shall make its decision as to whether to enter into the transaction or arrangement.
3. **Violations of the Conflict of Interest Policy:**
 - a. If the Board or committee has reasonable cause to believe a Director or Committee Member has failed to disclose actual or possible conflicts of interest, it shall inform the Director or Committee Member of the basis for such belief and afford the Director or Committee Member an opportunity to explain the alleged failure to disclose.
 - b. If, after hearing the Director's or Committee Member's response and after making further investigation as warranted by the circumstances, the Board or committee determines the Director or Committee Member has failed to disclose an actual or possible conflict of interest, it shall take appropriate disciplinary and corrective action.

ARTICLE V: RECORDS OF PROCEEDINGS

The minutes of the Board and all committees with Board-delegated powers shall contain:

- a) The names of the persons who disclosed or otherwise were found to have a financial interest in connection with an actual or possible conflict of interest, the nature of the financial interest, any action taken to determine whether a conflict of interest was present, and the Board's or committee's decision as to whether a conflict of interest in fact existed.
- b) The names of the persons who were present for discussions and votes relating to the transaction or arrangement, the content of the discussion, including any alternatives to the proposed transaction or arrangement, and a record of any votes taken in connection with the proceedings.

ARTICLE VI: COMPENSATION FOR SERVICES RENDERED TO ATC

1. Any Director of the Board who receives compensation, directly or indirectly, from ATC for services rendered to ATC outside of his/her role as a Director, is precluded from voting on matters pertaining to that Director's compensation.
2. A voting Committee Member of any committee whose jurisdiction includes compensation matters and who receives compensation, directly or indirectly, from ATC for services rendered to ATC outside of his/her role as a Committee Member, is precluded from voting on matters pertaining to that Committee Member's compensation.
3. No Director of the Board or Committee Member of any committee whose jurisdiction includes compensation matters and who receives compensation, directly or indirectly, from ATC, either individually or collectively, for services rendered to ATC outside of his/her role as a Director or Committee Member, as may be applicable, is prohibited from providing information to the Board or to any committee regarding compensation.

ARTICLE VII: ANNUAL STATEMENTS

Each Director shall annually sign a statement which affirms such Director:

1. Has received a copy of the Conflict of Interest Policy,
2. Has read and understands the policy, and
3. Has agreed to comply with the policy.

ARTICLE VIII: USE OF OUTSIDE EXPERTS

Should a conflict of interest be perceived or disclosed which is unclear or otherwise unable to be resolved by the Board as a whole, the Board's General Counsel shall be contacted to conduct an external review of the conflict before taking any actions on the transaction or discussion item.

POLICY EFFECTIVE DATE:

The effective date of the policy or policy revision shall be the date the ATC Board ratifies it.

Original Policy Date: _____

Policy Revision Date(s): _____

RECEIPT AND ACKNOWLEDGEMENT OF CONFLICT OF INTEREST POLICY

I acknowledge receipt of the Conflict of Interest Policy of Alexandria Transit Company. I certify that I have read the policy and agree to abide by its terms. Based on the terms of the Conflict of Interest Policy, I know of no reason why I cannot serve as a Director of the Alexandria Transit Company.

Directors Name

Directors Signature

Date Signed

Witness (Board Secretary)



**Alexandria Transit Company (DASH)
Board of Directors**

3000 Business Center Drive • Alexandria, VA 22314
www.dashbus.com

February 11, 2026

Virginia Senate Finance and Appropriations Committee
P.O. Box 396
Richmond, VA 23218

Re: Support for Dedicated, Recurring Transit Funding (SB 730, SB 638, HB 1179, HB 900)

Dear Chair and Members of the Committee:

On behalf of the Alexandria Transit Company (DASH) Board of Directors, we respectfully submit this letter as testimony in support of legislation that establishes dedicated, recurring revenues for public transit in Virginia, particularly Northern Virginia - so that the Commonwealth, our region, and localities like Alexandria can sustainably fund both WMATA obligations and the local bus networks that connect residents to jobs, schools, healthcare, and services including Metrorail.

Robust and well-utilized public transportation is a cornerstone of the Northern Virginia economy. The DASH Advisory Committee (DAC) - an independent advisory committee of bus riders recently cited findings from a 2024 NVTC study that for every tax dollar invested in transit in Northern Virginia, an additional \$1.60 in statewide revenue is produced, and that public transit in Alexandria alone supports more than 37,000 jobs and generates \$180 million each year in income and sales tax revenues.

The bills before you provide pragmatic, regionally generated funding tools that are predictable, dedicated, and capable of supporting long-term planning. Collectively, these measures help avoid the recurring problem local governments face when regional transit obligations grow faster than local general fund revenues, an outcome that can crowd out investments in core services and local transit service levels.

Key elements of the legislation:

- SB 730 (Sen. Surovell) and HB 900 (Del. Sullivan) establish a modest additional sales-and-use tax framework in transportation districts, including a 0.385% rate in NVTC jurisdictions, with revenues deposited into the Northern Virginia Transportation District Regional Fund for public transportation purposes.
- SB 730 also creates a 20-cent retail delivery fee in NVTC jurisdictions, deposited into the Northern Virginia Transportation District Regional Fund, while exempting food for human consumption and essential personal hygiene products.
- SB 638 (Sen. Ebbin) and HB 1179 (Del. Tran) add modern, targeted revenue tools, including a transportation network company (TNC) tax (4.3% statewide with an additional 1.9% in NVTC jurisdictions) and retail delivery fees (50 cents statewide with an additional 25 cents in NVTC jurisdictions) with proceeds directed to the Commonwealth Mass Transit Fund and/or the Northern Virginia Transportation District Regional Fund.

- HB 1179 also authorizes an additional 10% regional commercial parking tax in NVTC jurisdictions, with specific exclusions (including WMATA-operated parking).
- HB 900 includes WMATA capital funding structure and accountability mechanisms that support transparency and performance reporting, including a defined WMATA capital distribution cap that adds \$136 million beginning in FY2028 and grows at 3% annually thereafter.

We also recognize and strongly value the rider perspective reflected in the DAC's support letter for SB 730, including its emphasis that exempting food and essential personal hygiene products helps ensure these funding mechanisms do not disproportionately burden low-income residents who depend on transit every day.

For Alexandria, dedicated regional revenues are essential for two connected reasons: (1) meeting our share of WMATA's growing needs in a sustainable way, and (2) protecting and improving local bus service (DASH) that serves as the first/last mile connection to Metro and provides affordable mobility within the city. With stable funding, we can maintain reliable service, modernize the fleet, and meet growing demand, while continuing to deliver measurable economic benefit to the Commonwealth.

For these reasons, the DASH Board of Directors urges the Senate Finance and Appropriations Committee to advance SB 730 and to support the broader package of dedicated transit-revenue tools reflected in SB 638, HB 1179, and HB 900 (or to incorporate their provisions into a unified solution).

Thank you for your consideration and for your leadership on long-term transportation funding.

Sincerely,

David Kaplan, Chair
On behalf of the Alexandria Transit Company (DASH) Board of Directors

CC: Alexandria City Council; Virginia Department of Rail and Public Transportation; Northern Virginia Transportation Commission; Northern Virginia Transportation Authority

26105401D

SENATE BILL NO. 730

Offered January 15, 2026

A *BILL to amend and reenact §§ 33.2-358, 33.2-371, 33.2-1524, 33.2-1524.1, 33.2-1526.1, 33.2-3401, 33.2-3402, 33.2-3403, 33.2-3502, 46.2-774, 58.1-602, 58.1-603, as it is currently effective and as it may become effective, 58.1-609.5, 58.1-609.11, 58.1-612, 58.1-623, 58.1-647, and 58.1-648 of the Code of Virginia; to amend the Code of Virginia by adding in Article 2 of Chapter 19 of Title 33.2 a section numbered 33.2-1904.1, by adding in Article 11 of Chapter 19 of Title 33.2 a section numbered 33.2-1937, by adding in Chapter 24 of Title 33.2 a section numbered 33.2-2402, by adding in Chapter 7 of Title 46.2 a section numbered 46.2-775, by adding sections numbered 58.1-603.3 and 58.1-612.3, and by adding in Chapter 17 of Title 58.1 an article numbered 13, consisting of a section numbered 58.1-1749; and to amend Chapter 766 of the Acts of Assembly of 2013 by adding a nineteenth enactment, relating to sales and use tax on taxable services and digital personal property; taxes levied in certain transportation districts; funding for transportation.*

Patron—Surovell

Referred to Committee on Finance and Appropriations

Be it enacted by the General Assembly of Virginia:

1. That § 33.2-358, 33.2-371, 33.2-1524, 33.2-1524.1, 33.2-1526.1, 33.2-3401, 33.2-3402, 33.2-3403, 33.2-3502, 46.2-774, 58.1-602, 58.1-603, as it is currently effective and as it may become effective, 58.1-609.5, 58.1-609.11, 58.1-612, 58.1-623, 58.1-647, and 58.1-648 of the Code of Virginia are amended and reenacted and that the Code of Virginia is amended by adding in Article 2 of Chapter 19 of Title 33.2 a section numbered 33.2-1904.1, by adding in Article 11 of Chapter 19 of Title 33.2 a section numbered 33.2-1937, by adding in Chapter 24 of Title 33.2 a section numbered 33.2-2402, by adding in Chapter 7 of Title 46.2 a section numbered 46.2-775, by adding sections numbered 58.1-603.3 and 58.1-612.3, and by adding in Chapter 17 of Title 58.1 an article numbered 13, consisting of a section numbered 58.1-1749 as follows:

§ 33.2-358. Allocation of funds to programs.

A. 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.

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 construction programs, and after allocation is made pursuant to subsection 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. ~~Thirty~~ *Twenty-seven and one-half* percent of the remaining funds to state of good repair purposes as set forth in § 33.2-369;

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

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

4. ~~Twenty~~ *Twenty-six and one-half* 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.

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.

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

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59 in such manner and apportion such funds among such localities as the Board may determine, unless otherwise
 60 provided in the general appropriation act. The localities shall use such funds to address highway maintenance
 61 and repair needs created by or associated with port operations in those localities.

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

65 **§ 33.2-371. Highway construction district grant programs.**

66 A. As used in this section:

67 "Land area" means the total land area of the counties within a highway construction district reduced by
 68 the area of any military reservations and state or national parks or forests within its boundaries and such other
 69 similar areas and facilities of five square miles in area or more, as may be determined by the Board.

70 "Population" means the population according to the latest U.S. census or the latest population estimates
 71 made by the Weldon Cooper Center for Public Service of the University of Virginia, whichever is more
 72 recent.

73 B. The Board shall establish a grant program in each highway construction district to fund projects and
 74 strategies that address a need in the Statewide Transportation Plan developed pursuant to § 33.2-353 *and for*
 75 *purposes set forth in subsection D.*

76 C. The Board shall solicit candidate projects and strategies from local governments for consideration in
 77 the applicable highway construction district's grant program. Candidate projects and strategies shall be
 78 screened, evaluated, and selected by the Board according to the process established pursuant to subsection B
 79 of § 33.2-214.1 but shall be within a highway construction district and not outside such highway construction
 80 district. Candidate projects and strategies from localities within a highway construction district shall be
 81 scored against projects and strategies within the same highway construction district. Only those candidate
 82 projects and strategies submitted by a locality shall be funded.

83 D. *From funds available for each district where funding is made available pursuant to §§ 46.2-775 and*
 84 *58.1-2299.20, the Board shall award up to 15 percent for transit capital and operating support for transit*
 85 *agencies providing service within such district. No agency that receives funds directly from either the*
 86 *Hampton Roads Transportation Accountability Commission pursuant to Chapter 26 (§ 33.2-2600 et seq.), the*
 87 *Central Virginia Transportation Authority pursuant to Chapter 37 (§ 33.2-3700 et seq.), or a transportation*
 88 *district established pursuant to Chapter 19 (§ 33.2-1900 et seq.) shall receive funds pursuant to this*
 89 *subsection.*

90 E. Funds allocated to this program under § 33.2-358 shall be distributed to each highway construction
 91 district for that district's grant program as follows:

92 1. Thirty percent based on the ratio of the population of the cities and towns eligible to receive payments
 93 pursuant to § 33.2-319 within a highway construction district to the total population of the cities and towns
 94 eligible to receive payments pursuant to § 33.2-319 within the Commonwealth;

95 2. Twenty-eight percent based on the ratio of vehicle miles traveled on primary highways within the
 96 highway construction district to the total vehicle miles traveled on primary highways in the Commonwealth;

97 3. Twenty-four percent based on the ratio of the population of counties within a highway construction
 98 district to the total population of all counties within the Commonwealth;

99 4. Ten percent based on the ratio of the number of primary lane-miles in the highway construction district
 100 to the total number of primary lane-miles within the Commonwealth;

101 5. Six percent based on the ratio of the land area of counties within the highway construction district to the
 102 total land area of counties within the Commonwealth; and

103 6. Two percent based on a primary need factor based on addressing the largest under-allocation to
 104 highway construction districts relative to primary needs.

105 E. F. Projects awarded funds under a grant program established by this section may be administered by
 106 the local government pursuant to § 33.2-228 or by the Department.

107 **§ 33.2-1524. Commonwealth Transportation Fund.**

108 A. There is hereby created in the Department of the Treasury a special nonreverting fund to be known as
 109 the Commonwealth Transportation Fund (the Fund). The Fund shall be established on the books of the
 110 Comptroller. Any moneys remaining in the Fund at the end of the year shall not revert to the general fund but
 111 shall remain in the Fund. The Fund shall consist of all funds appropriated to the Fund and all funds dedicated
 112 to the Fund pursuant to law, including:

113 1. Revenues pursuant to §§ 58.1-2289 and 58.1-2701;

114 2. Revenues pursuant to subsections A and G of § 58.1-638 and § 58.1-638.3;

115 3. Tolls and other revenues derived from the projects financed or refinanced pursuant to this title that are
 116 payable into the state treasury and tolls and other revenues derived from other transportation projects, which
 117 may include upon the request of the applicable appointed local governing body, as soon as their obligations
 118 have been satisfied, such tolls and revenue derived for transportation projects pursuant to the Chesapeake Bay
 119 Bridge and Tunnel District and Commission established in Chapter 22 (§ 33.2-2200 et seq.) and to the
 120 Richmond Metropolitan Transportation Authority established in Chapter 29 (§ 33.2-2900 et seq.), or if the

121 appointed local governing body requests refunding or advanced refunding by the Board and such refunding or
 122 advanced refunding is approved by the General Assembly. Such funds shall be held in separate subaccounts
 123 of the Commonwealth Transportation Fund to the extent required by law or the Board;

124 4. Revenues pursuant to § 58.1-2425;

125 5. Revenues pursuant to subdivisions A 1 through 12 of § 46.2-694 and §§ 46.2-694.1, 46.2-697, and
 126 46.2-697.2, except where provided elsewhere in such sections and excluding revenues deposited into a
 127 special fund for the Department of Motor Vehicles pursuant to § 46.2-686;

128 6. Revenues pursuant to § 58.1-1741;

129 7. Revenues pursuant to § 58.1-815.4;

130 8. Revenues from § 58.1-2249;

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

133 10. All interest, dividends, and appreciation that may accrue to the Transportation Trust Fund established
 134 pursuant to § 33.2-1524.1 and the Highway Maintenance and Operating Fund established pursuant to
 135 § 33.2-1530;

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

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

139 13. Revenues pursuant to § 58.1-2531.

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

141 1. Of the funds from subdivisions A 1, 2, 4 through 8, and 13: (i) ~~54~~ 47 percent to the Highway
 142 Maintenance and Operating Fund established pursuant to § 33.2-1530 and (ii) ~~49~~ 53 percent to the
 143 Transportation Trust Fund established pursuant to § 33.2-1524.1;

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

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

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

157 **§ 33.2-1524.1. Transportation Trust Fund.**

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

162 1. For construction programs pursuant to § 33.2-358, ~~53~~ 51.2 percent;

163 2. To the Commonwealth Mass Transit Fund established pursuant to § 33.2-1526, ~~23~~ 26 percent;

164 3. To the Commonwealth Rail Fund established pursuant to § 33.2-1526.4, ~~7.5~~ 8 percent;

165 4. To the Commonwealth Port Fund established pursuant to § 33.2-1526.5, 2.5 percent;

166 5. To the Commonwealth Aviation Fund established pursuant to § 33.2-1526.6, 1.5 percent;

167 6. To the Commonwealth Space Flight Fund established pursuant to § 33.2-1526.7, ~~one~~ 0.8 percent;

168 7. To the Priority Transportation Fund established pursuant to § 33.2-1527, ~~10.5~~ 9 percent; and

169 8. To a special fund within the Commonwealth Transportation Fund in the state treasury, one percent to
 170 be used to meet the necessary expenses of the Department of Motor Vehicles.

171 **§ 33.2-1526.1. Use of the Commonwealth Mass Transit Fund.**

172 A. All funds deposited pursuant to § 33.2-1524.1 into the Commonwealth Mass Transit Fund (the Fund),
 173 established pursuant to § 33.2-1526, shall be allocated as set forth in this section.

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

181 C. The Board may establish policies for the implementation of this section, including the determination of
 182 the state share of operating, capital, and administrative costs related to mass transit. For purposes of this

183 section, capital costs may include debt service payments on local or agency transit bonds. Funds may be paid
 184 to any local governing body, transportation district commission, or public service corporation for the
 185 purposes as set forth in this section. No funds from the Fund shall be allocated without a local match from the
 186 recipient.

187 D. Each year the Director of the Department of Rail and Public Transportation shall make
 188 recommendations to the Board for the allocation of funds from the Fund. Such recommendations, and the
 189 final allocations approved by the Board, shall adhere to the following, except as provided in subsection E:

190 1. ~~Twenty-four and one-half~~ *Twenty-three* percent of the funds shall be allocated to support operating
 191 costs of transit providers and shall be distributed by the Board on the basis of service delivery factors, based
 192 on effectiveness and efficiency as established by the Board. Such measures and their relative weight shall be
 193 evaluated every three years and shall be finalized 6 months prior to the fiscal year of implementation. The
 194 Washington Metropolitan Area Transit Authority (WMATA) and the commuter rail system jointly operated
 195 by the Northern Virginia Transportation Commission (NVTC) and the Potomac and Rappahannock
 196 Transportation Commission (PRTC), established pursuant to Chapter 19 (§ 33.2-1900 et seq.) shall not be
 197 eligible for an allocation of funds pursuant to this subdivision.

198 2. ~~Seventeen~~ *Twelve and one-half* percent of the funds shall be allocated for capital purposes and
 199 distributed utilizing the transit capital prioritization process established by the Board pursuant to
 200 § 33.2-214.4. WMATA and the commuter rail system jointly operated by NVTC and PRTC, established
 201 pursuant to Chapter 19 (§ 33.2-1900 et seq.) shall not be eligible for an allocation of funds pursuant to this
 202 subdivision.

203 3. ~~Three and one-half~~ *Four* percent of funds may be allocated to NVTC for distribution to the commuter
 204 rail system jointly operated by NVTC and PRTC, established pursuant to Chapter 19 (§ 33.2-1900 et seq.),
 205 for operating and capital purposes. ~~The amount of funds distributed pursuant to this subdivision and the~~
 206 ~~selection of systems receiving funds pursuant to this subdivision shall be based on service delivery factors~~
 207 ~~including effectiveness and efficiency as established by the Board. Such measures and their relative weight~~
 208 ~~shall be evaluated every three years and shall be finalized six months prior to the fiscal year of~~
 209 ~~implementation. Any funds remaining after such distribution shall be redistributed to subdivision 2.~~

210 4. ~~Forty-six and one-half~~ *Fifty-five and one-half* percent of the funds shall be allocated to the NVTC for
 211 distribution to WMATA for capital purposes and operating assistance, as determined by the Commission. ~~All~~
 212 ~~allocations pursuant to this subdivision shall not exceed 50 percent of the total operating and capital~~
 213 ~~assistance required to be provided by NVTC or other Virginia entities in the approved WMATA budget. If~~
 214 ~~the default allocation pursuant to this subdivision exceeds an amount equal to 50 percent of the total~~
 215 ~~operating and capital assistance required to be provided by NVTC or other Virginia entities in the approved~~
 216 ~~WMATA budget, the remaining funds shall be redistributed to subdivision 2. No contributions made to~~
 217 ~~WMATA pursuant to § 33.2-3401 by the Commonwealth or NVTC shall be relevant for the purposes of~~
 218 ~~administering this subdivision.~~

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

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

230 E. The Board may consider the transfer of funds from subdivisions D 2 and 6 to subdivision D 1 in times
 231 of statewide economic distress or statewide special need.

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

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

238 H. Funds allocated to the Northern Virginia Transportation Commission (NVTC) for WMATA pursuant
 239 to subdivision D 4 shall be credited to the Counties of Arlington, Fairfax, and Loudoun and the Cities of
 240 Alexandria, Fairfax, and Falls Church. Funds allocated pursuant to this subsection shall be credited as
 241 follows:

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

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

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

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

255 K. In any year that the total Virginia operating assistance in the approved WMATA budget increases by
 256 more than three percent from the total operating assistance in the prior year's approved WMATA budget, the
 257 Board shall withhold an amount equal to 35 percent of the funds available under subdivision D 4. The
 258 following items shall not be included in the calculation of any WMATA budget increase: (i) any service,
 259 equipment, or facility that is required by any applicable law, rule, or regulation; (ii) any capital project
 260 approved by the WMATA Board before or after the effective date of this provision; (iii) any payments or
 261 obligations of any kind arising from or related to legal disputes or proceedings between or among WMATA
 262 and any other person or entity; and (iv) any service increases approved by the WMATA Board. *The Board*
 263 *shall distribute to WMATA all funds required pursuant to subdivision D 4 if:*

264 1. *The WMATA Board of Directors adopts a policy to establish a methodology for determining the*
 265 *measurement of Metrorail and Metrobus annual unit cost growth using mod-specific operating costs and*
 266 *vehicle revenue hours. Such policy shall determine a baseline year and associated data from which annual*
 267 *unit cost growth will be measured. Baseline operating cost and vehicle revenue data shall be actual and for*
 268 *the most recent year and may be preliminary and not yet audited by the Federal Transit Administration's*
 269 *National Transit Database;*

270 2. *Beginning no later than the WMATA proposed budget for Fiscal Year 2028, WMATA annually*
 271 *publishes the results of the annual unit cost growth calculation as described in the policy adopted pursuant to*
 272 *subdivision 1, detailing the year-over-year operating expenses and vehicle revenue hours by mode for rail*
 273 *and bus and percentage growth increase from the prior year; and*

274 3. *Beginning in Fiscal Year 2029, the approved WMATA budget's unit cost of rail or bus service does not*
 275 *grow more than three percent.*

276 *However, if the approved WMATA budget's unit cost of rail or bus service grows more than three percent*
 277 *from the previous year, the Board shall withhold an amount equal to 35 percent of the funds available under*
 278 *subdivision D 4 for such year. If the WMATA Board of Directors fails to adopt such a policy pursuant to*
 279 *subdivision 1, the Board shall withhold an amount equal to 35 percent of the funds available under*
 280 *subdivision D 4 for Fiscal Year 2028 and for every subsequent fiscal year in which such a policy has not*
 281 *been adopted.*

282 L. The Board shall withhold 20 percent of the funds available pursuant to subdivision D 4 if (i) any
 283 alternate directors participate or take action at an official WMATA Board meeting or committee meeting as
 284 Board directors for a WMATA compact member when both directors appointed by that same WMATA
 285 compact member are present at the WMATA Board meeting or committee meeting or (ii) the WMATA
 286 Board of Directors has not adopted bylaws that would prohibit such participation by alternate directors.

287 M. The Board shall withhold 20 percent of the funds available pursuant to subdivision D 4 unless (i)
 288 WMATA has adopted a detailed capital improvement program covering the current fiscal year and, at a
 289 minimum, the next five fiscal years, and at least one public hearing on such capital improvement program has
 290 been held in a locality embraced by the Northern Virginia Transportation Commission (NVTC), and (ii)
 291 WMATA has adopted or updated a strategic plan within the preceding ~~36 months~~ *five years*, and at least one
 292 public hearing on such plan or updated plan has been held in a locality embraced by NVTC.

293 The strategic plan shall require (a) an assessment of state of good repair needs; (b) a review of the
 294 performance of fixed-route bus service, including schedules, route design, connectivity, and vehicle sizes; (c)
 295 an evaluation of opportunities to improve operating efficiency of the transit network, including reliability of
 296 trips and travel speed; (d) an examination and identification of opportunities to share services where multiple
 297 transit providers' services overlap; and (e) an examination of opportunities to improve service in underserved
 298 areas.

299 N. The Board shall withhold 20 percent of the funds available pursuant to subdivision D 4 unless
 300 WMATA prepares and submits a proposed detailed annual operating budget and any proposed capital
 301 expenditures and projects for the following fiscal year to the Board by April 1 of each year. The budget shall
 302 include information on expenditures, indebtedness, pensions and other liabilities, and other information as
 303 prescribed by the Board. Additionally such funds shall be withheld if the Commonwealth's and Northern
 304 Virginia Transportation Commission's representatives to the WMATA Board of Directors and the WMATA
 305 General Manager fail to annually address the Commonwealth Transportation Board regarding the WMATA
 306 budget, system performance, and utilization of the Commonwealth's investment in the WMATA system.

307 O. The Board shall withhold 20 percent of the funds available pursuant to subdivision D 3 unless the
 308 commuter rail system jointly operated by Northern Virginia Transportation Commission and the Potomac and
 309 Rappahannock Transportation Commission, established pursuant to Chapter 19 (§ 33.2-1900 et seq.), submits
 310 a detailed annual operating budget and any proposed capital expenditures and projects for the following fiscal
 311 year to the Board by ~~February~~ March 1 of each year. The operating plan and budget shall include information
 312 on expenditures, indebtedness, *service delivery factors including effectiveness and efficiency*, and other
 313 information as prescribed by the Board.

314 **§ 33.2-1904.1. Distribution of revenues from the Northern Virginia Transportation District Regional**
 315 **Fund.**

316 A. There is hereby created in the state treasury a special nonreverting fund for the benefit of the localities
 317 within the Northern Virginia Transportation District to be known as the Northern Virginia Transportation
 318 District Regional Fund (the Fund). The Fund shall be established on the books of the Comptroller. All
 319 revenues dedicated to the Fund pursuant to §§ 46.2-775, 58.1-603.3, and 58.1-1749 that are attributable to
 320 revenues generated in any county or city located within the Northern Virginia Transportation District shall
 321 be paid into the state treasury and credited to the Fund as set forth in this section and shall be used for public
 322 transportation purposes.

323 B. Two percent of the annual Fund revenues shall be distributed to the Northern Virginia Transportation
 324 Commission for technical assistance, planning, and design to advance transit projects that benefit the
 325 Northern Virginia Transportation District.

326 C. Beginning in fiscal year 2028:

327 1. A total of \$136 million shall be deposited by the Comptroller into the Washington Metropolitan Area
 328 Transit Authority (WMATA) Capital Fund established pursuant to § 33.2-3401. For each fiscal year after
 329 2028, such amount to be deposited into the WMATA Capital Fund pursuant to this subdivision shall be equal
 330 to 103 percent of the amount deposited in the preceding fiscal year. Any revenue generated in excess of the
 331 amount distributed to the WMATA for capital purposes pursuant to subdivision B 1 of § 33.2-3401 shall be
 332 credited to this amount.

333 2. A total of \$9.1 million shall be deposited by the Comptroller into the Commuter Rail Operating and
 334 Capital Fund established pursuant to § 33.2-3500. For each fiscal year after 2028, such amount to be
 335 deposited into the Commuter Rail Operating and Capital Fund pursuant to this subdivision shall be equal to
 336 103 percent of the amount deposited in the preceding fiscal year.

337 D. Any revenue generated pursuant to the laws described in subsection A in excess of the amounts
 338 distributed pursuant to subsections B and C shall remain in the Fund and held in trust accounts for each
 339 county and city located within such district for public transportation purposes. The amount in each trust
 340 account shall be determined on a pro rata basis in proportion to the revenues generated and attributable to
 341 such county or city.

342 **§ 33.2-1937. Other transportation districts with unique needs.**

343 The General Assembly finds that transportation districts that (i) have a population of 800,000 or more, as
 344 shown by the most recent United States census, (ii) have not less than one million motor vehicles registered
 345 therein, and (iii) have a total transit ridership of not less than four million riders per year across all transit
 346 systems within the transportation district and that jointly operate with another transportation district a
 347 commuter rail service have unique transportation needs.

348 **§ 33.2-2402. Potomac and Rappahannock Transportation Commission Regional Fund.**

349 A. There is hereby created in the state treasury a special nonreverting fund for the benefit of the localities
 350 embraced by the Potomac and Rappahannock Transportation Commission to be known as the Potomac and
 351 Rappahannock Transportation Commission Regional Fund (the Fund). The Fund shall be established on the
 352 books of the Comptroller. All revenues dedicated to the Fund pursuant to §§ 46.2-775 and 58.1-603.3 that
 353 are attributable to revenues generated in any county or city embraced by the Potomac and Rappahannock
 354 Transportation Commission shall be paid into the state treasury and credited to the Fund as set forth in this
 355 section and shall be used for public transportation purposes.

356 B. Beginning in fiscal year 2028, \$18.2 million shall be deposited by the Comptroller into the Commuter
 357 Rail Operating and Capital Fund established pursuant to § 33.2-3500. For each fiscal year after 2028, such
 358 amount to be deposited into the Commuter Rail Operating and Capital Fund pursuant to this subsection shall
 359 be equal to 103 percent of the amount deposited in the preceding fiscal year.

360 C. Any revenue generated pursuant to the laws described in subsection A in excess of the amounts
 361 distributed pursuant to subsection B shall remain in the Fund and be used for public transportation purposes
 362 in accordance with the Potomac and Rappahannock Transportation Commission's strategic plan for transit
 363 or adopted budget. The amount in each trust account shall be determined on a pro rata basis in proportion to
 364 the revenues generated and attributable to such county or city.

365 **§ 33.2-3401. Washington Metropolitan Area Transit Authority Capital Fund.**

366 A. There is hereby created in the state treasury a special nonreverting fund for the benefit of the Northern
 367 Virginia Transportation District to be known as the Washington Metropolitan Area Transit Authority Capital
 368 Fund. The Fund shall be established on the books of the Comptroller. All revenues dedicated to the Fund

369 pursuant to §§ 33.2-1904.1, 33.2-2400, 33.2-3404, 58.1-802.3, 58.1-1741, 58.1-1743, and 58.1-2299.20 shall
 370 be paid into the state treasury and credited to the Fund as set forth in subsection B ~~and shall be used for the~~
 371 ~~payment of capital purposes incurred, or to be incurred, by WMATA.~~ Interest on moneys in the Fund shall
 372 remain in the Fund and be credited to it. Any moneys remaining in the Fund, including interest thereon, at the
 373 end of each fiscal year shall not revert to the general fund but shall remain in the Fund. The Comptroller shall
 374 disburse funds to WMATA on a monthly basis if NVTC has provided the certification required by subsection
 375 B of § 33.2-3402.

376 B. *The amounts dedicated to the Fund shall be deposited monthly by the Comptroller into the Fund and*
 377 *thereafter distributed by NVTC as soon as practicable for use by WMATA for capital purposes. The amount*
 378 *distributed to WMATA for capital purposes shall not exceed:*

379 1. *For fiscal year 2027, \$154.5 million; and*

380 2. *For fiscal year 2028 and each fiscal year thereafter, the sum of (i) the amount referenced in subdivision*
 381 *1 and (ii) \$136 million. Beginning in fiscal year 2029 and annually thereafter, the amount provided pursuant*
 382 *to clause (ii) shall be adjusted by increasing the amount provided for the previous fiscal year by three*
 383 *percent.*

384 1. ~~Within the Fund, there shall be established~~ NVTC shall establish a separate, segregated account into
 385 which revenues dedicated to the Fund pursuant to §§ 33.2-2400 and 58.1-1741 shall be deposited (the
 386 Restricted Account). Revenues deposited into the Restricted Account shall be available for use by WMATA
 387 for capital purposes other than for the payment of, or security for, debt service on bonds or other indebtedness
 388 of WMATA.

389 2. ~~Within the Fund, there shall be established~~ NVTC shall establish a separate, segregated account into
 390 which revenues dedicated to the Fund pursuant to §§ 33.2-3404, 58.1-802.3, 58.1-1743, 58.1-1749, and
 391 58.1-2299.20 shall be deposited (the Non-Restricted Account). Revenues deposited into the Non-Restricted
 392 Account shall be available for use by WMATA for capital purposes, including for the payment of, or security
 393 for, debt service on bonds or other indebtedness of WMATA, or for any other WMATA capital purposes.

394 C. The amounts deposited into the Fund and the distribution and expenditure of such amounts shall not be
 395 used to calculate or reduce the share of federal, state, or local revenues otherwise available to participating
 396 jurisdictions. Further, such revenues and moneys shall not be included in any computation of, or formula for,
 397 a locality's ability to pay for public education, upon which appropriations of state revenues to local
 398 governments for public education are determined.

399 D. *However, the \$136 million or adjusted amount thereafter shall not be provided to WMATA unless the*
 400 *District of Columbia contributes at least \$173 million in 2027 and the State of Maryland contributes at least*
 401 *\$152 million in 2027 to the WMATA, such amounts to be adjusted by three percent increases each year*
 402 *thereafter.*

403 **§ 33.2-3402. NVTC oversight.**

404 A. In any year that funds are deposited into the Fund, the NVTC shall ~~request~~ *verify the publication of*
 405 *certain documents and reports from WMATA to confirm the benefits of the WMATA system to persons*
 406 *living, traveling, commuting, and working in the localities that the NVTC comprises. Such documents and*
 407 *reports shall include:*

408 1. *WMATA's annual capital budget;*

409 2. *WMATA's annual independent financial audit;*

410 3. *WMATA's National Transit Data annual profile; ~~and~~*

411 4. *Single audit reports issued in accordance with the Uniform Administrative Requirements, Cost*
 412 *Principals, and Audit Requirements for Federal Awards (2 C.F.R. Part 200);*

413 5. *In the annual budget or other regular reports to the WMATA Board of Directors, data describing the*
 414 *performance and condition of the rail and bus systems including safety, reliability, ridership, cost savings*
 415 *initiatives, financial performance, and the use of the funds provided from the Fund to improve the safety and*
 416 *condition of the rapid heavy rail mass transportation system; and*

417 6. *By June 30, 2027, and contingent upon enactment of similar reporting requirements by the District of*
 418 *Columbia and the State of Maryland, WMATA's reporting commitments under the DMV Moves Plan,*
 419 *comprising the most recent 20-year capital plan, to be updated every five years, including analysis of*
 420 *potential capital investments that reduce operating costs; funding or financial plans for major projects with*
 421 *capital costs greater than \$300 million, adjusted with inflation; and an annual report to the Metropolitan*
 422 *Washington Council of Governments on system performance, detailing progress toward DMV Moves goals*
 423 *and objectives.*

424 B. NVTC shall be responsible for ~~coordinating the delivery~~ *verifying publication, either on the WMATA*
 425 *website or by other means, of such documents and reports with by WMATA. Funding of the Commonwealth*
 426 *to support WMATA pursuant to § 33.2-1526.1 shall be contingent on WMATA ~~providing~~ publishing the*
 427 *documents and reports described in subsection A, and NVTC shall provide annual certification to the*
 428 *Comptroller that such documents and reports have been ~~received~~ published.*

429 **§ 33.2-3403. NVTC report.**

430 By December 15 of each year that funds are deposited into the Fund, NVTC shall report to the Governor

431 ~~and~~, the General Assembly, *and the Commonwealth Transportation Board* on the performance and condition
 432 of WMATA. Such report shall contain, at a minimum, documentation of the following:

433 1. ~~The safety and reliability of the rapid heavy rail mass transportation system and bus network~~ *An*
 434 *assessment of the data, trends, and information included in WMATA documents and reports as described in*
 435 *subsection A of § 33.2-3402; and*

436 2. ~~The financial performance of WMATA related to the operations of the rapid heavy rail mass~~
 437 ~~transportation system, including farebox recovery, service per rider, and cost per service hour;~~

438 3. ~~The financial performance of WMATA related to the operations of the bus mass transportation system,~~
 439 ~~including farebox recovery, service per rider, and cost per service hour;~~

440 4. Potential strategies to reduce the growth in such costs and to improve the efficiency of WMATA
 441 operations;

442 5. Use of the funds provided from the Fund to improve the safety and condition of the rapid heavy rail
 443 mass transportation system; and

444 6. Ridership of the rapid heavy rail mass transportation system and the bus mass transportation system.

445 **§ 33.2-3502. Authority to issue bonds.**

446 The transportation districts described in subsection B of § 33.2-3500 may issue bonds and other evidences
 447 of debt as may be authorized by this section or other law. The provisions of Article 5 (§ 33.2-1920 et seq.) of
 448 Chapter 19 shall apply, mutatis mutandis, to the issuance of such bonds or other debt. The Authority may
 449 issue bonds or other debt in such amounts as it deems appropriate. ~~The bonds may be supported by any funds~~
 450 ~~available in the Fund; provided that the total amount of debt service for all outstanding bonds may not exceed~~
 451 ~~66 percent of the revenues dedicated to the Fund pursuant to § 58.1-2299.20.~~

452 **§ 46.2-774. (For contingent expiration, see Acts 2020, cc. 1230 and 1275) Distribution of revenues.**

453 All revenues collected pursuant to this chapter, *except those collected pursuant to § 46.2-775*, shall be
 454 used first to pay for the direct cost of administration of this chapter by the Department, and then shall be
 455 deposited into the Commonwealth Transportation Fund established pursuant to § 33.2-1524.

456 **§ 46.2-775. Regional Highway Use Fee.**

457 A. *There is hereby imposed an additional annual regional highway use fee on any motor vehicle*
 458 *registered in the Commonwealth under § 46.2-694 or 46.2-697 that is an alternative fuel vehicle and electric*
 459 *motor vehicle or a fuel-efficient vehicle. Such regional highway use fee shall be 29.34 percent of the amount*
 460 *of the highway use fee assessed pursuant to § 46.2-772 for such vehicle. The fee shall be collected by the*
 461 *Department in the same manner as the highway use fee pursuant to § 46.2-772, mutatis mutandis.*

462 B. *There is hereby established a regional mileage-based user fee program. The program shall be a*
 463 *voluntary program that allows owners of vehicles subject to the regional highway use fee pursuant to*
 464 *subsection A to pay a mileage-based fee in lieu of the regional highway use fee. Such program shall be*
 465 *administered in the same manner as the mileage-based user fee program created pursuant to § 46.2-773,*
 466 *mutatis mutandis.*

467 C. *All revenues collected pursuant to this section shall be used first to pay for the direct cost of the*
 468 *administration of this section by the Department, and then shall be deposited in the following manner:*

469 1. *For any vehicle that is principally garaged in any county or city that is a member of the Northern*
 470 *Virginia Transportation Commission, such funds shall be deposited into the Northern Virginia*
 471 *Transportation District Regional Fund created pursuant to § 33.2-1904.1.*

472 2. *For any vehicle that is principally garaged in any county or city that is a member of the Potomac and*
 473 *Rappahannock Transportation Commission, such funds shall be deposited into the Potomac and*
 474 *Rappahannock Transportation Commission Regional Fund created pursuant to § 33.2-2402.*

475 3. *For any vehicle that is principally garaged in any county or city that is subject to § 58.1-2299.20, but*
 476 *that is not subject to subdivisions 1 or 2, such funds shall be distributed in the same manner as in*
 477 *§ 58.1-2299.20, mutatis mutandis.*

478 4. *For any vehicle that is not subject to subdivisions 1, 2, or 3, such funds shall be deposited into the*
 479 *Commonwealth Transportation Fund established pursuant to § 33.2-1524.*

480 **§ 58.1-602. Definitions.**

481 As used in this chapter, unless the context clearly shows otherwise:

482 "Accommodations" means any room or rooms, lodgings, or accommodations in any hotel, motel, inn,
 483 tourist camp, tourist cabin, camping grounds, club, short-term rental, or any other place in which rooms,
 484 lodging, space, or accommodations are regularly furnished to transients for a consideration.
 485 "Accommodations" does not include rooms or space offered by a person in the business of providing
 486 conference rooms, meeting space, or event space if the person does not also offer rooms available for
 487 overnight sleeping.

488 "Accommodations fee" means the room charge less the discount room charge, if any, provided that the
 489 accommodations fee shall not be less than \$0.

490 "Accommodations intermediary" means any person other than an accommodations provider that (i)
 491 facilitates the sale of an accommodation and (ii) either (a) charges a room charge to the customer, and
 492 charges an accommodations fee to the customer, which fee it retains as compensation for facilitating the sale;

493 (b) collects a room charge from the customer; or (c) charges a fee, other than an accommodations fee, to the
 494 customer, which fee it retains as compensation for facilitating the sale. For purposes of this definition,
 495 "facilitates the sale" includes brokering, coordinating, or in any other way arranging for the purchase of the
 496 right to use accommodations via a transaction directly, including via one or more payment processors,
 497 between a customer and an accommodations provider.

498 "Accommodations intermediary" does not include a person:

499 1. If the accommodations are provided by an accommodations provider operating under a trademark, trade
 500 name, or service mark belonging to such person;

501 2. Who facilitates the sale of an accommodation if (i) the price paid by the customer to such person is
 502 equal to the price paid by such person to the accommodations provider for the use of the accommodations
 503 and (ii) the only compensation received by such person for facilitating the sale of the accommodation is a
 504 commission paid from the accommodations provider to such person; or

505 3. Who is licensed as a real estate licensee pursuant to Article 1 (§ 54.1-2100 et seq.) of Chapter 21 of
 506 Title 54.1, when acting within the scope of such license.

507 "Accommodations provider" means any person that furnishes accommodations to the general public for
 508 compensation. The term "furnishes" includes the sale of use or possession or the sale of the right to use or
 509 possess.

510 "Advertising" means the planning, creating, or placing of advertising in newspapers, magazines,
 511 billboards, broadcasting and other media, including, without limitation, the providing of concept, writing,
 512 graphic design, mechanical art, photography and production supervision. Any person providing advertising as
 513 defined in this section shall be deemed to be the user or consumer of all tangible personal property purchased
 514 for use in such advertising.

515 "Affiliate" means the same as such term is defined in § 58.1-439.18.

516 "Amplification, transmission, distribution, and network equipment" means production, distribution, and
 517 other equipment used to provide Internet-access services, such as computer and communications equipment
 518 and software used for storing, processing, and retrieving end-user subscribers' requests. A "network" includes
 519 modems, fiber optic cables, coaxial cables, radio equipment, routing equipment, switching equipment, a cable
 520 modem termination system, associated software, transmitters, power equipment, storage devices, servers,
 521 multiplexers, and antennas, which network is used to provide Internet service, regardless of whether the
 522 provider of such service is also a telephone common carrier or whether such network is also used to provide
 523 services other than Internet services.

524 "Business" includes any activity engaged in by any person, or caused to be engaged in by him, with the
 525 object of gain, benefit or advantage, either directly or indirectly.

526 "Cost price" means the actual cost of an item or article of tangible personal property computed in the same
 527 manner as the sales price as defined in this section without any deductions therefrom on account of the cost of
 528 materials used, labor, or service costs, transportation charges, or any expenses whatsoever.

529 "Custom program" means a computer program that is specifically designed and developed only for one
 530 customer. The combining of two or more prewritten programs does not constitute a custom computer
 531 program. A prewritten program that is modified to any degree remains a prewritten program and does not
 532 become custom.

533 "*Digital code*" means a code that permits an end user to obtain at a later date a digital subscription
 534 service, digital personal property, or both.

535 "*Digital personal property*" means property delivered electronically to an end user, including software,
 536 digital audio and audiovisual products, reading materials, and other data or applications, that the end user
 537 owns or has the ability to continually access, whether by downloading, streaming, or otherwise accessing the
 538 content, without having to pay an additional subscription or usage fee to the seller after paying the initial
 539 purchase price.

540 "*Digital services*" means the following services:

- 541 1. Software application;
- 542 2. Computer-related;
- 543 3. Website hosting and design;
- 544 4. Data storage; and
- 545 5. Digital subscription.

546 "*Digital subscription service*" means a service, including audio and visual streaming services, that for a
 547 fee allows the end user to access and use software, reading materials, or other digital data or applications
 548 for a defined period of time, and which products the end user does not own or have permanent access to
 549 outside of such period of time.

550 "Discount room charge" means the full amount charged by the accommodations provider to the
 551 accommodations intermediary, or an affiliate thereof, for furnishing the accommodations.

552 "Distribution" means the transfer or delivery of a taxable service or tangible personal property for use,
 553 consumption, or storage by the distributee, and the use, consumption, or storage of a taxable service or
 554 tangible personal property by a person that has processed, manufactured, refined, or converted such taxable

555 *service or tangible personal* property, but does not include the transfer or delivery of tangible personal
556 property for resale or any use, consumption, or storage otherwise exempt under this chapter.

557 "*End user*" means any purchaser of a taxable service acquired or transferred electronically or tangible
558 personal property for such purchaser's personal consumption or use, and not for the acquisition or transfer
559 for resale or for use as a component part of or for the integration into a product transferred electronically.
560 "*End user*" does not include a person who receives by contract a product transferred electronically,
561 including digital personal property or a digital subscription service, for further commercial broadcast,
562 rebroadcast, transmission, retransmission, licensing, relicensing, distribution, redistribution, or exhibition of
563 the product, in whole or in part, to another person.

564 "Gross proceeds" means the charges made or voluntary contributions received for the lease or rental of
565 tangible personal property or for furnishing *taxable* services, computed with the same deductions, where
566 applicable, as for sales price as defined in this section over the term of the lease, rental, service, or use, but
567 not less frequently than monthly. "Gross proceeds" does not include finance charges, carrying charges,
568 service charges, or interest from credit extended on the lease or rental of tangible personal property under
569 conditional lease or rental contracts or other conditional contracts providing for the deferred payments of the
570 lease or rental price.

571 "Gross sales" means the sum total of all retail sales of tangible personal property or *taxable* services as
572 defined in this chapter, without any deduction, except as provided in this chapter. "Gross sales" does not
573 include the federal retailers' excise tax or the federal diesel fuel excise tax imposed in § 4091 of the Internal
574 Revenue Code if the excise tax is billed to the purchaser separately from the selling price of the article, or the
575 Virginia retail sales or use tax, or any sales or use tax imposed by any county or city under § 58.1-605 or
576 58.1-606.

577 "Import" and "imported" are words applicable to *taxable services* or tangible personal property imported
578 into the Commonwealth from other states as well as from foreign countries, and "export" and "exported" are
579 words applicable to *taxable services* or tangible personal property exported from the Commonwealth to other
580 states as well as to foreign countries.

581 "In this Commonwealth" or "in the Commonwealth" means within the limits of the Commonwealth of
582 Virginia and includes all territory within these limits owned by or ceded to the United States of America.

583 "Integrated process," when used in relation to semiconductor manufacturing, means a process that begins
584 with the research or development of semiconductor products, equipment, or processes, includes the handling
585 and storage of raw materials at a plant site, and continues to the point that the product is packaged for final
586 sale and either shipped or conveyed to a warehouse. Without limiting the foregoing, any semiconductor
587 equipment, fuel, power, energy, supplies, or other tangible personal property shall be deemed used as part of
588 the integrated process if its use contributes, before, during, or after production, to higher product quality,
589 production yields, or process efficiencies. Except as otherwise provided by law, "integrated process" does not
590 mean general maintenance or administration.

591 "Internet" means, collectively, the myriad of computer and telecommunications facilities, which comprise
592 the interconnected worldwide network of computer networks that employ the Transmission Control
593 Protocol/Internet Protocol, or any predecessor or successor to such protocol, to communicate information of
594 all kinds by wire or radio.

595 "Internet service" means a service that enables users to access content, information, and other services
596 offered over the Internet.

597 "Lease or rental" means the leasing or renting of tangible personal property and the possession or use
598 thereof by the lessee or renter for a consideration, without transfer of the title to such property.

599 "Manufacturing, processing, refining, or conversion" includes the production line of the plant starting with
600 the handling and storage of raw materials at the plant site and continuing through the last step of production
601 where the product is finished or completed for sale and conveyed to a warehouse at the production site, and
602 also includes equipment and supplies used for production line testing and quality control. "Manufacturing"
603 also includes the necessary ancillary activities of newspaper and magazine printing when such activities are
604 performed by the publisher of any newspaper or magazine for sale daily or regularly at average intervals not
605 exceeding three months.

606 The determination of whether any manufacturing, mining, processing, refining or conversion activity is
607 industrial in nature shall be made without regard to plant size, existence or size of finished product inventory,
608 degree of mechanization, amount of capital investment, number of employees or other factors relating
609 principally to the size of the business. Further, "industrial in nature" includes, but is not limited to, those
610 businesses classified in codes 10 through 14 and 20 through 39 published in the Standard Industrial
611 Classification Manual for 1972 and any supplements issued thereafter.

612 "Modular building" means, but is not limited to, single and multifamily houses, apartment units,
613 commercial buildings, and permanent additions thereof, comprised of one or more sections that are intended
614 to become real property, primarily constructed at a location other than the permanent site, built to comply
615 with the Virginia Industrialized Building Safety Law (§ 36-70 et seq.) as regulated by the Virginia
616 Department of Housing and Community Development, and shipped with most permanent components in

617 place to the site of final assembly. For purposes of this chapter, "modular building" does not include a mobile
 618 office as defined in § 58.1-2401 or any manufactured building subject to and certified under the provisions of
 619 the National Manufactured Housing Construction and Safety Standards Act of 1974 (42 U.S.C. § 5401 et
 620 seq.).

621 "Modular building manufacturer" means a person that owns or operates a manufacturing facility and is
 622 engaged in the fabrication, construction and assembling of building supplies and materials into modular
 623 buildings, as defined in this section, at a location other than at the site where the modular building will be
 624 assembled on the permanent foundation and may or may not be engaged in the process of affixing the
 625 modules to the foundation at the permanent site.

626 "Modular building retailer" means any person that purchases or acquires a modular building from a
 627 modular building manufacturer, or from another person, for subsequent sale to a customer residing within or
 628 outside of the Commonwealth, with or without installation of the modular building to the foundation at the
 629 permanent site.

630 "Motor vehicle" means a "motor vehicle" as defined in § 58.1-2401, taxable under the provisions of the
 631 Virginia Motor Vehicles Sales and Use Tax Act (§ 58.1-2400 et seq.) and upon the sale of which all
 632 applicable motor vehicle sales and use taxes have been paid.

633 "Occasional sale" means a sale of *a taxable service or* tangible personal property not *provided*, held, or
 634 used by a seller in the course of an activity for which it is required to hold a certificate of registration,
 635 including the sale or exchange of all or substantially all the assets of any business and the reorganization or
 636 liquidation of any business, provided that such sale or exchange is not one of a series of sales and exchanges
 637 sufficient in number, scope and character to constitute an activity requiring the holding of a certificate of
 638 registration.

639 "Open video system" means an open video system authorized pursuant to 47 U.S.C. § 573 and, for
 640 purposes of this chapter only, also includes Internet service regardless of whether the provider of such service
 641 is also a telephone common carrier.

642 "Person" includes any individual, firm, copartnership, cooperative, nonprofit membership corporation,
 643 joint venture, association, corporation, estate, trust, business trust, trustee in bankruptcy, receiver, auctioneer,
 644 syndicate, assignee, club, society, or other group or combination acting as a unit, body politic or political
 645 subdivision, whether public or private, or quasi-public, and the plural of "person" means the same as the
 646 singular.

647 "Prewritten program" means a computer program that is prepared, held or existing for general or repeated
 648 sale or lease, including a computer program developed for in-house use and subsequently sold or leased to
 649 unrelated third parties.

650 "Qualifying locality" means Charlotte County, Gloucester County, Halifax County, Henry County,
 651 Mecklenburg County, Northampton County, Patrick County, Pittsylvania County, or the City of Danville.

652 "Railroad rolling stock" means locomotives, of whatever motive power, autocars, railroad cars of every
 653 kind and description, and all other equipment determined by the Tax Commissioner to constitute railroad
 654 rolling stock.

655 "Remote seller" means any dealer deemed to have sufficient activity within the Commonwealth to require
 656 registration under § 58.1-613 under the criteria specified in subdivision C 10 or 11 of § 58.1-612 or any
 657 software provider acting on behalf of such dealer.

658 "Retail sale" or a "sale at retail" means a sale to any person for any purpose other than for resale in the
 659 form of *a taxable service or* tangible personal property ~~or services taxable under this chapter~~, and ~~shall~~
 660 ~~include~~ *includes* any such transaction as the Tax Commissioner upon investigation finds to be in lieu of a
 661 sale. All sales for resale must be made in strict compliance with regulations applicable to this chapter. Any
 662 dealer making a sale for resale ~~which~~ *that* is not in strict compliance with such regulations shall be personally
 663 liable for payment of the tax.

664 The terms "retail sale" and a "sale at retail" specifically include the following: (i) the sale or charges for
 665 any accommodations furnished to transients for less than 90 continuous days; (ii) sales of tangible personal
 666 property to persons for resale when because of the operation of the business, or its very nature, or the lack of
 667 a place of business in which to display a certificate of registration, or the lack of a place of business in which
 668 to keep records, or the lack of adequate records, or because such persons are minors or transients, or because
 669 such persons are engaged in essentially service businesses, or for any other reason there is likelihood that the
 670 Commonwealth will lose tax funds due to the difficulty of policing such business operations; (iii) the
 671 separately stated charge made for automotive refinish repair materials that are permanently applied to or
 672 affixed to a motor vehicle during its repair; and (iv) the separately stated charge for equipment available for
 673 lease or purchase by a provider of satellite television programming to the customer of such programming.
 674 Equipment sold to a provider of satellite television programming for subsequent lease or purchase by the
 675 customer of such programming shall be deemed a sale for resale. The Tax Commissioner is authorized to
 676 promulgate regulations requiring vendors of or sellers to such persons to collect the tax imposed by this
 677 chapter on the cost price of such tangible personal property to such persons and may refuse to issue
 678 certificates of registration to such persons. The terms "retail sale" and a "sale at retail" also specifically

679 include the separately stated charge made for supplies used during automotive repairs whether or not there is
 680 transfer of title or possession of the supplies and whether or not the supplies are attached to the automobile.
 681 The purchase of such supplies by an automotive repairer for sale to the customer of such repair services shall
 682 be deemed a sale for resale.

683 The term "transient" does not include a purchaser of camping memberships, time-shares, condominiums,
 684 or other similar contracts or interests that permit the use of, or constitute an interest in, real estate, however
 685 created or sold and whether registered with the Commonwealth or not. Further, a purchaser of a right or
 686 license which entitles the purchaser to use the amenities and facilities of a specific real estate project on an
 687 ongoing basis throughout its term shall not be deemed a transient, provided, however, that the term or time
 688 period involved is for seven years or more.

689 The terms "retail sale" and "sale at retail" do not include a transfer of title to tangible personal property
 690 after its use as tools, tooling, machinery or equipment, including dies, molds, and patterns, if (i) at the time of
 691 purchase, the purchaser is obligated, under the terms of a written contract, to make the transfer and (ii) the
 692 transfer is made for the same or a greater consideration to the person for whom the purchaser manufactures
 693 goods.

694 "Retailer" means every person engaged in the business of making sales at retail, or for distribution, use,
 695 consumption, or storage to be used or consumed in the Commonwealth.

696 "Room charge" means the full retail price charged to the customer for the use of the accommodations
 697 before taxes. "Room charge" includes any fee charged to the customer and retained as compensation for
 698 facilitating the sale, whether described as an accommodations fee, facilitation fee, or any other name. The
 699 room charge shall be determined in accordance with 23VAC10-210-730 and the related rulings of the
 700 Department on the same.

701 "Sale" means any transfer of title or possession, or both, exchange, barter, lease or rental, conditional or
 702 otherwise, in any manner or by any means whatsoever, of tangible personal property and any rendition of a
 703 taxable service for a consideration, and includes the fabrication of tangible personal property for consumers
 704 who furnish, either directly or indirectly, the materials used in fabrication, and the furnishing, preparing, or
 705 serving for a consideration of any tangible personal property consumed on the premises of the person
 706 furnishing, preparing, or serving such tangible personal property. A transaction whereby the possession of
 707 property is transferred but the seller retains title as security for the payment of the price shall be deemed a
 708 sale.

709 "Sales price" means the total amount for which ~~taxable services or~~ tangible personal property ~~or services~~
 710 ~~are~~ is sold, including any *taxable services* that are a part of the sale, valued in money, whether paid in money
 711 or otherwise, and includes any amount for which credit is given to the purchaser, consumer, or lessee by the
 712 dealer, without any deduction therefrom on account of the cost of the property sold, the cost of materials
 713 used, labor or service costs, losses or any other expenses whatsoever. "Sales price" does not include (i) any
 714 cash discount allowed and taken; (ii) finance charges, carrying charges, service charges or interest from credit
 715 extended on sales of tangible personal property under conditional sale contracts or other conditional contracts
 716 providing for deferred payments of the purchase price; (iii) separately stated local property taxes collected;
 717 (iv) that portion of the amount paid by the purchaser as a discretionary gratuity added to the price of a meal;
 718 or (v) that portion of the amount paid by the purchaser as a mandatory gratuity or service charge added by a
 719 restaurant to the price of a meal, but only to the extent that such mandatory gratuity or service charge does
 720 not exceed 20 percent of the price of the meal. Where used articles are taken in trade, or in a series of trades
 721 as a credit or part payment on the sale of new or used articles, the tax levied by this chapter shall be paid on
 722 the net difference between the sales price of the new or used articles and the credit for the used articles.

723 "Semiconductor cleanrooms" means the integrated systems, fixtures, piping, partitions, flooring, lighting,
 724 equipment, and all other property used to reduce contamination or to control airflow, temperature, humidity,
 725 vibration, or other environmental conditions required for the integrated process of semiconductor
 726 manufacturing.

727 "Semiconductor equipment" means (i) machinery or tools or repair parts or replacements thereof; (ii) the
 728 related accessories, components, pedestals, bases, or foundations used in connection with the operation of the
 729 equipment, without regard to the proximity to the equipment, the method of attachment, or whether the
 730 equipment or accessories are affixed to the realty; (iii) semiconductor wafers and other property or supplies
 731 used to install, test, calibrate or recalibrate, characterize, condition, measure, or maintain the equipment and
 732 settings thereof; and (iv) equipment and supplies used for quality control testing of product, materials,
 733 equipment, or processes; or the measurement of equipment performance or production parameters regardless
 734 of where or when the quality control, testing, or measuring activity takes place, how the activity affects the
 735 operation of equipment, or whether the equipment and supplies come into contact with the product.

736 "Short-term rental" means the same as such term is defined in § 15.2-983.

737 "Storage" means any keeping or retention of tangible personal property for use, consumption or
 738 distribution in the Commonwealth, or for any purpose other than sale at retail in the regular course of
 739 business.

740 "*Streaming*" means a method of transmitting or receiving video and audio data over a computer network

741 *as a steady, continuous flow, allowing playback to proceed while subsequent data is being received.*
742 "Tangible personal property" means personal property that may be seen, weighed, measured, felt, or
743 touched, or is in any other manner perceptible to the senses. "Tangible personal property" does not include
744 stocks, bonds, notes, insurance or other obligations or securities. "Tangible personal property" includes (i)
745 telephone calling cards upon their initial sale, which shall be exempt from all other state and local utility
746 taxes, ~~and~~ (ii) manufactured signs, and (iii) digital personal property.
747 "Taxable service" means any of the following services used or consumed in the Commonwealth:
748 1. Admissions charged for attendance at any event or place of amusement or entertainment;
749 2. Charges to use any recreation, fitness, or sports facilities, including membership fees and dues;
750 3. Nonmedical personal services or counseling, including (i) hair care, nail care, skin care, cosmetology,
751 beauty, tanning, exercise, nutrition, weight control, sensory stimulation, or relaxation services or counseling
752 and (ii) piercing, tattooing, exfoliation, implants, and other cosmetic body modifications. Nonmedical
753 personal services or counseling does not include surgical procedures or separately billed services that are
754 required to be performed by or under the direction of a person licensed or certified by a board within the
755 Department of Health Professions, pursuant to Subtitle III (§ 54.1-2400 et seq.) of Title 54.1;
756 4. Dry cleaning and laundry services, and garment and shoe repairs and alterations;
757 5. Companion animal care, including grooming, boarding, walking, training, and feeding. Companion
758 animal care does not include veterinary medical procedures or separately billed services that are required to
759 be performed by or under the direction of a person licensed or certified by the Board of Veterinary Medicine
760 pursuant to Chapter 38 (§ 54.1-3800 et seq.) of Title 54.1;
761 6. Residential home repair or maintenance, including carpentry, painting, plumbing, electrical, and
762 HVAC, when the work performed does not require a state or local permit and is paid for directly by a
763 resident or homeowner;
764 7. Residential landscaping services, including landscaping design and maintenance, lawn services, or tree
765 removal, when paid for directly by a resident or homeowner;
766 8. Residential cleaning services, including housekeeping, rug cleaning, upholstery cleaning and dyeing,
767 window cleaning, power washing, and servicing of swimming pools, when paid for directly by a resident or
768 homeowner;
769 9. Vehicle and engine repair, maintenance, cleaning, painting, and remodeling;
770 10. Repairs or alterations to tangible personal property or the functioning thereof, including appliances,
771 electronics, computers, jewelry, watches, musical instruments, and art;
772 11. Delivery or shipping services, including wrapping and packing;
773 12. Storage of tangible personal property, including climate-controlled storage and self-storage;
774 13. Travel, event, and aesthetic planning services that are separately billed from the sale of product,
775 including travel agents, event planning, catering, and interior design services; and
776 14. Digital subscription services, including a digital code used to obtain a digital subscription service.
777 "Taxable service" includes any transaction for digital services where the purchaser or consumer of the
778 service is a business but does not include any service otherwise exempt under this chapter.
779 "Transferred electronically" means obtained by the purchaser by means other than tangible storage
780 media.
781 "Use" means the exercise of any right or power over tangible personal property incident to the ownership
782 thereof, except that it does not include the sale at retail of that property in the regular course of business.
783 "Use" does not include the exercise of any right or power, including use, distribution, or storage, over any
784 tangible personal property sold to a nonresident donor for delivery outside of the Commonwealth to a
785 nonresident recipient pursuant to an order placed by the donor from outside the Commonwealth via mail or
786 telephone. "Use" does not include any sale determined to be a gift transaction, subject to tax under
787 § 58.1-604.6.
788 "Use tax" refers to the tax imposed upon the use, consumption, distribution, and storage as defined in this
789 section.
790 "Used directly," when used in relation to manufacturing, processing, refining, or conversion, refers to
791 those activities that are an integral part of the production of a product, including all steps of an integrated
792 manufacturing or mining process, but not including ancillary activities such as general maintenance or
793 administration. When used in relation to mining, "used directly" refers to the activities specified in this
794 definition and, in addition, any reclamation activity of the land previously mined by the mining company
795 required by state or federal law.
796 "Video programmer" means a person that provides video programming to end-user subscribers.
797 "Video programming" means video and/or information programming provided by or generally considered
798 comparable to programming provided by a cable operator, including, but not limited to, Internet service.
799 **§ 58.1-603. (Contingent expiration date) Imposition of sales tax.**
800 There is hereby levied and imposed, in addition to all other taxes and fees of every kind now imposed by
801 law, a license or privilege tax upon every person who engages in the business of selling at retail ~~or~~,
802 distributing, leasing, renting, or furnishing taxable services or tangible personal property in this

803 Commonwealth, ~~or who rents or furnishes any of the things or services taxable under this chapter~~, or who
 804 stores for use or consumption in this Commonwealth any item or article of tangible personal property as
 805 defined in this chapter, ~~or who leases or rents such property within this Commonwealth~~, in the amount of ~~4-3~~
 806 *four percent*:

807 1. Of the gross sales price of each *taxable service or* item or article of tangible personal property when
 808 sold at retail ~~or~~, distributed, *or furnished* in this Commonwealth.

809 2. Of the gross proceeds derived from the lease or rental of tangible personal property, where the lease or
 810 rental of such property is an established business, or part of an established business, or the same is incidental
 811 or germane to such business.

812 3. Of the cost price of each item or article of tangible personal property stored in this Commonwealth for
 813 use or consumption in this Commonwealth.

814 4. ~~(Effective until September 1, 2021) Of the gross proceeds derived from the sale or charges for rooms,~~
 815 ~~lodgings or accommodations furnished to transients as set out in the definition of "retail sale" in § 58.1-602.~~

816 4. ~~(Effective September 1, 2021) Of the gross proceeds derived from the sale or charges for~~
 817 ~~accommodations furnished to transients as set out in the definition of "retail sale" in § 58.1-602.~~

818 5. ~~Of the gross sales of any services that are expressly stated as taxable within this chapter.~~

819 **§ 58.1-603. (Contingent effective date) Imposition of sales tax.**

820 There is hereby levied and imposed, in addition to all other taxes and fees of every kind now imposed by
 821 law, a license or privilege tax upon every person who engages in the business of selling at retail ~~or~~,
 822 distributing, *leasing, renting, or furnishing taxable services or* tangible personal property in this
 823 Commonwealth, ~~or who rents or furnishes any of the things or services taxable under this chapter~~, or who
 824 stores for use or consumption in this Commonwealth any item or article of tangible personal property as
 825 defined in this chapter, ~~or who leases or rents such property within this Commonwealth~~, in the amount of
 826 three and one-half percent through midnight on July 31, 2004, and four percent beginning on and after
 827 August 1, 2004:

828 1. Of the gross sales price of each *taxable service or* item or article of tangible personal property when
 829 sold at retail ~~or~~, distributed, *or furnished* in this Commonwealth.

830 2. Of the gross proceeds derived from the lease or rental of tangible personal property, where the lease or
 831 rental of such property is an established business, or part of an established business, or the same is incidental
 832 or germane to such business.

833 3. Of the cost price of each item or article of tangible personal property stored in this Commonwealth for
 834 use or consumption in this Commonwealth.

835 4. ~~(Effective until September 1, 2021) Of the gross proceeds derived from the sale or charges for rooms,~~
 836 ~~lodgings or accommodations furnished to transients as set out in the definition of "retail sale" in § 58.1-602.~~

837 4. ~~(Effective September 1, 2021) Of the gross proceeds derived from the sale or charges for~~
 838 ~~accommodations furnished to transients as set out in the definition of "retail sale" in § 58.1-602.~~

839 5. ~~Of the gross sales of any services which are expressly stated as taxable within this chapter.~~

840 **§ 58.1-603.3. Additional state sales and use tax in transportation districts with unique needs.**

841 A. *In addition to the sales tax imposed pursuant to §§ 58.1-603, 58.1-603.1, and 58.1-603.2, there is*
 842 *hereby levied and imposed in any county or city:*

843 1. *That is a member of the Northern Virginia Transportation Commission, a retail sales tax at the rate of*
 844 *0.385 percent*

845 2. *That is embraced by the Northern Virginia Transportation Authority pursuant to § 33.2-2501 and not*
 846 *described in subdivision 1, a retail sales tax at the rate of 0.615 percent; and*

847 3. *That is a member of the Potomac and Rappahannock Transportation Commission, a retail sales tax at*
 848 *the rate of 0.2 percent.*

849 B. *The tax imposed pursuant to this section shall not be levied upon food purchased for human*
 850 *consumption and essential personal hygiene products, as such terms are defined in § 58.1-611.1. Such tax*
 851 *shall be added to the rate of the state sales tax imposed pursuant to §§ 58.1-603, 58.1-603.1, and 58.1-603.2*
 852 *in each such county and city and shall be subject to all the provisions of this chapter and the rules and*
 853 *regulations published with respect thereto. No discount under § 58.1-622 shall be allowed for the tax*
 854 *imposed under this section. Such tax shall be administered and collected by the Tax Commissioner in the*
 855 *same manner and subject to the same penalties as provided for the state sales tax under § 58.1-603.*

856 C. *The revenue generated and collected pursuant to the tax authorized under this section, less the*
 857 *applicable portion of any refunds to taxpayers, shall be deposited by the Comptroller as follows:*

858 1. *The revenue generated pursuant to subdivision A 1 shall be deposited into the Northern Virginia*
 859 *Transportation District Regional Fund created pursuant to § 33.2-1904.1;*

860 2. *The revenue generated and collected pursuant to subdivision A 2 shall be used for public*
 861 *transportation purposes by the locality in which such revenue was generated; and*

862 3. *The revenue generated and collected pursuant to subdivision A 3 shall be deposited into the Potomac*
 863 *and Rappahannock Transportation Commission Regional Fund created pursuant to § 33.2-2402.*

864 **§ 58.1-609.5. Taxable services exemptions.**

865 The tax imposed by this chapter or pursuant to the authority granted in § 58.1-605 or 58.1-606 shall not
866 apply to the following:

867 1. ~~Professional, insurance, or personal service transactions which involve sales as inconsequential~~
868 ~~elements for which no separate charges are made; services rendered by repairmen for which a separate charge~~
869 ~~is made; and services not involving an exchange of tangible personal property which provide access to or use~~
870 ~~of the Internet and any other related electronic communication service, including software, data, content and~~
871 ~~other information services delivered electronically via the Internet~~ *Professional services, including education*
872 *or training, legal, financial, accounting and tax preparation, real estate, engineering, architectural, or*
873 *insurance services.*

874 2. ~~An amount separately charged for labor or services rendered in installing, applying, remodeling, or~~
875 ~~repairing property sold or rented~~ *Services performed by a person who does not receive more than \$2,500 per*
876 *year in gross receipts for performance of such services.*

877 3. *Services that provide internet access service as that term is defined in § 58.1-647.*

878 4. *Transportation charges separately stated.*

879 4. ~~Separately stated charges for alterations to apparel, clothing and garments.~~

880 5. *Charges for gift wrapping services performed by a nonprofit organization.*

881 6. ~~An amount separately charged for labor or services rendered in connection with the modification of~~
882 ~~prewritten programs as defined in § 58.1-602.~~

883 7. ~~Custom programs as defined in § 58.1-602.~~

884 8. ~~An amount separately charged for labor rendered in connection with diagnostic work for automotive~~
885 ~~repair and emergency roadside service for motor vehicles, as defined by § 46.2-100, regardless of whether~~
886 ~~there is a sale of a repair or replacement part or a shop supply charge.~~

887 9. ~~6. The sale or charges for any room or rooms, lodgings, or accommodations furnished to transients for~~
888 ~~more than 90 continuous days by any hotel, motel, inn, tourist camp, tourist cabin, camping grounds, club, or~~
889 ~~any other place in which rooms, lodging, space or accommodations are regularly furnished to transients for a~~
890 ~~consideration.~~

891 10. ~~Beginning January 1, 1996, maintenance contracts, the terms of which provide for both repair or~~
892 ~~replacement parts and repair labor, shall be subject to tax upon one-half of the total charge for such contracts~~
893 ~~only. Persons providing maintenance pursuant to such a contract may purchase repair or replacement parts~~
894 ~~under a resale certificate of exemption. Warranty plans issued by an insurance company, which constitute~~
895 ~~insurance transactions, are subject to the provisions of subdivision 1 above.~~

896 7. *Residential cleaning, home repair or maintenance, or landscaping services that are purchased by a*
897 *homeowners' association or similar entity or by a landlord for the benefit of his tenant.*

898 **§ 58.1-609.11. Exemptions for nonprofit entities.**

899 A. For purposes of this section, "nonprofit organization" or "nonprofit entity" means an entity that meets
900 the requirements of subsection D. "Nonprofit organization" or "nonprofit entity" includes a single member
901 limited liability company whose sole member is a nonprofit organization.

902 B. Any nonprofit organization that holds a valid certificate of exemption from the Department of
903 Taxation, or any nonprofit church that holds a valid self-executing certificate of exemption, that exempts it
904 from collecting or paying state and local retail sales or use taxes as of June 30, 2003, pursuant to
905 § 58.1-609.4, 58.1-609.7, 58.1-609.8, 58.1-609.9, or 58.1-609.10, as such sections are in effect on June 30,
906 2003, shall remain exempt from the collection or payment of such taxes under the same terms and conditions
907 as provided under such sections as such sections existed on June 30, 2003, until: (i) July 1, 2007, for such
908 entities that were exempt under § 58.1-609.4; (ii) July 1, 2008, for such entities that were exempt under
909 § 58.1-609.7; (iii) July 1, 2004, for the first one-half of such entities that were exempt under § 58.1-609.8,
910 except churches, which will remain exempt under the same criteria and procedures in effect for churches on
911 June 30, 2003; (iv) July 1, 2005, for the second one-half of such entities that were exempt under
912 § 58.1-609.8; and (v) July 1, 2006, for such entities that were exempt under § 58.1-609.9 or under
913 § 58.1-609.10. At the end of the applicable period of such exemptions, to maintain or renew an exemption for
914 the period of time set forth in subsection G, each entity must follow the procedures set forth in subsection C
915 and meet the criteria set forth in subsection D. Provided, however, that any entity that was exempt from
916 collecting sales and use tax shall continue to be exempt from such collection, and any entity that was exempt
917 from paying sales and use tax for the purchase of services, as of June 30, 2003, shall continue to be exempt
918 from such payment, provided that it follows the other procedures set forth in subsection C and meets the
919 criteria set forth in subsection D. Provided further, however, that an educational institution doing business in
920 the Commonwealth which provides a face-to-face educational experience in American government and was
921 exempt pursuant to subdivision 4 of § 58.1-609.4 from paying sales and use tax for the purchase of services,
922 as of June 30, 2003, shall continue to be exempt from such payment, provided that it follows the other
923 procedures set forth in subsection C and meets the criteria set forth in subsection D.

924 C. 1. On and after July 1, 2004, in addition to the organizations described in subsection B, and except as
925 restricted in subdivision 2, the tax imposed by this chapter or pursuant to the authority granted in §§ 58.1-605
926 and 58.1-606 shall not apply to purchases of *taxable services or tangible personal property for use or*

927 consumption by any nonprofit entity that, pursuant to this section, (i) files an appropriate application with the
 928 Department of Taxation, (ii) meets the applicable criteria, and (iii) is issued a certificate of exemption from
 929 the Department of Taxation for the period of time covered by the certificate.

930 2. If the entity that is exempt under this section is exempt from federal income tax under § 501(c)(19) of
 931 the Internal Revenue Code, or has annual gross receipts of less than \$5,000 and is organized for at least one
 932 of the purposes set forth in § 501(c)(19) of the Internal Revenue Code, then the exemption under this section
 933 for such entity shall not apply to purchases of *taxable services* or tangible personal property that are used
 934 primarily (i) for social and recreational activities for members or (ii) for providing insurance benefits to
 935 members or members' dependents.

936 D. To qualify for the exemption under subsection C, a nonprofit entity must meet the applicable criteria
 937 under this subsection as follows:

938 1. a. The entity is exempt from federal income taxation (i) under § 501(c)(3) of the Internal Revenue
 939 Code; (ii) under § 501(c)(4) of the Internal Revenue Code and is organized for a charitable purpose; or (iii)
 940 under § 501(c)(19) of the Internal Revenue Code; or

941 b. The entity has annual gross receipts of less than \$5,000, and the entity is organized for at least one of
 942 the purposes set forth in § 501(c)(3) of the Internal Revenue Code, one of the charitable purposes set forth in
 943 § 501(c)(4) of the Internal Revenue Code, or one of the purposes set forth in § 501(c)(19) of the Internal
 944 Revenue Code; and

945 2. The entity is in compliance with all applicable state solicitation laws and, where applicable, provides
 946 appropriate verification of such compliance; and

947 3. The entity's annual general administrative costs, including salaries and fundraising, relative to its annual
 948 gross revenue, under generally accepted accounting principles, is not greater than 40 percent; and

949 4. If the entity's gross annual revenue was at least \$750,000 in the previous year, then the entity must
 950 provide a financial review performed by an independent certified public accountant. However, for any entity
 951 with gross annual revenue of at least \$1.5 million in the previous year, the Department may require that the
 952 entity provide a financial audit performed by an independent certified public accountant. If the Department
 953 specifically requires an entity with gross annual revenue of at least \$1.5 million in the previous year to
 954 provide a financial audit performed by an independent certified public accountant, then the entity shall
 955 provide such audit in order to qualify for the exemption under this section, which audit shall be in lieu of the
 956 financial review; and

957 5. If the entity filed a federal 990 or 990 EZ tax form, or the successor forms to such forms, with the
 958 Internal Revenue Service, then it must provide a copy of such form to the Department of Taxation; and

959 6. If the entity did not file a federal 990 or 990 EZ tax form, or the successor forms to such forms, with the
 960 Internal Revenue Service, then the entity must provide the following information:

961 a. A list of the Board of Directors or other responsible agents of the entity, composed of at least two
 962 individuals, with names and addresses where the individuals physically can be found; and

963 b. The location where the financial records of the entity are available for public inspection.

964 E. On and after July 1, 2004, in addition to the criteria set forth in subsection D, the Department of
 965 Taxation shall ask each entity for the total taxable purchases made in the preceding year, unless such records
 966 are not available through no fault of the entity. If the records are not available through no fault of the entity,
 967 then the entity must provide such information to the Department the following year. No information provided
 968 pursuant to this subsection (except the failure to provide available information) shall be a basis for the
 969 Department of Taxation to refuse to exempt an entity.

970 F. Any entity that is determined under subsections C, D, and E by the Department of Taxation to be
 971 exempt from paying sales and use tax shall also be exempt from collecting sales and use tax, at its election, if
 972 (i) the entity is within the same class of organization of any entity that was exempt from collecting sales and
 973 use tax on June 30, 2003, or (ii) the entity is organized exclusively to foster, sponsor, and promote physical
 974 education, athletic programs, and contests for youths in the Commonwealth.

975 G. The duration of each exemption granted by the Department of Taxation shall be no less than five years
 976 and no greater than seven years. During the period of such exemption, the failure of an exempt entity to
 977 maintain compliance with the applicable criteria set forth in subsection D shall constitute grounds for
 978 revocation of the exemption by the Department. At the end of the period of such exemption, to maintain or
 979 renew the exemption, each entity must provide the Department of Taxation the same information as required
 980 upon initial exemption and meet the same criteria.

981 H. For purposes of this section, the Department of Taxation and the Department of Agriculture and
 982 Consumer Services shall be allowed to share information when necessary to supplement the information
 983 required.

984 **§ 58.1-612. Tax collectible from dealers; "dealer" defined; jurisdiction.**

985 A. The tax levied by §§ 58.1-603 and 58.1-604 shall be collectible from all persons that are dealers, as
 986 defined in this section, and that have sufficient contact with the Commonwealth to qualify under (i)
 987 subsections B and C or (ii) subsections B and D.

988 B. As used in this chapter, "dealer" includes every person that:

- 1089 1. Manufactures or produces *taxable services or* tangible personal property for sale at retail, for use,
 1090 consumption, or distribution, or for storage to be used or consumed in this Commonwealth;
- 1091 2. Imports or causes to be imported into this Commonwealth *taxable services or* tangible personal
 1092 property from any state or foreign country, for sale at retail, for use, consumption, or distribution, or for
 1093 storage to be used or consumed in this Commonwealth;
- 1094 3. Sells at retail, or that offers for sale at retail, or that has in its possession for sale at retail, or for use,
 1095 consumption, or distribution, or for storage to be used or consumed in this Commonwealth, *taxable services*
 1096 *or* tangible personal property;
- 1097 4. Has sold at retail, used, consumed, distributed, *furnished*, or stored for use or consumption in this
 1098 Commonwealth, *taxable services or* tangible personal property and that cannot prove that the tax levied by
 1099 this chapter has been paid on the sale at retail, the use, consumption, distribution, or storage of such *taxable*
 1000 *services or* tangible personal property;
- 1001 5. Leases or rents tangible personal property for a consideration, permitting the use or possession of such
 1002 property without transferring title thereto;
- 1003 6. Is the lessee or rentee of tangible personal property and that pays to the owner of such property a
 1004 consideration for the use or possession of such property without acquiring title thereto;
- 1005 7. As a representative, agent, or solicitor, of an out-of-state principal, solicits, receives and accepts orders
 1006 from persons in this Commonwealth for future delivery and whose principal refuses to register as a dealer
 1007 under § 58.1-613; or
- 1008 8. Becomes liable to and owes this Commonwealth any amount of tax imposed by this chapter, whether it
 1009 holds, or is required to hold, a certificate of registration under § 58.1-613.
- 1010 C. A dealer shall be deemed to have sufficient activity within the Commonwealth to require registration
 1011 under § 58.1-613 if it:
 - 1012 1. Maintains or has within this Commonwealth, directly or through an agent or subsidiary, an office,
 1013 warehouse, or place of business of any nature;
 - 1014 2. Solicits business in this Commonwealth by employees, independent contractors, agents or other
 1015 representatives;
 - 1016 3. Advertises in newspapers or other periodicals printed and published within this Commonwealth, on
 1017 billboards or posters located in this Commonwealth, or through materials distributed in this Commonwealth
 1018 by means other than the United States mail;
 - 1019 4. Makes regular deliveries of tangible personal property within this Commonwealth by means other than
 1020 common carrier. A person shall be deemed to be making regular deliveries hereunder if vehicles other than
 1021 those operated by a common carrier enter this Commonwealth more than 12 times during a calendar year to
 1022 deliver goods sold by him;
 - 1023 5. Solicits business in this Commonwealth on a continuous, regular, seasonal, or systematic basis by
 1024 means of advertising that is broadcast or relayed from a transmitter within this Commonwealth or distributed
 1025 from a location within this Commonwealth;
 - 1026 6. Solicits business in this Commonwealth by mail, if the solicitations are continuous, regular, seasonal, or
 1027 systematic and if the dealer benefits from any banking, financing, debt collection, or marketing activities
 1028 occurring in this Commonwealth or benefits from the location in this Commonwealth of authorized
 1029 installation, servicing, or repair facilities;
 - 1030 7. Is owned or controlled by the same interests which own or control a business located within this
 1031 Commonwealth;
 - 1032 8. Has a franchisee or licensee operating under the same trade name in this Commonwealth if the
 1033 franchisee or licensee is required to obtain a certificate of registration under § 58.1-613;
 - 1034 9. Owns tangible personal property that is for sale located in this Commonwealth, or that is rented or
 1035 leased to a consumer in this Commonwealth, or offers tangible personal property, on approval, to consumers
 1036 in this Commonwealth;
 - 1037 10. Receives more than \$100,000 in gross revenue, or other minimum amount as may be required by
 1038 federal law, from retail sales in the Commonwealth in the previous or current calendar year, provided that in
 1039 determining the amount of a dealer's gross revenues, the sales made by all commonly controlled persons as
 1040 defined in subsection D shall be aggregated; or
 - 1041 11. Engages in 200 or more separate retail sales transactions, or other minimum amount as may be
 1042 required by federal law, in the Commonwealth in the previous or current calendar year, provided that in
 1043 determining the total number of a dealer's retail sales transactions, the sales made by all commonly controlled
 1044 persons as defined in subsection D shall be aggregated.
- 1045 D. A dealer is presumed to have sufficient activity within the Commonwealth to require registration under
 1046 § 58.1-613 (unless the presumption is rebutted as provided herein) if any commonly controlled person
 1047 maintains a distribution center, warehouse, fulfillment center, office, or similar location within the
 1048 Commonwealth that facilitates the delivery of tangible personal property sold by the dealer to its customers.
 1049 The presumption in this subsection may be rebutted by demonstrating that the activities conducted by the
 1050 commonly controlled person in the Commonwealth are not significantly associated with the dealer's ability to

1051 establish or maintain a market in the Commonwealth for the dealer's sales. For purposes of this subsection, a
 1052 "commonly controlled person" means any person that is a member of the same "controlled group of
 1053 corporations," as defined in § 1563(a) of the Internal Revenue Code of 1954, as amended or renumbered, as
 1054 the dealer or any other entity that, notwithstanding its form of organization, bears the same ownership
 1055 relationship to the dealer as a corporation that is a member of the same "controlled group of corporations," as
 1056 defined in § 1563(a) of the Internal Revenue Code of 1954, as amended or renumbered.

1057 E. Notwithstanding any other provision of this section, the following shall not be considered to determine
 1058 whether a person that has contracted with a commercial printer for printing in the Commonwealth is a
 1059 "dealer" and whether such person has sufficient contact with the Commonwealth to be required to register
 1060 under § 58.1-613:

1061 1. The ownership or leasing by that person of tangible or intangible property located at the Virginia
 1062 premises of the commercial printer which is used solely in connection with the printing contract with the
 1063 person;

1064 2. The sale by that person of property of any kind printed at and shipped or distributed from the Virginia
 1065 premises of the commercial printer;

1066 3. Activities in connection with the printing contract with the person performed by or on behalf of that
 1067 person at the Virginia premises of the commercial printer; and

1068 4. Activities in connection with the printing contract with the person performed by the commercial printer
 1069 within Virginia for or on behalf of that person.

1070 F. In addition to the jurisdictional standards contained in subsections C and D, nothing contained in this
 1071 chapter other than in subsection E shall limit any authority that this Commonwealth may enjoy under the
 1072 provisions of federal law or an opinion of the United States Supreme Court to require the collection of sales
 1073 and use taxes by any dealer that regularly or systematically solicits sales within this Commonwealth.
 1074 Furthermore, nothing contained in subsection C shall require any broadcaster, printer, outdoor advertising
 1075 firm, advertising distributor, or publisher which broadcasts, publishes, or displays or distributes paid
 1076 commercial advertising in this Commonwealth which is intended to be disseminated primarily to consumers
 1077 located in this Commonwealth to report or impose any liability to pay any tax imposed under this chapter
 1078 solely because such broadcaster, printer, outdoor advertising firm, advertising distributor, or publisher
 1079 accepted such advertising contracts from out-of-state advertisers or sellers.

1080 **§ 58.1-612.3. Tax collectible from bundled transactions.**

1081 A. *For purposes of this section, a bundled transaction includes taxable services or tangible personal*
 1082 *property that is taxable under this chapter and consists of distinct and identifiable properties, services, or*
 1083 *both, sold for one nonitemized charge for which the tax treatment or tax rates of the distinct properties and*
 1084 *services are different.*

1085 B. *If the charge of a bundled transaction is attributable to taxable services or taxable property and*
 1086 *services that are not taxable or property that is not taxable, the portion of the charge attributable to the*
 1087 *nontaxable services or property shall be subject to tax unless the dealer is able to reasonably identify the*
 1088 *nontaxable portion from its books and records kept in the regular course of business.*

1089 C. *If the charge of a bundled transaction is attributable to taxable services or taxable property that are*
 1090 *subject to different tax rates under this chapter or Chapter 6.2 (§ 58.1-645 et seq.), the total price may be*
 1091 *treated as attributable to the products subject to tax at the highest tax rate unless the dealer is able to*
 1092 *reasonably identify the portion of such transaction that is subject to the lower tax rate from its books and*
 1093 *records kept in the regular course of business.*

1094 **§ 58.1-623. Sales or leases presumed subject to tax; exemption certificates.**

1095 A. All sales or leases are subject to the tax until the contrary is established. The burden of proving that a
 1096 sale, or distribution, of taxable services or tangible personal property or the lease, or storage of tangible
 1097 personal property is not taxable is upon the dealer unless he takes from the taxpayer a certificate to the effect
 1098 that the property is exempt under this chapter. However, the sale or distribution of cigarettes shall be subject
 1099 to the provisions of § 58.1-623.2 and require a cigarette exemption certificate issued pursuant to § 58.1-623.2.

1100 B. The certificate mentioned in this section shall relieve the person who takes such certificate from any
 1101 liability for the payment or collection of the tax, except upon notice from the Tax Commissioner that such
 1102 certificate is no longer acceptable. Such certificate shall be signed by and bear the name and address of the
 1103 taxpayer; shall indicate the number of the certificate of registration, if any, issued to the taxpayer; shall
 1104 indicate the general character of the *taxable service or* tangible personal property sold, distributed, leased, or
 1105 stored, or to be sold, distributed, leased, or stored under a blanket exemption certificate; and shall be
 1106 substantially in such form as the Tax Commissioner may prescribe. If an exemption pertains to a nonprofit
 1107 organization, other than a nonprofit church, that has qualified for a sales and use tax exemption under
 1108 § 58.1-609.11, the exemption certificate shall be valid until the scheduled expiration date stated on the
 1109 exemption certificate.

1110 C. If a taxpayer who gives a certificate under this section makes any use of the *taxable service or tangible*
 1111 *personal property* other than an exempt use or retention, demonstration, or display while holding the property
 1112 for resale, distribution, or lease in the regular course of business, such use shall be deemed a taxable sale by

1113 the taxpayer as of the time the property or service is first used by him, and the cost of the *service or* property
 1114 to him shall be deemed the sales price of such retail sale. If the sole use of the *service or* property other than
 1115 retention, demonstration, or display in the regular course of business is the rental of the *service or* property
 1116 while holding it for sale, distribution, or lease, the taxpayer may elect to pay the tax on the amount of the
 1117 rental charged, rather than the cost of the *service or* property to him.

1118 D. If a taxpayer gives a certificate under this section with respect to the purchase of fungible goods and
 1119 thereafter commingles these goods with other fungible goods not so purchased, but of such similarity that the
 1120 identity of the constituent goods in the commingled mass cannot be determined, sales or distributions from
 1121 the mass of commingled goods shall be deemed to be sales or distributions of the goods so purchased until a
 1122 quantity of commingled goods equal to the quantity of purchased goods so commingled has been sold or
 1123 distributed.

1124 E. If a taxpayer fails to give the dealer at the time of purchase an exemption certificate previously issued
 1125 by the Department, no interest shall be paid on a subsequent refund claim for any period prior to the date the
 1126 taxpayer makes a complete refund claim with the Department. This subsection shall not apply to transactions
 1127 exempted under self-executing certificates of exemption not issued to a specific taxpayer by the Department.

1128 **§ 58.1-647. Definitions.**

1129 Terms used in this chapter shall have the same meanings as those used in Chapter 6 of this title
 1130 (§ 58.1-600 *et seq.*), unless defined otherwise, as follows:

1131 "Cable service" means the one-way transmission to subscribers of (i) video programming as defined in 47
 1132 U.S.C. § 522 ~~(20)~~ 522(20) or (ii) other programming service, and subscriber interaction, if any, which is
 1133 required for the selection of such video programming or other programming service. Cable service does not
 1134 include any video programming provided by a commercial mobile service provider as defined in 47 U.S.C. §
 1135 332 ~~(d)~~ 332(d) and any direct-to-home satellite service as defined in 47 U.S.C. § 303 ~~(v)~~ 303(v).

1136 "Call-by-call basis" means any method of charging for telecommunications services where the price is
 1137 measured by individual calls.

1138 "Coin-operated communications service" means a communications service paid for by means of inserting
 1139 coins in a coin-operated telephone.

1140 "Communications services" means the electronic transmission, conveyance, or routing of voice, data,
 1141 audio, video, or any other information or signals, including cable services, *and any other service utilizing any*
 1142 *communications infrastructure, including international calling services, extended call area services, and*
 1143 *internet application-based services*, to a point or between or among points, by or through any electronic,
 1144 radio, satellite, cable, optical, microwave, or other medium or method now in existence or hereafter devised,
 1145 regardless of the protocol used for the transmission or conveyance. ~~The term "Communications services"~~
 1146 ~~includes; but is not limited to;~~ (i) the connection, movement, change, or termination of communications
 1147 services; (ii) detailed billing of communications services; (iii) sale of directory listings in connection with a
 1148 communications service; (iv) central office and custom calling features; (v) voice mail and other messaging
 1149 services; ~~and~~ (vi) directory assistance; *and (vii) digital subscription services. With the exception of digital*
 1150 *subscription services, "communications services" applies to any service described or listed in this definition,*
 1151 *regardless of whether the customer is billed for such service on the basis of a subscription charge, a periodic*
 1152 *charge, or a charge for actual usage, including such a fee for the use of an internet-based application,*
 1153 *excluding the original cost of purchasing the application.*

1154 "Communications services provider" means every person who provides communications services to
 1155 customers in the Commonwealth and is or should be registered with the Department as a provider.

1156 "Cost price" means the actual cost of the purchased communications service computed in the same
 1157 manner as the sales price.

1158 "Customer" means the person who contracts with the seller of communications services. If the person who
 1159 utilizes the communications services is not the contracting party, the person who utilizes the services on his
 1160 own behalf or on behalf of an entity is the customer of such service. "Customer" does not include a reseller of
 1161 communications services or the mobile communications services of a serving carrier under an agreement to
 1162 serve the customer outside the communications service provider's licensed service area.

1163 "Customer channel termination point" means the location where the customer either inputs or receives the
 1164 private communications service.

1165 "*Digital subscription service*" means a service, including audio and visual streaming services, that for a
 1166 *fee allows the user to access and use software, reading materials, or other digital data or applications for a*
 1167 *defined period of time, and which products the user does not own or have permanent access to outside of*
 1168 *such period of time.*

1169 "Information service" means the offering of a capability for generating, acquiring, storing, transforming,
 1170 processing, retrieving, using, or making available information via communications services for purposes
 1171 other than the electronic transmission, conveyance, or routing.

1172 "Internet access service" means a service that enables users to access content, information, electronic mail,
 1173 or other services offered over the Internet, and may also include access to proprietary content, information,
 1174 and other services as part of a package of services offered to users. "Internet access service" does not include

1175 telecommunications services, except to the extent telecommunications services are purchased, used, or sold
 1176 by a provider of Internet access to provide Internet access.

1177 "Place of primary use" means the street address representative of where the customer's use of the
 1178 communications services primarily occurs, which must be the residential street address or the primary
 1179 business street address of the customer. In the case of mobile communications services, the place of primary
 1180 use shall be within the licensed service area of the home service provider.

1181 "Postpaid calling service" means the communications service obtained by making a payment on a call-by-
 1182 call basis either through the use of a credit card or payment mechanism such as a bank card, travel card, debit
 1183 card, or by a charge made to a telephone number that is not associated with the origination or termination of
 1184 the communications service.

1185 "Prepaid calling service" means the right to access exclusively communications services, which must be
 1186 paid for in advance and which enables the origination of calls using an access number or authorization code,
 1187 whether manually or electronically dialed, and that is sold in predetermined units or dollars that decrease in
 1188 number with use.

1189 "Private communications service" means a communications service that entitles the customer or user to
 1190 exclusive or priority use of a communications channel or group of channels between or among channel
 1191 termination points, regardless of the manner in which such channel or channels are connected, and includes
 1192 switching capacity, extension lines, stations, and any other associated services that are provided in connection
 1193 with the use of such channel or channels.

1194 "Retail sale" or a "sale at retail" means a sale of communications services for any purpose other than for
 1195 resale or for use as a component part of or for the integration into communications services to be resold in the
 1196 ordinary course of business.

1197 "Sales price" means the total amount charged in money or other consideration by a communications
 1198 services provider for the sale of the right or privilege of using communications services in the
 1199 Commonwealth, including any property or other services that are part of the sale. The sales price of
 1200 communications services shall not be reduced by any separately identified components of the charge that
 1201 constitute expenses of the communications services provider, including but not limited to, sales taxes on
 1202 goods or services purchased by the communications services provider, property taxes, taxes measured by net
 1203 income, and universal-service fund fees.

1204 "Service address" means, (i) the location of the telecommunications equipment to which a customer's call
 1205 is charged and from which the call originates or terminates, regardless of where the call is billed or paid. If
 1206 the location is not known in clause (i), "service address" means (ii) the origination point of the signal of the
 1207 telecommunications system or in information received by the seller from its service provider, where the
 1208 system used to transport such signals is not that of the seller. If the location is not known in clauses (i) and
 1209 (ii), the service address means (iii) the location of the customer's place of primary use.

1210 **§ 58.1-648. Imposition of sales tax; exemptions.**

1211 A. Beginning January 1, 2007, there is levied and imposed, in addition to all other taxes and fees of every
 1212 kind imposed by law, a sales or use tax on the customers of communications services in the amount of ~~5%~~
 1213 *five percent* of the sales price of each communications service that is sourced to the Commonwealth in
 1214 accordance with § 58.1-649.

1215 B. The sales price on which the tax is levied shall not include charges for any of the following: (i) an
 1216 excise, sales, or similar tax levied by the United States or any state or local government on the purchase, sale,
 1217 use, or consumption of any communications service that is permitted or required to be added to the sales price
 1218 of such service, if the tax is stated separately; (ii) a fee or assessment levied by the United States or any state
 1219 or local government, including but not limited to, regulatory fees and emergency telephone surcharges, that is
 1220 required to be added to the price of service if the fee or assessment is separately stated; (iii) coin-operated
 1221 communications services; (iv) sale or recharge of a prepaid calling service; (v) provision of air-to-ground
 1222 radiotelephone services, as that term is defined in 47 C.F.R. § 22.99; (vi) a communications services
 1223 provider's internal use of communications services in connection with its business of providing
 1224 communications services; (vii) charges for property or other services that are not part of the sale of
 1225 communications services, if the charges are stated separately from the charges for communications services;
 1226 (viii) sales for resale; (ix) charges for communications services to the Commonwealth, any political
 1227 subdivision of the Commonwealth, and the federal government and any agency or instrumentality of the
 1228 federal government; and (x) charges for communications services to any customers on any federal military
 1229 bases or installations when a franchise fee or similar fee for access is payable to the federal government, or
 1230 any agency or instrumentality thereof, with respect to the same communications services.

1231 C. Communications services on which the tax is hereby levied shall not include the following: (i)
 1232 information services; (ii) installation or maintenance of wiring or equipment on a customer's premises; (iii)
 1233 the sale or rental of tangible personal property; (iv) the sale of advertising, including but not limited to,
 1234 directory advertising; (v) bad check charges; (vi) billing and collection services; (vii) Internet access service,
 1235 electronic mail service, electronic bulletin board service, or similar services that are incidental to Internet
 1236 access, such as voice-capable ~~e-mail~~ *email* or instant messaging; (viii) digital ~~products delivered~~

1237 ~~electronically~~ personal property or digital services, as those terms are defined in § 58.1-602, such as
 1238 including software, downloaded music, ~~ring tones~~ ringtones, and reading materials; and (ix) over-the-air
 1239 radio and television service broadcast without charge by an entity licensed for such purposes by the Federal
 1240 Communications Commission. Also, those entities exempt from the tax imposed in accordance with the
 1241 provisions of Article 4 (§ 58.1-3812 et seq.) of Chapter 38 of Title 58.1, in effect on January 1, 2006, shall
 1242 continue to be exempt from the tax imposed in accordance with the provisions of this chapter.

Article 13.

Retail Delivery Fees in Certain Transportation Districts.

§ 58.1-1749. Transportation districts with unique needs; retail delivery fees.

1245 *A. In addition to all other fees and taxes imposed under law, there is hereby imposed an additional retail*
 1246 *delivery fee in the amount of 20 cents for any retail delivery made in any county or city that is a member of*
 1247 *the Northern Virginia Transportation Commission. On and after July 1, 2027, such rates provided under this*
 1248 *section shall be adjusted annually based on the greater of (i) the change in the United States Average*
 1249 *Consumer Price Index for all items, all urban consumers (CPI-U), as published by the Bureau of Labor*
 1250 *Statistics for the U.S. Department of Labor for the previous year or (ii) zero.*

1251 *B. The tax imposed pursuant to subsection A shall not be levied upon food purchased for human*
 1252 *consumption and essential personal hygiene products, as such terms are defined in § 58.1-611.1. Such tax*
 1253 *shall be added to the rate of the state sales tax imposed pursuant to § 58.1-603 in each such county and city*
 1254 *and shall be subject to all the provisions of this chapter and the rules and regulations published with respect*
 1255 *thereto. Such tax shall be administered and collected by the Tax Commissioner in the same manner and*
 1256 *subject to the same penalties as provided for the state sales tax under § 58.1-603 except as herein provided.*

1257 *C. No discount under § 58.1-622 shall be allowed for the tax imposed under this section.*

1258 *D. The revenue generated and collected from the tax imposed pursuant to this section shall be deposited*
 1259 *into the Northern Virginia Transportation District Regional Fund pursuant to § 33.2-1904.1.*

1260 *E. For additional transportation districts that may become subject to this section, funds shall be*
 1261 *established by appropriate legislation.*

1262 **2. That Chapter 766 of the Acts of Assembly of 2013 is amended by adding a nineteenth enactment as**
 1263 **follows:**

1264 **19. That the provisions of the fourteenth enactment of this act shall not apply to any revenues**
 1265 **generated pursuant to § 58.1-603 of the Code of Virginia.**
 1266

26104583D

SENATE BILL NO. 638

Offered January 14, 2026

Prefiled January 14, 2026

A *BILL to amend and reenact §§ 33.2-359, 33.2-371, 33.2-1526, 33.2-1526.1, 33.2-3102, 33.2-3401, 33.2-3402, 33.2-3403, 33.2-3502, 46.2-774, and 46.2-2099.48 of the Code of Virginia; to amend the Code of Virginia by adding in Article 2 of Chapter 19 of Title 33.2 a section numbered 33.2-1904.1, by adding in Article 11 of Chapter 19 of Title 33.2 a section numbered 33.2-1937, by adding in Chapter 24 of Title 33.2 a section numbered 33.2-2402, by adding in Chapter 7 of Title 46.2 a section numbered 46.2-775, by adding a section numbered 58.1-603.3, and by adding in Chapter 17 of Title 58.1 articles numbered 13, 14, and 15, consisting of sections numbered 58.1-1749, 58.1-1750, and 58.1-1751; and to repeal § 33.2-3100.1 of the Code of Virginia, relating to transportation funding.*

Patrons—Ebbin, Boysko and Surovell

Referred to Committee on Transportation

Be it enacted by the General Assembly of Virginia:

1. That §§ 33.2-359, 33.2-371, 33.2-1526, 33.2-1526.1, 33.2-3102, 33.2-3401, 33.2-3402, 33.2-3403, 33.2-3502, 46.2-774, and 46.2-2099.48 of the Code of Virginia are amended and reenacted and that the Code of Virginia is amended by adding in Article 2 of Chapter 19 of Title 33.2 a section numbered 33.2-1904.1, by adding in Article 11 of Chapter 19 of Title 33.2 a section numbered 33.2-1937, by adding in Chapter 24 of Title 33.2 a section numbered 33.2-2402, by adding in Chapter 7 of Title 46.2 a section numbered 46.2-775, by adding a section numbered 58.1-603.3, and by adding in Chapter 17 of Title 58.1 articles numbered 13, 14, and 15, consisting of sections numbered 58.1-1749, 58.1-1750, and 58.1-1751, as follows:

§ 33.2-359. Unpaved secondary highway funds.

A. Funds from the highway construction district grant programs established pursuant to § 33.2-371 shall be allocated for the improvement of nonsurface treated secondary highways that carry 50 or more vehicles per day. Such improvement may consist of enhancements to such highway or highway segment other than paving, such as improved materials, drainage upgrades, or enhanced design of the highway profile. Other techniques shall be considered improvements if they increase safety, reduce maintenance costs, or enhance the historic qualities of the highway or highway segment. Funds shall be deducted from the allocation made to each highway construction district pursuant to subsection *D E* of § 33.2-371 and such deduction shall be based on the ratio of nonsurface treated secondary highways in each highway construction district that carry 50 or more vehicles per day to the total number of such nonsurface treated secondary highways in the Commonwealth.

Total funds of the Commonwealth allocated by the Board under this section shall not exceed \$25 million annually.

B. Such funds shall be distributed to counties in the secondary state highway system based on the ratio of nonsurface treated roads in each county carrying 50 vehicles or more per day to the total number of such nonsurface treated roads in the Commonwealth. The local governing body of the county shall select the highways or highway segments to be improved pursuant to this section, after consulting with the Department. Improvements pursuant to this section shall be designed and implemented utilizing project standards that conform to then-existing federal and state requirements and standards and, if no such standards exist, that conform to standards as mutually agreed upon by the Department and the locality.

§ 33.2-371. Highway construction district grant programs.

A. As used in this section:

"Land area" means the total land area of the counties within a highway construction district reduced by the area of any military reservations and state or national parks or forests within its boundaries and such other similar areas and facilities of five square miles in area or more, as may be determined by the Board.

"Population" means the population according to the latest U.S. census or the latest population estimates made by the Weldon Cooper Center for Public Service of the University of Virginia, whichever is more recent.

B. The Board shall establish a grant program in each highway construction district to fund projects and strategies that address a need in the Statewide Transportation Plan developed pursuant to § 33.2-353 and for purposes set forth in subsection D.

C. The Board shall solicit candidate projects and strategies from local governments for consideration in the applicable highway construction district's grant program. Candidate projects and strategies shall be screened, evaluated, and selected by the Board according to the process established pursuant to subsection B

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59 of § 33.2-214.1 but shall be within a highway construction district and not outside such highway construction
 60 district. Candidate projects and strategies from localities within a highway construction district shall be
 61 scored against projects and strategies within the same highway construction district. Only those candidate
 62 projects and strategies submitted by a locality shall be funded.

63 *D. From funds available for each district where funding is made available pursuant to §§ 46.2-775 and*
 64 *58.1-2299.20, the Board shall award up to 15 percent for transit capital and operating support for transit*
 65 *agencies providing service within such district. No agency that receives funds directly from either the*
 66 *Hampton Roads Transportation Accountability Commission pursuant to Chapter 26 (§ 33.2-2600 et seq.), the*
 67 *Central Virginia Transportation Authority pursuant to Chapter 37 (§ 33.2-3700 et seq.), or a transportation*
 68 *district established pursuant to Chapter 19 (§ 33.2-1900 et seq.) shall receive funds pursuant to this*
 69 *subsection.*

70 *E. Funds allocated to this program under § 33.2-358 shall be distributed to each highway construction*
 71 *district for that district's grant program as follows:*

72 1. Thirty percent based on the ratio of the population of the cities and towns eligible to receive payments
 73 pursuant to § 33.2-319 within a highway construction district to the total population of the cities and towns
 74 eligible to receive payments pursuant to § 33.2-319 within the Commonwealth;

75 2. Twenty-eight percent based on the ratio of vehicle miles traveled on primary highways within the
 76 highway construction district to the total vehicle miles traveled on primary highways in the Commonwealth;

77 3. Twenty-four percent based on the ratio of the population of counties within a highway construction
 78 district to the total population of all counties within the Commonwealth;

79 4. Ten percent based on the ratio of the number of primary lane-miles in the highway construction district
 80 to the total number of primary lane-miles within the Commonwealth;

81 5. Six percent based on the ratio of the land area of counties within the highway construction district to the
 82 total land area of counties within the Commonwealth; and

83 6. Two percent based on a primary need factor based on addressing the largest under-allocation to
 84 highway construction districts relative to primary needs.

85 *E. F. Projects awarded funds under a grant program established by this section may be administered by*
 86 *the local government pursuant to § 33.2-228 or by the Department.*

87 **§ 33.2-1526. Commonwealth Mass Transit Fund.**

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

93 B. The amounts allocated to the Fund pursuant to §§ 33.2-1526.1, 58.1-1749, and 58.1-1750 shall be
 94 used to support the operating, capital, and administrative costs of public transportation at a state share
 95 determined by the Board, and such amounts may be used to support the capital project costs of public
 96 transportation and ridesharing equipment, facilities, and associated costs at a state share determined by the
 97 Board. Capital costs may include debt service payments on local or agency transit bonds.

98 **§ 33.2-1526.1. Use of the Commonwealth Mass Transit Fund.**

99 A. All funds deposited pursuant to §§ 33.2-1524.1, 58.1-1749, and 58.1-1750 into the Commonwealth
 100 Mass Transit Fund (the Fund), established pursuant to § 33.2-1526, shall be allocated as set forth in this
 101 section.

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

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

115 D. Each year the Director of the Department of Rail and Public Transportation shall make
 116 recommendations to the Board for the allocation of funds from the Fund. Such recommendations, and the
 117 final allocations approved by the Board, shall adhere to the following, except as provided in subsection E:

118 1. ~~Twenty-four and one-half~~ *Twenty-seven* percent of the funds shall be allocated to support operating
 119 costs of transit providers and shall be distributed by the Board on the basis of service delivery factors, based
 120 on effectiveness and efficiency as established by the Board. Such measures and their relative weight shall be

121 evaluated every three years and shall be finalized 6 months prior to the fiscal year of implementation. The
122 Washington Metropolitan Area Transit Authority (WMATA) and the commuter rail system jointly operated
123 by the Northern Virginia Transportation Commission (NVTC) and the Potomac and Rappahannock
124 Transportation Commission (PRTC), established pursuant to Chapter 19 (§ 33.2-1900 et seq.) shall not be
125 eligible for an allocation of funds pursuant to this subdivision.

126 2. ~~Seventeen~~ Fifteen percent of the funds shall be allocated for capital purposes and distributed utilizing
127 the transit capital prioritization process established by the Board pursuant to § 33.2-214.4. WMATA and the
128 commuter rail system jointly operated by NVTC and PRTC, established pursuant to Chapter 19 (§ 33.2-1900
129 et seq.) shall not be eligible for an allocation of funds pursuant to this subdivision.

130 3. Three and one-half percent of funds ~~may~~ shall be allocated to NVTC for distribution to the commuter
131 rail system jointly operated by NVTC and PRTC, established pursuant to Chapter 19 (§ 33.2-1900 et seq.),
132 for operating and capital purposes. ~~The amount of funds distributed pursuant to this subdivision and the~~
133 ~~selection of systems receiving funds pursuant to this subdivision shall be based on service delivery factors~~
134 ~~including effectiveness and efficiency as established by the Board. Such measures and their relative weight~~
135 ~~shall be evaluated every three years and shall be finalized six months prior to the fiscal year of~~
136 ~~implementation. Any funds remaining after such distribution shall be redistributed to subdivision 2.~~

137 4. ~~Forty-six and one-half~~ Forty-nine percent of the funds shall be allocated to the NVTC for distribution to
138 WMATA for capital purposes and operating assistance, as determined by the Commission. ~~All allocations~~
139 ~~pursuant to this subdivision shall not exceed 50 percent of the total operating and capital assistance required~~
140 ~~to be provided by NVTC or other Virginia entities in the approved WMATA budget. If the default allocation~~
141 ~~pursuant to this subdivision exceeds an amount equal to 50 percent of the total operating and capital~~
142 ~~assistance required to be provided by NVTC or other Virginia entities in the approved WMATA budget, the~~
143 ~~remaining funds shall be redistributed to subdivision 2. No contributions made to WMATA pursuant to~~
144 ~~§ 33.2-3401 by the Commonwealth or NVTC shall be relevant for the purposes of administering this~~
145 ~~subdivision.~~

146 5. ~~Six~~ Three and nine-tenths percent of the funds shall be allocated by the Board for the Transit Ridership
147 Incentive Program established pursuant to § 33.2-1526.3.

148 6. ~~Two and one-half~~ One and six-tenths percent of the funds shall be allocated for special programs,
149 including ridesharing, transportation demand management programs, experimental transit, public
150 transportation promotion, operation studies, and technical assistance, and may be allocated to any local
151 governing body, planning district commission, transportation district commission, or public transit
152 corporation. Remaining funds may also be used directly by the Department of Rail and Public Transportation
153 to (i) finance a program administered by the Department of Rail and Public Transportation designed to
154 promote the use of public transportation and ridesharing throughout the Commonwealth or (ii) finance up to
155 80 percent of the cost of development and implementation of projects with a purpose of enhancing the
156 provision and use of public transportation services.

157 E. The Board may consider the transfer of funds from subdivisions D 2 and 6 to subdivision D 1 in times
158 of statewide economic distress or statewide special need.

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

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

165 H. Funds allocated to the Northern Virginia Transportation Commission (NVTC) for WMATA pursuant
166 to subdivision D 4 shall be credited to the Counties of Arlington, Fairfax, and Loudoun and the Cities of
167 Alexandria, Fairfax, and Falls Church. Funds allocated pursuant to this subsection shall be credited as
168 follows:

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

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

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

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

182 K. ~~In any year that the total Virginia operating assistance in the approved WMATA budget increases by~~

183 more than three percent from the total operating assistance in the prior year's approved WMATA budget, the
 184 Board shall withhold an amount equal to 35 percent of the funds available under subdivision D 4. The
 185 following items shall not be included in the calculation of any WMATA budget increase: (i) any service,
 186 equipment, or facility that is required by any applicable law, rule, or regulation; (ii) any capital project
 187 approved by the WMATA Board before or after the effective date of this provision; (iii) any payments or
 188 obligations of any kind arising from or related to legal disputes or proceedings between or among WMATA
 189 and any other person or entity; and (iv) any service increases approved by the WMATA Board. The Board
 190 shall distribute to WMATA all funds required pursuant to subdivision D 4 if:

191 1. The WMATA Board of Directors adopts a policy to establish a methodology for determining the
 192 measurement of Metrorail and Metrobus annual unit cost growth using mod-specific operating costs and
 193 vehicle revenue hours. Such policy shall determine a baseline year and associated data from which annual
 194 unit cost growth will be measured. Baseline operating cost and vehicle revenue data shall be actual and for
 195 the most recent year and may be preliminary and not yet audited by the Federal Transit Administration's
 196 National Transit Database;

197 2. Beginning no later than the WMATA proposed budget for Fiscal Year 2028, WMATA annually
 198 publishes the results of the annual unit cost growth calculation as described in the policy adopted pursuant to
 199 subdivision 1, detailing the year-over-year operating expenses and vehicle revenue hours by mode for rail
 200 and bus and percentage growth increase from the prior year; and

201 3. Beginning in Fiscal Year 2029, the approved WMATA budget's unit cost of rail or bus service does not
 202 grow more than three percent.

203 However, if the approved WMATA budget's unit cost of rail or bus service grows more than three percent
 204 from the previous year, the Board shall withhold an amount equal to 35 percent of the funds available under
 205 subdivision D 4 for such year. If the WMATA Board of Directors fails to adopt a policy pursuant to
 206 subdivision 1, the Board shall withhold an amount equal to 35 percent of the funds available under
 207 subdivision D 4 for Fiscal Year 2028 and for every subsequent fiscal year in which such a policy has not
 208 been adopted.

209 L. The Board shall withhold 20 percent of the funds available pursuant to subdivision D 4 if (i) any
 210 alternate directors participate or take action at an official WMATA Board meeting or committee meeting as
 211 Board directors for a WMATA compact member when both directors appointed by that same WMATA
 212 compact member are present at the WMATA Board meeting or committee meeting or (ii) the WMATA
 213 Board of Directors has not adopted bylaws that would prohibit such participation by alternate directors.

214 M. The Board shall withhold 20 percent of the funds available pursuant to subdivision D 4 unless (i)
 215 WMATA has adopted a detailed capital improvement program covering the current fiscal year and, at a
 216 minimum, the next five fiscal years, and at least one public hearing on such capital improvement program has
 217 been held in a locality embraced by the Northern Virginia Transportation Commission (NVTC), and (ii)
 218 WMATA has adopted or updated a strategic plan within the preceding ~~36 months~~ five years, and at least one
 219 public hearing on such plan or updated plan has been held in a locality embraced by NVTC.

220 The strategic plan shall require (a) an assessment of state of good repair needs; (b) a review of the
 221 performance of fixed-route bus service, including schedules, route design, connectivity, and vehicle sizes; (c)
 222 an evaluation of opportunities to improve operating efficiency of the transit network, including reliability of
 223 trips and travel speed; (d) an examination and identification of opportunities to share services where multiple
 224 transit providers' services overlap; and (e) an examination of opportunities to improve service in underserved
 225 areas.

226 N. The Board shall withhold 20 percent of the funds available pursuant to subdivision D 4 unless
 227 WMATA prepares and submits a proposed detailed annual operating budget and any proposed capital
 228 expenditures and projects for the following fiscal year to the Board by April 1 of each year. The budget shall
 229 include information on expenditures, indebtedness, pensions and other liabilities, and other information as
 230 prescribed by the Board. Additionally such funds shall be withheld if the Commonwealth's and Northern
 231 Virginia Transportation Commission's representatives to the WMATA Board of Directors and the WMATA
 232 General Manager fail to annually address the Commonwealth Transportation Board regarding the WMATA
 233 budget, system performance, and utilization of the Commonwealth's investment in the WMATA system.

234 O. The Board shall withhold 20 percent of the funds available pursuant to subdivision D 3 unless the
 235 commuter rail system jointly operated by Northern Virginia Transportation Commission and the Potomac and
 236 Rappahannock Transportation Commission, established pursuant to Chapter 19 (§ 33.2-1900 et seq.), submits
 237 a detailed annual operating budget and any proposed capital expenditures and projects for the following fiscal
 238 year to the Board by ~~February~~ March 1 of each year. The operating plan and budget shall include information
 239 on expenditures, indebtedness, service delivery factors, including effectiveness and efficiency, and other
 240 information as prescribed by the Board.

241 **§ 33.2-1904.1. Distribution of revenues from the Northern Virginia Transportation District Regional**
 242 **Fund.**

243 A. There is hereby created in the state treasury a special nonreverting fund for the benefit of the localities
 244 within the Northern Virginia Transportation District to be known as the Northern Virginia Transportation

245 District Regional Fund (the Fund). The Fund shall be established on the books of the Comptroller. All
246 revenues dedicated to the Fund pursuant to §§ 46.2-775, 58.1-603.3, 58.1-1749, 58.1-1750, and 58.1-1751
247 that are attributable to revenues generated in any county or city located within the Northern Virginia
248 Transportation District shall be paid into the state treasury and credited to the Fund as set forth in this
249 section and shall be used for public transportation purposes.

250 B. Two percent of the annual Fund revenues shall be distributed to the Northern Virginia Transportation
251 District Commission for technical assistance, planning, and design to advance transit projects that benefit
252 the Northern Virginia Transportation District.

253 C. Beginning in fiscal year 2028:

254 1. A total of \$136 million shall be deposited by the Comptroller into the Washington Metropolitan Area
255 Transit Authority (WMATA) Capital Fund established pursuant to § 33.2-3401. For each fiscal year after
256 2028, such amount to be deposited into the WMATA Capital Fund pursuant to this subdivision shall be equal
257 to 103 percent of the amount deposited in the preceding fiscal year. Any revenue generated in excess of the
258 amount distributed to WMATA for capital purposes pursuant to subsection B of § 33.2-3401 shall be credited
259 to this amount.

260 2. A total of \$9.1 million shall be deposited by the Comptroller into the Commuter Rail Operating and
261 Capital Fund established pursuant to § 33.2-3500. For each fiscal year after 2028, such amount to be
262 deposited into the Commuter Rail Operating and Capital Fund pursuant to this subdivision shall be equal to
263 103 percent of the amount deposited in the preceding fiscal year.

264 D. Any revenue dedicated to the Fund as provided in subsection A in excess of the amounts distributed
265 pursuant to subsections B and C shall remain in the Fund and be held in trust accounts for each county and
266 city located within such district for public transportation purposes. The amount in each trust account shall be
267 determined on a pro rata basis in proportion to the revenues generated and attributable to such county or
268 city.

269 **§ 33.2-1937. Other transportation districts with unique needs.**

270 The General Assembly finds that transportation districts that (i) have a population of 800,000 or more, as
271 shown by the most recent United States Census, (ii) have not less than one million motor vehicles registered
272 therein, and (iii) have a total transit ridership of not less than four million riders per year across all transit
273 systems within the transportation district and that jointly operate with another transportation district a
274 commuter rail service have unique transportation needs.

275 **§ 33.2-2402. Potomac and Rappahannock Transportation Commission Regional Fund.**

276 A. There is hereby created in the state treasury a special nonreverting fund for the benefit of the localities
277 embraced by the Potomac and Rappahannock Transportation Commission to be known as the Potomac and
278 Rappahannock Transportation Commission Regional Fund (the Fund). The Fund shall be established on the
279 books of the Comptroller. All revenues dedicated to the Fund pursuant to §§ 46.2-775 and 58.1-603.3 that
280 are attributable to revenues generated in any county or city embraced by the Potomac and Rappahannock
281 Transportation Commission shall be paid into the state treasury and credited to the Fund as set forth in this
282 section and shall be used for public transportation purposes.

283 B. Beginning in fiscal year 2028, \$18.2 million shall be deposited by the Comptroller into the Commuter
284 Rail Operating and Capital Fund established pursuant to § 33.2-3500. For each fiscal year after 2028, such
285 amount to be deposited into the Commuter Rail Operating and Capital Fund pursuant to this subsection shall
286 be equal to 103 percent of the amount deposited in the preceding fiscal year.

287 C. Any revenue dedicated to the Fund as provided in subsection A in excess of the amounts distributed
288 pursuant to subsection B shall remain in the Fund and be held in trust accounts for each county and city
289 located within such district to be used for public transportation purposes in accordance with the Potomac
290 and Rappahannock Transportation Commission's strategic plan for transit or adopted budget. The amount in
291 each trust account shall be determined on a pro rata basis in proportion to the revenues generated and
292 attributable to such county or city.

293 **§ 33.2-3102. Virginia-specific requirements.**

294 A. Members of the Board of Directors of the Washington Metrorail Safety Commission for the
295 Commonwealth of Virginia shall be appointed by the Governor of Virginia and subject to confirmation by the
296 General Assembly.

297 B. The Secretary of Transportation, in coordination with the Northern Virginia Transportation
298 Commission, shall engage his counterparts in Maryland and Washington, D.C., and the appropriate officials
299 in the federal government for the purpose of revising the Washington Metropolitan Area Transit Authority
300 Compact of 1966 and implementing other reforms necessary to ensure the near-term and long-term viability
301 of the Washington Area Metropolitan Transit Authority (WMATA). In doing so, the Secretary shall develop,
302 propose, and seek agreement on reforms related to the following: (i) the legal and organizational structure of
303 WMATA; (ii) the composition and qualifications of the WMATA Board of Directors and the length of terms
304 of its members; (iii) labor costs and labor relations; (iv) measures necessary to resolve WMATA's unfunded
305 pension liability and other postemployment benefits; (v) measures necessary to better ensure the safety of
306 riders and employees, including safety in the event of a homeland security emergency in the national capital

307 area; and (vi) financial and operational improvements necessary to ensure that WMATA's performance is at
 308 least as efficient as its closest comparable transit systems in the United States. The Secretary shall report to
 309 and consult quarterly beginning June 30, 2017, with the Chairmen of the House and Senate Transportation
 310 Committees regarding activity taken in accordance with this subsection.

311 **§ 33.2-3401. Washington Metropolitan Area Transit Authority Capital Fund.**

312 A. There is hereby created in the state treasury a special nonreverting fund for the benefit of the Northern
 313 Virginia Transportation District to be known as the Washington Metropolitan Area Transit Authority Capital
 314 Fund. The Fund shall be established on the books of the Comptroller. All revenues dedicated to the Fund
 315 pursuant to §§ 33.2-1904.1, 33.2-2400, 33.2-3404, 58.1-802.3, 58.1-1741, 58.1-1743, and 58.1-2299.20 shall
 316 be paid into the state treasury and credited to the Fund as set forth in subsection B ~~and shall be used for the~~
 317 ~~payment of capital purposes incurred, or to be incurred, by WMATA.~~ Interest on moneys in the Fund shall
 318 remain in the Fund and be credited to it. Any moneys remaining in the Fund, including interest thereon, at the
 319 end of each fiscal year shall not revert to the general fund but shall remain in the Fund. The Comptroller shall
 320 disburse funds to WMATA on a monthly basis if NVTC has provided the certification required by subsection
 321 B of § 33.2-3402.

322 B. *The amounts dedicated to the Fund shall be deposited monthly by the Comptroller into the Fund and*
 323 *thereafter distributed by NVTC as soon as practicable for use by WMATA for capital purposes. The amount*
 324 *distributed to WMATA for capital purposes shall not exceed:*

325 1. *For fiscal year 2027, \$154.5 million; and*

326 2. *For fiscal year 2028 and each fiscal year thereafter, the sum of (i) the amount referenced in subdivision*
 327 *1 and (ii) \$136 million. Beginning in fiscal year 2029 and annually thereafter, the amount provided pursuant*
 328 *to clause (ii) shall be adjusted by increasing the amount provided for the previous fiscal year by three*
 329 *percent.*

330 C. 1. ~~Within the Fund, there shall be established~~ NVTC shall establish a separate, segregated account into
 331 which revenues dedicated to the Fund pursuant to §§ 33.2-2400 and 58.1-1741 shall be deposited (the
 332 Restricted Account). Revenues deposited into the Restricted Account shall be available for use by WMATA
 333 for capital purposes other than for the payment of, or security for, debt service on bonds or other indebtedness
 334 of WMATA.

335 2. ~~Within the Fund, there shall be established~~ NVTC shall establish a separate, segregated account into
 336 which revenues dedicated to the Fund pursuant to §§ 33.2-1904.1, 33.2-3404, 58.1-802.3, 58.1-1743, and
 337 58.1-2299.20 shall be deposited (the Non-Restricted Account). Revenues deposited into the Non-Restricted
 338 Account shall be available for use by WMATA for capital purposes, including for the payment of, or security
 339 for, debt service on bonds or other indebtedness of WMATA, or for any other WMATA capital purposes.

340 C. The amounts deposited into the Fund and the distribution and expenditure of such amounts shall not be
 341 used to calculate or reduce the share of federal, state, or local revenues otherwise available to participating
 342 jurisdictions. Further, such revenues and moneys shall not be included in any computation of, or formula for,
 343 a locality's ability to pay for public education, upon which appropriations of state revenues to local
 344 governments for public education are determined.

345 D. *However, the amount allocated pursuant to clause (ii) of subdivision B 2, including any adjustment*
 346 *made thereto, shall not be provided to WMATA unless the District of Columbia contributes at least \$173*
 347 *million in 2027 and the State of Maryland contributes at least \$152 million in 2027 to WMATA, such amounts*
 348 *to be adjusted by three percent increases each year thereafter.*

349 **§ 33.2-3402. NVTC oversight.**

350 A. In any year that funds are deposited into the Fund, the NVTC shall ~~request~~ verify the publication of
 351 certain documents and reports from WMATA to confirm the benefits of the WMATA system to persons
 352 living, traveling, commuting, and working in the localities that the NVTC comprises. Such documents and
 353 reports shall include:

354 1. WMATA's annual capital budget;

355 2. WMATA's annual independent financial audit;

356 3. WMATA's National Transit Data annual profile; ~~and~~

357 4. Single audit reports issued in accordance with the Uniform Administrative Requirements, Cost
 358 Principals, and Audit Requirements for Federal Awards (2 C.F.R. Part 200);

359 5. *In the annual budget or other regular reports to the WMATA Board of Directors, data describing the*
 360 *performance and condition of the rail and bus systems, including safety, reliability, ridership, cost savings*
 361 *initiatives, financial performance, and the use of the funds provided from the Fund to improve the safety and*
 362 *condition of the rapid heavy rail mass transportation system; and*

363 6. *By June 30, 2027, and contingent upon enactment of similar reporting requirements by the District of*
 364 *Columbia and the State of Maryland, WMATA's reporting commitments under the DMVMoves Plan,*
 365 *comprising the most recent 20-year capital plan, to be updated every five years, including analysis of*
 366 *potential capital investments that reduce operating costs; funding or financial plans for major projects with*
 367 *capital costs greater than \$300 million, adjusted with inflation; and an annual report to the Metropolitan*
 368 *Washington Council of Governments on system performance, detailing progress toward DMVMoves goals*

369 and objectives.

370 B. NVTC shall be responsible for ~~coordinating the delivery~~ verifying publication, either on the WMATA
371 website or by other means, of such documents and reports with by WMATA. Funding of the Commonwealth
372 to support WMATA pursuant to § 33.2-1526.1 shall be contingent on WMATA providing publishing the
373 documents and reports described in subsection A, and NVTC shall provide annual certification to the
374 Comptroller that such documents and reports have been ~~received~~ published.

375 **§ 33.2-3403. NVTC report.**

376 By December 15 of each year that funds are deposited into the Fund, NVTC shall report to the Governor
377 and, the General Assembly, and the Commonwealth Transportation Board on the performance and condition
378 of WMATA. Such report shall contain, at a minimum, documentation of the following:

379 1. ~~The safety and reliability of the rapid heavy rail mass transportation system and bus network~~ An
380 assessment of the data, trends, and information included in WMATA documents and reports as described in
381 subsection A of § 33.2-3402; and

382 2. ~~The financial performance of WMATA related to the operations of the rapid heavy rail mass~~
383 ~~transportation system, including farebox recovery, service per rider, and cost per service hour;~~

384 3. ~~The financial performance of WMATA related to the operations of the bus mass transportation system,~~
385 ~~including farebox recovery, service per rider, and cost per service hour;~~

386 4. Potential strategies to reduce the growth in such costs and to improve the efficiency of WMATA
387 operations;

388 5. Use of the funds provided from the Fund to improve the safety and condition of the rapid heavy rail
389 mass transportation system; and

390 6. Ridership of the rapid heavy rail mass transportation system and the bus mass transportation system.

391 **§ 33.2-3502. Authority to issue bonds.**

392 The transportation districts described in subsection B of § 33.2-3500 may issue bonds and other evidences
393 of debt as may be authorized by this section or other law. The provisions of Article 5 (§ 33.2-1920 et seq.) of
394 Chapter 19 shall apply, mutatis mutandis, to the issuance of such bonds or other debt. The Authority may
395 issue bonds or other debt in such amounts as it deems appropriate. ~~The bonds may be supported by any funds~~
396 ~~available in the Fund, provided that the total amount of debt service for all outstanding bonds may not exceed~~
397 ~~66 percent of the revenues dedicated to the Fund pursuant to § 58.1-2299.20.~~

398 **§ 46.2-774. (For contingent expiration, see Acts 2020, cc. 1230 and 1275) Distribution of revenues.**

399 All revenues collected pursuant to this chapter, *except those collected pursuant to § 46.2-775*, shall be
400 used first to pay for the direct cost of administration of this chapter by the Department, and then shall be
401 deposited into the Commonwealth Transportation Fund established pursuant to § 33.2-1524.

402 **§ 46.2-775. Regional Highway Use Fee.**

403 A. *There is hereby imposed an additional annual regional highway use fee on any motor vehicle*
404 *registered in the Commonwealth under § 46.2-694 or 46.2-697 that is an alternative fuel vehicle and electric*
405 *motor vehicle or a fuel-efficient vehicle. Such regional highway use fee shall be 29.34 percent of the amount*
406 *of the highway use fee assessed pursuant to § 46.2-772 for such vehicle. The fee shall be collected by the*
407 *Department in the same manner as the highway use fee pursuant to § 46.2-772, mutatis mutandis.*

408 B. *There is hereby established a regional mileage-based user fee program. The program shall be a*
409 *voluntary program that allows owners of vehicles subject to the regional highway use fee pursuant to*
410 *subsection A to pay a mileage-based fee in lieu of the regional highway use fee. Such program shall be*
411 *administered in the same manner as the mileage-based user fee program created pursuant to § 46.2-773,*
412 *mutatis mutandis.*

413 C. *All revenues collected pursuant to this section shall be used first to pay for the direct cost of the*
414 *administration of this section by the Department, and then shall be deposited in the following manner:*

415 1. *For any vehicle that is principally garaged in any county or city that is a member of the Northern*
416 *Virginia Transportation Commission, such funds shall be deposited into the Northern Virginia*
417 *Transportation District Regional Fund created pursuant to § 33.2-1904.1.*

418 2. *For any vehicle that is principally garaged in any county or city that is a member of the Potomac and*
419 *Rappahannock Transportation Commission, such funds shall be deposited into the Potomac and*
420 *Rappahannock Transportation Commission Regional Fund created pursuant to § 33.2-2402.*

421 3. *For any vehicle that is principally garaged in any county or city that is subject to § 58.1-2299.20, but*
422 *that is not subject to subdivision 1 or 2, such funds shall be distributed in the same manner as in*
423 *§ 58.1-2299.20, mutatis mutandis.*

424 4. *For any vehicle that is not subject to subdivision 1, 2, or 3, such funds shall be deposited into the*
425 *Commonwealth Transportation Fund established pursuant to § 33.2-1524.*

426 **§ 46.2-2099.48. General operational requirements for transportation network companies and TNC**
427 **partner.**

428 A. A transportation network company and a TNC partner shall provide passenger transportation only on a
429 prearranged basis and only by means of a digital platform that enables passengers to connect with TNC
430 partners using a TNC partner vehicle. No TNC partner shall transport a passenger unless a transportation

431 network company has matched the TNC partner to that passenger through the digital platform. A TNC
 432 partner shall not provide transportation in any other manner. A TNC partner shall not solicit, accept, or
 433 arrange transportation except through a transportation network company's digital platform or through a TNC
 434 broker.

435 B. A transportation network company shall authorize collection of fares for transporting passengers solely
 436 through a digital platform. A TNC partner shall not accept payment of fares directly from a passenger or any
 437 other person prearranging a ride or by any means other than electronically via a digital platform, unless:

438 1. The ride is booked by a transit system, with a transportation network company with which it has a
 439 contract, on behalf of an eligible paratransit passenger;

440 2. The fare is a defined amount, as published by the transit system, and is communicated to the passenger
 441 in advance;

442 3. The transportation network company specifically authorizes over the digital network the TNC partner
 443 to collect cash for the fare, and that authorization includes the amount to be collected. The transportation
 444 network company's digital platform shall provide the TNC partner with a method to acknowledge receipt of
 445 the fare when it is collected;

446 4. The passenger receives a receipt for the fare paid; and

447 5. The transit system receives a receipt and full accounting of cash fares monthly, or on demand, through
 448 the transportation network company's account dashboard.

449 C. A transportation network company with knowledge that a TNC partner has violated the provisions of
 450 subsection A or B shall remove the TNC partner from the transportation network company's digital platform
 451 for at least one year.

452 D. A transportation network company shall publish the following information on its public website and
 453 associated digital platform:

454 1. The method used to calculate fares or the applicable rates being charged, *including any taxes imposed*
 455 *pursuant to § 58.1-1749 or other applicable law*, and an option to receive an estimated fare;

456 2. Information about its TNC partner screening criteria, including a description of the offenses that the
 457 transportation network company will regard as grounds for disqualifying an individual from acting as a TNC
 458 partner;

459 3. The means for a passenger or other person to report a TNC partner reasonably suspected of operating a
 460 TNC partner vehicle under the influence of drugs or alcohol;

461 4. Information about the company's training and testing policies for TNC partners;

462 5. Information about the company's standards for TNC partner vehicles; and

463 6. A customer support telephone number or email address and instructions regarding any alternative
 464 methods for reporting a complaint.

465 E. A transportation network company shall associate a TNC partner with one or more personal vehicles
 466 and shall authorize a TNC partner to transport passengers only in a vehicle specifically associated with a
 467 TNC partner by the transportation network company. The transportation network company shall arrange
 468 transportation solely for previously associated TNC partners and TNC partner vehicles. A TNC partner shall
 469 not transport passengers except in a TNC partner vehicle associated with the TNC partner by the
 470 transportation network company.

471 F. A TNC partner shall carry at all times while operating a TNC partner vehicle proof of coverage under
 472 each in-force TNC insurance policy, which may be displayed as part of the digital platform, and each in-force
 473 personal automobile insurance policy covering the vehicle. The TNC partner shall present such proof of
 474 insurance upon request to the Commissioner, a law-enforcement officer, an airport owner and operator, an
 475 official of the Washington Metropolitan Area Transit Commission, or any person involved in an accident that
 476 occurs during the operation of a TNC partner vehicle. The transportation network company shall require the
 477 TNC partner's compliance with the provisions of this subsection.

478 G. Prior to a passenger's entering a TNC partner vehicle, a transportation network company shall provide
 479 through the digital platform to the person prearranging the ride the first name and a photograph of the TNC
 480 partner, the make and model of the TNC partner vehicle, and the license plate number of the TNC partner
 481 vehicle.

482 H. A transportation network company shall provide to each of its TNC partners a credential, which may
 483 be displayed as part of the digital platform, that includes the following information:

484 1. The name or logo of the transportation network company;

485 2. The name and a photograph of the TNC partner; and

486 3. The make, model, and license plate number of each TNC partner vehicle associated with the TNC
 487 partner and the state issuing each such license plate.

488 The TNC partner shall carry the credential at all times during the operation of a TNC partner vehicle and
 489 shall present the credential upon request to law-enforcement officers, airport owners and operators, officials
 490 of the Washington Metropolitan Area Transit Commission, or a passenger. The transportation network
 491 company shall require the TNC partner's compliance with this subsection.

492 I. A transportation network company and its TNC partner shall, at all times during a prearranged ride,

493 make the following information available through its digital platform immediately upon request to
 494 representatives of the Department, to law-enforcement officers, to officials of the Washington Metropolitan
 495 Area Transit Commission, and to airport owners and operators:

- 496 1. The name of the transportation network company;
 497 2. The name of the TNC partner and the identification number issued to the TNC partner by the
 498 transportation network company;
 499 3. The license plate number of the TNC partner vehicle and the state issuing such license plate; and
 500 4. The location, date, and approximate time that each passenger was or will be picked up.
 501 J. Upon completion of a prearranged ride, a transportation network company shall transmit to the person
 502 who prearranged the ride an electronic receipt that includes:
 503 1. A map of the route taken;
 504 2. The date and the times the trip began and ended;
 505 3. The total fare, including the base fare and any additional charges incurred for distance traveled or
 506 duration of the prearranged ride;
 507 4. The TNC partner's first name and photograph; and
 508 5. Contact information by which additional support may be obtained.

509 K. The transportation network company shall adopt and enforce a policy of nondiscrimination on the basis
 510 of a passenger's points of departure and destination and shall notify TNC partners of such policy.

511 TNC partners shall comply with all applicable laws regarding nondiscrimination against passengers or
 512 potential passengers.

513 A transportation network company shall provide passengers an opportunity to indicate whether they
 514 require a wheelchair-accessible vehicle. If a transportation network company cannot arrange wheelchair-
 515 accessible service in a TNC partner vehicle in any instance, it shall direct the passenger to an alternate
 516 provider of wheelchair-accessible service, if available.

517 A transportation network company shall not impose additional charges for providing services to persons
 518 with disabilities because of those disabilities.

519 TNC partners shall comply with all applicable laws relating to accommodation of service animals.

520 A TNC partner may refuse to transport a passenger for any reason not prohibited by law, including any
 521 case in which (i) the passenger is acting in an unlawful, disorderly, or endangering manner; (ii) the passenger
 522 is unable to care for himself and is not in the charge of a responsible companion; or (iii) the TNC partner has
 523 already committed to providing a ride for another passenger.

524 A TNC partner shall immediately report to the transportation network company any refusal to transport a
 525 passenger after accepting a request to transport that passenger.

526 L. No transportation network company or TNC partner shall conduct any operation on the property of or
 527 into any airport unless such operation is authorized by the airport owner and operator and is in compliance
 528 with the rules and regulations of that airport. The Department may take action against a transportation
 529 network company that violates any regulation of an airport owner and operator, including the suspension or
 530 revocation of the transportation network company's certificate.

531 M. A TNC partner shall access and utilize a digital platform in a manner that is consistent with traffic
 532 laws of the Commonwealth.

533 N. In accordance with § 46.2-812, no TNC partner shall operate a motor vehicle for more than 13 hours in
 534 any 24-hour period.

535 O. *A transportation network company shall comply with any requirements imposed by the Tax*
 536 *Commissioner in the administration of the tax created pursuant to § 58.1-1749.*

537 **§ 58.1-603.3. Additional state sales and use tax in certain transportation districts.**

538 A. *In addition to the sales tax imposed pursuant to §§ 58.1-603, 58.1-603.1, and 58.1-603.2, there is*
 539 *hereby levied and imposed in any county or city that is (i) a member of the Northern Virginia Transportation*
 540 *Commission or (ii) a member of the Potomac and Rappahannock Transportation Commission, a retail sales*
 541 *tax at the rate of 0.2 percent.*

542 B. *The tax imposed pursuant to this section shall not be levied upon food purchased for human*
 543 *consumption and essential personal hygiene products, as such terms are defined in § 58.1-611.1. Such tax*
 544 *shall be added to the rate of the state sales tax imposed pursuant to §§ 58.1-603, 58.1-603.1, and 58.1-603.2*
 545 *in each such county and city and shall be subject to all the provisions of this chapter and the rules and*
 546 *regulations published with respect thereto. No discount under § 58.1-622 shall be allowed for the tax*
 547 *imposed under this section. Such tax shall be administered and collected by the Tax Commissioner in the*
 548 *same manner and subject to the same penalties as provided for the state sales tax under § 58.1-603.*

549 D. *The revenue generated and collected pursuant to the tax authorized under this section, less the*
 550 *applicable portion of any refunds to taxpayers, shall be deposited by the Comptroller into (i) the Northern*
 551 *Virginia Transportation District Regional Fund created pursuant to § 33.2-1904.1, for revenue from any*
 552 *county or city that is a member of the Northern Virginia Transportation Commission or (ii) the Potomac and*
 553 *Rappahannock Transportation Commission Regional Fund created pursuant to § 33.2-2402, for revenue*
 554 *from any county or city that is a member of the Potomac and Rappahannock Transportation Commission.*

Article 13.

*Transportation Network Companies Tax.***§ 58.1-1749. Transportation network companies tax.**

A. For purposes of this section, "transportation network company" means the same as that term is defined in § 46.2-2000.

B. In addition to all other fees and taxes imposed under law, there is hereby imposed an additional transportation network companies tax:

1. At the rate of 4.3 percent of the gross proceeds derived from fares charged by transportation network companies for transporting passengers from any county or city located in the Commonwealth; and

2. In addition to the amount provided in subdivision 1, at the rate of 1.9 percent of the gross proceeds derived from fares charged by transportation network companies for transporting passengers from any county or city that is a member of the Northern Virginia Transportation Commission.

C. The tax imposed under this section shall be subject to all the provisions of this chapter and the rules and regulations published with respect thereto. 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 except as herein provided.

D. No discount under § 58.1-622 shall be allowed for the tax imposed under this section. The revenue generated and collected from the tax imposed pursuant to subdivision B 1 shall be deposited into the Commonwealth Mass Transit Fund established in § 33.2-1526.

E. The revenue generated and collected from the tax imposed pursuant to subdivision B 2 shall be deposited into the Northern Virginia Transportation District Regional Fund pursuant established in § 33.2-1904.1.

Article 14.

*Retail Delivery Fee.***§ 58.1-1750. Retail delivery fees.**

A. In addition to all other fees and taxes imposed under law, there is hereby imposed an additional retail delivery fee:

1. In the amount of 50 cents per retail delivery made in the Commonwealth; and

2. In addition to the amount provided in subdivision 1, 25 cents for any retail delivery made in any county or city that is a member of the Northern Virginia Transportation Commission.

On and after July 1, 2027, such rates provided under this subsection 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.

B. The tax imposed pursuant to subsection A shall not be levied upon food purchased for human consumption and 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 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. 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 except as herein provided.

C. No discount under § 58.1-622 shall be allowed for the tax imposed under this section.

D. The revenue generated and collected from the tax imposed pursuant to:

1. Subdivision A 1 shall be deposited into the Commonwealth Mass Transit Fund established in § 33.2-1526.

2. Subdivision A 2 shall be deposited into the Northern Virginia Transportation District Regional Fund pursuant to § 33.2-1904.1.

E. For additional transportation districts that may become subject to this section, funds shall be established by appropriate legislation.

Article 15.

*Regional Commercial Parking Tax.***§ 58.1-1751. Regional commercial parking tax.**

A. In addition to all other fees and taxes imposed under law, there is hereby imposed in any county or city that is a member of the Northern Virginia Transportation Commission an additional regional commercial parking tax in the amount of 10 percent of the gross receipts from the sale of or charges for the service of parking or storing of motor vehicles or trailers on a public, commercial parking lot.

B. The tax imposed under this section shall not be imposed on:

1. Any sale or charge for the service of parking or storing of motor vehicles or trailers on a parking lot owned or operated by the Washington Metropolitan Area Transit Authority;

2. Any sale or charge imposed by the Washington Metropolitan Area Transit Authority or any locality for the service of parking or storing of motor vehicles or trailers; or

3. Any sale or charge for the service of parking or storing of motor vehicles or trailers on a parking lot designated for residential purposes.

617 *C. Such tax shall be subject to all the provisions of this chapter and the rules and regulations published*
618 *with respect thereto. Such tax shall be administered and collected by the Tax Commissioner in the same*
619 *manner and subject to the same penalties as provided for the state sales tax under § 58.1-603 except as*
620 *herein provided.*

621 *D. No discount under § 58.1-622 shall be allowed for the tax imposed under this section. The revenue*
622 *generated and collected from the tax imposed pursuant to this section shall be deposited into the Northern*
623 *Virginia Transportation District Regional Fund established in § 33.2-1904.1.*

624 **2. That § 33.2-3100.1 of the Code of Virginia is repealed.**

INTRODUCED

SB638

26105296D

HOUSE BILL NO. 1179

Offered January 14, 2026

Prefiled January 14, 2026

A *BILL to amend and reenact §§ 33.2-359, 33.2-371, 33.2-1526, 33.2-1526.1, 33.2-3102, 33.2-3401, 33.2-3402, 33.2-3403, 33.2-3502, 46.2-774, and 46.2-2099.48 of the Code of Virginia; to amend the Code of Virginia by adding in Article 2 of Chapter 19 of Title 33.2 a section numbered 33.2-1904.1, by adding in Article 11 of Chapter 19 of Title 33.2 a section numbered 33.2-1937, by adding in Chapter 24 of Title 33.2 a section numbered 33.2-2402, by adding in Chapter 7 of Title 46.2 a section numbered 46.2-775, by adding a section numbered 58.1-603.3, and by adding in Chapter 17 of Title 58.1 articles numbered 13, 14, and 15, consisting of sections numbered 58.1-1749, 58.1-1750, and 58.1-1751; and to repeal § 33.2-3100.1 of the Code of Virginia, relating to transportation funding.*

Patron—Tran

Referred to Committee on Appropriations

Be it enacted by the General Assembly of Virginia:

1. That §§ 33.2-359, 33.2-371, 33.2-1526, 33.2-1526.1, 33.2-3102, 33.2-3401, 33.2-3402, 33.2-3403, 33.2-3502, 46.2-774, and 46.2-2099.48 of the Code of Virginia are amended and reenacted and that the Code of Virginia is amended by adding in Article 2 of Chapter 19 of Title 33.2 a section numbered 33.2-1904.1, by adding in Article 11 of Chapter 19 of Title 33.2 a section numbered 33.2-1937, by adding in Chapter 24 of Title 33.2 a section numbered 33.2-2402, by adding in Chapter 7 of Title 46.2 a section numbered 46.2-775, by adding a section numbered 58.1-603.3, and by adding in Chapter 17 of Title 58.1 articles numbered 13, 14, and 15, consisting of sections numbered 58.1-1749, 58.1-1750, and 58.1-1751, as follows:

§ 33.2-359. Unpaved secondary highway funds.

A. Funds from the highway construction district grant programs established pursuant to § 33.2-371 shall be allocated for the improvement of nonsurface treated secondary highways that carry 50 or more vehicles per day. Such improvement may consist of enhancements to such highway or highway segment other than paving, such as improved materials, drainage upgrades, or enhanced design of the highway profile. Other techniques shall be considered improvements if they increase safety, reduce maintenance costs, or enhance the historic qualities of the highway or highway segment. Funds shall be deducted from the allocation made to each highway construction district pursuant to subsection *D E* of § 33.2-371 and such deduction shall be based on the ratio of nonsurface treated secondary highways in each highway construction district that carry 50 or more vehicles per day to the total number of such nonsurface treated secondary highways in the Commonwealth.

Total funds of the Commonwealth allocated by the Board under this section shall not exceed \$25 million annually.

B. Such funds shall be distributed to counties in the secondary state highway system based on the ratio of nonsurface treated roads in each county carrying 50 vehicles or more per day to the total number of such nonsurface treated roads in the Commonwealth. The local governing body of the county shall select the highways or highway segments to be improved pursuant to this section, after consulting with the Department. Improvements pursuant to this section shall be designed and implemented utilizing project standards that conform to then-existing federal and state requirements and standards and, if no such standards exist, that conform to standards as mutually agreed upon by the Department and the locality.

§ 33.2-371. Highway construction district grant programs.

A. As used in this section:

"Land area" means the total land area of the counties within a highway construction district reduced by the area of any military reservations and state or national parks or forests within its boundaries and such other similar areas and facilities of five square miles in area or more, as may be determined by the Board.

"Population" means the population according to the latest U.S. census or the latest population estimates made by the Weldon Cooper Center for Public Service of the University of Virginia, whichever is more recent.

B. The Board shall establish a grant program in each highway construction district to fund projects and strategies that address a need in the Statewide Transportation Plan developed pursuant to § 33.2-353 and for purposes set forth in subsection D.

C. The Board shall solicit candidate projects and strategies from local governments for consideration in the applicable highway construction district's grant program. Candidate projects and strategies shall be screened, evaluated, and selected by the Board according to the process established pursuant to subsection B

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59 of § 33.2-214.1 but shall be within a highway construction district and not outside such highway construction
60 district. Candidate projects and strategies from localities within a highway construction district shall be
61 scored against projects and strategies within the same highway construction district. Only those candidate
62 projects and strategies submitted by a locality shall be funded.

63 D. From funds available for each district where funding is made available pursuant to §§ 46.2-775 and
64 58.1-2299.20, the Board shall award up to 15 percent for transit capital and operating support for transit
65 agencies providing service within such district. No agency that receives funds directly from either the
66 Hampton Roads Transportation Accountability Commission pursuant to Chapter 26 (§ 33.2-2600 et seq.), the
67 Central Virginia Transportation Authority pursuant to Chapter 37 (§ 33.2-3700 et seq.), or a transportation
68 district established pursuant to Chapter 19 (§ 33.2-1900 et seq.) shall receive funds pursuant to this
69 subsection.

70 E. Funds allocated to this program under § 33.2-358 shall be distributed to each highway construction
71 district for that district's grant program as follows:

72 1. Thirty percent based on the ratio of the population of the cities and towns eligible to receive payments
73 pursuant to § 33.2-319 within a highway construction district to the total population of the cities and towns
74 eligible to receive payments pursuant to § 33.2-319 within the Commonwealth;

75 2. Twenty-eight percent based on the ratio of vehicle miles traveled on primary highways within the
76 highway construction district to the total vehicle miles traveled on primary highways in the Commonwealth;

77 3. Twenty-four percent based on the ratio of the population of counties within a highway construction
78 district to the total population of all counties within the Commonwealth;

79 4. Ten percent based on the ratio of the number of primary lane-miles in the highway construction district
80 to the total number of primary lane-miles within the Commonwealth;

81 5. Six percent based on the ratio of the land area of counties within the highway construction district to the
82 total land area of counties within the Commonwealth; and

83 6. Two percent based on a primary need factor based on addressing the largest under-allocation to
84 highway construction districts relative to primary needs.

85 E. F. Projects awarded funds under a grant program established by this section may be administered by
86 the local government pursuant to § 33.2-228 or by the Department.

87 **§ 33.2-1526. Commonwealth Mass Transit Fund.**

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

93 B. The amounts allocated to the Fund pursuant to §§ 33.2-1526.1, 58.1-1749, and 58.1-1750 shall be
94 used to support the operating, capital, and administrative costs of public transportation at a state share
95 determined by the Board, and such amounts may be used to support the capital project costs of public
96 transportation and ridesharing equipment, facilities, and associated costs at a state share determined by the
97 Board. Capital costs may include debt service payments on local or agency transit bonds.

98 **§ 33.2-1526.1. Use of the Commonwealth Mass Transit Fund.**

99 A. All funds deposited pursuant to §§ 33.2-1524.1, 58.1-1749, and 58.1-1750 into the Commonwealth
100 Mass Transit Fund (the Fund), established pursuant to § 33.2-1526, shall be allocated as set forth in this
101 section.

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

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

115 D. Each year the Director of the Department of Rail and Public Transportation shall make
116 recommendations to the Board for the allocation of funds from the Fund. Such recommendations, and the
117 final allocations approved by the Board, shall adhere to the following, except as provided in subsection E:

118 1. ~~Twenty-four and one-half~~ *Twenty-seven* percent of the funds shall be allocated to support operating
119 costs of transit providers and shall be distributed by the Board on the basis of service delivery factors, based
120 on effectiveness and efficiency as established by the Board. Such measures and their relative weight shall be

121 evaluated every three years and shall be finalized 6 months prior to the fiscal year of implementation. The
122 Washington Metropolitan Area Transit Authority (WMATA) and the commuter rail system jointly operated
123 by the Northern Virginia Transportation Commission (NVTC) and the Potomac and Rappahannock
124 Transportation Commission (PRTC), established pursuant to Chapter 19 (§ 33.2-1900 et seq.) shall not be
125 eligible for an allocation of funds pursuant to this subdivision.

126 2. ~~Seventeen~~ *Fifteen* percent of the funds shall be allocated for capital purposes and distributed utilizing
127 the transit capital prioritization process established by the Board pursuant to § 33.2-214.4. WMATA and the
128 commuter rail system jointly operated by NVTC and PRTC, established pursuant to Chapter 19 (§ 33.2-1900
129 et seq.) shall not be eligible for an allocation of funds pursuant to this subdivision.

130 3. Three and one-half percent of funds ~~may~~ *shall* be allocated to NVTC for distribution to the commuter
131 rail system jointly operated by NVTC and PRTC, established pursuant to Chapter 19 (§ 33.2-1900 et seq.),
132 for operating and capital purposes. ~~The amount of funds distributed pursuant to this subdivision and the~~
133 ~~selection of systems receiving funds pursuant to this subdivision shall be based on service delivery factors~~
134 ~~including effectiveness and efficiency as established by the Board. Such measures and their relative weight~~
135 ~~shall be evaluated every three years and shall be finalized six months prior to the fiscal year of~~
136 ~~implementation. Any funds remaining after such distribution shall be redistributed to subdivision 2.~~

137 4. ~~Forty-six and one-half~~ *Forty-nine* percent of the funds shall be allocated to the NVTC for distribution to
138 WMATA for capital purposes and operating assistance, as determined by the Commission. ~~All allocations~~
139 ~~pursuant to this subdivision shall not exceed 50 percent of the total operating and capital assistance required~~
140 ~~to be provided by NVTC or other Virginia entities in the approved WMATA budget. If the default allocation~~
141 ~~pursuant to this subdivision exceeds an amount equal to 50 percent of the total operating and capital~~
142 ~~assistance required to be provided by NVTC or other Virginia entities in the approved WMATA budget, the~~
143 ~~remaining funds shall be redistributed to subdivision 2. No contributions made to WMATA pursuant to~~
144 ~~§ 33.2-3401 by the Commonwealth or NVTC shall be relevant for the purposes of administering this~~
145 ~~subdivision.~~

146 5. ~~Six~~ *Three and nine-tenths* percent of the funds shall be allocated by the Board for the Transit Ridership
147 Incentive Program established pursuant to § 33.2-1526.3.

148 6. ~~Two and one-half~~ *One and six-tenths* percent of the funds shall be allocated for special programs,
149 including ridesharing, transportation demand management programs, experimental transit, public
150 transportation promotion, operation studies, and technical assistance, and may be allocated to any local
151 governing body, planning district commission, transportation district commission, or public transit
152 corporation. Remaining funds may also be used directly by the Department of Rail and Public Transportation
153 to (i) finance a program administered by the Department of Rail and Public Transportation designed to
154 promote the use of public transportation and ridesharing throughout the Commonwealth or (ii) finance up to
155 80 percent of the cost of development and implementation of projects with a purpose of enhancing the
156 provision and use of public transportation services.

157 E. The Board may consider the transfer of funds from subdivisions D 2 and 6 to subdivision D 1 in times
158 of statewide economic distress or statewide special need.

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

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

165 H. Funds allocated to the Northern Virginia Transportation Commission (NVTC) for WMATA pursuant
166 to subdivision D 4 shall be credited to the Counties of Arlington, Fairfax, and Loudoun and the Cities of
167 Alexandria, Fairfax, and Falls Church. Funds allocated pursuant to this subsection shall be credited as
168 follows:

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

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

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

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

182 K. ~~In any year that the total Virginia operating assistance in the approved WMATA budget increases by~~

183 more than three percent from the total operating assistance in the prior year's approved WMATA budget, the
 184 Board shall withhold an amount equal to 35 percent of the funds available under subdivision D 4. The
 185 following items shall not be included in the calculation of any WMATA budget increase: (i) any service,
 186 equipment, or facility that is required by any applicable law, rule, or regulation; (ii) any capital project
 187 approved by the WMATA Board before or after the effective date of this provision; (iii) any payments or
 188 obligations of any kind arising from or related to legal disputes or proceedings between or among WMATA
 189 and any other person or entity; and (iv) any service increases approved by the WMATA Board. The Board
 190 shall distribute to WMATA all funds required pursuant to subdivision D 4 if:

191 1. The WMATA Board of Directors adopts a policy to establish a methodology for determining the
 192 measurement of Metrorail and Metrobus annual unit cost growth using mod-specific operating costs and
 193 vehicle revenue hours. Such policy shall determine a baseline year and associated data from which annual
 194 unit cost growth will be measured. Baseline operating cost and vehicle revenue data shall be actual and for
 195 the most recent year and may be preliminary and not yet audited by the Federal Transit Administration's
 196 National Transit Database;

197 2. Beginning no later than the WMATA proposed budget for Fiscal Year 2028, WMATA annually
 198 publishes the results of the annual unit cost growth calculation as described in the policy adopted pursuant to
 199 subdivision 1, detailing the year-over-year operating expenses and vehicle revenue hours by mode for rail
 200 and bus and percentage growth increase from the prior year; and

201 3. Beginning in Fiscal Year 2029, the approved WMATA budget's unit cost of rail or bus service does not
 202 grow more than three percent.

203 However, if the approved WMATA budget's unit cost of rail or bus service grows more than three percent
 204 from the previous year, the Board shall withhold an amount equal to 35 percent of the funds available under
 205 subdivision D 4 for such year. If the WMATA Board of Directors fails to adopt a policy pursuant to
 206 subdivision 1, the Board shall withhold an amount equal to 35 percent of the funds available under
 207 subdivision D 4 for Fiscal Year 2028 and for every subsequent fiscal year in which such a policy has not
 208 been adopted.

209 L. The Board shall withhold 20 percent of the funds available pursuant to subdivision D 4 if (i) any
 210 alternate directors participate or take action at an official WMATA Board meeting or committee meeting as
 211 Board directors for a WMATA compact member when both directors appointed by that same WMATA
 212 compact member are present at the WMATA Board meeting or committee meeting or (ii) the WMATA
 213 Board of Directors has not adopted bylaws that would prohibit such participation by alternate directors.

214 M. The Board shall withhold 20 percent of the funds available pursuant to subdivision D 4 unless (i)
 215 WMATA has adopted a detailed capital improvement program covering the current fiscal year and, at a
 216 minimum, the next five fiscal years, and at least one public hearing on such capital improvement program has
 217 been held in a locality embraced by the Northern Virginia Transportation Commission (NVTC), and (ii)
 218 WMATA has adopted or updated a strategic plan within the preceding ~~36 months~~ five years, and at least one
 219 public hearing on such plan or updated plan has been held in a locality embraced by NVTC.

220 The strategic plan shall require (a) an assessment of state of good repair needs; (b) a review of the
 221 performance of fixed-route bus service, including schedules, route design, connectivity, and vehicle sizes; (c)
 222 an evaluation of opportunities to improve operating efficiency of the transit network, including reliability of
 223 trips and travel speed; (d) an examination and identification of opportunities to share services where multiple
 224 transit providers' services overlap; and (e) an examination of opportunities to improve service in underserved
 225 areas.

226 N. The Board shall withhold 20 percent of the funds available pursuant to subdivision D 4 unless
 227 WMATA prepares and submits a proposed detailed annual operating budget and any proposed capital
 228 expenditures and projects for the following fiscal year to the Board by April 1 of each year. The budget shall
 229 include information on expenditures, indebtedness, pensions and other liabilities, and other information as
 230 prescribed by the Board. Additionally such funds shall be withheld if the Commonwealth's and Northern
 231 Virginia Transportation Commission's representatives to the WMATA Board of Directors and the WMATA
 232 General Manager fail to annually address the Commonwealth Transportation Board regarding the WMATA
 233 budget, system performance, and utilization of the Commonwealth's investment in the WMATA system.

234 O. The Board shall withhold 20 percent of the funds available pursuant to subdivision D 3 unless the
 235 commuter rail system jointly operated by Northern Virginia Transportation Commission and the Potomac and
 236 Rappahannock Transportation Commission, established pursuant to Chapter 19 (§ 33.2-1900 et seq.), submits
 237 a detailed annual operating budget and any proposed capital expenditures and projects for the following fiscal
 238 year to the Board by ~~February~~ March 1 of each year. The operating plan and budget shall include information
 239 on expenditures, indebtedness, service delivery factors, including effectiveness and efficiency, and other
 240 information as prescribed by the Board.

241 **§ 33.2-1904.1. Distribution of revenues from the Northern Virginia Transportation District Regional**
 242 **Fund.**

243 A. There is hereby created in the state treasury a special nonreverting fund for the benefit of the localities
 244 within the Northern Virginia Transportation District to be known as the Northern Virginia Transportation

245 *District Regional Fund (the Fund). The Fund shall be established on the books of the Comptroller. All*
 246 *revenues dedicated to the Fund pursuant to §§ 46.2-775, 58.1-603.3, 58.1-1749, 58.1-1750, and 58.1-1751*
 247 *that are attributable to revenues generated in any county or city located within the Northern Virginia*
 248 *Transportation District shall be paid into the state treasury and credited to the Fund as set forth in this*
 249 *section and shall be used for public transportation purposes.*

250 *B. Two percent of the annual Fund revenues shall be distributed to the Northern Virginia Transportation*
 251 *District Commission for technical assistance, planning, and design to advance transit projects that benefit*
 252 *the Northern Virginia Transportation District.*

253 *C. Beginning in fiscal year 2028:*

254 *1. A total of \$136 million shall be deposited by the Comptroller into the Washington Metropolitan Area*
 255 *Transit Authority (WMATA) Capital Fund established pursuant to § 33.2-3401. For each fiscal year after*
 256 *2028, such amount to be deposited into the WMATA Capital Fund pursuant to this subdivision shall be equal*
 257 *to 103 percent of the amount deposited in the preceding fiscal year. Any revenue generated in excess of the*
 258 *amount distributed to WMATA for capital purposes pursuant to subsection B of § 33.2-3401 shall be credited*
 259 *to this amount.*

260 *2. A total of \$9.1 million shall be deposited by the Comptroller into the Commuter Rail Operating and*
 261 *Capital Fund established pursuant to § 33.2-3500. For each fiscal year after 2028, such amount to be*
 262 *deposited into the Commuter Rail Operating and Capital Fund pursuant to this subdivision shall be equal to*
 263 *103 percent of the amount deposited in the preceding fiscal year.*

264 *D. Any revenue dedicated to the Fund as provided in subsection A in excess of the amounts distributed*
 265 *pursuant to subsections B and C shall remain in the Fund and be held in trust accounts for each county and*
 266 *city located within such district for public transportation purposes. The amount in each trust account shall be*
 267 *determined on a pro rata basis in proportion to the revenues generated and attributable to such county or*
 268 *city.*

269 **§ 33.2-1937. Other transportation districts with unique needs.**

270 *The General Assembly finds that transportation districts that (i) have a population of 800,000 or more, as*
 271 *shown by the most recent United States Census, (ii) have not less than one million motor vehicles registered*
 272 *therein, and (iii) have a total transit ridership of not less than four million riders per year across all transit*
 273 *systems within the transportation district and that jointly operate with another transportation district a*
 274 *commuter rail service have unique transportation needs.*

275 **§ 33.2-2402. Potomac and Rappahannock Transportation Commission Regional Fund.**

276 *A. There is hereby created in the state treasury a special nonreverting fund for the benefit of the localities*
 277 *embraced by the Potomac and Rappahannock Transportation Commission to be known as the Potomac and*
 278 *Rappahannock Transportation Commission Regional Fund (the Fund). The Fund shall be established on the*
 279 *books of the Comptroller. All revenues dedicated to the Fund pursuant to §§ 46.2-775 and 58.1-603.3 that*
 280 *are attributable to revenues generated in any county or city embraced by the Potomac and Rappahannock*
 281 *Transportation Commission shall be paid into the state treasury and credited to the Fund as set forth in this*
 282 *section and shall be used for public transportation purposes.*

283 *B. Beginning in fiscal year 2028, \$18.2 million shall be deposited by the Comptroller into the Commuter*
 284 *Rail Operating and Capital Fund established pursuant to § 33.2-3500. For each fiscal year after 2028, such*
 285 *amount to be deposited into the Commuter Rail Operating and Capital Fund pursuant to this subsection shall*
 286 *be equal to 103 percent of the amount deposited in the preceding fiscal year.*

287 *C. Any revenue dedicated to the Fund as provided in subsection A in excess of the amounts distributed*
 288 *pursuant to subsection B shall remain in the Fund and be held in trust accounts for each county and city*
 289 *located within such district to be used for public transportation purposes in accordance with the Potomac*
 290 *and Rappahannock Transportation Commission's strategic plan for transit or adopted budget. The amount in*
 291 *each trust account shall be determined on a pro rata basis in proportion to the revenues generated and*
 292 *attributable to such county or city.*

293 **§ 33.2-3102. Virginia-specific requirements.**

294 ~~A. Members of the Board of Directors of the Washington Metrorail Safety Commission for the~~
 295 ~~Commonwealth of Virginia shall be appointed by the Governor of Virginia and subject to confirmation by the~~
 296 ~~General Assembly.~~

297 ~~B. The Secretary of Transportation, in coordination with the Northern Virginia Transportation~~
 298 ~~Commission, shall engage his counterparts in Maryland and Washington, D.C., and the appropriate officials~~
 299 ~~in the federal government for the purpose of revising the Washington Metropolitan Area Transit Authority~~
 300 ~~Compact of 1966 and implementing other reforms necessary to ensure the near-term and long-term viability~~
 301 ~~of the Washington Area Metropolitan Transit Authority (WMATA). In doing so, the Secretary shall develop,~~
 302 ~~propose, and seek agreement on reforms related to the following: (i) the legal and organizational structure of~~
 303 ~~WMATA; (ii) the composition and qualifications of the WMATA Board of Directors and the length of terms~~
 304 ~~of its members; (iii) labor costs and labor relations; (iv) measures necessary to resolve WMATA's unfunded~~
 305 ~~pension liability and other postemployment benefits; (v) measures necessary to better ensure the safety of~~
 306 ~~riders and employees, including safety in the event of a homeland security emergency in the national capital~~

307 area; and (vi) financial and operational improvements necessary to ensure that WMATA's performance is at
308 least as efficient as its closest comparable transit systems in the United States. The Secretary shall report to
309 and consult quarterly beginning June 30, 2017, with the Chairmen of the House and Senate Transportation
310 Committees regarding activity taken in accordance with this subsection.

311 **§ 33.2-3401. Washington Metropolitan Area Transit Authority Capital Fund.**

312 A. There is hereby created in the state treasury a special nonreverting fund for the benefit of the Northern
313 Virginia Transportation District to be known as the Washington Metropolitan Area Transit Authority Capital
314 Fund. The Fund shall be established on the books of the Comptroller. All revenues dedicated to the Fund
315 pursuant to §§ 33.2-1904.1, 33.2-2400, 33.2-3404, 58.1-802.3, 58.1-1741, 58.1-1743, and 58.1-2299.20 shall
316 be paid into the state treasury and credited to the Fund as set forth in subsection B ~~and shall be used for the~~
317 ~~payment of capital purposes incurred, or to be incurred, by WMATA.~~ Interest on moneys in the Fund shall
318 remain in the Fund and be credited to it. Any moneys remaining in the Fund, including interest thereon, at the
319 end of each fiscal year shall not revert to the general fund but shall remain in the Fund. The Comptroller shall
320 disburse funds to WMATA on a monthly basis if NVTC has provided the certification required by subsection
321 B of § 33.2-3402.

322 B. *The amounts dedicated to the Fund shall be deposited monthly by the Comptroller into the Fund and*
323 *thereafter distributed by NVTC as soon as practicable for use by WMATA for capital purposes. The amount*
324 *distributed to WMATA for capital purposes shall not exceed:*

- 325 1. *For fiscal year 2027, \$154.5 million; and*
- 326 2. *For fiscal year 2028 and each fiscal year thereafter, the sum of (i) the amount referenced in subdivision*
327 *1 and (ii) \$136 million. Beginning in fiscal year 2029 and annually thereafter, the amount provided pursuant*
328 *to clause (ii) shall be adjusted by increasing the amount provided for the previous fiscal year by three*
329 *percent.*

330 C. 1. ~~Within the Fund, there shall be established~~ NVTC shall establish a separate, segregated account into
331 which revenues dedicated to the Fund pursuant to §§ 33.2-2400 and 58.1-1741 shall be deposited (the
332 Restricted Account). Revenues deposited into the Restricted Account shall be available for use by WMATA
333 for capital purposes other than for the payment of, or security for, debt service on bonds or other indebtedness
334 of WMATA.

335 2. ~~Within the Fund, there shall be established~~ NVTC shall establish a separate, segregated account into
336 which revenues dedicated to the Fund pursuant to §§ 33.2-1904.1, 33.2-3404, 58.1-802.3, 58.1-1743, and
337 58.1-2299.20 shall be deposited (the Non-Restricted Account). Revenues deposited into the Non-Restricted
338 Account shall be available for use by WMATA for capital purposes, including for the payment of, or security
339 for, debt service on bonds or other indebtedness of WMATA, or for any other WMATA capital purposes.

340 C. The amounts deposited into the Fund and the distribution and expenditure of such amounts shall not be
341 used to calculate or reduce the share of federal, state, or local revenues otherwise available to participating
342 jurisdictions. Further, such revenues and moneys shall not be included in any computation of, or formula for,
343 a locality's ability to pay for public education, upon which appropriations of state revenues to local
344 governments for public education are determined.

345 D. *However, the amount allocated pursuant to clause (ii) of subdivision B 2, including any adjustment*
346 *made thereto, shall not be provided to WMATA unless the District of Columbia contributes at least \$173*
347 *million in 2027 and the State of Maryland contributes at least \$152 million in 2027 to WMATA, such amounts*
348 *to be adjusted by three percent increases each year thereafter.*

349 **§ 33.2-3402. NVTC oversight.**

350 A. In any year that funds are deposited into the Fund, the NVTC shall ~~request~~ verify the publication of
351 certain documents and reports from WMATA to confirm the benefits of the WMATA system to persons
352 living, traveling, commuting, and working in the localities that the NVTC comprises. Such documents and
353 reports shall include:

- 354 1. WMATA's annual capital budget;
- 355 2. WMATA's annual independent financial audit;
- 356 3. WMATA's National Transit Data annual profile; ~~and~~
- 357 4. Single audit reports issued in accordance with the Uniform Administrative Requirements, Cost
358 Principals, and Audit Requirements for Federal Awards (2 C.F.R. Part 200);

359 5. *In the annual budget or other regular reports to the WMATA Board of Directors, data describing the*
360 *performance and condition of the rail and bus systems, including safety, reliability, ridership, cost savings*
361 *initiatives, financial performance, and the use of the funds provided from the Fund to improve the safety and*
362 *condition of the rapid heavy rail mass transportation system; and*

363 6. *By June 30, 2027, and contingent upon enactment of similar reporting requirements by the District of*
364 *Columbia and the State of Maryland, WMATA's reporting commitments under the DMVMoves Plan,*
365 *comprising the most recent 20-year capital plan, to be updated every five years, including analysis of*
366 *potential capital investments that reduce operating costs; funding or financial plans for major projects with*
367 *capital costs greater than \$300 million, adjusted with inflation; and an annual report to the Metropolitan*
368 *Washington Council of Governments on system performance, detailing progress toward DMVMoves goals*

369 and objectives.

370 B. NVTC shall be responsible for ~~coordinating the delivery~~ *verifying publication, either on the WMATA*
371 *website or by other means*, of such documents and reports ~~with~~ *by* WMATA. Funding of the Commonwealth
372 to support WMATA pursuant to § 33.2-1526.1 shall be contingent on WMATA ~~providing~~ *publishing* the
373 documents and reports described in subsection A, and NVTC shall provide annual certification to the
374 Comptroller that such documents and reports have been ~~received~~ *published*.

375 **§ 33.2-3403. NVTC report.**

376 By December 15 of each year that funds are deposited into the Fund, NVTC shall report to the Governor
377 ~~and~~, the General Assembly, ~~and the Commonwealth Transportation Board~~ on the performance and condition
378 of WMATA. Such report shall contain, at a minimum, documentation of the following:

379 1. ~~The safety and reliability of the rapid heavy rail mass transportation system and bus network~~ *An*
380 *assessment of the data, trends, and information included in WMATA documents and reports as described in*
381 *subsection A of § 33.2-3402; and*

382 2. ~~The financial performance of WMATA related to the operations of the rapid heavy rail mass~~
383 ~~transportation system, including farebox recovery, service per rider, and cost per service hour;~~

384 3. ~~The financial performance of WMATA related to the operations of the bus mass transportation system,~~
385 ~~including farebox recovery, service per rider, and cost per service hour;~~

386 4. Potential strategies to reduce the growth in ~~such~~ costs and to improve the efficiency of WMATA
387 operations;

388 5. Use of the funds provided from the Fund to improve the safety and condition of the rapid heavy rail
389 mass transportation system; and

390 6. Ridership of the rapid heavy rail mass transportation system and the bus mass transportation system.

391 **§ 33.2-3502. Authority to issue bonds.**

392 The transportation districts described in subsection B of § 33.2-3500 may issue bonds and other evidences
393 of debt as may be authorized by this section or other law. The provisions of Article 5 (§ 33.2-1920 et seq.) of
394 Chapter 19 shall apply, mutatis mutandis, to the issuance of such bonds or other debt. The Authority may
395 issue bonds or other debt in such amounts as it deems appropriate. ~~The bonds may be supported by any funds~~
396 ~~available in the Fund, provided that the total amount of debt service for all outstanding bonds may not exceed~~
397 ~~66 percent of the revenues dedicated to the Fund pursuant to § 58.1-2299.20.~~

398 **§ 46.2-774. (For contingent expiration, see Acts 2020, cc. 1230 and 1275) Distribution of revenues.**

399 All revenues collected pursuant to this chapter, *except those collected pursuant to § 46.2-775*, shall be
400 used first to pay for the direct cost of administration of this chapter by the Department, and then shall be
401 deposited into the Commonwealth Transportation Fund established pursuant to § 33.2-1524.

402 **§ 46.2-775. Regional Highway Use Fee.**

403 A. *There is hereby imposed an additional annual regional highway use fee on any motor vehicle*
404 *registered in the Commonwealth under § 46.2-694 or 46.2-697 that is an alternative fuel vehicle and electric*
405 *motor vehicle or a fuel-efficient vehicle. Such regional highway use fee shall be 29.34 percent of the amount*
406 *of the highway use fee assessed pursuant to § 46.2-772 for such vehicle. The fee shall be collected by the*
407 *Department in the same manner as the highway use fee pursuant to § 46.2-772, mutatis mutandis.*

408 B. *There is hereby established a regional mileage-based user fee program. The program shall be a*
409 *voluntary program that allows owners of vehicles subject to the regional highway use fee pursuant to*
410 *subsection A to pay a mileage-based fee in lieu of the regional highway use fee. Such program shall be*
411 *administered in the same manner as the mileage-based user fee program created pursuant to § 46.2-773,*
412 *mutatis mutandis.*

413 C. *All revenues collected pursuant to this section shall be used first to pay for the direct cost of the*
414 *administration of this section by the Department, and then shall be deposited in the following manner:*

415 1. *For any vehicle that is principally garaged in any county or city that is a member of the Northern*
416 *Virginia Transportation Commission, such funds shall be deposited into the Northern Virginia*
417 *Transportation District Regional Fund created pursuant to § 33.2-1904.1.*

418 2. *For any vehicle that is principally garaged in any county or city that is a member of the Potomac and*
419 *Rappahannock Transportation Commission, such funds shall be deposited into the Potomac and*
420 *Rappahannock Transportation Commission Regional Fund created pursuant to § 33.2-2402.*

421 3. *For any vehicle that is principally garaged in any county or city that is subject to § 58.1-2299.20, but*
422 *that is not subject to subdivision 1 or 2, such funds shall be distributed in the same manner as in*
423 *§ 58.1-2299.20, mutatis mutandis.*

424 4. *For any vehicle that is not subject to subdivision 1, 2, or 3, such funds shall be deposited into the*
425 *Commonwealth Transportation Fund established pursuant to § 33.2-1524.*

426 **§ 46.2-2099.48. General operational requirements for transportation network companies and TNC**
427 **partner.**

428 A. A transportation network company and a TNC partner shall provide passenger transportation only on a
429 prearranged basis and only by means of a digital platform that enables passengers to connect with TNC
430 partners using a TNC partner vehicle. No TNC partner shall transport a passenger unless a transportation

431 network company has matched the TNC partner to that passenger through the digital platform. A TNC
432 partner shall not provide transportation in any other manner. A TNC partner shall not solicit, accept, or
433 arrange transportation except through a transportation network company's digital platform or through a TNC
434 broker.

435 B. A transportation network company shall authorize collection of fares for transporting passengers solely
436 through a digital platform. A TNC partner shall not accept payment of fares directly from a passenger or any
437 other person prearranging a ride or by any means other than electronically via a digital platform, unless:

438 1. The ride is booked by a transit system, with a transportation network company with which it has a
439 contract, on behalf of an eligible paratransit passenger;

440 2. The fare is a defined amount, as published by the transit system, and is communicated to the passenger
441 in advance;

442 3. The transportation network company specifically authorizes over the digital network the TNC partner
443 to collect cash for the fare, and that authorization includes the amount to be collected. The transportation
444 network company's digital platform shall provide the TNC partner with a method to acknowledge receipt of
445 the fare when it is collected;

446 4. The passenger receives a receipt for the fare paid; and

447 5. The transit system receives a receipt and full accounting of cash fares monthly, or on demand, through
448 the transportation network company's account dashboard.

449 C. A transportation network company with knowledge that a TNC partner has violated the provisions of
450 subsection A or B shall remove the TNC partner from the transportation network company's digital platform
451 for at least one year.

452 D. A transportation network company shall publish the following information on its public website and
453 associated digital platform:

454 1. The method used to calculate fares or the applicable rates being charged, *including any taxes imposed*
455 *pursuant to § 58.1-1749 or other applicable law*, and an option to receive an estimated fare;

456 2. Information about its TNC partner screening criteria, including a description of the offenses that the
457 transportation network company will regard as grounds for disqualifying an individual from acting as a TNC
458 partner;

459 3. The means for a passenger or other person to report a TNC partner reasonably suspected of operating a
460 TNC partner vehicle under the influence of drugs or alcohol;

461 4. Information about the company's training and testing policies for TNC partners;

462 5. Information about the company's standards for TNC partner vehicles; and

463 6. A customer support telephone number or email address and instructions regarding any alternative
464 methods for reporting a complaint.

465 E. A transportation network company shall associate a TNC partner with one or more personal vehicles
466 and shall authorize a TNC partner to transport passengers only in a vehicle specifically associated with a
467 TNC partner by the transportation network company. The transportation network company shall arrange
468 transportation solely for previously associated TNC partners and TNC partner vehicles. A TNC partner shall
469 not transport passengers except in a TNC partner vehicle associated with the TNC partner by the
470 transportation network company.

471 F. A TNC partner shall carry at all times while operating a TNC partner vehicle proof of coverage under
472 each in-force TNC insurance policy, which may be displayed as part of the digital platform, and each in-force
473 personal automobile insurance policy covering the vehicle. The TNC partner shall present such proof of
474 insurance upon request to the Commissioner, a law-enforcement officer, an airport owner and operator, an
475 official of the Washington Metropolitan Area Transit Commission, or any person involved in an accident that
476 occurs during the operation of a TNC partner vehicle. The transportation network company shall require the
477 TNC partner's compliance with the provisions of this subsection.

478 G. Prior to a passenger's entering a TNC partner vehicle, a transportation network company shall provide
479 through the digital platform to the person prearranging the ride the first name and a photograph of the TNC
480 partner, the make and model of the TNC partner vehicle, and the license plate number of the TNC partner
481 vehicle.

482 H. A transportation network company shall provide to each of its TNC partners a credential, which may
483 be displayed as part of the digital platform, that includes the following information:

484 1. The name or logo of the transportation network company;

485 2. The name and a photograph of the TNC partner; and

486 3. The make, model, and license plate number of each TNC partner vehicle associated with the TNC
487 partner and the state issuing each such license plate.

488 The TNC partner shall carry the credential at all times during the operation of a TNC partner vehicle and
489 shall present the credential upon request to law-enforcement officers, airport owners and operators, officials
490 of the Washington Metropolitan Area Transit Commission, or a passenger. The transportation network
491 company shall require the TNC partner's compliance with this subsection.

492 I. A transportation network company and its TNC partner shall, at all times during a prearranged ride,

493 make the following information available through its digital platform immediately upon request to
 494 representatives of the Department, to law-enforcement officers, to officials of the Washington Metropolitan
 495 Area Transit Commission, and to airport owners and operators:

- 496 1. The name of the transportation network company;
 497 2. The name of the TNC partner and the identification number issued to the TNC partner by the
 498 transportation network company;
 499 3. The license plate number of the TNC partner vehicle and the state issuing such license plate; and
 500 4. The location, date, and approximate time that each passenger was or will be picked up.
 501 J. Upon completion of a prearranged ride, a transportation network company shall transmit to the person
 502 who prearranged the ride an electronic receipt that includes:
 503 1. A map of the route taken;
 504 2. The date and the times the trip began and ended;
 505 3. The total fare, including the base fare and any additional charges incurred for distance traveled or
 506 duration of the prearranged ride;
 507 4. The TNC partner's first name and photograph; and
 508 5. Contact information by which additional support may be obtained.

509 K. The transportation network company shall adopt and enforce a policy of nondiscrimination on the basis
 510 of a passenger's points of departure and destination and shall notify TNC partners of such policy.

511 TNC partners shall comply with all applicable laws regarding nondiscrimination against passengers or
 512 potential passengers.

513 A transportation network company shall provide passengers an opportunity to indicate whether they
 514 require a wheelchair-accessible vehicle. If a transportation network company cannot arrange wheelchair-
 515 accessible service in a TNC partner vehicle in any instance, it shall direct the passenger to an alternate
 516 provider of wheelchair-accessible service, if available.

517 A transportation network company shall not impose additional charges for providing services to persons
 518 with disabilities because of those disabilities.

519 TNC partners shall comply with all applicable laws relating to accommodation of service animals.

520 A TNC partner may refuse to transport a passenger for any reason not prohibited by law, including any
 521 case in which (i) the passenger is acting in an unlawful, disorderly, or endangering manner; (ii) the passenger
 522 is unable to care for himself and is not in the charge of a responsible companion; or (iii) the TNC partner has
 523 already committed to providing a ride for another passenger.

524 A TNC partner shall immediately report to the transportation network company any refusal to transport a
 525 passenger after accepting a request to transport that passenger.

526 L. No transportation network company or TNC partner shall conduct any operation on the property of or
 527 into any airport unless such operation is authorized by the airport owner and operator and is in compliance
 528 with the rules and regulations of that airport. The Department may take action against a transportation
 529 network company that violates any regulation of an airport owner and operator, including the suspension or
 530 revocation of the transportation network company's certificate.

531 M. A TNC partner shall access and utilize a digital platform in a manner that is consistent with traffic
 532 laws of the Commonwealth.

533 N. In accordance with § 46.2-812, no TNC partner shall operate a motor vehicle for more than 13 hours in
 534 any 24-hour period.

535 O. *A transportation network company shall comply with any requirements imposed by the Tax*
 536 *Commissioner in the administration of the tax created pursuant to § 58.1-1749.*

537 **§ 58.1-603.3. Additional state sales and use tax in certain transportation districts.**

538 A. *In addition to the sales tax imposed pursuant to §§ 58.1-603, 58.1-603.1, and 58.1-603.2, there is*
 539 *hereby levied and imposed in any county or city that is (i) a member of the Northern Virginia Transportation*
 540 *Commission or (ii) a member of the Potomac and Rappahannock Transportation Commission, a retail sales*
 541 *tax at the rate of 0.2 percent.*

542 B. *The tax imposed pursuant to this section shall not be levied upon food purchased for human*
 543 *consumption and essential personal hygiene products, as such terms are defined in § 58.1-611.1. Such tax*
 544 *shall be added to the rate of the state sales tax imposed pursuant to §§ 58.1-603, 58.1-603.1, and 58.1-603.2*
 545 *in each such county and city and shall be subject to all the provisions of this chapter and the rules and*
 546 *regulations published with respect thereto. No discount under § 58.1-622 shall be allowed for the tax*
 547 *imposed under this section. Such tax shall be administered and collected by the Tax Commissioner in the*
 548 *same manner and subject to the same penalties as provided for the state sales tax under § 58.1-603.*

549 D. *The revenue generated and collected pursuant to the tax authorized under this section, less the*
 550 *applicable portion of any refunds to taxpayers, shall be deposited by the Comptroller into (i) the Northern*
 551 *Virginia Transportation District Regional Fund created pursuant to § 33.2-1904.1, for revenue from any*
 552 *county or city that is a member of the Northern Virginia Transportation Commission or (ii) the Potomac and*
 553 *Rappahannock Transportation Commission Regional Fund created pursuant to § 33.2-2402, for revenue*
 554 *from any county or city that is a member of the Potomac and Rappahannock Transportation Commission.*

Article 13.

Transportation Network Companies Tax.

§ 58.1-1749. **Transportation network companies tax.**

A. For purposes of this section, "transportation network company" means the same as that term is defined in § 46.2-2000.

B. In addition to all other fees and taxes imposed under law, there is hereby imposed an additional transportation network companies tax:

1. At the rate of 4.3 percent of the gross proceeds derived from fares charged by transportation network companies for transporting passengers from any county or city located in the Commonwealth; and

2. In addition to the amount provided in subdivision 1, at the rate of 1.9 percent of the gross proceeds derived from fares charged by transportation network companies for transporting passengers from any county or city that is a member of the Northern Virginia Transportation Commission.

C. The tax imposed under this section shall be subject to all the provisions of this chapter and the rules and regulations published with respect thereto. 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 except as herein provided.

D. No discount under § 58.1-622 shall be allowed for the tax imposed under this section. The revenue generated and collected from the tax imposed pursuant to subdivision B 1 shall be deposited into the Commonwealth Mass Transit Fund established in § 33.2-1526.

E. The revenue generated and collected from the tax imposed pursuant to subdivision B 2 shall be deposited into the Northern Virginia Transportation District Regional Fund pursuant established in § 33.2-1904.1.

Article 14.

Retail Delivery Fee.

§ 58.1-1750. **Retail delivery fees.**

A. In addition to all other fees and taxes imposed under law, there is hereby imposed an additional retail delivery fee:

1. In the amount of 50 cents per retail delivery made in the Commonwealth; and

2. In addition to the amount provided in subdivision 1, 25 cents for any retail delivery made in any county or city that is a member of the Northern Virginia Transportation Commission.

On and after July 1, 2027, such rates provided under this subsection 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.

B. The tax imposed pursuant to subsection A shall not be levied upon food purchased for human consumption and 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 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. 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 except as herein provided.

C. No discount under § 58.1-622 shall be allowed for the tax imposed under this section.

D. The revenue generated and collected from the tax imposed pursuant to:

1. Subdivision A 1 shall be deposited into the Commonwealth Mass Transit Fund established in § 33.2-1526.

2. Subdivision A 2 shall be deposited into the Northern Virginia Transportation District Regional Fund pursuant to § 33.2-1904.1.

E. For additional transportation districts that may become subject to this section, funds shall be established by appropriate legislation.

Article 15.

Regional Commercial Parking Tax.

§ 58.1-1751. **Regional commercial parking tax.**

A. In addition to all other fees and taxes imposed under law, there is hereby imposed in any county or city that is a member of the Northern Virginia Transportation Commission an additional regional commercial parking tax in the amount of 10 percent of the gross receipts from the sale of or charges for the service of parking or storing of motor vehicles or trailers on a public, commercial parking lot.

B. The tax imposed under this section shall not be imposed on:

1. Any sale or charge for the service of parking or storing of motor vehicles or trailers on a parking lot owned or operated by the Washington Metropolitan Area Transit Authority;

2. Any sale or charge imposed by the Washington Metropolitan Area Transit Authority or any locality for the service of parking or storing of motor vehicles or trailers; or

3. Any sale or charge for the service of parking or storing of motor vehicles or trailers on a parking lot designated for residential purposes.

617 *C. Such tax shall be subject to all the provisions of this chapter and the rules and regulations published*
618 *with respect thereto. Such tax shall be administered and collected by the Tax Commissioner in the same*
619 *manner and subject to the same penalties as provided for the state sales tax under § 58.1-603 except as*
620 *herein provided.*

621 *D. No discount under § 58.1-622 shall be allowed for the tax imposed under this section. The revenue*
622 *generated and collected from the tax imposed pursuant to this section shall be deposited into the Northern*
623 *Virginia Transportation District Regional Fund established in § 33.2-1904.1.*

624 **2. That § 33.2-3100.1 of the Code of Virginia is repealed.**

INTRODUCED

HB1179

26105100D

HOUSE BILL NO. 900

Offered January 14, 2026

Prefiled January 13, 2026

A *BILL to amend and reenact §§ 33.2-358, 33.2-371, 33.2-1524, 33.2-1524.1, 33.2-1526.1, 33.2-3401, 33.2-3402, 33.2-3403, 33.2-3502, 46.2-774, 58.1-602, 58.1-603, as it is currently effective and as it may become effective, 58.1-609.5, 58.1-609.11, 58.1-612, 58.1-623, 58.1-647, and 58.1-648 of the Code of Virginia; to amend the Code of Virginia by adding in Article 2 of Chapter 19 of Title 33.2 a section numbered 33.2-1904.1, by adding in Article 11 of Chapter 19 of Title 33.2 a section numbered 33.2-1937, by adding in Chapter 24 of Title 33.2 a section numbered 33.2-2402, by adding in Chapter 7 of Title 46.2 a section numbered 46.2-775, by adding sections numbered 58.1-603.3 and 58.1-612.3, and by adding in Chapter 17 of Title 58.1 an article numbered 13, consisting of a section numbered 58.1-1749; and to amend Chapter 766 of the Acts of Assembly of 2013 by adding a nineteenth enactment, relating to sales and use tax on taxable services and digital personal property; taxes levied in certain transportation districts; funding for transportation.*

Patron—Sullivan

Referred to Committee on Finance

Be it enacted by the General Assembly of Virginia:

1. That § 33.2-358, 33.2-371, 33.2-1524, 33.2-1524.1, 33.2-1526.1, 33.2-3401, 33.2-3402, 33.2-3403, 33.2-3502, 46.2-774, 58.1-602, 58.1-603, as it is currently effective and as it may become effective, 58.1-609.5, 58.1-609.11, 58.1-612, 58.1-623, 58.1-647, and 58.1-648 of the Code of Virginia are amended and reenacted and that the Code of Virginia is amended by adding in Article 2 of Chapter 19 of Title 33.2 a section numbered 33.2-1904.1, by adding in Article 11 of Chapter 19 of Title 33.2 a section numbered 33.2-1937, by adding in Chapter 24 of Title 33.2 a section numbered 33.2-2402, by adding in Chapter 7 of Title 46.2 a section numbered 46.2-775, by adding sections numbered 58.1-603.3 and 58.1-612.3, and by adding in Chapter 17 of Title 58.1 an article numbered 13, consisting of a section numbered 58.1-1749 as follows:

§ 33.2-358. Allocation of funds to programs.

A. 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.

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 construction programs, and after allocation is made pursuant to subsection 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. ~~Thirty~~ *Twenty-seven and one-half* percent of the remaining funds to state of good repair purposes as set forth in § 33.2-369;

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

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

4. ~~Twenty~~ *Twenty-six and one-half* 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.

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.

D. In addition, the Board, from funds appropriated for such purpose in the general appropriation act, shall

1/21/26 14:15

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

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

66 **§ 33.2-371. Highway construction district grant programs.**

67 A. As used in this section:

68 "Land area" means the total land area of the counties within a highway construction district reduced by
 69 the area of any military reservations and state or national parks or forests within its boundaries and such other
 70 similar areas and facilities of five square miles in area or more, as may be determined by the Board.

71 "Population" means the population according to the latest U.S. census or the latest population estimates
 72 made by the Weldon Cooper Center for Public Service of the University of Virginia, whichever is more
 73 recent.

74 B. The Board shall establish a grant program in each highway construction district to fund projects and
 75 strategies that address a need in the Statewide Transportation Plan developed pursuant to § 33.2-353 *and for*
 76 *purposes set forth in subsection D.*

77 C. The Board shall solicit candidate projects and strategies from local governments for consideration in
 78 the applicable highway construction district's grant program. Candidate projects and strategies shall be
 79 screened, evaluated, and selected by the Board according to the process established pursuant to subsection B
 80 of § 33.2-214.1 but shall be within a highway construction district and not outside such highway construction
 81 district. Candidate projects and strategies from localities within a highway construction district shall be
 82 scored against projects and strategies within the same highway construction district. Only those candidate
 83 projects and strategies submitted by a locality shall be funded.

84 D. *From funds available for each district where funding is made available pursuant to §§ 46.2-775 and*
 85 *58.1-2299.20, the Board shall award up to 15 percent for transit capital and operating support for transit*
 86 *agencies providing service within such district. No agency that receives funds directly from either the*
 87 *Hampton Roads Transportation Accountability Commission pursuant to Chapter 26 (§ 33.2-2600 et seq.), the*
 88 *Central Virginia Transportation Authority pursuant to Chapter 37 (§ 33.2-3700 et seq.), or a transportation*
 89 *district established pursuant to Chapter 19 (§ 33.2-1900 et seq.) shall receive funds pursuant to this*
 90 *subsection.*

91 E. Funds allocated to this program under § 33.2-358 shall be distributed to each highway construction
 92 district for that district's grant program as follows:

93 1. Thirty percent based on the ratio of the population of the cities and towns eligible to receive payments
 94 pursuant to § 33.2-319 within a highway construction district to the total population of the cities and towns
 95 eligible to receive payments pursuant to § 33.2-319 within the Commonwealth;

96 2. Twenty-eight percent based on the ratio of vehicle miles traveled on primary highways within the
 97 highway construction district to the total vehicle miles traveled on primary highways in the Commonwealth;

98 3. Twenty-four percent based on the ratio of the population of counties within a highway construction
 99 district to the total population of all counties within the Commonwealth;

100 4. Ten percent based on the ratio of the number of primary lane-miles in the highway construction district
 101 to the total number of primary lane-miles within the Commonwealth;

102 5. Six percent based on the ratio of the land area of counties within the highway construction district to the
 103 total land area of counties within the Commonwealth; and

104 6. Two percent based on a primary need factor based on addressing the largest under-allocation to
 105 highway construction districts relative to primary needs.

106 ~~E. F.~~ Projects awarded funds under a grant program established by this section may be administered by
 107 the local government pursuant to § 33.2-228 or by the Department.

108 **§ 33.2-1524. Commonwealth Transportation Fund.**

109 A. There is hereby created in the Department of the Treasury a special nonreverting fund to be known as
 110 the Commonwealth Transportation Fund (the Fund). The Fund shall be established on the books of the
 111 Comptroller. Any moneys remaining in the Fund at the end of the year shall not revert to the general fund but
 112 shall remain in the Fund. The Fund shall consist of all funds appropriated to the Fund and all funds dedicated
 113 to the Fund pursuant to law, including:

114 1. Revenues pursuant to §§ 58.1-2289 and 58.1-2701;

115 2. Revenues pursuant to subsections A and G of § 58.1-638 and § 58.1-638.3;

116 3. Tolls and other revenues derived from the projects financed or refinanced pursuant to this title that are
 117 payable into the state treasury and tolls and other revenues derived from other transportation projects, which
 118 may include upon the request of the applicable appointed local governing body, as soon as their obligations
 119 have been satisfied, such tolls and revenue derived for transportation projects pursuant to the Chesapeake Bay
 120 Bridge and Tunnel District and Commission established in Chapter 22 (§ 33.2-2200 et seq.) and to the

121 Richmond Metropolitan Transportation Authority established in Chapter 29 (§ 33.2-2900 et seq.), or if the
 122 appointed local governing body requests refunding or advanced refunding by the Board and such refunding or
 123 advanced refunding is approved by the General Assembly. Such funds shall be held in separate subaccounts
 124 of the Commonwealth Transportation Fund to the extent required by law or the Board;

125 4. Revenues pursuant to § 58.1-2425;

126 5. Revenues pursuant to subdivisions A 1 through 12 of § 46.2-694 and §§ 46.2-694.1, 46.2-697, and
 127 46.2-697.2, except where provided elsewhere in such sections and excluding revenues deposited into a
 128 special fund for the Department of Motor Vehicles pursuant to § 46.2-686;

129 6. Revenues pursuant to § 58.1-1741;

130 7. Revenues pursuant to § 58.1-815.4;

131 8. Revenues from § 58.1-2249;

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

134 10. All interest, dividends, and appreciation that may accrue to the Transportation Trust Fund established
 135 pursuant to § 33.2-1524.1 and the Highway Maintenance and Operating Fund established pursuant to
 136 § 33.2-1530;

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

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

140 13. Revenues pursuant to § 58.1-2531.

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

142 1. Of the funds from subdivisions A 1, 2, 4 through 8, and 13: (i) ~~54~~ 47 percent to the Highway
 143 Maintenance and Operating Fund established pursuant to § 33.2-1530 and (ii) ~~49~~ 53 percent to the
 144 Transportation Trust Fund established pursuant to § 33.2-1524.1;

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

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

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

158 **§ 33.2-1524.1. Transportation Trust Fund.**

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

163 1. For construction programs pursuant to § 33.2-358, ~~53~~ 51.2 percent;

164 2. To the Commonwealth Mass Transit Fund established pursuant to § 33.2-1526, ~~23~~ 26 percent;

165 3. To the Commonwealth Rail Fund established pursuant to § 33.2-1526.4, ~~7.5~~ 8 percent;

166 4. To the Commonwealth Port Fund established pursuant to § 33.2-1526.5, 2.5 percent;

167 5. To the Commonwealth Aviation Fund established pursuant to § 33.2-1526.6, 1.5 percent;

168 6. To the Commonwealth Space Flight Fund established pursuant to § 33.2-1526.7, ~~one~~ 0.8 percent;

169 7. To the Priority Transportation Fund established pursuant to § 33.2-1527, ~~10.5~~ 9 percent; and

170 8. To a special fund within the Commonwealth Transportation Fund in the state treasury, one percent to
 171 be used to meet the necessary expenses of the Department of Motor Vehicles.

172 **§ 33.2-1526.1. Use of the Commonwealth Mass Transit Fund.**

173 A. All funds deposited pursuant to § 33.2-1524.1 into the Commonwealth Mass Transit Fund (the Fund),
 174 established pursuant to § 33.2-1526, shall be allocated as set forth in this section.

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

182 C. The Board may establish policies for the implementation of this section, including the determination of

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

188 D. Each year the Director of the Department of Rail and Public Transportation shall make
 189 recommendations to the Board for the allocation of funds from the Fund. Such recommendations, and the
 190 final allocations approved by the Board, shall adhere to the following, except as provided in subsection E:

191 1. ~~Twenty-four and one-half~~ *Twenty-three* percent of the funds shall be allocated to support operating
 192 costs of transit providers and shall be distributed by the Board on the basis of service delivery factors, based
 193 on effectiveness and efficiency as established by the Board. Such measures and their relative weight shall be
 194 evaluated every three years and shall be finalized 6 months prior to the fiscal year of implementation. The
 195 Washington Metropolitan Area Transit Authority (WMATA) and the commuter rail system jointly operated
 196 by the Northern Virginia Transportation Commission (NVTC) and the Potomac and Rappahannock
 197 Transportation Commission (PRTC), established pursuant to Chapter 19 (§ 33.2-1900 et seq.) shall not be
 198 eligible for an allocation of funds pursuant to this subdivision.

199 2. ~~Seventeen~~ *Twelve and one-half* percent of the funds shall be allocated for capital purposes and
 200 distributed utilizing the transit capital prioritization process established by the Board pursuant to
 201 § 33.2-214.4. WMATA and the commuter rail system jointly operated by NVTC and PRTC, established
 202 pursuant to Chapter 19 (§ 33.2-1900 et seq.) shall not be eligible for an allocation of funds pursuant to this
 203 subdivision.

204 3. ~~Three and one-half~~ *Four* percent of funds may be allocated to NVTC for distribution to the commuter
 205 rail system jointly operated by NVTC and PRTC, established pursuant to Chapter 19 (§ 33.2-1900 et seq.),
 206 for operating and capital purposes. ~~The amount of funds distributed pursuant to this subdivision and the~~
 207 ~~selection of systems receiving funds pursuant to this subdivision shall be based on service delivery factors~~
 208 ~~including effectiveness and efficiency as established by the Board. Such measures and their relative weight~~
 209 ~~shall be evaluated every three years and shall be finalized six months prior to the fiscal year of~~
 210 ~~implementation. Any funds remaining after such distribution shall be redistributed to subdivision 2.~~

211 4. ~~Forty-six and one-half~~ *Fifty-five and one-half* percent of the funds shall be allocated to the NVTC for
 212 distribution to WMATA for capital purposes and operating assistance, as determined by the Commission. ~~All~~
 213 ~~allocations pursuant to this subdivision shall not exceed 50 percent of the total operating and capital~~
 214 ~~assistance required to be provided by NVTC or other Virginia entities in the approved WMATA budget. If~~
 215 ~~the default allocation pursuant to this subdivision exceeds an amount equal to 50 percent of the total~~
 216 ~~operating and capital assistance required to be provided by NVTC or other Virginia entities in the approved~~
 217 ~~WMATA budget, the remaining funds shall be redistributed to subdivision 2. No contributions made to~~
 218 ~~WMATA pursuant to § 33.2-3401 by the Commonwealth or NVTC shall be relevant for the purposes of~~
 219 ~~administering this subdivision.~~

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

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

231 E. The Board may consider the transfer of funds from subdivisions D 2 and 6 to subdivision D 1 in times
 232 of statewide economic distress or statewide special need.

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

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

239 H. Funds allocated to the Northern Virginia Transportation Commission (NVTC) for WMATA pursuant
 240 to subdivision D 4 shall be credited to the Counties of Arlington, Fairfax, and Loudoun and the Cities of
 241 Alexandria, Fairfax, and Falls Church. Funds allocated pursuant to this subsection shall be credited as
 242 follows:

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

245 payments.

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

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

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

256 K. In any year that the total Virginia operating assistance in the approved WMATA budget increases by
257 more than three percent from the total operating assistance in the prior year's approved WMATA budget, the
258 Board shall withhold an amount equal to 35 percent of the funds available under subdivision D 4. The
259 following items shall not be included in the calculation of any WMATA budget increase: (i) any service,
260 equipment, or facility that is required by any applicable law, rule, or regulation; (ii) any capital project
261 approved by the WMATA Board before or after the effective date of this provision; (iii) any payments or
262 obligations of any kind arising from or related to legal disputes or proceedings between or among WMATA
263 and any other person or entity; and (iv) any service increases approved by the WMATA Board. *The Board*
264 *shall distribute to WMATA all funds required pursuant to subdivision D 4 if:*

265 1. *The WMATA Board of Directors adopts a policy to establish a methodology for determining the*
266 *measurement of Metrorail and Metrobus annual unit cost growth using mod-specific operating costs and*
267 *vehicle revenue hours. Such policy shall determine a baseline year and associated data from which annual*
268 *unit cost growth will be measured. Baseline operating cost and vehicle revenue data shall be actual and for*
269 *the most recent year and may be preliminary and not yet audited by the Federal Transit Administration's*
270 *National Transit Database;*

271 2. *Beginning no later than the WMATA proposed budget for Fiscal Year 2028, WMATA annually*
272 *publishes the results of the annual unit cost growth calculation as described in the policy adopted pursuant to*
273 *subdivision 1, detailing the year-over-year operating expenses and vehicle revenue hours by mode for rail*
274 *and bus and percentage growth increase from the prior year; and*

275 3. *Beginning in Fiscal Year 2029, the approved WMATA budget's unit cost of rail or bus service does not*
276 *grow more than three percent.*

277 *However, if the approved WMATA budget's unit cost of rail or bus service grows more than three percent*
278 *from the previous year, the Board shall withhold an amount equal to 35 percent of the funds available under*
279 *subdivision D 4 for such year. If the WMATA Board of Directors fails to adopt such a policy pursuant to*
280 *subdivision 1, the Board shall withhold an amount equal to 35 percent of the funds available under*
281 *subdivision D 4 for Fiscal Year 2028 and for every subsequent fiscal year in which such a policy has not*
282 *been adopted.*

283 L. The Board shall withhold 20 percent of the funds available pursuant to subdivision D 4 if (i) any
284 alternate directors participate or take action at an official WMATA Board meeting or committee meeting as
285 Board directors for a WMATA compact member when both directors appointed by that same WMATA
286 compact member are present at the WMATA Board meeting or committee meeting or (ii) the WMATA
287 Board of Directors has not adopted bylaws that would prohibit such participation by alternate directors.

288 M. The Board shall withhold 20 percent of the funds available pursuant to subdivision D 4 unless (i)
289 WMATA has adopted a detailed capital improvement program covering the current fiscal year and, at a
290 minimum, the next five fiscal years, and at least one public hearing on such capital improvement program has
291 been held in a locality embraced by the Northern Virginia Transportation Commission (NVTC), and (ii)
292 WMATA has adopted or updated a strategic plan within the preceding ~~36 months~~ *five years*, and at least one
293 public hearing on such plan or updated plan has been held in a locality embraced by NVTC.

294 The strategic plan shall require (a) an assessment of state of good repair needs; (b) a review of the
295 performance of fixed-route bus service, including schedules, route design, connectivity, and vehicle sizes; (c)
296 an evaluation of opportunities to improve operating efficiency of the transit network, including reliability of
297 trips and travel speed; (d) an examination and identification of opportunities to share services where multiple
298 transit providers' services overlap; and (e) an examination of opportunities to improve service in underserved
299 areas.

300 N. The Board shall withhold 20 percent of the funds available pursuant to subdivision D 4 unless
301 WMATA prepares and submits a proposed detailed annual operating budget and any proposed capital
302 expenditures and projects for the following fiscal year to the Board by April 1 of each year. The budget shall
303 include information on expenditures, indebtedness, pensions and other liabilities, and other information as
304 prescribed by the Board. Additionally such funds shall be withheld if the Commonwealth's and Northern
305 Virginia Transportation Commission's representatives to the WMATA Board of Directors and the WMATA
306 General Manager fail to annually address the Commonwealth Transportation Board regarding the WMATA

307 budget, system performance, and utilization of the Commonwealth's investment in the WMATA system.

308 O. The Board shall withhold 20 percent of the funds available pursuant to subdivision D 3 unless the
 309 commuter rail system jointly operated by Northern Virginia Transportation Commission and the Potomac and
 310 Rappahannock Transportation Commission, established pursuant to Chapter 19 (§ 33.2-1900 et seq.), submits
 311 a detailed annual operating budget and any proposed capital expenditures and projects for the following fiscal
 312 year to the Board by ~~February~~ March 1 of each year. The operating plan and budget shall include information
 313 on expenditures, indebtedness, *service delivery factors including effectiveness and efficiency*, and other
 314 information as prescribed by the Board.

315 **§ 33.2-1904.1. Distribution of revenues from the Northern Virginia Transportation District Regional**
 316 **Fund.**

317 A. There is hereby created in the state treasury a special nonreverting fund for the benefit of the localities
 318 within the Northern Virginia Transportation District to be known as the Northern Virginia Transportation
 319 District Regional Fund (the Fund). The Fund shall be established on the books of the Comptroller. All
 320 revenues dedicated to the Fund pursuant to §§ 46.2-775, 58.1-603.3, and 58.1-1749 that are attributable to
 321 revenues generated in any county or city located within the Northern Virginia Transportation District shall
 322 be paid into the state treasury and credited to the Fund as set forth in this section and shall be used for public
 323 transportation purposes.

324 B. Two percent of the annual Fund revenues shall be distributed to the Northern Virginia Transportation
 325 Commission for technical assistance, planning, and design to advance transit projects that benefit the
 326 Northern Virginia Transportation District.

327 C. Beginning in fiscal year 2028:

328 1. A total of \$136 million shall be deposited by the Comptroller into the Washington Metropolitan Area
 329 Transit Authority (WMATA) Capital Fund established pursuant to § 33.2-3401. For each fiscal year after
 330 2028, such amount to be deposited into the WMATA Capital Fund pursuant to this subdivision shall be equal
 331 to 103 percent of the amount deposited in the preceding fiscal year. Any revenue generated in excess of the
 332 amount distributed to the WMATA for capital purposes pursuant to subdivision B 1 of § 33.2-3401 shall be
 333 credited to this amount.

334 2. A total of \$9.1 million shall be deposited by the Comptroller into the Commuter Rail Operating and
 335 Capital Fund established pursuant to § 33.2-3500. For each fiscal year after 2028, such amount to be
 336 deposited into the Commuter Rail Operating and Capital Fund pursuant to this subdivision shall be equal to
 337 103 percent of the amount deposited in the preceding fiscal year.

338 D. Any revenue generated pursuant to the laws described in subsection A in excess of the amounts
 339 distributed pursuant to subsections B and C shall remain in the Fund and held in trust accounts for each
 340 county and city located within such district for public transportation purposes. The amount in each trust
 341 account shall be determined on a pro rata basis in proportion to the revenues generated and attributable to
 342 such county or city.

343 **§ 33.2-1937. Other transportation districts with unique needs.**

344 The General Assembly finds that transportation districts that (i) have a population of 800,000 or more, as
 345 shown by the most recent United States census, (ii) have not less than one million motor vehicles registered
 346 therein, and (iii) have a total transit ridership of not less than four million riders per year across all transit
 347 systems within the transportation district and that jointly operate with another transportation district a
 348 commuter rail service have unique transportation needs.

349 **§ 33.2-2402. Potomac and Rappahannock Transportation Commission Regional Fund.**

350 A. There is hereby created in the state treasury a special nonreverting fund for the benefit of the localities
 351 embraced by the Potomac and Rappahannock Transportation Commission to be known as the Potomac and
 352 Rappahannock Transportation Commission Regional Fund (the Fund). The Fund shall be established on the
 353 books of the Comptroller. All revenues dedicated to the Fund pursuant to §§ 46.2-775 and 58.1-603.3 that
 354 are attributable to revenues generated in any county or city embraced by the Potomac and Rappahannock
 355 Transportation Commission shall be paid into the state treasury and credited to the Fund as set forth in this
 356 section and shall be used for public transportation purposes.

357 B. Beginning in fiscal year 2028, \$18.2 million shall be deposited by the Comptroller into the Commuter
 358 Rail Operating and Capital Fund established pursuant to § 33.2-3500. For each fiscal year after 2028, such
 359 amount to be deposited into the Commuter Rail Operating and Capital Fund pursuant to this subsection shall
 360 be equal to 103 percent of the amount deposited in the preceding fiscal year.

361 C. Any revenue generated pursuant to the laws described in subsection A in excess of the amounts
 362 distributed pursuant to subsection B shall remain in the Fund and be used for public transportation purposes
 363 in accordance with the Potomac and Rappahannock Transportation Commission's strategic plan for transit
 364 or adopted budget. The amount in each trust account shall be determined on a pro rata basis in proportion to
 365 the revenues generated and attributable to such county or city.

366 **§ 33.2-3401. Washington Metropolitan Area Transit Authority Capital Fund.**

367 A. There is hereby created in the state treasury a special nonreverting fund for the benefit of the Northern
 368 Virginia Transportation District to be known as the Washington Metropolitan Area Transit Authority Capital

369 Fund. The Fund shall be established on the books of the Comptroller. All revenues dedicated to the Fund
 370 pursuant to §§ 33.2-1904.1, 33.2-2400, 33.2-3404, 58.1-802.3, 58.1-1741, 58.1-1743, and 58.1-2299.20 shall
 371 be paid into the state treasury and credited to the Fund as set forth in subsection B ~~and shall be used for the~~
 372 ~~payment of capital purposes incurred, or to be incurred, by WMATA.~~ Interest on moneys in the Fund shall
 373 remain in the Fund and be credited to it. Any moneys remaining in the Fund, including interest thereon, at the
 374 end of each fiscal year shall not revert to the general fund but shall remain in the Fund. The Comptroller shall
 375 disburse funds to WMATA on a monthly basis if NVTC has provided the certification required by subsection
 376 B of § 33.2-3402.

377 B. *The amounts dedicated to the Fund shall be deposited monthly by the Comptroller into the Fund and*
 378 *thereafter distributed by NVTC as soon as practicable for use by WMATA for capital purposes. The amount*
 379 *distributed to WMATA for capital purposes shall not exceed:*

380 1. *For fiscal year 2027, \$154.5 million; and*

381 2. *For fiscal year 2028 and each fiscal year thereafter, the sum of (i) the amount referenced in subdivision*
 382 *1 and (ii) \$136 million. Beginning in fiscal year 2029 and annually thereafter, the amount provided pursuant*
 383 *to clause (ii) shall be adjusted by increasing the amount provided for the previous fiscal year by three*
 384 *percent.*

385 1. ~~Within the Fund, there shall be established~~ NVTC shall establish a separate, segregated account into
 386 which revenues dedicated to the Fund pursuant to §§ 33.2-2400 and 58.1-1741 shall be deposited (the
 387 Restricted Account). Revenues deposited into the Restricted Account shall be available for use by WMATA
 388 for capital purposes other than for the payment of, or security for, debt service on bonds or other indebtedness
 389 of WMATA.

390 2. ~~Within the Fund, there shall be established~~ NVTC shall establish a separate, segregated account into
 391 which revenues dedicated to the Fund pursuant to §§ 33.2-3404, 58.1-802.3, 58.1-1743, 58.1-1749, and
 392 58.1-2299.20 shall be deposited (the Non-Restricted Account). Revenues deposited into the Non-Restricted
 393 Account shall be available for use by WMATA for capital purposes, including for the payment of, or security
 394 for, debt service on bonds or other indebtedness of WMATA, or for any other WMATA capital purposes.

395 C. The amounts deposited into the Fund and the distribution and expenditure of such amounts shall not be
 396 used to calculate or reduce the share of federal, state, or local revenues otherwise available to participating
 397 jurisdictions. Further, such revenues and moneys shall not be included in any computation of, or formula for,
 398 a locality's ability to pay for public education, upon which appropriations of state revenues to local
 399 governments for public education are determined.

400 D. *However, the \$136 million or adjusted amount thereafter shall not be provided to WMATA unless the*
 401 *District of Columbia contributes at least \$173 million in 2027 and the State of Maryland contributes at least*
 402 *\$152 million in 2027 to the WMATA, such amounts to be adjusted by three percent increases each year*
 403 *thereafter.*

404 **§ 33.2-3402. NVTC oversight.**

405 A. In any year that funds are deposited into the Fund, the NVTC shall ~~request~~ *verify the publication of*
 406 *certain documents and reports from WMATA to confirm the benefits of the WMATA system to persons*
 407 *living, traveling, commuting, and working in the localities that the NVTC comprises. Such documents and*
 408 *reports shall include:*

409 1. *WMATA's annual capital budget;*

410 2. *WMATA's annual independent financial audit;*

411 3. *WMATA's National Transit Data annual profile; and*

412 4. *Single audit reports issued in accordance with the Uniform Administrative Requirements, Cost*
 413 *Principals, and Audit Requirements for Federal Awards (2 C.F.R. Part 200);*

414 5. *In the annual budget or other regular reports to the WMATA Board of Directors, data describing the*
 415 *performance and condition of the rail and bus systems including safety, reliability, ridership, cost savings*
 416 *initiatives, financial performance, and the use of the funds provided from the Fund to improve the safety and*
 417 *condition of the rapid heavy rail mass transportation system; and*

418 6. *By June 30, 2027, and contingent upon enactment of similar reporting requirements by the District of*
 419 *Columbia and the State of Maryland, WMATA's reporting commitments under the DMV Moves Plan,*
 420 *comprising the most recent 20-year capital plan, to be updated every five years, including analysis of*
 421 *potential capital investments that reduce operating costs; funding or financial plans for major projects with*
 422 *capital costs greater than \$300 million, adjusted with inflation; and an annual report to the Metropolitan*
 423 *Washington Council of Governments on system performance, detailing progress toward DMV Moves goals*
 424 *and objectives.*

425 B. NVTC shall be responsible for ~~coordinating the delivery~~ *verifying publication, either on the WMATA*
 426 *website or by other means, of such documents and reports with by WMATA. Funding of the Commonwealth*
 427 *to support WMATA pursuant to § 33.2-1526.1 shall be contingent on WMATA providing publishing the*
 428 *documents and reports described in subsection A, and NVTC shall provide annual certification to the*
 429 *Comptroller that such documents and reports have been received published.*

430 **§ 33.2-3403. NVTC report.**

431 By December 15 of each year that funds are deposited into the Fund, NVTC shall report to the Governor
 432 and the General Assembly, and the Commonwealth Transportation Board on the performance and condition
 433 of WMATA. Such report shall contain, at a minimum, documentation of the following:

434 1. ~~The safety and reliability of the rapid heavy rail mass transportation system and bus network. An~~
 435 ~~assessment of the data, trends, and information included in WMATA documents and reports as described in~~
 436 ~~subsection A of § 33.2-3402; and~~

437 2. ~~The financial performance of WMATA related to the operations of the rapid heavy rail mass~~
 438 ~~transportation system, including farebox recovery, service per rider, and cost per service hour;~~

439 3. ~~The financial performance of WMATA related to the operations of the bus mass transportation system,~~
 440 ~~including farebox recovery, service per rider, and cost per service hour;~~

441 4. Potential strategies to reduce the growth in such costs and to improve the efficiency of WMATA
 442 operations;

443 5. Use of the funds provided from the Fund to improve the safety and condition of the rapid heavy rail
 444 mass transportation system; and

445 6. Ridership of the rapid heavy rail mass transportation system and the bus mass transportation system.

446 **§ 33.2-3502. Authority to issue bonds.**

447 The transportation districts described in subsection B of § 33.2-3500 may issue bonds and other evidences
 448 of debt as may be authorized by this section or other law. The provisions of Article 5 (§ 33.2-1920 et seq.) of
 449 Chapter 19 shall apply, mutatis mutandis, to the issuance of such bonds or other debt. The Authority may
 450 issue bonds or other debt in such amounts as it deems appropriate. ~~The bonds may be supported by any funds~~
 451 ~~available in the Fund, provided that the total amount of debt service for all outstanding bonds may not exceed~~
 452 ~~66 percent of the revenues dedicated to the Fund pursuant to § 58.1-2299.20.~~

453 **§ 46.2-774. (For contingent expiration, see Acts 2020, cc. 1230 and 1275) Distribution of revenues.**

454 All revenues collected pursuant to this chapter, *except those collected pursuant to § 46.2-775*, shall be
 455 used first to pay for the direct cost of administration of this chapter by the Department, and then shall be
 456 deposited into the Commonwealth Transportation Fund established pursuant to § 33.2-1524.

457 **§ 46.2-775. Regional Highway Use Fee.**

458 A. *There is hereby imposed an additional annual regional highway use fee on any motor vehicle*
 459 *registered in the Commonwealth under § 46.2-694 or 46.2-697 that is an alternative fuel vehicle and electric*
 460 *motor vehicle or a fuel-efficient vehicle. Such regional highway use fee shall be 29.34 percent of the amount*
 461 *of the highway use fee assessed pursuant to § 46.2-772 for such vehicle. The fee shall be collected by the*
 462 *Department in the same manner as the highway use fee pursuant to § 46.2-772, mutatis mutandis.*

463 B. *There is hereby established a regional mileage-based user fee program. The program shall be a*
 464 *voluntary program that allows owners of vehicles subject to the regional highway use fee pursuant to*
 465 *subsection A to pay a mileage-based fee in lieu of the regional highway use fee. Such program shall be*
 466 *administered in the same manner as the mileage-based user fee program created pursuant to § 46.2-773,*
 467 *mutatis mutandis.*

468 C. *All revenues collected pursuant to this section shall be used first to pay for the direct cost of the*
 469 *administration of this section by the Department, and then shall be deposited in the following manner:*

470 1. *For any vehicle that is principally garaged in any county or city that is a member of the Northern*
 471 *Virginia Transportation Commission, such funds shall be deposited into the Northern Virginia*
 472 *Transportation District Regional Fund created pursuant to § 33.2-1904.1.*

473 2. *For any vehicle that is principally garaged in any county or city that is a member of the Potomac and*
 474 *Rappahannock Transportation Commission, such funds shall be deposited into the Potomac and*
 475 *Rappahannock Transportation Commission Regional Fund created pursuant to § 33.2-2402.*

476 3. *For any vehicle that is principally garaged in any county or city that is subject to § 58.1-2299.20, but*
 477 *that is not subject to subdivisions 1 or 2, such funds shall be distributed in the same manner as in*
 478 *§ 58.1-2299.20, mutatis mutandis.*

479 4. *For any vehicle that is not subject to subdivisions 1, 2, or 3, such funds shall be deposited into the*
 480 *Commonwealth Transportation Fund established pursuant to § 33.2-1524.*

481 **§ 58.1-602. Definitions.**

482 As used in this chapter, unless the context clearly shows otherwise:

483 "Accommodations" means any room or rooms, lodgings, or accommodations in any hotel, motel, inn,
 484 tourist camp, tourist cabin, camping grounds, club, short-term rental, or any other place in which rooms,
 485 lodging, space, or accommodations are regularly furnished to transients for a consideration.
 486 "Accommodations" does not include rooms or space offered by a person in the business of providing
 487 conference rooms, meeting space, or event space if the person does not also offer rooms available for
 488 overnight sleeping.

489 "Accommodations fee" means the room charge less the discount room charge, if any, provided that the
 490 accommodations fee shall not be less than \$0.

491 "Accommodations intermediary" means any person other than an accommodations provider that (i)
 492 facilitates the sale of an accommodation and (ii) either (a) charges a room charge to the customer, and

493 charges an accommodations fee to the customer, which fee it retains as compensation for facilitating the sale;
494 (b) collects a room charge from the customer; or (c) charges a fee, other than an accommodations fee, to the
495 customer, which fee it retains as compensation for facilitating the sale. For purposes of this definition,
496 "facilitates the sale" includes brokering, coordinating, or in any other way arranging for the purchase of the
497 right to use accommodations via a transaction directly, including via one or more payment processors,
498 between a customer and an accommodations provider.

499 "Accommodations intermediary" does not include a person:

500 1. If the accommodations are provided by an accommodations provider operating under a trademark, trade
501 name, or service mark belonging to such person;

502 2. Who facilitates the sale of an accommodation if (i) the price paid by the customer to such person is
503 equal to the price paid by such person to the accommodations provider for the use of the accommodations
504 and (ii) the only compensation received by such person for facilitating the sale of the accommodation is a
505 commission paid from the accommodations provider to such person; or

506 3. Who is licensed as a real estate licensee pursuant to Article 1 (§ 54.1-2100 et seq.) of Chapter 21 of
507 Title 54.1, when acting within the scope of such license.

508 "Accommodations provider" means any person that furnishes accommodations to the general public for
509 compensation. The term "furnishes" includes the sale of use or possession or the sale of the right to use or
510 possess.

511 "Advertising" means the planning, creating, or placing of advertising in newspapers, magazines,
512 billboards, broadcasting and other media, including, without limitation, the providing of concept, writing,
513 graphic design, mechanical art, photography and production supervision. Any person providing advertising as
514 defined in this section shall be deemed to be the user or consumer of all tangible personal property purchased
515 for use in such advertising.

516 "Affiliate" means the same as such term is defined in § 58.1-439.18.

517 "Amplification, transmission, distribution, and network equipment" means production, distribution, and
518 other equipment used to provide Internet-access services, such as computer and communications equipment
519 and software used for storing, processing, and retrieving end-user subscribers' requests. A "network" includes
520 modems, fiber optic cables, coaxial cables, radio equipment, routing equipment, switching equipment, a cable
521 modem termination system, associated software, transmitters, power equipment, storage devices, servers,
522 multiplexers, and antennas, which network is used to provide Internet service, regardless of whether the
523 provider of such service is also a telephone common carrier or whether such network is also used to provide
524 services other than Internet services.

525 "Business" includes any activity engaged in by any person, or caused to be engaged in by him, with the
526 object of gain, benefit or advantage, either directly or indirectly.

527 "Cost price" means the actual cost of an item or article of tangible personal property computed in the same
528 manner as the sales price as defined in this section without any deductions therefrom on account of the cost of
529 materials used, labor, or service costs, transportation charges, or any expenses whatsoever.

530 "Custom program" means a computer program that is specifically designed and developed only for one
531 customer. The combining of two or more prewritten programs does not constitute a custom computer
532 program. A prewritten program that is modified to any degree remains a prewritten program and does not
533 become custom.

534 "Digital code" means a code that permits an end user to obtain at a later date a digital subscription
535 service, digital personal property, or both.

536 "Digital personal property" means property delivered electronically to an end user, including software,
537 digital audio and audiovisual products, reading materials, and other data or applications, that the end user
538 owns or has the ability to continually access, whether by downloading, streaming, or otherwise accessing the
539 content, without having to pay an additional subscription or usage fee to the seller after paying the initial
540 purchase price.

541 "Digital services" means the following services:

- 542 1. Software application;
- 543 2. Computer-related;
- 544 3. Website hosting and design;
- 545 4. Data storage; and
- 546 5. Digital subscription.

547 "Digital subscription service" means a service, including audio and visual streaming services, that for a
548 fee allows the end user to access and use software, reading materials, or other digital data or applications
549 for a defined period of time, and which products the end user does not own or have permanent access to
550 outside of such period of time.

551 "Discount room charge" means the full amount charged by the accommodations provider to the
552 accommodations intermediary, or an affiliate thereof, for furnishing the accommodations.

553 "Distribution" means the transfer or delivery of a taxable service or tangible personal property for use,
554 consumption, or storage by the distributee, and the use, consumption, or storage of a taxable service or

555 tangible personal property by a person that has processed, manufactured, refined, or converted such *taxable*
556 *service or tangible personal* property, but does not include the transfer or delivery of tangible personal
557 property for resale or any use, consumption, or storage otherwise exempt under this chapter.

558 "*End user*" means any purchaser of a taxable service acquired or transferred electronically or tangible
559 personal property for such purchaser's personal consumption or use, and not for the acquisition or transfer
560 for resale or for use as a component part of or for the integration into a product transferred electronically.
561 "*End user*" does not include a person who receives by contract a product transferred electronically,
562 including digital personal property or a digital subscription service, for further commercial broadcast,
563 rebroadcast, transmission, retransmission, licensing, relicensing, distribution, redistribution, or exhibition of
564 the product, in whole or in part, to another person.

565 "Gross proceeds" means the charges made or voluntary contributions received for the lease or rental of
566 tangible personal property or for furnishing *taxable* services, computed with the same deductions, where
567 applicable, as for sales price as defined in this section over the term of the lease, rental, service, or use, but
568 not less frequently than monthly. "Gross proceeds" does not include finance charges, carrying charges,
569 service charges, or interest from credit extended on the lease or rental of tangible personal property under
570 conditional lease or rental contracts or other conditional contracts providing for the deferred payments of the
571 lease or rental price.

572 "Gross sales" means the sum total of all retail sales of tangible personal property or *taxable* services as
573 defined in this chapter, without any deduction, except as provided in this chapter. "Gross sales" does not
574 include the federal retailers' excise tax or the federal diesel fuel excise tax imposed in § 4091 of the Internal
575 Revenue Code if the excise tax is billed to the purchaser separately from the selling price of the article, or the
576 Virginia retail sales or use tax, or any sales or use tax imposed by any county or city under § 58.1-605 or
577 58.1-606.

578 "Import" and "imported" are words applicable to *taxable services or* tangible personal property imported
579 into the Commonwealth from other states as well as from foreign countries, and "export" and "exported" are
580 words applicable to *taxable services or* tangible personal property exported from the Commonwealth to other
581 states as well as to foreign countries.

582 "In this Commonwealth" or "in the Commonwealth" means within the limits of the Commonwealth of
583 Virginia and includes all territory within these limits owned by or ceded to the United States of America.

584 "Integrated process," when used in relation to semiconductor manufacturing, means a process that begins
585 with the research or development of semiconductor products, equipment, or processes, includes the handling
586 and storage of raw materials at a plant site, and continues to the point that the product is packaged for final
587 sale and either shipped or conveyed to a warehouse. Without limiting the foregoing, any semiconductor
588 equipment, fuel, power, energy, supplies, or other tangible personal property shall be deemed used as part of
589 the integrated process if its use contributes, before, during, or after production, to higher product quality,
590 production yields, or process efficiencies. Except as otherwise provided by law, "integrated process" does not
591 mean general maintenance or administration.

592 "Internet" means, collectively, the myriad of computer and telecommunications facilities, which comprise
593 the interconnected worldwide network of computer networks that employ the Transmission Control
594 Protocol/Internet Protocol, or any predecessor or successor to such protocol, to communicate information of
595 all kinds by wire or radio.

596 "Internet service" means a service that enables users to access content, information, and other services
597 offered over the Internet.

598 "Lease or rental" means the leasing or renting of tangible personal property and the possession or use
599 thereof by the lessee or renter for a consideration, without transfer of the title to such property.

600 "Manufacturing, processing, refining, or conversion" includes the production line of the plant starting with
601 the handling and storage of raw materials at the plant site and continuing through the last step of production
602 where the product is finished or completed for sale and conveyed to a warehouse at the production site, and
603 also includes equipment and supplies used for production line testing and quality control. "Manufacturing"
604 also includes the necessary ancillary activities of newspaper and magazine printing when such activities are
605 performed by the publisher of any newspaper or magazine for sale daily or regularly at average intervals not
606 exceeding three months.

607 The determination of whether any manufacturing, mining, processing, refining or conversion activity is
608 industrial in nature shall be made without regard to plant size, existence or size of finished product inventory,
609 degree of mechanization, amount of capital investment, number of employees or other factors relating
610 principally to the size of the business. Further, "industrial in nature" includes, but is not limited to, those
611 businesses classified in codes 10 through 14 and 20 through 39 published in the Standard Industrial
612 Classification Manual for 1972 and any supplements issued thereafter.

613 "Modular building" means, but is not limited to, single and multifamily houses, apartment units,
614 commercial buildings, and permanent additions thereof, comprised of one or more sections that are intended
615 to become real property, primarily constructed at a location other than the permanent site, built to comply
616 with the Virginia Industrialized Building Safety Law (§ 36-70 et seq.) as regulated by the Virginia

617 Department of Housing and Community Development, and shipped with most permanent components in
618 place to the site of final assembly. For purposes of this chapter, "modular building" does not include a mobile
619 office as defined in § 58.1-2401 or any manufactured building subject to and certified under the provisions of
620 the National Manufactured Housing Construction and Safety Standards Act of 1974 (42 U.S.C. § 5401 et
621 seq.).

622 "Modular building manufacturer" means a person that owns or operates a manufacturing facility and is
623 engaged in the fabrication, construction and assembling of building supplies and materials into modular
624 buildings, as defined in this section, at a location other than at the site where the modular building will be
625 assembled on the permanent foundation and may or may not be engaged in the process of affixing the
626 modules to the foundation at the permanent site.

627 "Modular building retailer" means any person that purchases or acquires a modular building from a
628 modular building manufacturer, or from another person, for subsequent sale to a customer residing within or
629 outside of the Commonwealth, with or without installation of the modular building to the foundation at the
630 permanent site.

631 "Motor vehicle" means a "motor vehicle" as defined in § 58.1-2401, taxable under the provisions of the
632 Virginia Motor Vehicles Sales and Use Tax Act (§ 58.1-2400 et seq.) and upon the sale of which all
633 applicable motor vehicle sales and use taxes have been paid.

634 "Occasional sale" means a sale of a *taxable service or* tangible personal property not *provided*, held, or
635 used by a seller in the course of an activity for which it is required to hold a certificate of registration,
636 including the sale or exchange of all or substantially all the assets of any business and the reorganization or
637 liquidation of any business, provided that such sale or exchange is not one of a series of sales and exchanges
638 sufficient in number, scope and character to constitute an activity requiring the holding of a certificate of
639 registration.

640 "Open video system" means an open video system authorized pursuant to 47 U.S.C. § 573 and, for
641 purposes of this chapter only, also includes Internet service regardless of whether the provider of such service
642 is also a telephone common carrier.

643 "Person" includes any individual, firm, copartnership, cooperative, nonprofit membership corporation,
644 joint venture, association, corporation, estate, trust, business trust, trustee in bankruptcy, receiver, auctioneer,
645 syndicate, assignee, club, society, or other group or combination acting as a unit, body politic or political
646 subdivision, whether public or private, or quasi-public, and the plural of "person" means the same as the
647 singular.

648 "Prewritten program" means a computer program that is prepared, held or existing for general or repeated
649 sale or lease, including a computer program developed for in-house use and subsequently sold or leased to
650 unrelated third parties.

651 "Qualifying locality" means Charlotte County, Gloucester County, Halifax County, Henry County,
652 Mecklenburg County, Northampton County, Patrick County, Pittsylvania County, or the City of Danville.

653 "Railroad rolling stock" means locomotives, of whatever motive power, autocars, railroad cars of every
654 kind and description, and all other equipment determined by the Tax Commissioner to constitute railroad
655 rolling stock.

656 "Remote seller" means any dealer deemed to have sufficient activity within the Commonwealth to require
657 registration under § 58.1-613 under the criteria specified in subdivision C 10 or 11 of § 58.1-612 or any
658 software provider acting on behalf of such dealer.

659 "Retail sale" or a "sale at retail" means a sale to any person for any purpose other than for resale in the
660 form of a *taxable service or* tangible personal property ~~or services taxable under this chapter~~, and shall
661 ~~include~~ *includes* any such transaction as the Tax Commissioner upon investigation finds to be in lieu of a
662 sale. All sales for resale must be made in strict compliance with regulations applicable to this chapter. Any
663 dealer making a sale for resale ~~which~~ *that* is not in strict compliance with such regulations shall be personally
664 liable for payment of the tax.

665 The terms "retail sale" and a "sale at retail" specifically include the following: (i) the sale or charges for
666 any accommodations furnished to transients for less than 90 continuous days; (ii) sales of tangible personal
667 property to persons for resale when because of the operation of the business, or its very nature, or the lack of
668 a place of business in which to display a certificate of registration, or the lack of a place of business in which
669 to keep records, or the lack of adequate records, or because such persons are minors or transients, or because
670 such persons are engaged in essentially service businesses, or for any other reason there is likelihood that the
671 Commonwealth will lose tax funds due to the difficulty of policing such business operations; (iii) the
672 separately stated charge made for automotive refinishing repair materials that are permanently applied to or
673 affixed to a motor vehicle during its repair; and (iv) the separately stated charge for equipment available for
674 lease or purchase by a provider of satellite television programming to the customer of such programming.
675 Equipment sold to a provider of satellite television programming for subsequent lease or purchase by the
676 customer of such programming shall be deemed a sale for resale. The Tax Commissioner is authorized to
677 promulgate regulations requiring vendors of or sellers to such persons to collect the tax imposed by this
678 chapter on the cost price of such tangible personal property to such persons and may refuse to issue

679 certificates of registration to such persons. The terms "retail sale" and a "sale at retail" also specifically
 680 include the separately stated charge made for supplies used during automotive repairs whether or not there is
 681 transfer of title or possession of the supplies and whether or not the supplies are attached to the automobile.
 682 The purchase of such supplies by an automotive repairer for sale to the customer of such repair services shall
 683 be deemed a sale for resale.

684 The term "transient" does not include a purchaser of camping memberships, time-shares, condominiums,
 685 or other similar contracts or interests that permit the use of, or constitute an interest in, real estate, however
 686 created or sold and whether registered with the Commonwealth or not. Further, a purchaser of a right or
 687 license which entitles the purchaser to use the amenities and facilities of a specific real estate project on an
 688 ongoing basis throughout its term shall not be deemed a transient, provided, however, that the term or time
 689 period involved is for seven years or more.

690 The terms "retail sale" and "sale at retail" do not include a transfer of title to tangible personal property
 691 after its use as tools, tooling, machinery or equipment, including dies, molds, and patterns, if (i) at the time of
 692 purchase, the purchaser is obligated, under the terms of a written contract, to make the transfer and (ii) the
 693 transfer is made for the same or a greater consideration to the person for whom the purchaser manufactures
 694 goods.

695 "Retailer" means every person engaged in the business of making sales at retail, or for distribution, use,
 696 consumption, or storage to be used or consumed in the Commonwealth.

697 "Room charge" means the full retail price charged to the customer for the use of the accommodations
 698 before taxes. "Room charge" includes any fee charged to the customer and retained as compensation for
 699 facilitating the sale, whether described as an accommodations fee, facilitation fee, or any other name. The
 700 room charge shall be determined in accordance with 23VAC10-210-730 and the related rulings of the
 701 Department on the same.

702 "Sale" means any transfer of title or possession, or both, exchange, barter, lease or rental, conditional or
 703 otherwise, in any manner or by any means whatsoever, of tangible personal property and any rendition of a
 704 taxable service for a consideration, and includes the fabrication of tangible personal property for consumers
 705 who furnish, either directly or indirectly, the materials used in fabrication, and the furnishing, preparing, or
 706 serving for a consideration of any tangible personal property consumed on the premises of the person
 707 furnishing, preparing, or serving such tangible personal property. A transaction whereby the possession of
 708 property is transferred but the seller retains title as security for the payment of the price shall be deemed a
 709 sale.

710 "Sales price" means the total amount for which *taxable services or* tangible personal property ~~or services~~
 711 ~~are~~ *is* sold, including any *taxable* services that are a part of the sale, valued in money, whether paid in money
 712 or otherwise, and includes any amount for which credit is given to the purchaser, consumer, or lessee by the
 713 dealer, without any deduction therefrom on account of the cost of the property sold, the cost of materials
 714 used, labor or service costs, losses or any other expenses whatsoever. "Sales price" does not include (i) any
 715 cash discount allowed and taken; (ii) finance charges, carrying charges, service charges or interest from credit
 716 extended on sales of tangible personal property under conditional sale contracts or other conditional contracts
 717 providing for deferred payments of the purchase price; (iii) separately stated local property taxes collected;
 718 (iv) that portion of the amount paid by the purchaser as a discretionary gratuity added to the price of a meal;
 719 or (v) that portion of the amount paid by the purchaser as a mandatory gratuity or service charge added by a
 720 restaurant to the price of a meal, but only to the extent that such mandatory gratuity or service charge does
 721 not exceed 20 percent of the price of the meal. Where used articles are taken in trade, or in a series of trades
 722 as a credit or part payment on the sale of new or used articles, the tax levied by this chapter shall be paid on
 723 the net difference between the sales price of the new or used articles and the credit for the used articles.

724 "Semiconductor cleanrooms" means the integrated systems, fixtures, piping, partitions, flooring, lighting,
 725 equipment, and all other property used to reduce contamination or to control airflow, temperature, humidity,
 726 vibration, or other environmental conditions required for the integrated process of semiconductor
 727 manufacturing.

728 "Semiconductor equipment" means (i) machinery or tools or repair parts or replacements thereof; (ii) the
 729 related accessories, components, pedestals, bases, or foundations used in connection with the operation of the
 730 equipment, without regard to the proximity to the equipment, the method of attachment, or whether the
 731 equipment or accessories are affixed to the realty; (iii) semiconductor wafers and other property or supplies
 732 used to install, test, calibrate or recalibrate, characterize, condition, measure, or maintain the equipment and
 733 settings thereof; and (iv) equipment and supplies used for quality control testing of product, materials,
 734 equipment, or processes; or the measurement of equipment performance or production parameters regardless
 735 of where or when the quality control, testing, or measuring activity takes place, how the activity affects the
 736 operation of equipment, or whether the equipment and supplies come into contact with the product.

737 "Short-term rental" means the same as such term is defined in § 15.2-983.

738 "Storage" means any keeping or retention of tangible personal property for use, consumption or
 739 distribution in the Commonwealth, or for any purpose other than sale at retail in the regular course of
 740 business.

741 "Streaming" means a method of transmitting or receiving video and audio data over a computer network
742 as a steady, continuous flow, allowing playback to proceed while subsequent data is being received.

743 "Tangible personal property" means personal property that may be seen, weighed, measured, felt, or
744 touched, or is in any other manner perceptible to the senses. "Tangible personal property" does not include
745 stocks, bonds, notes, insurance or other obligations or securities. "Tangible personal property" includes (i)
746 telephone calling cards upon their initial sale, which shall be exempt from all other state and local utility
747 taxes, ~~and~~ (ii) manufactured signs, and (iii) digital personal property.

748 "Taxable service" means any of the following services used or consumed in the Commonwealth:

749 1. Admissions charged for attendance at any event or place of amusement or entertainment;

750 2. Charges to use any recreation, fitness, or sports facilities, including membership fees and dues;

751 3. Nonmedical personal services or counseling, including (i) hair care, nail care, skin care, cosmetology,
752 beauty, tanning, exercise, nutrition, weight control, sensory stimulation, or relaxation services or counseling
753 and (ii) piercing, tattooing, exfoliation, implants, and other cosmetic body modifications. Nonmedical
754 personal services or counseling does not include surgical procedures or separately billed services that are
755 required to be performed by or under the direction of a person licensed or certified by a board within the
756 Department of Health Professions, pursuant to Subtitle III (§ 54.1-2400 et seq.) of Title 54.1;

757 4. Dry cleaning and laundry services, and garment and shoe repairs and alterations;

758 5. Companion animal care, including grooming, boarding, walking, training, and feeding. Companion
759 animal care does not include veterinary medical procedures or separately billed services that are required to
760 be performed by or under the direction of a person licensed or certified by the Board of Veterinary Medicine
761 pursuant to Chapter 38 (§ 54.1-3800 et seq.) of Title 54.1;

762 6. Residential home repair or maintenance, including carpentry, painting, plumbing, electrical, and
763 HVAC, when the work performed does not require a state or local permit and is paid for directly by a
764 resident or homeowner;

765 7. Residential landscaping services, including landscaping design and maintenance, lawn services, or tree
766 removal, when paid for directly by a resident or homeowner;

767 8. Residential cleaning services, including housekeeping, rug cleaning, upholstery cleaning and dyeing,
768 window cleaning, power washing, and servicing of swimming pools, when paid for directly by a resident or
769 homeowner;

770 9. Vehicle and engine repair, maintenance, cleaning, painting, and remodeling;

771 10. Repairs or alterations to tangible personal property or the functioning thereof, including appliances,
772 electronics, computers, jewelry, watches, musical instruments, and art;

773 11. Delivery or shipping services, including wrapping and packing;

774 12. Storage of tangible personal property, including climate-controlled storage and self-storage;

775 13. Travel, event, and aesthetic planning services that are separately billed from the sale of product,
776 including travel agents, event planning, catering, and interior design services; and

777 14. Digital subscription services, including a digital code used to obtain a digital subscription service.

778 "Taxable service" includes any transaction for digital services where the purchaser or consumer of the
779 service is a business but does not include any service otherwise exempt under this chapter.

780 "Transferred electronically" means obtained by the purchaser by means other than tangible storage
781 media.

782 "Use" means the exercise of any right or power over tangible personal property incident to the ownership
783 thereof, except that it does not include the sale at retail of that property in the regular course of business.

784 "Use" does not include the exercise of any right or power, including use, distribution, or storage, over any
785 tangible personal property sold to a nonresident donor for delivery outside of the Commonwealth to a
786 nonresident recipient pursuant to an order placed by the donor from outside the Commonwealth via mail or
787 telephone. "Use" does not include any sale determined to be a gift transaction, subject to tax under
788 § 58.1-604.6.

789 "Use tax" refers to the tax imposed upon the use, consumption, distribution, and storage as defined in this
790 section.

791 "Used directly," when used in relation to manufacturing, processing, refining, or conversion, refers to
792 those activities that are an integral part of the production of a product, including all steps of an integrated
793 manufacturing or mining process, but not including ancillary activities such as general maintenance or
794 administration. When used in relation to mining, "used directly" refers to the activities specified in this
795 definition and, in addition, any reclamation activity of the land previously mined by the mining company
796 required by state or federal law.

797 "Video programmer" means a person that provides video programming to end-user subscribers.

798 "Video programming" means video and/or information programming provided by or generally considered
799 comparable to programming provided by a cable operator, including, but not limited to, Internet service.

800 **§ 58.1-603. (Contingent expiration date) Imposition of sales tax.**

801 There is hereby levied and imposed, in addition to all other taxes and fees of every kind now imposed by
802 law, a license or privilege tax upon every person who engages in the business of selling at retail ~~or~~,

803 distributing, *leasing, renting, or furnishing taxable services* or tangible personal property in this
 804 Commonwealth; ~~or who rents or furnishes any of the things or services taxable under this chapter~~, or who
 805 stores for use or consumption in this Commonwealth any item or article of tangible personal property as
 806 defined in this chapter, ~~or who leases or rents such property within this Commonwealth~~, in the amount of 4.3
 807 *four percent*:

808 1. Of the gross sales price of each *taxable service* or item or article of tangible personal property when
 809 sold at retail ~~or~~, distributed, *or furnished* in this Commonwealth.

810 2. Of the gross proceeds derived from the lease or rental of tangible personal property, where the lease or
 811 rental of such property is an established business, or part of an established business, or the same is incidental
 812 or germane to such business.

813 3. Of the cost price of each item or article of tangible personal property stored in this Commonwealth for
 814 use or consumption in this Commonwealth.

815 4. ~~(Effective until September 1, 2021) Of the gross proceeds derived from the sale or charges for rooms,~~
 816 ~~lodgings or accommodations furnished to transients as set out in the definition of "retail sale" in § 58.1-602.~~

817 4. ~~(Effective September 1, 2021)~~ Of the gross proceeds derived from the sale or charges for
 818 accommodations furnished to transients as set out in the definition of "retail sale" in § 58.1-602.

819 5. ~~Of the gross sales of any services that are expressly stated as taxable within this chapter.~~

820 **§ 58.1-603. (Contingent effective date) Imposition of sales tax.**

821 There is hereby levied and imposed, in addition to all other taxes and fees of every kind now imposed by
 822 law, a license or privilege tax upon every person who engages in the business of selling at retail ~~or~~,
 823 distributing, *leasing, renting, or furnishing taxable services* or tangible personal property in this
 824 Commonwealth; ~~or who rents or furnishes any of the things or services taxable under this chapter~~, or who
 825 stores for use or consumption in this Commonwealth any item or article of tangible personal property as
 826 defined in this chapter, ~~or who leases or rents such property within this Commonwealth~~, in the amount of
 827 three and one-half percent through midnight on July 31, 2004, and four percent beginning on and after
 828 August 1, 2004:

829 1. Of the gross sales price of each *taxable service* or item or article of tangible personal property when
 830 sold at retail ~~or~~, distributed, *or furnished* in this Commonwealth.

831 2. Of the gross proceeds derived from the lease or rental of tangible personal property, where the lease or
 832 rental of such property is an established business, or part of an established business, or the same is incidental
 833 or germane to such business.

834 3. Of the cost price of each item or article of tangible personal property stored in this Commonwealth for
 835 use or consumption in this Commonwealth.

836 4. ~~(Effective until September 1, 2021) Of the gross proceeds derived from the sale or charges for rooms,~~
 837 ~~lodgings or accommodations furnished to transients as set out in the definition of "retail sale" in § 58.1-602.~~

838 4. ~~(Effective September 1, 2021)~~ Of the gross proceeds derived from the sale or charges for
 839 accommodations furnished to transients as set out in the definition of "retail sale" in § 58.1-602.

840 5. ~~Of the gross sales of any services which are expressly stated as taxable within this chapter.~~

841 **§ 58.1-603.3. Additional state sales and use tax in transportation districts with unique needs.**

842 A. *In addition to the sales tax imposed pursuant to §§ 58.1-603, 58.1-603.1, and 58.1-603.2, there is*
 843 *hereby levied and imposed in any county or city:*

844 1. *That is a member of the Northern Virginia Transportation Commission, a retail sales tax at the rate of*
 845 *0.385 percent*

846 2. *That is embraced by the Northern Virginia Transportation Authority pursuant to § 33.2-2501 and not*
 847 *described in subdivision 1, a retail sales tax at the rate of 0.615 percent; and*

848 3. *That is a member of the Potomac and Rappahannock Transportation Commission, a retail sales tax at*
 849 *the rate of 0.2 percent.*

850 B. *The tax imposed pursuant to this section shall not be levied upon food purchased for human*
 851 *consumption and essential personal hygiene products, as such terms are defined in § 58.1-611.1. Such tax*
 852 *shall be added to the rate of the state sales tax imposed pursuant to §§ 58.1-603, 58.1-603.1, and 58.1-603.2*
 853 *in each such county and city and shall be subject to all the provisions of this chapter and the rules and*
 854 *regulations published with respect thereto. No discount under § 58.1-622 shall be allowed for the tax*
 855 *imposed under this section. Such tax shall be administered and collected by the Tax Commissioner in the*
 856 *same manner and subject to the same penalties as provided for the state sales tax under § 58.1-603.*

857 C. *The revenue generated and collected pursuant to the tax authorized under this section, less the*
 858 *applicable portion of any refunds to taxpayers, shall be deposited by the Comptroller as follows:*

859 1. *The revenue generated pursuant to subdivision A 1 shall be deposited into the Northern Virginia*
 860 *Transportation District Regional Fund created pursuant to § 33.2-1904.1;*

861 2. *The revenue generated and collected pursuant to subdivision A 2 shall be used for public*
 862 *transportation purposes by the locality in which such revenue was generated; and*

863 3. *The revenue generated and collected pursuant to subdivision A 3 shall be deposited into the Potomac*
 864 *and Rappahannock Transportation Commission Regional Fund created pursuant to § 33.2-2402.*

865 § 58.1-609.5. Taxable services exemptions.

866 The tax imposed by this chapter or pursuant to the authority granted in § 58.1-605 or 58.1-606 shall not
867 apply to the following:

868 1. Professional, insurance, or personal service transactions which involve sales as inconsequential
869 elements for which no separate charges are made; services rendered by repairmen for which a separate charge
870 is made; and services not involving an exchange of tangible personal property which provide access to or use
871 of the Internet and any other related electronic communication service, including software, data, content and
872 other information services delivered electronically via the Internet Professional services, including education
873 or training, legal, financial, accounting and tax preparation, real estate, engineering, architectural, or
874 insurance services.

875 2. An amount separately charged for labor or services rendered in installing, applying, remodeling, or
876 repairing property sold or rented Services performed by a person who does not receive more than \$2,500 per
877 year in gross receipts for performance of such services.

878 3. Services that provide internet access service as that term is defined in § 58.1-647.

879 4. Transportation charges separately stated.

880 4. Separately stated charges for alterations to apparel, clothing and garments.

881 5. Charges for gift wrapping services performed by a nonprofit organization.

882 6. An amount separately charged for labor or services rendered in connection with the modification of
883 prewritten programs as defined in § 58.1-602.

884 7. Custom programs as defined in § 58.1-602.

885 8. An amount separately charged for labor rendered in connection with diagnostic work for automotive
886 repair and emergency roadside service for motor vehicles, as defined by § 46.2-100, regardless of whether
887 there is a sale of a repair or replacement part or a shop supply charge.

888 9. 6. The sale or charges for any room or rooms, lodgings, or accommodations furnished to transients for
889 more than 90 continuous days by any hotel, motel, inn, tourist camp, tourist cabin, camping grounds, club, or
890 any other place in which rooms, lodging, space or accommodations are regularly furnished to transients for a
891 consideration.

892 10. Beginning January 1, 1996, maintenance contracts, the terms of which provide for both repair or
893 replacement parts and repair labor, shall be subject to tax upon one-half of the total charge for such contracts
894 only. Persons providing maintenance pursuant to such a contract may purchase repair or replacement parts
895 under a resale certificate of exemption. Warranty plans issued by an insurance company, which constitute
896 insurance transactions, are subject to the provisions of subdivision 4 above.

897 7. Residential cleaning, home repair or maintenance, or landscaping services that are purchased by a
898 homeowners' association or similar entity or by a landlord for the benefit of his tenant.

899 § 58.1-609.11. Exemptions for nonprofit entities.

900 A. For purposes of this section, "nonprofit organization" or "nonprofit entity" means an entity that meets
901 the requirements of subsection D. "Nonprofit organization" or "nonprofit entity" includes a single member
902 limited liability company whose sole member is a nonprofit organization.

903 B. Any nonprofit organization that holds a valid certificate of exemption from the Department of
904 Taxation, or any nonprofit church that holds a valid self-executing certificate of exemption, that exempts it
905 from collecting or paying state and local retail sales or use taxes as of June 30, 2003, pursuant to
906 § 58.1-609.4, 58.1-609.7, 58.1-609.8, 58.1-609.9, or 58.1-609.10, as such sections are in effect on June 30,
907 2003, shall remain exempt from the collection or payment of such taxes under the same terms and conditions
908 as provided under such sections as such sections existed on June 30, 2003, until: (i) July 1, 2007, for such
909 entities that were exempt under § 58.1-609.4; (ii) July 1, 2008, for such entities that were exempt under
910 § 58.1-609.7; (iii) July 1, 2004, for the first one-half of such entities that were exempt under § 58.1-609.8,
911 except churches, which will remain exempt under the same criteria and procedures in effect for churches on
912 June 30, 2003; (iv) July 1, 2005, for the second one-half of such entities that were exempt under
913 § 58.1-609.8; and (v) July 1, 2006, for such entities that were exempt under § 58.1-609.9 or under
914 § 58.1-609.10. At the end of the applicable period of such exemptions, to maintain or renew an exemption for
915 the period of time set forth in subsection G, each entity must follow the procedures set forth in subsection C
916 and meet the criteria set forth in subsection D. Provided, however, that any entity that was exempt from
917 collecting sales and use tax shall continue to be exempt from such collection, and any entity that was exempt
918 from paying sales and use tax for the purchase of services, as of June 30, 2003, shall continue to be exempt
919 from such payment, provided that it follows the other procedures set forth in subsection C and meets the
920 criteria set forth in subsection D. Provided further, however, that an educational institution doing business in
921 the Commonwealth which provides a face-to-face educational experience in American government and was
922 exempt pursuant to subdivision 4 of § 58.1-609.4 from paying sales and use tax for the purchase of services,
923 as of June 30, 2003, shall continue to be exempt from such payment, provided that it follows the other
924 procedures set forth in subsection C and meets the criteria set forth in subsection D.

925 C. 1. On and after July 1, 2004, in addition to the organizations described in subsection B, and except as
926 restricted in subdivision 2, the tax imposed by this chapter or pursuant to the authority granted in §§ 58.1-605

927 and 58.1-606 shall not apply to purchases of *taxable services or* tangible personal property for use or
 928 consumption by any nonprofit entity that, pursuant to this section, (i) files an appropriate application with the
 929 Department of Taxation, (ii) meets the applicable criteria, and (iii) is issued a certificate of exemption from
 930 the Department of Taxation for the period of time covered by the certificate.

931 2. If the entity that is exempt under this section is exempt from federal income tax under § 501(c)(19) of
 932 the Internal Revenue Code, or has annual gross receipts of less than \$5,000 and is organized for at least one
 933 of the purposes set forth in § 501(c)(19) of the Internal Revenue Code, then the exemption under this section
 934 for such entity shall not apply to purchases of *taxable services or* tangible personal property that are used
 935 primarily (i) for social and recreational activities for members or (ii) for providing insurance benefits to
 936 members or members' dependents.

937 D. To qualify for the exemption under subsection C, a nonprofit entity must meet the applicable criteria
 938 under this subsection as follows:

939 1. a. The entity is exempt from federal income taxation (i) under § 501(c)(3) of the Internal Revenue
 940 Code; (ii) under § 501(c)(4) of the Internal Revenue Code and is organized for a charitable purpose; or (iii)
 941 under § 501(c)(19) of the Internal Revenue Code; or

942 b. The entity has annual gross receipts of less than \$5,000, and the entity is organized for at least one of
 943 the purposes set forth in § 501(c)(3) of the Internal Revenue Code, one of the charitable purposes set forth in
 944 § 501(c)(4) of the Internal Revenue Code, or one of the purposes set forth in § 501(c)(19) of the Internal
 945 Revenue Code; and

946 2. The entity is in compliance with all applicable state solicitation laws and, where applicable, provides
 947 appropriate verification of such compliance; and

948 3. The entity's annual general administrative costs, including salaries and fundraising, relative to its annual
 949 gross revenue, under generally accepted accounting principles, is not greater than 40 percent; and

950 4. If the entity's gross annual revenue was at least \$750,000 in the previous year, then the entity must
 951 provide a financial review performed by an independent certified public accountant. However, for any entity
 952 with gross annual revenue of at least \$1.5 million in the previous year, the Department may require that the
 953 entity provide a financial audit performed by an independent certified public accountant. If the Department
 954 specifically requires an entity with gross annual revenue of at least \$1.5 million in the previous year to
 955 provide a financial audit performed by an independent certified public accountant, then the entity shall
 956 provide such audit in order to qualify for the exemption under this section, which audit shall be in lieu of the
 957 financial review; and

958 5. If the entity filed a federal 990 or 990 EZ tax form, or the successor forms to such forms, with the
 959 Internal Revenue Service, then it must provide a copy of such form to the Department of Taxation; and

960 6. If the entity did not file a federal 990 or 990 EZ tax form, or the successor forms to such forms, with the
 961 Internal Revenue Service, then the entity must provide the following information:

962 a. A list of the Board of Directors or other responsible agents of the entity, composed of at least two
 963 individuals, with names and addresses where the individuals physically can be found; and

964 b. The location where the financial records of the entity are available for public inspection.

965 E. On and after July 1, 2004, in addition to the criteria set forth in subsection D, the Department of
 966 Taxation shall ask each entity for the total taxable purchases made in the preceding year, unless such records
 967 are not available through no fault of the entity. If the records are not available through no fault of the entity,
 968 then the entity must provide such information to the Department the following year. No information provided
 969 pursuant to this subsection (except the failure to provide available information) shall be a basis for the
 970 Department of Taxation to refuse to exempt an entity.

971 F. Any entity that is determined under subsections C, D, and E by the Department of Taxation to be
 972 exempt from paying sales and use tax shall also be exempt from collecting sales and use tax, at its election, if
 973 (i) the entity is within the same class of organization of any entity that was exempt from collecting sales and
 974 use tax on June 30, 2003, or (ii) the entity is organized exclusively to foster, sponsor, and promote physical
 975 education, athletic programs, and contests for youths in the Commonwealth.

976 G. The duration of each exemption granted by the Department of Taxation shall be no less than five years
 977 and no greater than seven years. During the period of such exemption, the failure of an exempt entity to
 978 maintain compliance with the applicable criteria set forth in subsection D shall constitute grounds for
 979 revocation of the exemption by the Department. At the end of the period of such exemption, to maintain or
 980 renew the exemption, each entity must provide the Department of Taxation the same information as required
 981 upon initial exemption and meet the same criteria.

982 H. For purposes of this section, the Department of Taxation and the Department of Agriculture and
 983 Consumer Services shall be allowed to share information when necessary to supplement the information
 984 required.

985 **§ 58.1-612. Tax collectible from dealers; "dealer" defined; jurisdiction.**

986 A. The tax levied by §§ 58.1-603 and 58.1-604 shall be collectible from all persons that are dealers, as
 987 defined in this section, and that have sufficient contact with the Commonwealth to qualify under (i)
 988 subsections B and C or (ii) subsections B and D.

- 989 B. As used in this chapter, "dealer" includes every person that:
- 990 1. Manufactures or produces *taxable services or* tangible personal property for sale at retail, for use,
- 991 consumption, or distribution, or for storage to be used or consumed in this Commonwealth;
- 992 2. Imports or causes to be imported into this Commonwealth *taxable services or* tangible personal
- 993 property from any state or foreign country, for sale at retail, for use, consumption, or distribution, or for
- 994 storage to be used or consumed in this Commonwealth;
- 995 3. Sells at retail, or that offers for sale at retail, or that has in its possession for sale at retail, or for use,
- 996 consumption, or distribution, or for storage to be used or consumed in this Commonwealth, *taxable services*
- 997 *or* tangible personal property;
- 998 4. Has sold at retail, used, consumed, distributed, *furnished*, or stored for use or consumption in this
- 999 Commonwealth, *taxable services or* tangible personal property and that cannot prove that the tax levied by
- 1000 this chapter has been paid on the sale at retail, the use, consumption, distribution, or storage of such *taxable*
- 1001 *services or* tangible personal property;
- 1002 5. Leases or rents tangible personal property for a consideration, permitting the use or possession of such
- 1003 property without transferring title thereto;
- 1004 6. Is the lessee or rentee of tangible personal property and that pays to the owner of such property a
- 1005 consideration for the use or possession of such property without acquiring title thereto;
- 1006 7. As a representative, agent, or solicitor, of an out-of-state principal, solicits, receives and accepts orders
- 1007 from persons in this Commonwealth for future delivery and whose principal refuses to register as a dealer
- 1008 under § 58.1-613; or
- 1009 8. Becomes liable to and owes this Commonwealth any amount of tax imposed by this chapter, whether it
- 1010 holds, or is required to hold, a certificate of registration under § 58.1-613.
- 1011 C. A dealer shall be deemed to have sufficient activity within the Commonwealth to require registration
- 1012 under § 58.1-613 if it:
- 1013 1. Maintains or has within this Commonwealth, directly or through an agent or subsidiary, an office,
- 1014 warehouse, or place of business of any nature;
- 1015 2. Solicits business in this Commonwealth by employees, independent contractors, agents or other
- 1016 representatives;
- 1017 3. Advertises in newspapers or other periodicals printed and published within this Commonwealth, on
- 1018 billboards or posters located in this Commonwealth, or through materials distributed in this Commonwealth
- 1019 by means other than the United States mail;
- 1020 4. Makes regular deliveries of tangible personal property within this Commonwealth by means other than
- 1021 common carrier. A person shall be deemed to be making regular deliveries hereunder if vehicles other than
- 1022 those operated by a common carrier enter this Commonwealth more than 12 times during a calendar year to
- 1023 deliver goods sold by him;
- 1024 5. Solicits business in this Commonwealth on a continuous, regular, seasonal, or systematic basis by
- 1025 means of advertising that is broadcast or relayed from a transmitter within this Commonwealth or distributed
- 1026 from a location within this Commonwealth;
- 1027 6. Solicits business in this Commonwealth by mail, if the solicitations are continuous, regular, seasonal, or
- 1028 systematic and if the dealer benefits from any banking, financing, debt collection, or marketing activities
- 1029 occurring in this Commonwealth or benefits from the location in this Commonwealth of authorized
- 1030 installation, servicing, or repair facilities;
- 1031 7. Is owned or controlled by the same interests which own or control a business located within this
- 1032 Commonwealth;
- 1033 8. Has a franchisee or licensee operating under the same trade name in this Commonwealth if the
- 1034 franchisee or licensee is required to obtain a certificate of registration under § 58.1-613;
- 1035 9. Owns tangible personal property that is for sale located in this Commonwealth, or that is rented or
- 1036 leased to a consumer in this Commonwealth, or offers tangible personal property, on approval, to consumers
- 1037 in this Commonwealth;
- 1038 10. Receives more than \$100,000 in gross revenue, or other minimum amount as may be required by
- 1039 federal law, from retail sales in the Commonwealth in the previous or current calendar year, provided that in
- 1040 determining the amount of a dealer's gross revenues, the sales made by all commonly controlled persons as
- 1041 defined in subsection D shall be aggregated; or
- 1042 11. Engages in 200 or more separate retail sales transactions, or other minimum amount as may be
- 1043 required by federal law, in the Commonwealth in the previous or current calendar year, provided that in
- 1044 determining the total number of a dealer's retail sales transactions, the sales made by all commonly controlled
- 1045 persons as defined in subsection D shall be aggregated.
- 1046 D. A dealer is presumed to have sufficient activity within the Commonwealth to require registration under
- 1047 § 58.1-613 (unless the presumption is rebutted as provided herein) if any commonly controlled person
- 1048 maintains a distribution center, warehouse, fulfillment center, office, or similar location within the
- 1049 Commonwealth that facilitates the delivery of tangible personal property sold by the dealer to its customers.
- 1050 The presumption in this subsection may be rebutted by demonstrating that the activities conducted by the

1051 commonly controlled person in the Commonwealth are not significantly associated with the dealer's ability to
 1052 establish or maintain a market in the Commonwealth for the dealer's sales. For purposes of this subsection, a
 1053 "commonly controlled person" means any person that is a member of the same "controlled group of
 1054 corporations," as defined in § 1563(a) of the Internal Revenue Code of 1954, as amended or renumbered, as
 1055 the dealer or any other entity that, notwithstanding its form of organization, bears the same ownership
 1056 relationship to the dealer as a corporation that is a member of the same "controlled group of corporations," as
 1057 defined in § 1563(a) of the Internal Revenue Code of 1954, as amended or renumbered.

1058 E. Notwithstanding any other provision of this section, the following shall not be considered to determine
 1059 whether a person that has contracted with a commercial printer for printing in the Commonwealth is a
 1060 "dealer" and whether such person has sufficient contact with the Commonwealth to be required to register
 1061 under § 58.1-613:

1062 1. The ownership or leasing by that person of tangible or intangible property located at the Virginia
 1063 premises of the commercial printer which is used solely in connection with the printing contract with the
 1064 person;

1065 2. The sale by that person of property of any kind printed at and shipped or distributed from the Virginia
 1066 premises of the commercial printer;

1067 3. Activities in connection with the printing contract with the person performed by or on behalf of that
 1068 person at the Virginia premises of the commercial printer; and

1069 4. Activities in connection with the printing contract with the person performed by the commercial printer
 1070 within Virginia for or on behalf of that person.

1071 F. In addition to the jurisdictional standards contained in subsections C and D, nothing contained in this
 1072 chapter other than in subsection E shall limit any authority that this Commonwealth may enjoy under the
 1073 provisions of federal law or an opinion of the United States Supreme Court to require the collection of sales
 1074 and use taxes by any dealer that regularly or systematically solicits sales within this Commonwealth.
 1075 Furthermore, nothing contained in subsection C shall require any broadcaster, printer, outdoor advertising
 1076 firm, advertising distributor, or publisher which broadcasts, publishes, or displays or distributes paid
 1077 commercial advertising in this Commonwealth which is intended to be disseminated primarily to consumers
 1078 located in this Commonwealth to report or impose any liability to pay any tax imposed under this chapter
 1079 solely because such broadcaster, printer, outdoor advertising firm, advertising distributor, or publisher
 1080 accepted such advertising contracts from out-of-state advertisers or sellers.

1081 **§ 58.1-612.3. Tax collectible from bundled transactions.**

1082 A. *For purposes of this section, a bundled transaction includes taxable services or tangible personal*
 1083 *property that is taxable under this chapter and consists of distinct and identifiable properties, services, or*
 1084 *both, sold for one nonitemized charge for which the tax treatment or tax rates of the distinct properties and*
 1085 *services are different.*

1086 B. *If the charge of a bundled transaction is attributable to taxable services or taxable property and*
 1087 *services that are not taxable or property that is not taxable, the portion of the charge attributable to the*
 1088 *nontaxable services or property shall be subject to tax unless the dealer is able to reasonably identify the*
 1089 *nontaxable portion from its books and records kept in the regular course of business.*

1090 C. *If the charge of a bundled transaction is attributable to taxable services or taxable property that are*
 1091 *subject to different tax rates under this chapter or Chapter 6.2 (§ 58.1-645 et seq.), the total price may be*
 1092 *treated as attributable to the products subject to tax at the highest tax rate unless the dealer is able to*
 1093 *reasonably identify the portion of such transaction that is subject to the lower tax rate from its books and*
 1094 *records kept in the regular course of business.*

1095 **§ 58.1-623. Sales or leases presumed subject to tax; exemption certificates.**

1096 A. All sales or leases are subject to the tax until the contrary is established. The burden of proving that a
 1097 sale; or distribution; of taxable services or tangible personal property or the lease; or storage of tangible
 1098 personal property is not taxable is upon the dealer unless he takes from the taxpayer a certificate to the effect
 1099 that the property is exempt under this chapter. However, the sale or distribution of cigarettes shall be subject
 1100 to the provisions of § 58.1-623.2 and require a cigarette exemption certificate issued pursuant to § 58.1-623.2.

1101 B. The certificate mentioned in this section shall relieve the person who takes such certificate from any
 1102 liability for the payment or collection of the tax, except upon notice from the Tax Commissioner that such
 1103 certificate is no longer acceptable. Such certificate shall be signed by and bear the name and address of the
 1104 taxpayer; shall indicate the number of the certificate of registration, if any, issued to the taxpayer; shall
 1105 indicate the general character of the *taxable service or* tangible personal property sold, distributed, leased, or
 1106 stored, or to be sold, distributed, leased, or stored under a blanket exemption certificate; and shall be
 1107 substantially in such form as the Tax Commissioner may prescribe. If an exemption pertains to a nonprofit
 1108 organization, other than a nonprofit church, that has qualified for a sales and use tax exemption under
 1109 § 58.1-609.11, the exemption certificate shall be valid until the scheduled expiration date stated on the
 1110 exemption certificate.

1111 C. If a taxpayer who gives a certificate under this section makes any use of the *taxable service or tangible*
 1112 *personal property* other than an exempt use or retention, demonstration, or display while holding the property

1113 for resale, distribution, or lease in the regular course of business, such use shall be deemed a taxable sale by
 1114 the taxpayer as of the time the property or service is first used by him, and the cost of the *service or* property
 1115 to him shall be deemed the sales price of such retail sale. If the sole use of the *service or* property other than
 1116 retention, demonstration, or display in the regular course of business is the rental of the *service or* property
 1117 while holding it for sale, distribution, or lease, the taxpayer may elect to pay the tax on the amount of the
 1118 rental charged, rather than the cost of the *service or* property to him.

1119 D. If a taxpayer gives a certificate under this section with respect to the purchase of fungible goods and
 1120 thereafter commingles these goods with other fungible goods not so purchased, but of such similarity that the
 1121 identity of the constituent goods in the commingled mass cannot be determined, sales or distributions from
 1122 the mass of commingled goods shall be deemed to be sales or distributions of the goods so purchased until a
 1123 quantity of commingled goods equal to the quantity of purchased goods so commingled has been sold or
 1124 distributed.

1125 E. If a taxpayer fails to give the dealer at the time of purchase an exemption certificate previously issued
 1126 by the Department, no interest shall be paid on a subsequent refund claim for any period prior to the date the
 1127 taxpayer makes a complete refund claim with the Department. This subsection shall not apply to transactions
 1128 exempted under self-executing certificates of exemption not issued to a specific taxpayer by the Department.

1129 **§ 58.1-647. Definitions.**

1130 Terms used in this chapter shall have the same meanings as those used in Chapter 6 of this title
 1131 (§ 58.1-600 *et seq.*), unless defined otherwise, as follows:

1132 "Cable service" means the one-way transmission to subscribers of (i) video programming as defined in 47
 1133 U.S.C. § 522 (~~20~~) 522(20) or (ii) other programming service, and subscriber interaction, if any, which is
 1134 required for the selection of such video programming or other programming service. Cable service does not
 1135 include any video programming provided by a commercial mobile service provider as defined in 47 U.S.C. §
 1136 332 (~~d~~) 332(d) and any direct-to-home satellite service as defined in 47 U.S.C. § 303 (~~v~~) 303(v).

1137 "Call-by-call basis" means any method of charging for telecommunications services where the price is
 1138 measured by individual calls.

1139 "Coin-operated communications service" means a communications service paid for by means of inserting
 1140 coins in a coin-operated telephone.

1141 "Communications services" means the electronic transmission, conveyance, or routing of voice, data,
 1142 audio, video, or any other information or signals, including cable services, *and any other service utilizing any*
 1143 *communications infrastructure, including international calling services, extended call area services, and*
 1144 *internet application-based services*, to a point or between or among points, by or through any electronic,
 1145 radio, satellite, cable, optical, microwave, or other medium or method now in existence or hereafter devised,
 1146 regardless of the protocol used for the transmission or conveyance. ~~The term "Communications services"~~
 1147 ~~includes; but is not limited to;~~ (i) the connection, movement, change, or termination of communications
 1148 services; (ii) detailed billing of communications services; (iii) sale of directory listings in connection with a
 1149 communications service; (iv) central office and custom calling features; (v) voice mail and other messaging
 1150 services; ~~and~~ (vi) directory assistance; *and (vii) digital subscription services. With the exception of digital*
 1151 *subscription services, "communications services" applies to any service described or listed in this definition,*
 1152 *regardless of whether the customer is billed for such service on the basis of a subscription charge, a periodic*
 1153 *charge, or a charge for actual usage, including such a fee for the use of an internet-based application,*
 1154 *excluding the original cost of purchasing the application.*

1155 "Communications services provider" means every person who provides communications services to
 1156 customers in the Commonwealth and is or should be registered with the Department as a provider.

1157 "Cost price" means the actual cost of the purchased communications service computed in the same
 1158 manner as the sales price.

1159 "Customer" means the person who contracts with the seller of communications services. If the person who
 1160 utilizes the communications services is not the contracting party, the person who utilizes the services on his
 1161 own behalf or on behalf of an entity is the customer of such service. "Customer" does not include a reseller of
 1162 communications services or the mobile communications services of a serving carrier under an agreement to
 1163 serve the customer outside the communications service provider's licensed service area.

1164 "Customer channel termination point" means the location where the customer either inputs or receives the
 1165 private communications service.

1166 "*Digital subscription service*" means a service, including audio and visual streaming services, that for a
 1167 fee allows the user to access and use software, reading materials, or other digital data or applications for a
 1168 defined period of time, and which products the user does not own or have permanent access to outside of
 1169 such period of time.

1170 "Information service" means the offering of a capability for generating, acquiring, storing, transforming,
 1171 processing, retrieving, using, or making available information via communications services for purposes
 1172 other than the electronic transmission, conveyance, or routing.

1173 "Internet access service" means a service that enables users to access content, information, electronic mail,
 1174 or other services offered over the Internet, and may also include access to proprietary content, information,

1175 and other services as part of a package of services offered to users. "Internet access service" does not include
1176 telecommunications services, except to the extent telecommunications services are purchased, used, or sold
1177 by a provider of Internet access to provide Internet access.

1178 "Place of primary use" means the street address representative of where the customer's use of the
1179 communications services primarily occurs, which must be the residential street address or the primary
1180 business street address of the customer. In the case of mobile communications services, the place of primary
1181 use shall be within the licensed service area of the home service provider.

1182 "Postpaid calling service" means the communications service obtained by making a payment on a call-by-
1183 call basis either through the use of a credit card or payment mechanism such as a bank card, travel card, debit
1184 card, or by a charge made to a telephone number that is not associated with the origination or termination of
1185 the communications service.

1186 "Prepaid calling service" means the right to access exclusively communications services, which must be
1187 paid for in advance and which enables the origination of calls using an access number or authorization code,
1188 whether manually or electronically dialed, and that is sold in predetermined units or dollars that decrease in
1189 number with use.

1190 "Private communications service" means a communications service that entitles the customer or user to
1191 exclusive or priority use of a communications channel or group of channels between or among channel
1192 termination points, regardless of the manner in which such channel or channels are connected, and includes
1193 switching capacity, extension lines, stations, and any other associated services that are provided in connection
1194 with the use of such channel or channels.

1195 "Retail sale" or a "sale at retail" means a sale of communications services for any purpose other than for
1196 resale or for use as a component part of or for the integration into communications services to be resold in the
1197 ordinary course of business.

1198 "Sales price" means the total amount charged in money or other consideration by a communications
1199 services provider for the sale of the right or privilege of using communications services in the
1200 Commonwealth, including any property or other services that are part of the sale. The sales price of
1201 communications services shall not be reduced by any separately identified components of the charge that
1202 constitute expenses of the communications services provider, including but not limited to, sales taxes on
1203 goods or services purchased by the communications services provider, property taxes, taxes measured by net
1204 income, and universal-service fund fees.

1205 "Service address" means, (i) the location of the telecommunications equipment to which a customer's call
1206 is charged and from which the call originates or terminates, regardless of where the call is billed or paid. If
1207 the location is not known in clause (i), "service address" means (ii) the origination point of the signal of the
1208 telecommunications system or in information received by the seller from its service provider, where the
1209 system used to transport such signals is not that of the seller. If the location is not known in clauses (i) and
1210 (ii), the service address means (iii) the location of the customer's place of primary use.

1211 **§ 58.1-648. Imposition of sales tax; exemptions.**

1212 A. Beginning January 1, 2007, there is levied and imposed, in addition to all other taxes and fees of every
1213 kind imposed by law, a sales or use tax on the customers of communications services in the amount of ~~5%~~
1214 *five percent* of the sales price of each communications service that is sourced to the Commonwealth in
1215 accordance with § 58.1-649.

1216 B. The sales price on which the tax is levied shall not include charges for any of the following: (i) an
1217 excise, sales, or similar tax levied by the United States or any state or local government on the purchase, sale,
1218 use, or consumption of any communications service that is permitted or required to be added to the sales price
1219 of such service, if the tax is stated separately; (ii) a fee or assessment levied by the United States or any state
1220 or local government, including but not limited to, regulatory fees and emergency telephone surcharges, that is
1221 required to be added to the price of service if the fee or assessment is separately stated; (iii) coin-operated
1222 communications services; (iv) sale or recharge of a prepaid calling service; (v) provision of air-to-ground
1223 radiotelephone services, as that term is defined in 47 C.F.R. § 22.99; (vi) a communications services
1224 provider's internal use of communications services in connection with its business of providing
1225 communications services; (vii) charges for property or other services that are not part of the sale of
1226 communications services, if the charges are stated separately from the charges for communications services;
1227 (viii) sales for resale; (ix) charges for communications services to the Commonwealth, any political
1228 subdivision of the Commonwealth, and the federal government and any agency or instrumentality of the
1229 federal government; and (x) charges for communications services to any customers on any federal military
1230 bases or installations when a franchise fee or similar fee for access is payable to the federal government, or
1231 any agency or instrumentality thereof, with respect to the same communications services.

1232 C. Communications services on which the tax is hereby levied shall not include the following: (i)
1233 information services; (ii) installation or maintenance of wiring or equipment on a customer's premises; (iii)
1234 the sale or rental of tangible personal property; (iv) the sale of advertising, including but not limited to,
1235 directory advertising; (v) bad check charges; (vi) billing and collection services; (vii) Internet access service,
1236 electronic mail service, electronic bulletin board service, or similar services that are incidental to Internet

1237 access, such as voice-capable e-mail ~~email~~ or instant messaging; (viii) digital products delivered
 1238 electronically ~~personal property or digital services, as those terms are defined in § 58.1-602, such as~~
 1239 including software, downloaded music, ~~ring tones~~ ringtones, and reading materials; and (ix) over-the-air
 1240 radio and television service broadcast without charge by an entity licensed for such purposes by the Federal
 1241 Communications Commission. Also, those entities exempt from the tax imposed in accordance with the
 1242 provisions of Article 4 (§ 58.1-3812 et seq.) of Chapter 38 of Title 58.1, in effect on January 1, 2006, shall
 1243 continue to be exempt from the tax imposed in accordance with the provisions of this chapter.

1244 *Article 13.*

1245 *Retail Delivery Fees in Certain Transportation Districts.*

1246 **§ 58.1-1749. Transportation districts with unique needs; retail delivery fees.**

1247 *A. In addition to all other fees and taxes imposed under law, there is hereby imposed an additional retail*
 1248 *delivery fee in the amount of 20 cents for any retail delivery made in any county or city that is a member of*
 1249 *the Northern Virginia Transportation Commission. On and after July 1, 2027, such rates provided under this*
 1250 *section shall be adjusted annually based on the greater of (i) the change in the United States Average*
 1251 *Consumer Price Index for all items, all urban consumers (CPI-U), as published by the Bureau of Labor*
 1252 *Statistics for the U.S. Department of Labor for the previous year or (ii) zero.*

1253 *B. The tax imposed pursuant to subsection A shall not be levied upon food purchased for human*
 1254 *consumption and essential personal hygiene products, as such terms are defined in § 58.1-611.1. Such tax*
 1255 *shall be added to the rate of the state sales tax imposed pursuant to § 58.1-603 in each such county and city*
 1256 *and shall be subject to all the provisions of this chapter and the rules and regulations published with respect*
 1257 *thereto. Such tax shall be administered and collected by the Tax Commissioner in the same manner and*
 1258 *subject to the same penalties as provided for the state sales tax under § 58.1-603 except as herein provided.*

1259 *C. No discount under § 58.1-622 shall be allowed for the tax imposed under this section.*

1260 *D. The revenue generated and collected from the tax imposed pursuant to this section shall be deposited*
 1261 *into the Northern Virginia Transportation District Regional Fund pursuant to § 33.2-1904.1.*

1262 *E. For additional transportation districts that may become subject to this section, funds shall be*
 1263 *established by appropriate legislation.*

1264 **2. That Chapter 766 of the Acts of Assembly of 2013 is amended by adding a nineteenth enactment as**
 1265 **follows:**

1266 *19. That the provisions of the fourteenth enactment of this act shall not apply to any revenues*
 1267 *generated pursuant to § 58.1-603 of the Code of Virginia.*

INTRODUCED

HB900

26105163D

HOUSE BILL NO. 564

Offered January 14, 2026

Prefiled January 13, 2026

A *BILL to amend the Code of Virginia by adding a section numbered 46.2-1220.1, relating to parking, stopping, and standing enforcement; bus obstruction monitoring systems; civil penalties.*

Patron—Reid

Referred to Committee on Transportation

Be it enacted by the General Assembly of Virginia:

1. That the Code of Virginia is amended by adding a section numbered 46.2-1220.1 as follows:

§ 46.2-1220.1. Public transit agencies authorized to utilize bus obstruction monitoring systems to enforce certain parking, stopping, or standing regulations; civil penalties.

A. *For purposes of this section:*

"Authorizing locality" means any locality that has authorized a public transit agency operating in the locality to utilize bus obstruction monitoring systems pursuant to this section.

"Bus obstruction monitoring system" means a system mounted on a transit bus that produces one or more photographs, microphotographs, videotapes, or other recorded images of parked vehicles.

"Transit bus" means a rubber-tired automotive vehicle used for the provision of public transportation service that is funded in whole or in part by federal, state, or local funding.

B. A locality may authorize the use of bus obstruction monitoring systems by a public transit agency operating within the locality for the purpose of the enforcing local ordinances adopted pursuant to § 46.2-1220 related to parking, stopping, or standing in bus stop zones or in lanes reserved for transit buses or other specific vehicles during posted times. An authorizing locality shall enter into an agreement with the public transit agency utilizing a bus obstruction monitoring system for the transmission of photographs, microphotographs, videotapes, or other recorded images that are produced by such bus obstruction monitoring system to the appropriate official or agency of the authorizing locality. The authorizing locality may use such images to prosecute a violation of an ordinance adopted pursuant to § 46.2-1220 related to parking, stopping, or standing in bus stop zones or in lanes reserved for transit buses or other specific vehicles when such images contain evidence of a violation of such ordinance and the appropriate official or agency of the authorizing locality deems a violation has occurred.

C. In any locality that has adopted an ordinance pursuant to this section, a summons for a violation of an ordinance adopted pursuant to § 46.2-1220 may be executed as provided in § 19.2-76.2. If the summoned person fails to appear on the date of return set out in the summons mailed pursuant to this section, the summons shall be executed in the manner set out in § 19.2-76.3. No proceedings for contempt by or arrest of a person summoned by mailing shall be instituted for failure to appear on the return date of the summons. Any summons executed pursuant to an ordinance adopted pursuant to this section shall provide to the person summoned at least 30 business days from the mailing of the summons to inspect information collected by the bus obstruction monitoring system in connection with the violation.

D. A private vendor may enter into an agreement with an authorizing locality or public transit agency to be compensated for providing bus obstruction monitoring systems and all related support services, including consulting, operations, and administration. Any such agreement for compensation shall be based on the value of the goods and services provided, not on the number of violations paid or monetary penalties imposed.

E. Bus obstruction monitoring systems authorized for use pursuant to this section shall perform the initial image capture and automated analysis, if any, on computer equipment physically located on the bus. Such systems shall be configured so that the only photographs, microphotographs, videotapes, or other recorded images transmitted for further review and determination of whether a violation has occurred are those preliminarily identified by the on-board system as potential violations.

F. Photographs, microphotographs, videotapes, or other recorded images produced by a bus obstruction monitoring system that contain evidence of a violation of such an ordinance may be retained for up to six months or for 60 days after the final disposition of the citation, whichever is later, and shall be purged at the end of such retention period.

Photographs, microphotographs, videotapes, or other recorded images produced by a bus obstruction monitoring system shall not be used for other law-enforcement purposes, but may be used by the authorizing locality or public transit agency to inspect the condition of bus stops, shelters, signage, and other associated public facilities for the purpose of ensuring the safety and efficacy of such locality's transit system.

G. Bus obstruction monitoring systems authorized for use pursuant to this section shall not utilize or incorporate any biometric identification techniques, including facial recognition technology.

1/19/26 11:03

59 *H. During the first 60 days of the implementation of a bus obstruction monitoring system pursuant to this*
60 *section, the authorizing locality shall only issue warnings to registered owners of vehicles without a*
61 *monetary fine assessed.*
62 *Authorizing localities shall include notice in any complaint, summons, parking ticket citation, or warrant*
63 *for violations of ordinances described in subsection B that evidence of such violation was obtained by means*
64 *of a bus obstruction monitoring system authorized by the locality pursuant to this section.*

26104874D

SENATE BILL NO. 583

Senate Amendments in [] - February 5, 2026

A BILL to amend the Code of Virginia by adding a section numbered 46.2-1220.1, relating to parking, stopping, and standing enforcement; bus obstruction monitoring systems; civil penalties.

Patrons Prior to Engrossment—Senators Salim; Delegate: Shin

Referred to Committee on Transportation

Be it enacted by the General Assembly of Virginia:

1. That the Code of Virginia is amended by adding a section numbered 46.2-1220.1 as follows:

§ 46.2-1220.1. Public transit agencies authorized to utilize bus obstruction monitoring systems to enforce certain parking, stopping, or standing regulations; civil penalties.

A. For purposes of this section:

"Authorizing locality" means any locality that has authorized a public transit agency operating in the locality to utilize bus obstruction monitoring systems pursuant to this section.

"Bus obstruction monitoring system" means a system mounted on a transit bus that produces one or more photographs, microphotographs, videotapes, or other recorded images of parked vehicles.

"Transit bus" means a rubber-tired automotive vehicle used for the provision of public transportation service that is funded in whole or in part by federal, state, or local funding.

B. A locality may authorize the use of bus obstruction monitoring systems by a public transit agency operating within the locality for the purpose of [~~the~~] enforcing local ordinances adopted pursuant to § 46.2-1220 related to parking, stopping, or standing in bus stop zones or in lanes reserved for transit buses [~~or other specific vehicles~~] during posted times. An authorizing locality shall enter into an agreement with the public transit agency utilizing a bus obstruction monitoring system for the transmission of photographs, microphotographs, videotapes, or other recorded images that are produced by such bus obstruction monitoring system to the appropriate official or agency of the authorizing locality. The authorizing locality may use such images to prosecute a violation of an ordinance adopted pursuant to § 46.2-1220 related to parking, stopping, or standing in bus stop zones or in lanes reserved for transit buses [~~or other specific vehicles~~] when such images contain evidence of a violation of such ordinance and the appropriate official or agency of the authorizing locality deems a violation has occurred.

C. In any locality that has adopted an ordinance pursuant to this section, a summons for a violation of an ordinance adopted pursuant to § 46.2-1220 may be executed as provided in § 19.2-76.2. If the summoned person fails to appear on the date of return set out in the summons mailed pursuant to this section, the summons shall be executed in the manner set out in § 19.2-76.3. No proceedings for contempt by or arrest of a person summoned by mailing shall be instituted for failure to appear on the return date of the summons. Any summons executed pursuant to an ordinance adopted pursuant to this section shall provide to the person summoned at least 30 business days from the mailing of the summons to inspect information collected by the bus obstruction monitoring system in connection with the violation.

D. A private vendor may enter into an agreement with an authorizing locality or public transit agency to be compensated for providing bus obstruction monitoring systems and all related support services, including consulting, operations, and administration. Any such agreement for compensation shall be based on the value of the goods and services provided, not on the number of violations paid or monetary penalties imposed.

E. Bus obstruction monitoring systems authorized for use pursuant to this section shall perform the initial image capture and automated analysis, if any, on computer equipment physically located on the bus. Such systems shall be configured so that the only photographs, microphotographs, videotapes, or other recorded images transmitted for further review and determination of whether a violation has occurred are those preliminarily identified by the on-board system as potential violations.

F. Photographs, microphotographs, videotapes, or other recorded images produced by a bus obstruction monitoring system that contain evidence of a violation of such an ordinance may be retained for up to six months or for 60 days after the final disposition of the citation, whichever is later, and shall be purged at the end of such retention period.

Photographs, microphotographs, videotapes, or other recorded images produced by a bus obstruction monitoring system shall not be used for other law-enforcement purposes, but may be used by the authorizing locality or public transit agency to inspect the condition of bus stops, shelters, signage, and other associated public facilities for the purpose of ensuring the safety and efficacy of such locality's transit system.

G. Bus obstruction monitoring systems authorized for use pursuant to this section shall not utilize or incorporate any biometric identification techniques, including facial recognition technology.

H. During the first 60 days of the implementation of a bus obstruction monitoring system pursuant to this

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59 *section, the authorizing locality shall only issue warnings to registered owners of vehicles without a*
60 *monetary fine assessed.*

61 *Authorizing localities shall include notice in any complaint, summons, parking ticket citation, or warrant*
62 *for violations of ordinances described in subsection B that evidence of such violation was obtained by means*
63 *of a bus obstruction monitoring system authorized by the locality pursuant to this section.*

26100320D

HOUSE BILL NO. 547
Offered January 14, 2026
Prefiled January 13, 2026

A BILL to amend and reenact §§ 15.2-947 and 33.2-1917 of the Code of Virginia, relating to private companies providing public transportation services; employee protections.

Patron—Helmer

Referred to Committee on Labor and Commerce

Be it enacted by the General Assembly of Virginia:

1. That §§ 15.2-947 and 33.2-1917 of the Code of Virginia are amended and reenacted as follows:

§ 15.2-947. Systems of public transportation for certain counties or cities; protection of employees.

A. Notwithstanding any other provision of law, the governing body of any county or city not a member of a transportation district, upon finding a need for a system of public transportation and the inability of the governing body to reach a reasonable agreement for membership with an existing transportation district, may create, operate, maintain, or contract for a system of public transportation to be operated in such county or city for the safety, comfort, and convenience of the public. The governing body of any such county or city providing a system of public transportation or desiring to provide such a system may contract with any authority providing public transportation in contiguous localities for transportation services or the interchange of passengers for the purpose of providing continuous service between localities.

B. The governing body of any county or city that contracts with a private company to provide a system of public transportation shall, in its bid specifications, project agreements, or other controlling documents, require such company to:

1. Provide each of its employees (i) compensation at an hourly rate equivalent to the hourly rate paid to an employee of such county or city holding a position requiring equivalent qualifications based on such employee's years of service and the county or city wage progression and (ii) benefits, including health and retirement benefits, that are, at a minimum, actuarially equivalent to the benefits provided to an employee of such county or city with a position requiring equivalent qualifications and years of service;

2. Provide transportation services through its own employees; and

3. Ensure that all employees of such public transportation system employed by a predecessor private company be offered employment with any successor company without loss of compensation or benefits.

C. If a county or city that contracts with a private company to provide a system of public transportation subsequently elects to provide its own system of public transportation pursuant to subsection A, such county or city shall:

1. Adopt an ordinance or resolution providing for collective bargaining pursuant to subsection A of § 40.1-57.2, if such county or city has not already done so;

2. Ensure that all employees of the private company are offered employment with such subsequent system of public transportation without loss of compensation or benefits; and

3. Ensure the recognition of any lawful collective bargaining representative of the private company's employees as the collective bargaining representative of such employees.

§ 33.2-1917. Protection of employees of public transportation systems.

A. In any county or city, the transportation district commission referred to in § 33.2-1915, in addition to other prohibitions, shall not operate any such transit facility, or otherwise provide or cause to be provided any transportation services, unless fair and equitable arrangements have been made for the protection of employees of existing public transportation systems in the transportation district or in the metropolitan area in which the transportation district is located. Such protections shall include (i) assurances of employment to employees of such transportation systems to the fullest extent possible consistent with sound management, and priority of employment or, if terminated or laid off, reemployment; (ii) preservation of rights, privileges, and benefits, including continuation of pension rights and benefits, under existing collective bargaining agreements or otherwise; (iii) continuation of collective bargaining rights; (iv) protection of individual employees against a worsening of their positions with respect to their employment, to the extent provided by 49 U.S.C. § 5333 (b), also known as § 13(c) of the Federal Transit Act; and (v) paid training and retraining programs. Such protections shall be specified by the commission in any contract or lease for the acquisition or operation of any such transit facilities or services. The employees of any transit facility operated by the commission shall have the right, in the case of any labor dispute relating to the terms and conditions of their employment for the purpose of resolving such dispute, to submit the dispute to final and binding arbitration by an impartial umpire or board of arbitration acceptable to the parties.

B. The transportation district commission of any county or city that contracts with a private company to

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59 *provide transportation services shall, in its bid specifications, project agreements, or other controlling*
60 *documents, require such company to:*

61 *1. Provide each of its employees (i) compensation at an hourly rate equivalent to the hourly rate paid to a*
62 *public employee holding a position requiring equivalent qualifications based on such employee's years of*
63 *service and the county or city wage progression and (ii) benefits, including health and retirement benefits,*
64 *that are, at a minimum, actuarially equivalent to the benefits provided to a public employee with a position*
65 *requiring equivalent qualifications and years of service;*

66 *2. Provide transportation services through its own employees; and*

67 *3. Ensure that all employees of such public transportation system employed by a predecessor private*
68 *company be offered employment with any successor company without loss of compensation or benefits.*

69 *For the purposes of this subsection, "public employee" means an employee of any county or city within a*
70 *certain transportation district.*

71 *C. If a transportation district commission that contracts with a private company to provide a system of*
72 *public transportation subsequently elects to provide its own system of public transportation pursuant to*
73 *subsection A, each county or city within such transportation district shall:*

74 *1. Adopt an ordinance or resolution providing for collective bargaining pursuant to subsection A of*
75 *§ 40.1-57.2, if such county or city has not already done so;*

76 *2. Ensure that all employees of the private company are offered employment with such subsequent system*
77 *of public transportation without loss of compensation or benefits; and*

78 *3. Ensure the recognition of any lawful collective bargaining representative of the private company's*
79 *employees as the collective bargaining representative of such employees.*

26104515D

SENATE BILL NO. 731

Offered January 14, 2026

A BILL to amend and reenact §§ 15.2-947 and 33.2-1917 of the Code of Virginia, relating to private companies providing public transportation services; employee protections.

Patron—Salim

Referred to Committee on Local Government

Be it enacted by the General Assembly of Virginia:

1. That §§ 15.2-947 and 33.2-1917 of the Code of Virginia are amended and reenacted as follows:

§ 15.2-947. Systems of public transportation for certain counties or cities; protection of employees.

A. Notwithstanding any other provision of law, the governing body of any county or city not a member of a transportation district, upon finding a need for a system of public transportation and the inability of the governing body to reach a reasonable agreement for membership with an existing transportation district, may create, operate, maintain, or contract for a system of public transportation to be operated in such county or city for the safety, comfort, and convenience of the public. The governing body of any such county or city providing a system of public transportation or desiring to provide such a system may contract with any authority providing public transportation in contiguous localities for transportation services or the interchange of passengers for the purpose of providing continuous service between localities.

B. The governing body of any county or city that contracts with a private company to provide a system of public transportation shall, in its bid specifications, project agreements, or other controlling documents, require such company to:

1. Provide each of its employees (i) compensation at an hourly rate equivalent to the hourly rate paid to an employee of such county or city holding a position requiring equivalent qualifications based on such employee's years of service and the county or city wage progression and (ii) benefits, including health and retirement benefits, that are, at a minimum, actuarially equivalent to the benefits provided to an employee of such county or city with a position requiring equivalent qualifications and years of service;

2. Provide transportation services through its own employees; and

3. Ensure that all employees of such public transportation system employed by a predecessor private company be offered employment with any successor company without loss of compensation or benefits.

C. If a county or city that contracts with a private company to provide a system of public transportation subsequently elects to provide its own system of public transportation pursuant to subsection A, such county or city shall:

1. Adopt an ordinance or resolution providing for collective bargaining pursuant to subsection A of § 40.1-57.2, if such county or city has not already done so;

2. Ensure that all employees of the private company are offered employment with such subsequent system of public transportation without loss of compensation or benefits; and

3. Ensure the recognition of any lawful collective bargaining representative of the private company's employees as the collective bargaining representative of such employees.

§ 33.2-1917. Protection of employees of public transportation systems.

A. In any county or city, the transportation district commission referred to in § 33.2-1915, in addition to other prohibitions, shall not operate any such transit facility, or otherwise provide or cause to be provided any transportation services, unless fair and equitable arrangements have been made for the protection of employees of existing public transportation systems in the transportation district or in the metropolitan area in which the transportation district is located. Such protections shall include (i) assurances of employment to employees of such transportation systems to the fullest extent possible consistent with sound management, and priority of employment or, if terminated or laid off, reemployment; (ii) preservation of rights, privileges, and benefits, including continuation of pension rights and benefits, under existing collective bargaining agreements or otherwise; (iii) continuation of collective bargaining rights; (iv) protection of individual employees against a worsening of their positions with respect to their employment, to the extent provided by 49 U.S.C. § 5333 (b), also known as § 13(c) of the Federal Transit Act; and (v) paid training and retraining programs. Such protections shall be specified by the commission in any contract or lease for the acquisition or operation of any such transit facilities or services. The employees of any transit facility operated by the commission shall have the right, in the case of any labor dispute relating to the terms and conditions of their employment for the purpose of resolving such dispute, to submit the dispute to final and binding arbitration by an impartial umpire or board of arbitration acceptable to the parties.

B. The transportation district commission of any county or city that contracts with a private company to provide transportation services shall, in its bid specifications, project agreements, or other controlling

59 documents require such company to:

60 1. Provide each of its employees (i) compensation at an hourly rate equivalent to the hourly rate paid to a
61 public employee holding a position requiring equivalent qualifications based on such employee's years of
62 service and the county or city wage progression and (ii) benefits, including health and retirement benefits,
63 that are, at a minimum, actuarially equivalent to the benefits provided to a public employee with a position
64 requiring equivalent qualifications and years of service. For the purposes of this subsection, "public
65 employee" means an employee of any county or city within a transportation district subject to the provisions
66 of subsection C;

67 2. Provide transportation services through its own employees; and

68 3. Ensure that all employees of such public transportation system employed by a predecessor private
69 company be offered employment with any successor company without loss of compensation or benefits.

70 C. If a transportation district commission that contracts with a private company to provide a system of
71 public transportation subsequently elects to provide its own system of public transportation pursuant to
72 subsection A, each county or city within such transportation district shall:

73 1. Adopt an ordinance or resolution providing for collective bargaining pursuant to subsection A of
74 § 40.1-57.2, if such county or city has not already done so;

75 2. Ensure that all employees of the private company are offered employment with such subsequent system
76 of public transportation without loss of compensation or benefits; and

77 3. Ensure the recognition of any lawful collective bargaining representative of the private company's
78 employees as the collective bargaining representative of such employees.

Winter Storm Fern

We are incredibly proud of the team for stepping up when Alexandria needed them most.

During the worst winter storm in over a decade, our operators, maintenance crews, dispatchers, supervisors, and support teams worked through incredible conditions to prioritize the safety of our riders and community, while doing everything possible to keep Alexandria moving. Their teamwork and commitment to public service truly made all the difference for our community.

We also want to thank our partners across the City of Alexandria, who worked to clear snow and ice from roads and bus stops, led the emergency response, shared timely information, and coordinated closely with us. Their efforts were critical to keeping residents safe and the city moving.



Winter Storm Fern

Service Impacts

	Sunday 1/25	Monday 1/26	Tuesday 1/27	Wednesday 1/28	Thursday 1/29
Service Level	Reduced Weekend (60 min.)	No Service	Reduced Weekend (30 min.)	Enhanced Weekend**	Weekday
Operating Hours	6am – 10pm*	N/A	8am – 10pm	6am – 10pm	Normal
Real Time Information	No	N/A	No	Partial	Yes
*Suspended service at 4pm					
**Added modified 102, 103, and 104, real time information unavailable					

- Newly created, reduced weekend schedules.
 - Included timetables and snow detours for customers on our website.
 - No real time information available via the DASH Tracker or Google maps for modified service.
- Despite challenging weather and road conditions, DASH only experienced one event and six buses needing assistance getting out of the snow.



Bus Stop Conditions (as of February 4th)

Condition Category	Approximate Percentage of Stops	Approximate Number of Stops	Definition
Acceptable	20%	108	Cleared or usable; minor residual snow/ice does not prevent boarding/alighting
Marginal	30%	162	Partially obstructed; expected to melt/improve by end of this week
Substandard	50%	271	Significant snow/ice; likely to remain in poor condition into next week

Note: Percentages are estimates based on limited anecdotal data and operator observations; counts will be updated as assessments continue.



Bus Stop Responsibilities (Today)

City of Alexandria T&ES

- Responsible for clearing bus shelters
- Handled by 3rd party contractor
- Approximately 100 stops (22% of stops)

City of Alexandria RPCA

- Responsible for clearing bus stops located at RPCA grounds, and King Street Metro Station
- Approximately 40 stops (7% of stops)

Residents and Private Businesses

- Responsible for clearing all other bus stops
- Approximately 401 stops (65% of stops)

DASH

- Not budgeted or equipped to handle any bus stop clearing



Response

- Of the 20% of estimated stops in acceptable condition, 46 of them were cleared due to aid provided by WMATA. This was outside of their scope of responsibility.
- One week past the storm, over 50% of bus stops remain in substandard condition. These stops will remain inaccessible into mid-late February without intervention.



Takeaways

- Over 50% of all bus stops are in substandard condition and rely primarily on third parties to clear.
- DASH is unable to take a proactive approach in clearing bus stops during snow events and in recovery efforts afterwards, as DASH is not budgeted or equipped to do so.
- Residual substandard conditions of bus stops throughout the City has an ongoing direct impact to Customer Experience, including impacts to ADA accessibility.
- DASH will continue to work with all responsible parties to restore all bus stops to acceptable conditions and restore ADA access, as quickly as the current arrangement can provide.



Alexandria Transit Strategic Plan (FY 2025 – FY 2034) FY 2027 Update Addendum



*DRAFT Presented to ATC Board for Consideration of Approval
February 11, 2026*



FY 2027 – FY 2034 Alexandria Transit Strategic Plan (ATSP) Update Addendum
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1.0 Executive Summary

The Alexandria Transit Strategic Plan (ATSP) for FY 2027 is intended to serve as a critical midpoint assessment between long-term policy commitments established in the Alexandria Transit Vision (ATV) and the operational and financial realities facing DASH today. While prior ATSP updates have outlined service improvements and system enhancements consistent with the ATV, year-over-year funding constraints have limited DASH's ability to implement those improvements at the pace originally envisioned. As a result, many initiatives have been deferred rather than delivered—effectively shifting implementation into future years with increasing cost, complexity, and operational risk.

With the ATV scheduled for full vision implementation by 2030, the FY 2027 ATSP represents a narrowing window to translate long-standing planning commitments into actionable outcomes. Continued deferral of incremental service, fleet, facility, and workforce investments compounds challenges over time, requiring larger, more disruptive interventions later to achieve the same objectives. This dynamic not only increases capital and operating costs but also places additional strain on an already constrained workforce and limits DASH's flexibility to respond to emerging service needs.

This plan therefore places particular emphasis on aligning planning assumptions with realistic funding and staffing capacity. Rather than restating aspirational service expansions that remain unfunded, the FY 2027 ATSP focuses on preserving state of good repair, stabilizing operations, modernizing core systems, and sequencing improvements in a manner that is achievable and sustainable. Technology investments, fleet replacement strategies, and facility planning are evaluated not only for their long-term benefits, but for their ability to reduce future costs and implementation risk if advanced in the near term.

The ATSP is not intended to diminish the goals of the ATV, but to underscore the increasing strategic challenge of achieving those goals through continued delay. Clear direction and sustained investment over the remaining ATV horizon will be necessary to avoid a growing disconnect between adopted policy and deliverable outcomes. This document is intended to support informed Board decision-making by clarifying trade-offs, highlighting the cost of inaction, and identifying the investments required to position DASH for long-term success beyond 2030.

2.0 Prior-Year Actions and Ongoing Initiatives

2.1 Introduction

The FY 2027 ATSP Addendum represents a minor update to the FY 2025 – FY 2034 Alexandria Transit Strategic Plan. This update documents progress since adoption of the FY25 ATSP and FY26 Addendum and describes near-term planning priorities for the upcoming fiscal year. These updates will focus on planned service modifications (Section 3), capital improvement projects (Section 4), and the financial plan (Section 5).

The FY 2027 ATSP Addendum is subject to the same requirements for public outreach and approval by the ATC Board of Directors. A summary of the process and timeline is provided below.

Table 2-1 | FY 2027 ATSP Update Schedule

Timeline	ATSP Action
January	ATSP Draft Developed
February	Draft of ATSP presented the to Board
March	ATSP Outreach Begins
April	ATSP Outreach Concludes; Public Hearing Conducted; City Council Approves Final Budget
May	Board Considers ATSP Adoption
June	Board Considers ATSP Adoption (<i>if needed</i>)
July	Start of the New Fiscal Year

As with prior ATSP updates, the FY 2027 Addendum is subject to public outreach and ATC Board approval. DASH Marketing and Public Engagement staff will be leading a comprehensive outreach program to educate community members and collect feedback on the service changes outlined in the FY 2027 ATSP Addendum. This outreach will include website updates, social media engagement, online surveys, bus posters, and community meetings.

All feedback will be compiled and reviewed by staff to inform potential modifications to the final FY 2027 ATSP Addendum document. A summary of all outreach and comments received will also be provided in the final ATSP Addendum for ATC Board review.

2.2 FY26 Progress Snapshot

During FY26, DASH advanced several targeted service and operational improvements as part of the annual ATSP update process, consistent with adopted City of Alexandria FY26 Operating Budget. These actions reflect incremental progress toward the long-term network vision while recognizing ongoing constraints related to resources, fleet availability, and staffing. These advances occurred alongside a set of operational and fiscal challenges that continue to shape the pace and scale of system improvements.

2.3 Context and Operational Challenges

Over the past 5 years, DASH has experienced significant growth in ridership, reaching historic levels while rebounding from the COVID-19 pandemic. While this reflects the success of recent service investments and policy alignment, it has also introduced operational challenges related to maintaining service reliability, managing overcrowding, and providing sufficient frequency within existing resource constraints.

At the same time, DASH has continued to maintain forward momentum on the adopted ATV Vision and service profile—positioning transit as a viable lifestyle choice rather than a last resort. This work has occurred in the context of fiscal constraints at the local level, including plateauing tax revenues, which require careful balancing of service aspirations with long-term financial sustainability. DASH has also faced increasing costs associated with service delivery. Labor, equipment, and parts costs have continued to rise, and availability challenges have affected procurement and maintenance timelines. These factors have contributed to upward pressure on the cost of service delivery and require ongoing monitoring and adaptation.

As DASH advances its transition to zero-emission technology, workforce development and training have emerged as key challenges. DASH must ensure staff are equipped to maintain both the conventional fleet and a rapidly expanding zero-emission fleet. These challenges are compounded by a rapidly consolidating OEM market and limited training and technical support opportunities, particularly for emerging technologies.

Finally, shifts in administrative priorities and funding opportunities at the federal, state, and local levels require the agency to remain flexible and responsive. DASH continues to refine its goals and implementation strategies to align local needs and vision with evolving state and federal funding opportunities, ensuring resources are leveraged as effectively as possible.

2.4 Labor Contract Negotiations

During FY26, DASH also completed labor contract negotiations with the operator workforce, resulting one year extension of the existing contract, with a 5% wage adjustment. These funds were allocated in accordance with negotiated agreements, which limited the flexibility to redirect resources toward additional schedule enhancements or service expansions. While these negotiations were critical to maintaining workforce stability and supporting operational capacity, they further constrained the agency’s ability to implement service changes beyond those funded through the adopted FY26 budget. It is important to note that this one-year contract extension is unconventional and will put the DASH back at the negotiation table to have a full renewal completed by the end of FY27. It is anticipated that the cost of labor will rise because of this subsequent renegotiation, which will need to be accounted for starting with the FY28 budget.

2.5 Service Updates and Reliability Improvements

In August 2025, DASH implemented a series of service updates informed by performance data, rider feedback, public feedback, and system needs. These enhancements were funded through the City’s FY26 budget and regional grant programs and are designed to improve reliability, frequency where feasible, and ease of use for riders. Key changes included:

System-wide schedule optimization

This improvement included timetable adjustments on several routes to improve on-time performance and create clearer weekday versus weekend schedules.

Frequency improvements

Line 32 — increased midday and evening frequency to approximately every 30 minutes between Van Dorn Metro and Landmark Transit Center.

Funding for this improvement was provided as a one-time supplemental allocation by the City and is not available in FY27.

Line 34 — expanded weekend frequency from hourly to every 30 minutes.

Line 35 — additional evening trips and peak-direction service increases supported by NVTC Commuter Choice funding.

These targeted enhancements align with short-term priorities in the Alexandria Transit Vision Plan and Alexandria Transit Strategic Plan, supporting more consistent and predictable service.

2.6 Amenity and Stop Improvements

Alongside service adjustments, DASH and the City advanced investments in bus stop amenities and system infrastructure that contribute to safety and accessibility:

- Piloting solar-powered lighting at select stops to enhance rider safety.
- Initiating a bus stop rebalancing study along key corridors to evaluate stop spacing, usage, and reliability opportunities.
- Advancing King Street Bus Operations Study – Phase Two, examining options like boarding platforms and curb space prioritization to improve corridor performance.

2.7 Capital and Facility Progress

DASH and the City worked jointly on major service infrastructure projects such as the Phase One opening of the West Alexandria Transit Center. This facility represents the evolution of the former Landmark Transit Center, a major transfer hub for DASH and WMATA buses on the west side of the city, and a gateway to Alexandria’s West End. DASH and WMATA transitioned service into phase one of this facility in the Fall of 2025. Work is continued to transform this facility into a fully built transfer center, with full passenger amenities such as shelters. Additionally, DASH and City staff are working to implement the region’s first On-Route Electric Bus Opportunity center at this site, funded by Community Project Funding sponsored by Congressman Beyer.

2.8 Fare-Free Policy Evaluation

In parallel with service planning, DASH continued its fare-free program funded through FY26, and it is assumed for FY27. FY27 represents the first full fiscal year where the fare free program is fully funded by the City, as required by the TRIP grant which funded the initial 3 years of the program. The DASH fare free framework requires an annual report of the effectiveness of the program. This is provided in Appendix B,

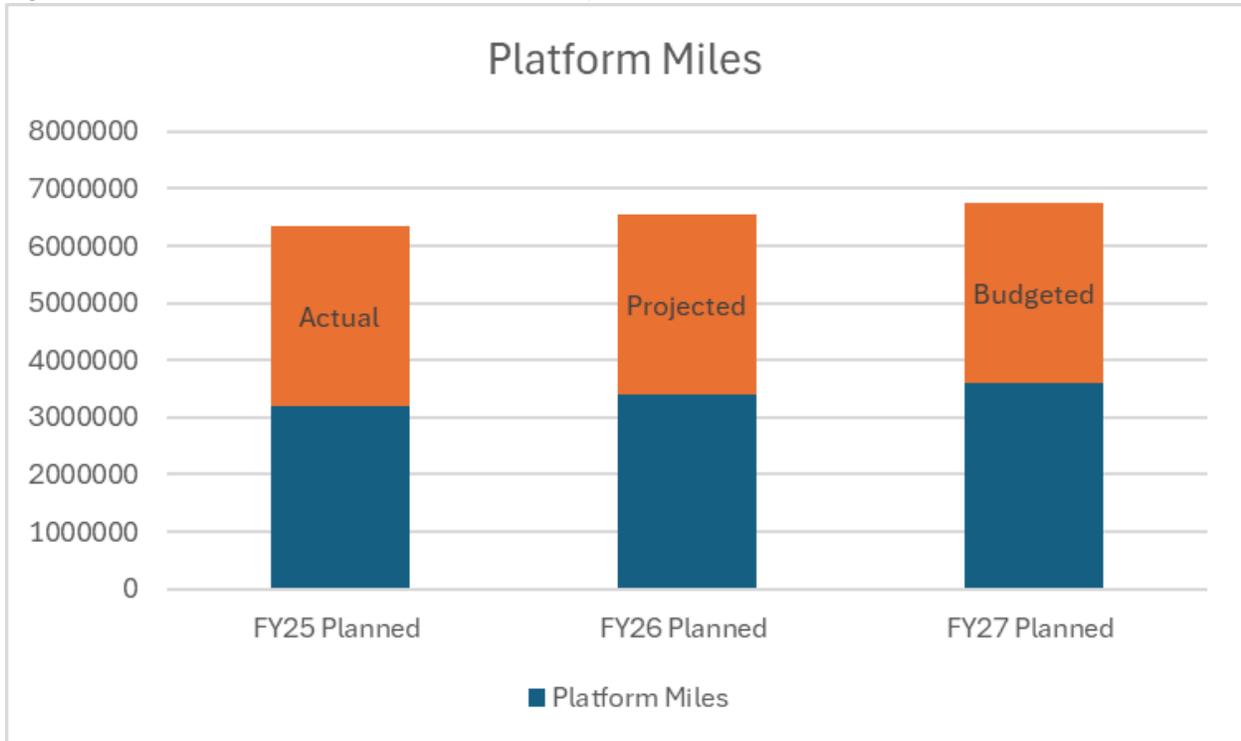
which documents the impacts on ridership, customer access, operational efficiency, and revenue tradeoffs. Importantly, the analysis also demonstrates that reintroducing fares would entail additional capital, operating, and administrative costs associated with fare collection equipment, technology systems, cash handling, and security—costs that would offset a substantial portion of anticipated fare revenue. As a result, the evaluation reinforces that fare-free service is not only a policy choice grounded in access and equity considerations, but also one with meaningful operational and financial implications. These findings are intended to inform future fare and service discussions without implying a funded continuation of the fare-free program.

2.9 Looking Forward

FY26 progress establishes a pragmatic foundation for FY27, prioritizing service reliability and operational quality within existing fiscal and workforce constraints. These efforts reflect DASH’s continued commitment to aligning short-term operational realities with the long-term strategic vision outlined in the FY25 ATSP.

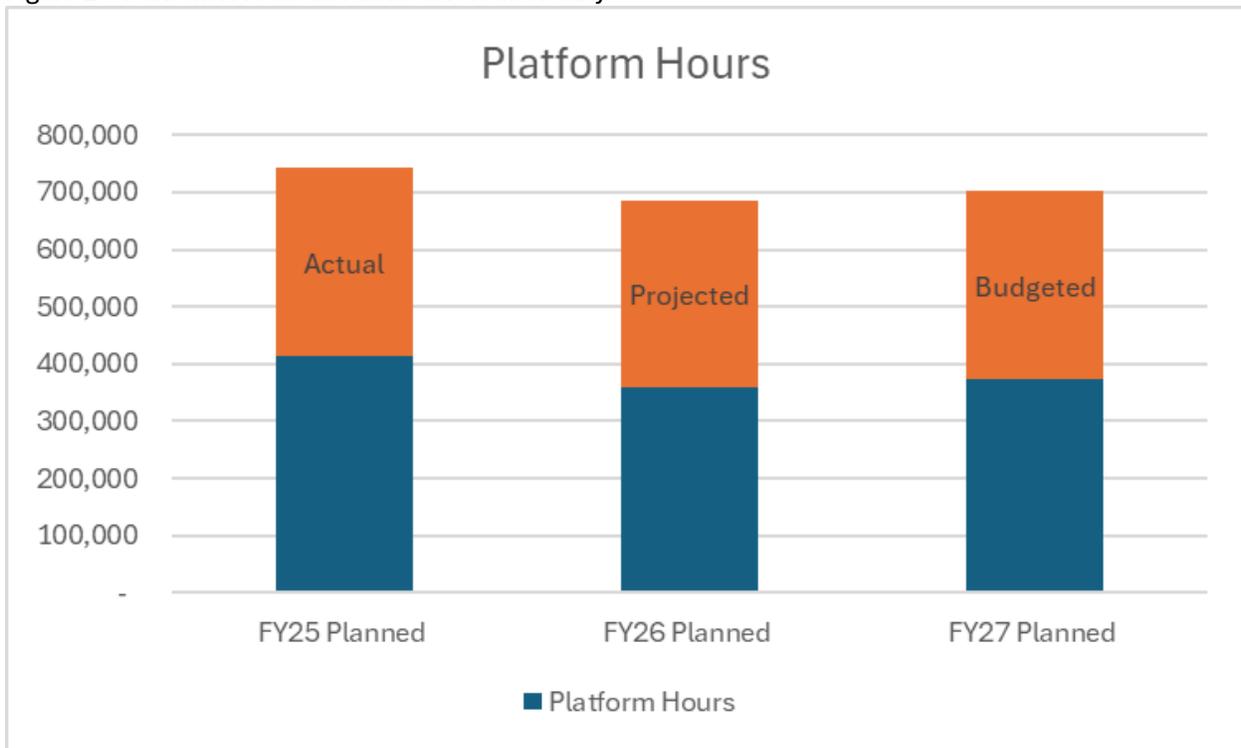
DASH continues to monitor and adjust service levels in response to operational realities, funding availability, and rider demand. While previous plans initially anticipated significant increases in service, budget constraints have required a more limited approach. The charts below summarize historical service, planned levels, projected service, and the FY27 budgeted baseline for platform hours (Figure 1) and platform miles (Figure 2). This provides a clear view of the scope of operations and how planned improvements compare with current expectations and budgeted service.

Figure 1 – Platform Miles as Planned versus Reality



[THIS GRAPH IS A PLACEHOLDER – WILL BE REFINED]

Figure 2 – Platform Hours as Planned versus Reality



[THIS GRAPH IS A PLACEHOLDER – WILL BE REFINED]

These figures reflect the balance between maintaining baseline service and pursuing smaller-scale, cost-effective improvements where feasible. Planned platform hours and miles include adjustments for operational efficiency, minor service expansions, and ongoing improvements in scheduling and routing, while budgeted levels represent the baseline service that can be delivered within current fiscal constraints.

3.0 Planned Improvements & Modifications for FY27

3.1 Overview Planning Priorities

Consistent with Board direction, DASH's near-term funding priorities remain focused on maintaining existing service levels and preserving the fare-free program. For FY27, baseline service is defined as the level of service that can be delivered within the proposed operating budget and existing workforce and fleet constraints. The FY27 baseline includes approximately 328,353 platform hours and 3,154,849 platform miles, reflecting a reduction of line 32 improvements but otherwise a continuation of current service levels. The proposed FY27 operating budget totals \$38.3 million, representing a 2.7 percent increase over FY26—the lowest year-over-year growth in recent history—and is sufficient to sustain baseline service while limiting the agency's ability to absorb additional service enhancements without new, recurring funding.

In addition to funding limitations, changes in travel behavior since the pandemic continue to affect how service needs are assessed. Many of the ridership, demand, and service impact estimates referenced in DASH planning documents—including those originating from the Alexandria Transit Vision Plan and subsequent ATSP updates—were developed during or shortly after the COVID-19 pandemic, when travel patterns differed significantly from pre-pandemic norms. Periods of sustained remote and hybrid work influenced baseline assumptions related to peak demand, trip frequency, and all-day travel behavior.

More recently, changes in workplace attendance patterns among government workers beginning in 2025 have corresponded with measurable increases in transit ridership, particularly within corridors closely connected to regional employment centers. As a result, earlier estimates may understate future demand relative to current conditions. While the FY27 ATSP continues to rely on these analyses as a consistent planning foundation, DASH recognizes the need to revisit and update key assumptions and modeling inputs as part of a future planning cycle, once travel patterns have further stabilized.

3.2 Planned Service Changes

Planned service changes for FY27 emphasize operational efficiency, capacity management, and reliability, rather than net service expansion.

Route 32 Service Reversion

Absent ongoing funding, recently implemented service improvements on the Route 32 cannot be sustained, forcing DASH to unwind progress made just one year earlier. The service enhancements implemented on Route 32 in August 2025 were made possible through a one-time supplemental funding allocation from the City of Alexandria. As this funding is a one-time supplemental, it has been removed from the FY27 baseline budget. Restoration of this service improvement has been resubmitted as a new supplemental for the FY27 budget. Barring this supplemental being added to the DASH FY27 budget, this service improvement will need to be removed and reverted to pre-implementation levels starting in August 2026. This change will affect service between Van Dorn Metro and Landmark Transit Center, reducing weekday midday and evening frequency from every 30 minutes back to every 60 minutes.

Running Time Adjustments

DASH plans to optimize running times on Lines 30, 31, and 36 to better reflect actual travel conditions, including traffic patterns, dwell times, and recovery needs. These adjustments are expected to improve on-time performance, reduce bus bunching, and enhance schedule reliability system-wide. By making better use of existing resources and avoiding unnecessary delays, running time optimization can also reduce overtime and fuel costs, achieving measurable efficiency gains without additional operating expenditures.

Capacity Improvements Using New Articulated Buses

To address crowding along high-demand corridors, DASH has deployed new articulated buses funded by Commuter Choice on Line 35 to address overcrowding issues and to expand capacity. Additional articulated buses are being planned through various projects to further grow the articulated fleet in the upcoming years. These higher-capacity vehicles allow more passengers per trip, reducing the frequency of trips required to meet demand while maintaining comfort and safety. System-wide, this approach mitigates peak-period congestion and improves rider experience, all while maximizing the utility of the existing fleet and avoiding additional operating costs.

Work Quality Assignments for Operators

DASH is refining operator work assignments, including improved alignment of relief points, duty scheduling, and sequence optimization. By reducing inefficiencies in operator shifts, this initiative supports more reliable service across all routes and enhances employee satisfaction and retention. Better work assignments can also decrease unnecessary overtime and minimize missed trips due to scheduling conflicts, producing system-wide operational and financial benefits without requiring new funding.

Better Use of Existing Data to Shape Future Decisions

DASH will expand the use of operational, ridership, and real-time data to inform near-term planning and decision-making. By analyzing boarding patterns, crowding, on-time performance, and other key metrics, the agency can identify targeted opportunities for improvements that benefit the entire system. Proactive use of data enables more efficient resource allocation, reduces waste, and supports cost-effective decision-making—ensuring that every dollar of existing funding delivers maximum service impact.

3.3 Supporting Facilities and Passenger Assets

Bus Stop Consolidations & Improvements

In parallel with service planning, DASH continues to work closely with City of Alexandria T&ES staff to improve the passenger waiting environment at bus stops across the city, with a focus on safety, accessibility, and reliability. During FY27, these efforts include advancing bus stop amenity installations, evaluating stop spacing and performance along key corridors, and implementing targeted infrastructure improvements to support more efficient operations. Together, these initiatives are intended to enhance the customer experience while supporting systemwide service reliability.

Specific improvements underway or planned include the installation of solar-powered lighting at select bus stops to enhance rider safety, continued deployment of shelters, benches, and lean rails as funding and site conditions allow, and ongoing parking space adjustments to improve bus access. DASH and the

City are also advancing corridor-level initiatives, including a bus stop rebalancing study to evaluate stop spacing, usage, and reliability opportunities, and Phase Two of the King Street Bus Operations Study, which is examining curb space prioritization and boarding platform concepts in Old Town.

Bus bulb-outs and modular curb extensions remain a key strategy in constrained environments such as Old Town, where they allow for accessible stops and improved amenities while minimizing impacts to on-street parking. Building on the bus stop consolidation implemented on King Street in February 2025, the City continues to advance additional stop improvements along the corridor as funding, procurement, and installation resources are finalized. DASH will continue coordinating with City staff to align these improvements with service needs.

In addition, the City of Alexandria is pursuing state funding through the Virginia Department of Rail and Public Transportation to support bus stop improvement projects citywide, including through DRPT capital assistance programs. These efforts will complement local investments and support the continued enhancement of DASH's passenger facilities over the FY27 planning horizon.

Transit Center Developments

DASH continues to support the City of Alexandria in advancing strategic transit center investments that strengthen network connectivity, improve passenger experience, and position the system for future service growth. The West Alexandria Transit Center is a major new transit facility delivered through a collaborative effort between the City of Alexandria, DASH, and development partners as part of the broader West End Alexandria redevelopment at the former Landmark Mall site. The six-bay facility is designed to accommodate multiple transit modes, including DASH routes, Metrobus service, and future Bus Rapid Transit (BRT) lines, providing a key transfer point that supports both current operations and the City's long-term mobility goals. Transit service operations transitioned from the former Landmark Mall Transit Center to the new facility beginning November 2, 2025, with temporary shelters in place while permanent amenities are finalized.

Building on this approach to supporting emerging activity centers in the West End, DASH is also collaborating with the City through the Alexandria West planning process on a concept for a future transit center at Southern Towers. Developed with community members and key stakeholders, this facility is intended to support future transit needs in the corridor by improving transfer opportunities, passenger access, and service reliability. The City of Alexandria has secured a signed grant agreement and completed a scope of work for the project's design phase and is preparing to initiate the design process. Advancement of the Southern Towers Transit Center will continue to be coordinated with broader corridor planning efforts and funding availability as the project moves forward.

3.4 Future Initiatives and Priorities

Advancing Priority Service Improvements (Pending Funding)

The Alexandria Transit Vision (ATV) establishes long-term multimodal policy goals through 2030, while DASH's FY25–FY34 ATSP translates those goals into an agency-specific planning and implementation framework aligned with DRPT-required update cycles. The ATSP extends beyond the 2030 ATV horizon to allow for continuity in planning, evaluation, and coordination. These additional years do not establish new policy goals but provide flexibility to reassess implementation strategies as conditions evolve. Progress

toward the ATV vision has been incremental and is contingent on the availability of sustainable operating and capital funding.

To ensure continued alignment with ATV objectives, DASH anticipates coordinating with the City in advance of the FY29 minor ATSP update to potentially reevaluate transit planning assumptions and recommendations developed prior to or during the COVID-19 period. This effort will assess more recent travel patterns, funding conditions, and shared City and DASH objectives, providing an opportunity to recalibrate implementation priorities in light of post-pandemic conditions and evolving fiscal realities.

DASH will continue working to implement the recommendations of the Alexandria Transit Vision Plan, including any previously identified “Unfunded ATV Improvements” that could not be implemented in earlier years. These initiatives remain part of the agency’s long-term planning priorities as DASH works toward fully realizing the 2030 ATV Plan, originally approved by the ATC Board of Directors in 2019. Additional information on the Alexandria Transit Vision Plan, including project background, process, outcomes, and the final report, is available at the ATV project website: www.dashbus.com/transitvision. The following table 3-1 is not intended to be an exhaustive list of all unfunded service concepts. Rather, it highlights a focused set of near-term service improvements informed by prior Board direction, followed by a secondary set of planned improvements that DASH would seek to advance once the initial items are addressed. These service improvements were included in the FY27 budget as supplemental requests. Together, these initiatives represent the next phases of implementation stemming from the Alexandria Transit Vision and subsequent ATSP updates. Implementation will remain contingent on the availability of sustainable operating and capital funding. Longer-term service improvements anticipated in FY28 and beyond are discussed in the section that follows.

In addition to the long-term, unfunded service concepts reflected in the ATV and prior ATSP updates, DASH has identified a set of supplemental service improvement requests submitted to the City of Alexandria for consideration as part of the FY27 budget process. These requests are intended to address near-term capacity constraints, emerging ridership demand, and corridor-level connectivity needs that cannot be accommodated within the FY27 baseline operating budget. The proposed improvements build upon recent service investments, reflect updated ridership patterns associated with return-to-office trends, and align with the core principles of the Alexandria Transit Vision. Inclusion in this section reflects their strategic relevance and readiness for implementation; advancement remains contingent on approval of additional, recurring operating funding.

Table 3-1 | Planned ATV Improvements, Currently UNFUNDED

	PROPOSED DASH SERVICE IMPROVEMENTS					DASH Service Planning Decision Framework (1)				
	Priority Order (1 = top priority)	Line #	Areas Served	Proposed Improvement	Net Annual Cost (Approx.)	Ridership	Equity (2)		Impact/Alternatives	Cost Efficiency
						Net Change in Annual Boardings (Projected)	Low Income Residents within 1/4 mile (City Avg = 9%)	Minority Residents within 1/4 mile (City Avg = 51%)	Description of Benefit / Cost of Not Improving	Annual Cost Per Add'l Boarding (Lower = More Cost Efficient)
Prioritized Service Improvements - Seeking Near-Term Funding	1	Line 32	Landmark Mall, Ripley Street, S. Pickett Street, Van Dorn Metro, Eisenhower Valley, Carlyle	Improve midday, evening, and weekend service on Line 32 to operate every 30 minutes, including the reinstatement of 30-minute weekday off-peak service between Landmark Transit Center and Van Dorn Metro and the extension of 30-minute service to the full route.	\$620,000	49,000	9%	54%	Shorter waits for buses along Line 32 route during middays, evenings and weekends.	\$12.65
	2	Line 31	NVCC, King Street, Old Town	Extend off-peak/weekend short trips from King Street Metro to Braddock Road Metro for 15-minute service in Old Town; extend weekday evening hours.	\$1,200,000	92,000	7%	39%	More one-seat trips from King St to Old Town; better connections to West End; more frequent OTC	\$13.04
Mid-Term Service Improvements - Next for Implementation - Not Currently Funded	Not Ranked in any Priority Order	Line 30	Braddock Metro, Old Town Circulator, Duke St, West End	Implement off-peak service levels to every 15 minutes during weekday middays, evenings, and weekends	\$2,600,000	207,000	11%	54%	Better connections between Old Town and West End for transit riders with nontraditional commutes	\$12.56
		Line 32	Landmark Mall, Ripley Street, S. Pickett Street, Van Dorn Metro, Eisenhower Valley, Carlyle	Improve weekday peak service from every 30 minutes to every 15 minutes for entire Line 32 route.	\$900,000	69,000	9%	54%	Shorter waits for buses along Line 32 route during weekday peak periods, providing improved transit options in rapidly densifying corridor	\$13.04
		Line 34	North Old Town, Potomac Yard	Extend service from Potomac Yard Center to Arlandria (3)	\$604,000	69,000	19%	85%	Extends free transit service to Arlandria community; provides one-seat rides from busiest portions of Arlandria to busiest retail corridor in Alexandria	\$8.75
		Line 103	Braddock Metro, North Ridge, W Glebe Rd, Parkfairfax	improve weekday peak headways to run every 20 minutes instead of every 30 minutes, similar to AT-3 peak service prior to the COVID pandemic.	\$500,000	41,000	9%	46%	Increases peak period capacity to meet ridership demand after return-to-office	\$12.20
		Line 104	Braddock Metro, Beverley Hills, Parkfairfax	improve weekday peak headways to run every 20 minutes instead of every 30 minutes, similar to AT-4 peak service prior to the COVID pandemic.	\$500,000	41,000	5%	27%	Increases peak period capacity to meet ridership demand after return-to-office	\$12.20

Notes:

- (1) DASH Service Planning Decision Framework includes a list of factors that inform service planning decisions, in order of their importance. The framework is based on the goals defined by the Alexandria Transit Vision Plan, and was adopted by the ATC Board in January 2021.
- (2) Equity analysis uses census block data to determine the minority and low income percentages of the groups that would be affected by proposed changes, per DASH Title VI Service Equity Analysis policy. Aggregate impact of changes should be +/- 10% of service area average.
- (3) The timing of this improvement shall be coordinated with capital improvement activities planned for the corridor to avoid disruption.

Longer-Term Initiatives Advancing the Alexandria Transit Vision Plan in FY28–FY30

The FY28–FY30 planning horizon represents the latter phase of the Alexandria Transit Vision, during which remaining elements of the Vision may be advanced as funding and implementation readiness allow. The service changes described below reflect ATV-related concepts that are expected to continue progressing during this period, recognizing that some initiatives may extend beyond FY30 depending on funding availability, project complexity, and coordination with external partners. Inclusion in this section reflects alignment with the adopted Vision rather than a commitment to implementation within a specific fiscal year. Subsequent sections describe additional service concepts that have emerged outside of the original ATV framework and are being considered through the ATSP process.

King Street Trolley – As part of longer-term service considerations, DASH is evaluating potential enhancements to the King Street Trolley, including an extension from King Street Metro to Eisenhower Metro and expanded morning service hours. Additional extensions between City Hall and the Old Town Waterfront are also under consideration in coordination with the City’s Pedestrianization Project and Waterfront development. Advancement of these concepts will depend on funding availability and further operational analysis.

Line 102 – DASH is evaluating a potential increase in weekday midday service frequency on Line 102, with a long-term goal of improving headways from 60 minutes to 30 minutes, subject to funding availability and service performance considerations.

West End Transitway – The City of Alexandria is advancing planning for the West End Transitway, a high-capacity BRT service operating along the I-395 corridor between Alexandria and the Pentagon. This project originated as part of the Alexandria Transit Vision and would replace significant portions of DASH Line 35, with corresponding adjustments to the New DASH Network along Beauregard Street and King Street. While initial operating funding has been secured through CMAQ/RSTP, additional funding and implementation coordination will be required. The timing of service initiation and associated network changes may extend beyond FY30.

Although a specific transit provider has not yet been identified, DASH is well positioned to support this service due to its existing service footprint and operating efficiency. Additional state and regional funding sources, including the I-395/95 Commuter Choice program, will continue to be pursued. Further detail will be incorporated in future updates to this plan.

Line 31 – As a longer-term network enhancement identified in the Alexandria Transit Vision, DASH is evaluating a potential extension of Line 31 from NVCC Alexandria to Skyline via Seminary Road. Implementation would be contingent on funding availability and further service planning.

A summary of the impact on platform miles and hours of the route changes identified in previous sections is included below as Table 3-2. The capital costs associated with these increases are outlined in Section 5.

**Table 3-2 | DASH Projected Changes in Platform Hours & Miles (FY 2027 – FY 2034) –
****WITH UNFUNDED IMPROVEMENTS******

Platform Hours	FY27	FY28	FY29	FY30	FY31	FY32	FY33	FY34
Line 30			17,544					
Line 31		7,208			18,888			
Line 32	-1,800	1,800	8,856					
Line 33								
Line 34			6,296					
Line 35								
Line 36A/B								
Line 102				1,764				
Line 103			3,528					
Line 104			3,528					
King St. Trolley				13,032				
Total Change	-1,800	9,008	39,752	14,796	18,888	0	0	0
<hr/>								
Platform Miles	FY27	FY28	FY29	FY30	FY31	FY32	FY33	FY34
Line 30			181,392					
Line 31		69,638			113,328			
Line 32	-75,750	75,750	102,672					
Line 33								
Line 34			62,960					
Line 35								
Line 36A/B								
Line 102				10,584				
Line 103			49,392					
Line 104			49,392					
King St. Trolley				78,192				
Total Change	-75,750	145,388	445,808	88,776	113,328	0	0	0

Post-ATV Service Strategy & Network Evolution (FY 2030 – FY 2034)

The Alexandria Transit Vision Plan (ATV) established a long-range, ridership-oriented network concept intended to provide frequent, all-day bus service across much of the city, and has served as the foundational framework for service planning over the past decade. FY 2030 marks the conclusion of the ATV Plan’s original implementation horizon. As DASH enters FY 2030 and beyond, service planning will shift from plan implementation toward evaluation, refinement, and strategic adaptation. This period represents an opportunity for DASH and the City of Alexandria to collaboratively assess progress made toward the 2030 network vision and determine whether adjustments are warranted based on evolving travel patterns, funding conditions, and community needs.

The ATV Plan was developed, studied, and adopted in a substantially different operating environment than exists today. Travel behavior, workforce patterns, and ridership recovery trajectories have continued to evolve in the years following the COVID-19 pandemic. As a result, DASH anticipates that this planning horizon will include a deliberate reassessment of longer-term service concepts to ensure they remain aligned with current and projected conditions approximately 10–15 years after the plan’s original development.

Duke Street Bus Rapid Transit (BRT)

The Duke Street BRT project, scheduled for completion by FY 2030, is anticipated to include dedicated transit lanes, bus prioritization, and other capital improvements that will enhance travel speed, reliability, and customer experience along the corridor between Landmark Mall and King Street Metro. DASH will coordinate with the City of Alexandria to evaluate future service concepts that leverage these infrastructure improvements, recognizing that specific operational changes cannot be finalized until the BRT is completed and funding is confirmed. This corridor represents a key planning input for post-ATV service strategy in the FY 2030–FY 2034 horizon.

4.0 Implications for Implementation

This section describes the operational and capital considerations that underpin implementation of the FY2030 ATSP service vision. It summarizes DASH’s ongoing efforts to maintain a state of good repair, prepare the fleet and facilities for future service growth, and advance capital and technology investments necessary to support the service improvements outlined in Section 3.

Implementation of the ATSP remains feasible within the adopted planning framework; however, the pace and sequencing of improvements are directly influenced by the availability of sustained operating and capital funding from the City. In the absence of dedicated funding, timelines have been adjusted to reflect fiscal constraints, rising costs, and competing capital and operational priorities, while preserving the long-term service objectives established by the Board.

4.1 Transit Asset Management Plan

DASH participates annually in the DRPT-sponsored Transit Asset Management (TAM) Group Plan. As a Tier II agency, DASH confirms participation each fiscal year and works with DRPT to update required asset data and performance targets for the applicable year. The current TAM Group Plan covers FY 2026–FY

2029 and is available on the DRPT website (<https://drpt.virginia.gov/guidelines-and-requirements/transit-asset-management-plan/>).

4.2 Bus Fleet

The DASH bus fleet is currently comprised of 113 buses available for daily revenue service. Recent deliveries of expansion vehicles have temporarily increased the total fleet size, allowing buses that have reached or are approaching the end of their useful life to transition into a contingency fleet. To maintain a State of Good Repair, DASH replaces buses upon reaching the end of their 12-year useful life cycle. Ongoing fleet replacement is essential to ensuring safety, reliability, and compliance with federal and state asset management requirements. The list of Active Fixed-Route Bus Fleet for FY27 is included in Table 4-1 below.

Table 4.1 Existing DASH Fixed-Route Revenue Bus Fleet

Vehicle ID's	Year	Make	Type	Length	# of Vehicles
200-206	2011	Gillig	Hybrid	35'	7
207, 209	2012	Gillig	Hybrid	35'	2
212-216	2014	Gillig	Hybrid	35'	5
217-229	2015	Gillig	Hybrid	35'	13
230-233	2017	Gillig	Hybrid	35'	4
300-301	2011	Gillig	Hybrid	40'	2
303, 305, 307	2012	Gillig	Hybrid	40'	3
308-309	2014	Gillig	Hybrid	40'	2
310-311	2017	Gillig	Hybrid	40'	2
400-404	2011	Gillig (Trolley)	Hybrid	29'	5
405	2015	Gillig (Trolley)	Hybrid	35'	1
501-514	2018	Gillig	Clean Diesel	35'	14
515-527	2019	New Flyer	Clean Diesel	35'	13
528-530	2020	New Flyer	Clean Diesel	35'	3
701-705	2020	New Flyer	Clean Diesel	40'	5
706-715	2023	New Flyer	Clean Diesel	40'	10
716-721	2026	New Flyer	Clean Diesel	40'	6
801-803	2020	New Flyer	Electric	40'	3
804-806	2021	Proterra	Electric	40'	3
807-808	2021	Proterra	Electric	40'	2
901-904	2021	New Flyer	Electric	60'	4
905-906	2025	New Flyer	Electric	60'	4
TOTAL ACTIVE FLEET					113

Despite these fleet additions, vehicle availability remains closely aligned with peak service requirements, resulting in a minimal spare ratio. This condition limits operational flexibility and reduces the system's ability to absorb routine maintenance needs, unexpected vehicle failures, or short-term service disruptions. As a result, fleet availability—rather than fleet size alone—has emerged as a key factor influencing service reliability and the occurrence of missed trips. DASH's fleet replacement plan is outlined in the table 4.2 below.

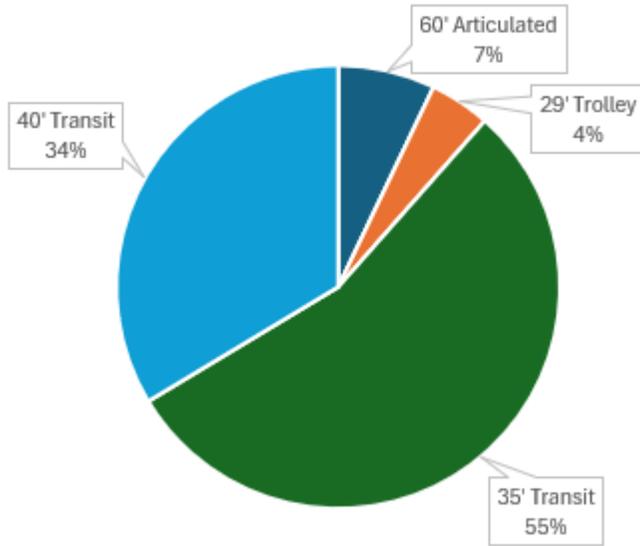
Table 4-3 | DASH Fleet Replacement Plan (FY 2026 – FY 2036)

		Funding Year											
		FY26	FY27	FY28	FY29	FY30	FY31	FY32	FY33	FY34	FY35	FY36	
Delivery Year (below)	Type	Quantity	FY27	FY28	FY29	FY30	FY31	FY32	FY33	FY34	FY35	FY36	FY37
2011 Gilligs	Hybrid	10											
2011 Gilligs (Trolley)	Hybrid	5											
2012 Gilligs	Hybrid	10											
2014 Gilligs	Hybrid	7	7										
2015 Gilligs	Hybrid	13		13									
2015 Gillig (Trolley)	Hybrid	1		1									
2017 Gilligs	Hybrid	6				6							
2018 Gilligs	Clean Diesel	14					14						
2019 New Flyers (13)	Clean Diesel	13						13					
2019 New Flyers (8)	Clean Diesel	8						8					
2020 Electric Buses (NF/Proterra)	Electric	6							6				
2021 Electric Buses (NF/Proterra)	Electric	8								8			
2023 Replacement Buses	Clean Diesel	10										10	
2024 Replacement Buses	Electric	10											23
2024 Replacement Trolleys	Electric	5											
2024 Smart Scale Buses	Clean Diesel	6											
2024 Comm Choice Buses	Electric	2											
Total Retirements			7	14	0	6	14	21	6	8	0	10	10
Replacement Buses (Clean Diesel)			0	9	0	0	0	0	0	0	0	0	0
Replacement Buses (Hyrid)			0	0	0	0	0	0	0	0	0	0	0
Replacement Buses (Electric)			7	5	0	6	14	21	6	8	0	10	10
Total Replacement Buses			7	14	0	6	14	21	6	8	0	10	10
Expansion Buses (Clean Diesel)			0	0	0	0	0	0	0	0	0	0	0
Expansion Buses (Electric)			4	0	0	0	0	0	0	0	0	0	0
Total Expansion Buses			4	0	0	0	0	0	0	0	0	0	0

Note: The dashed line represents the point at which each sub-fleet reaches the end of its useful life (12 years). Buses that are retired in yellow cells are being kept beyond this useful life.

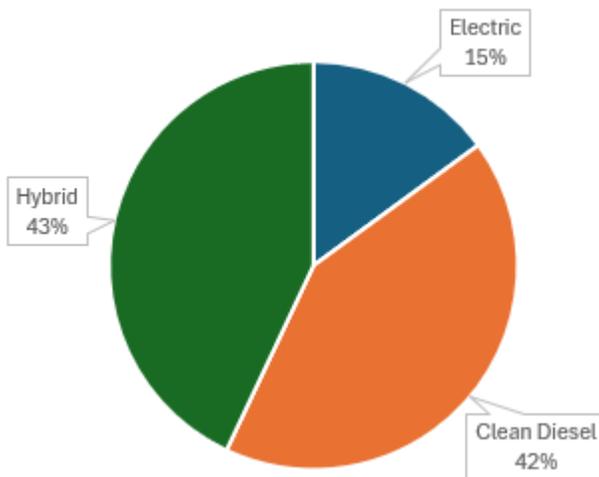
The DASH fleet is comprised primarily of 35-foot buses, which represent the majority of vehicles in service, supplemented by 40-foot buses. DASH also operates a limited number of 60-foot articulated buses and 29-foot trolley vehicles. This mix allows the agency to respond to varying passenger demand and operating conditions across the network. Fleet composition by vehicle length is illustrated in Figure 4-1.

Figure 4.1 Existing DASH Bus Fleet by Vehicle Size



DASH operates a diverse mix of propulsion technologies, including clean diesel, hybrid electric, and battery electric buses, supporting the agency’s sustainability and emissions-reduction goals. The distribution of propulsion types is shown in Figure 4-3.

Figure 4.2 Existing DASH Bus Fleet by Propulsion Type



4.3 Support Vehicle Fleet

In addition to its fixed-route bus fleet, DASH also owns and maintains a fleet of 22 support vehicles that are used for supervision of operations, operator relief movements, and administrative functions like Planning, Safety and Training. Funding for the maintenance and purchase of these vehicles is included in the annual DASH operating budget.

4.4 DASH Facility

The William B. Hurd DASH Maintenance Facility is located at 3000 Business Center Drive in Alexandria, Virginia and supports all DASH operations, maintenance, and administrative functions. The 160,000-square-foot facility, which opened in 2009, is owned by the City of Alexandria and maintained by the City's Department of General Services (DGS). The City's Department of General Services provides onsite support for routine facility maintenance, including regular inspections of building systems and infrastructure. Necessary funding for ongoing maintenance and facility upgrades is typically identified through the City's annual Capital Improvement Program (CIP) process.

DASH, in coordination with the City's Department of General Services, is advancing a major state-of-good-repair project focused on the rehabilitation and replacement of the maintenance facility's upper deck. This investment will address critical structural needs and support the long-term functionality of the facility. The project is expected to be delivered through a combination of state and local funding and represents an important step toward ensuring the facility can continue to support DASH's operational and maintenance requirements.

Building on these state-of-good-repair investments, DASH and the City are advancing a major Battery Electric Bus (BEB) Charging Yard Expansion project to support the agency's growing zero-emission fleet. A ceremonial groundbreaking for the project was held on November 3, 2025, marking the transition from planning and design into implementation. Construction is anticipated to move forward in FY 2026 and will expand charging and yard capacity to better support current and future BEB operations.

In addition, DASH and DGS are preparing an application for the FY 2027 DRPT MERIT cycle to address other critical facility needs, including replacement of the bus chassis wash system and security gate improvements. Collectively, these investments are intended to ensure the DASH Maintenance Facility remains safe, reliable, and capable of supporting evolving fleet technologies and operational demands.

4.5 Capital Improvement Program (CIP)

DASH has identified its most significant capital projects and funding needs in the City of Alexandria's FY 2027 – FY 2035 Capital Improvement Program (CIP). The CIP is updated each year with major updates every other year. Its main purpose is to identify the funding and timelines for all capital projects that will be implemented by the City of Alexandria and DASH over the next decade. Additional details on the City's Capital Improvement Program can be found at <https://www.alexandriava.gov/Budget>.

A summary of the DASH projects in the draft FY 2027 – FY 2035 Capital Improvement Program (CIP) is provided in 4-1.

Table 1-2 | FY 2026 – FY 2035 DASH Capital Improvement Program (CIP) Summary

Item	Project Description	FY 2027 CIP Funding Request	FY 2028-2035 CIP Funding Request
1	<p>Bus Fleet Replacement. DASH maintains a regular bus replacement program to ensure fleet state of good repair and adequate resources to deliver the services outlined in the Alexandria Transit Strategic Plan (ATSP) and Alexandria Transit Vision (ATV), replacing buses at the end of their 12-year useful life. Following the DASH Zero Emissions Transition Plan, aging buses will be replaced with zero- or low-emission vehicles as funding allows, while maintaining reliability and compliance with FTA and State standards. In FY 2025, DASH secured a \$10.9 million Low-No grant and local NVTA funding to replace end-of-life buses with hybrid models, supporting the ongoing transition toward a zero-emission fleet.</p>	\$10,420,000	\$115,555,200
2	<p>DASH Fleet Expansion & Electrification. The DASH Fleet Expansion project will add 26 buses and three trolleys over the next five years to increase service citywide, supporting the Alexandria Transit Vision Plan and the New DASH Network’s frequent, all-day service in key areas like the West End, Arlandria, Potomac Yard, and Old Town. These expansion vehicles will enable DASH to implement short- and long-term recommendations, including the West End and Duke Street Transitways, while advancing the City’s goal of a 100% zero-emissions fleet by FY 2037. Fourteen of the new buses are funded as battery electric, doubling the current zero-emissions fleet to 30 vehicles.</p>	\$0	\$12,600,000
3	<p>DASH Facility Expansion. The DASH Facility Expansion project will increase bus parking and charging capacity, adding space for 36 buses and up to 24 charge points to support new technology and the transition to a zero-emissions fleet. This expanded facility will enable DASH to implement Alexandria Mobility Plan and Transit Vision Plan recommendations, including the West End and Duke Street Transitways, and accommodate simultaneous delivery of new buses and decommissioning of old vehicles. Funded in part by a \$9 million Low-No federal grant, the project includes electric bus infrastructure, a 3 MW electrical service, 13 overhead chargers, and associated workforce development, with construction ongoing through FY 2027.</p>	\$0	\$10,000,000

4	<p>DASH Electric Bus On-Route Charging. This project will fund the acquisition, installation, and operation of up to five “on-route” electric bus charging stations to support DASH’s transition to a 100% zero-emissions fleet. On-route chargers, installed at strategic bus terminals, allow electric buses to extend their range by charging between trips, complementing existing depot chargers and addressing the primary operational constraint of battery range. The first station will be at the West Alexandria Transit Center, with potential future sites including Potomac Yard, Eisenhower, and Mark Center Transit Centers, subject to ongoing planning and engineering.</p>	\$0	\$4,000,000
5	<p>DASH Technologies. This project funds DASH technology initiatives that improve operational efficiency, provide better real-time information to customers, and enhance planning capabilities. Past and ongoing efforts include Automated Passenger Counters, scheduling and operations software upgrades, and the FY 2026 CAD/AVL system replacement, which will modernize dispatch, service tracking, and customer alerts with a cloud-based platform. These initiatives, coordinated with the City’s Smart Mobility Program, reduce manual processes, improve ridership data, and support the overall customer experience.</p>	\$150,000	\$1,350,000
TOTALS		\$10,570,000	\$143,505,200

4.6 DASH Planning, Demonstration, and Technology-Related Grant Initiatives

DASH continues to pursue planning, demonstration, and technology-focused grant opportunities to improve the customer experience, enhance safety, strengthen data and performance monitoring, and increase internal operational efficiency. These initiatives complement, but are distinct from, the agency's capital improvement projects and are often advanced in collaboration with the City of Alexandria and regional partners.

Recent and ongoing initiatives supported through DRPT and other funding programs:

- **CAD/AVL System Replacement (Planning Grant)**
DASH is preparing to release a Request for Proposal (RFP) in FY 2026 to replace or upgrade its Computer-Aided Dispatch / Automated Vehicle Locator (CAD/AVL) system. The existing system, implemented more than a decade ago, has reached the end of its useful life. The CAD/AVL platform is critical to daily operations, supporting real-time vehicle tracking, service management, internal performance monitoring, and customer-facing real-time information tools. This initiative will also inform future integration with onboard passenger information systems and other technology platforms.
- **Mirrorless Video Mirror System / Blind Spot Reduction (Demonstration Grant)**
Through a DRPT Demonstration Grant, DASH is advancing a mirrorless video mirror system pilot intended to reduce operator blind spots and improve pedestrian and vehicle safety. To date, 16 units have been procured and three units have been installed. Installation of the remaining units has been temporarily paused due to a technical installation issue identified by the vendor. DASH is working closely with the vendor to resolve the issue and resume installations. Once fully implemented and evaluated, the results of this demonstration will inform future vehicle specifications and safety investments.
- **Digital Mirror Technology (Demonstration Grant)**
DASH is also advancing a separate Digital Mirror System demonstration project focused on enhancing operator visibility and overall safety. This project is currently in the vendor identification and early planning phase, with initial activities underway and no challenges identified to date. The demonstration will allow DASH to evaluate operational performance, safety benefits, and maintenance considerations prior to making long-term decisions regarding potential deployment of digital mirror technology across the fleet.
- **Electric Bus Charge Management System (Demonstration Grant)**
DASH is advancing a demonstration project focused on improving monitoring and management of electric bus charging. Program development is ongoing. During implementation, a vendor exited the market, requiring DASH to reassess its procurement approach to ensure long-term system viability and compatibility. The project is expected to move forward following this adjustment and become operational once an alternative solution is finalized.
- **Bus Speed and Reliability Data Improvements**
In collaboration with the City, DASH continues to explore technology platforms that provide improved visibility into bus speed, travel time, and reliability metrics. These efforts are intended to support data-driven service planning, schedule refinement, and identification of corridors where street, stop, or signal improvements could enhance transit performance.
- **Transit Signal Prioritization (TSP)**
DASH continues to work with the City of Alexandria and regional partners, including WMATA, on Transit Signal Prioritization initiatives along key corridors. These efforts include modernization of existing infrastructure and exploration of cloud-based and interoperable TSP capabilities that

support DASH, Metrobus, and other transit providers. At present, just over 60 DASH buses are equipped and configured to support TSP, and 29 signalized intersections across the City have been commissioned for TSP operation. This work remains ongoing and will inform future corridor-level strategies to improve bus speeds, reliability, and overall service performance.

- **Workforce Development Grant**

DASH is continuing implementation of a Workforce Development Grant focused on strengthening the transit workforce pipeline and expanding internal training capacity. Activities include internship placements, participation in statewide and regional professional development opportunities, development of training materials, and establishment of maintenance apprenticeships in partnership with Northern Virginia Community College (NOVA). DASH intends to pursue continuation of this program to support long-term workforce stability and succession planning.

Future Grant Opportunities and Funding Strategy

While DASH is not currently pursuing new applications for DRPT Technical Assistance, TRIP, Smart Scale, or additional demonstration grants, the agency retains the option to pursue these programs in future cycles should funding availability, program eligibility, or strategic priorities align. DASH also intends to pursue Low or No Emission (Low-No) funding should future federal opportunities become available to support fleet electrification and charging infrastructure.

In addition, DASH plans to pursue MERIT capital funding for two state-of-good-repair projects, including one facility-related project and one non-revenue vehicle project. These investments are also discussed in the facilities section of this plan. During FY27, DASH staff will assess projects and grant opportunities for grant cycles that begin during the fiscal year. Recommendations to pursue any grants will be brought to the ATC Board of Directors for support and approval, in alignment with the organization's strategic goals.

5.0 Financial Plan

This section provides information on the DASH budget as well as revenues and funding sources for FY 2027 – FY 2036. This section includes updated financial data and therefore supersedes the information provided in the FY 2025 – FY 2034 Alexandria Transit Strategic Plan.

5.1 / Operating and Maintenance Costs and Funding Sources

In Alexandria, public transit services are provided through two distinct but complementary programs: the Alexandria Transit Company (DASH) fixed-route bus system and the City of Alexandria's Paratransit Services (DOT). DASH operates the City's fixed-route bus network, providing scheduled, high-capacity service along fixed routes. DOT Paratransit Services, by contrast, provide demand-responsive transportation for eligible riders who are unable to use fixed-route bus service due to disability or other qualifying conditions. The geographical service coverage and span of service provided by the DOT program must meet or eclipse that of the DASH system, for the DOT program to fulfill the ADA-mandate of providing paratransit service for the City. DOT services are also further complemented by WMATA's MetroAccess service which provides paratransit coverage for WMATA routes and service within the City, and beyond.

Although DASH and DOT Paratransit Services are coordinated to ensure a comprehensive transit network, the two services are operated independently and funded through separate sources. DASH does not operate paratransit service, nor does it manage paratransit operating or maintenance costs. Accordingly, operating costs and funding sources for DASH fixed-route service and DOT Paratransit Services are presented separately in this section to clearly reflect governance, funding responsibility, and cost accountability for each program.

Federal Funding

Neither DASH nor the Alexandria DOT program receive federal operating assistance. Discretionary Federal funding is used for DASH Capital Projects, such as the FY23 and FY25 Low No program.

State Funding

From FY22 through FY25, DASH received \$7.24 million in state funding through DRPT's Transit Ridership Incentive Program (TRIP) to support the City of Alexandria's transition to fare-free transit, requiring DASH to remain fare free for four years while providing funding for three. With the conclusion of the TRIP grant at the end of calendar year 2025, the City has assumed full financial responsibility for sustaining fare-free service. In parallel, the City of Alexandria, in partnership with academic researchers, conducted an independent evaluation of the fare-free policy examining implementation, system impacts, and lessons learned, including benefits such as increased ridership and improved access as well as emerging operational challenges. The findings of this evaluation are summarized in Appendix Y and inform future fare and service policy discussions.

DASH receives additional state funding through the Northern Virginia Transportation Commission's I-395 Commuter Choice program to run enhanced service on lines 35 and 36. This funding supports regular, frequent, service on those lines with headways of at least 15 minutes or better. From FY20 through FY25 this program provided more than \$24 million in funding to DASH.

DOT Paratransit does not receive state operating assistance.

Farebox Revenue

DASH has operated a fare-free structure since September 2021 and does not collect fares.

The City's DOT Paratransit program received \$49,318 in fare revenue in FY 2025.

Note: While DASH has operated fare-free fixed-route service since 2021, paratransit is a separate, demand-responsive program for eligible riders and continues to charge fares under a City-established policy.

Local Revenue

Roughly 85% of DASH's FY27 Operating Budget is funded by local City Subsidy. This accounts for the continuation of the Fare Free Program as well all associated costs with delivering service. Over the period of this ATSP, the local contribution is expected to increase in line with rising operating costs.

The City's DOT Paratransit program is also funded through the General Fund.

Other Revenue Sources

DASH expects to receive approximately 14% of its FY27 Operating Budget through the i-395 Commuter Choice program, which funds enhanced services on lines 35 and 36. It is important to note that this is a discretionary and competitive fund, which is awarded every 2 years and is not guaranteed. Should DASH lose this funding service, roughly 14% of DASH's service levels will need to be reduced, displaced from elsewhere in the system, or supplemented by City subsidy.

DASH collects a small portion of additional revenue from various sources. These include advertising programs, merchandise sales, and charter services.

DOT Paratransit does not receive funding from any other revenue sources.

Operating and Maintenance Cost Summary

A summary of DASH Operating and Maintenance costs and projections are provided below. All information provided below includes the service enhancements on Lines 35 and 36 that are funded by the Northern Virginia Transportation Commission's I-395 Commuter Choice program.

Alexandria DOT cost information is also provided, but the City of Alexandria does not operate or maintain the vehicles and instead pays the annual amounts listed below for a third-party (Diamond Transportation) to for these responsibilities.

Table 5-1 | Operating and Maintenance Cost History (in \$1,000s)

Operating Cost History	FY23	FY24	FY25
DASH	\$35,576	\$37,485	\$40,087
Paratransit	\$1,905	\$2,003	\$2,175

Note: This number is represented in thousands

Table 5-2 | Operating and Maintenance Revenue Projections (in \$1,000)

Revenue Sources	FY26	FY27	FY28	FY29	FY30	FY31	FY32	FY33	FY34
Local Subsidy	\$ 36,629	\$ 38,269	\$ 39,991	\$ 41,790	\$ 43,880	\$ 45,854	\$ 47,918	\$ 50,314	\$ 52,578
One-Time Subsidy Funding	\$ 240	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
State Funding (NVTC)	\$ 5,942	\$ 6,208	\$ 6,208	\$ 6,208	\$ 6,208	\$ 6,208	\$ 6,208	\$ 6,208	\$ 6,208
Charter Services	\$ 175	\$ 175	\$ 175	\$ 175	\$ 175	\$ 180	\$ 180	\$ 180	\$ 180
Advertising	\$ 160	\$ 160	\$ 165	\$ 175	\$ 175	\$ 180	\$ 180	\$ 180	\$ 180
Other Misc	\$ 60	\$ 85	\$ 85	\$ 85	\$ 85	\$ 85	\$ 85	\$ 85	\$ 85
TOTAL DASH	\$ 43,206	\$ 44,897	\$ 46,624	\$ 48,433	\$ 50,523	\$ 52,507	\$ 54,571	\$ 56,967	\$ 59,231

Paratransit operating costs are primarily spent on the operator, Diamond Transportation, with some smaller operating costs being spent on Senior Services and VIA transportation software. Maintenance is the responsibility of Diamond Transportation.

5.2 Capital Costs and Funding Sources

The following tables outline the costs and funding sources for DASH and City capital projects that are necessary to support DASH services and the improvements identified in the previous chapter. Table 5-4 shows all costs and funding associated with DASH replacement and expansion buses as highlighted in Chapter 4. Table 5-6 shows all costs and funding associated with DASH and City capital projects.

Table 5-3 | Vehicle Replacement and Expansion Costs and Funding Sources (in \$1,000)

	FY27	FY28	FY29	FY30	FY31	FY32	FY33	FY34
Replacement Buses	7	14	0	6	14	21	6	8
Expansion Buses	4	0	0	0	0	0	0	0
TOTAL Buses	11	14	0	6	14	21	6	8
Cost of Replacements	\$ 7,578	\$ 11,703	\$ -	\$ 7,519	\$ 18,422	\$ 29,014	\$ 8,704	\$ 12,186
Cost of Expansion	\$ 4,330	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Total Cost (\$1,000s)	\$ 11,908	\$ 11,703	\$ -	\$ 7,519	\$ 18,422	\$ 29,014	\$ 8,704	\$ 12,186
Funding Sources:								
Local Funds	\$ 922	\$ -	\$ 1,054	\$ 4,237	\$ 5,062	\$ -	\$ 1,509	\$ -
NVTA 30% Funds	\$ 9,498	\$ 200	\$ 3,796	\$ 3,963	\$ 4,134	\$ 1,610	\$ 4,491	\$ 1,972
State/Federal Grants	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Unsecured Grants		\$ 6,481	\$ 6,705	\$ 18,220	\$ 29,655	\$ 10,454	\$ 10,311	\$ 1,103
Total Funding	\$ 10,420	\$ 6,681	\$ 11,555	\$ 26,420	\$ 38,851	\$ 12,064	\$ 16,311	\$ 3,075

Table 5-4 / Net Changes in DASH Projected Operating Costs by Route (FY 2027 – FY 2034) (in thousands)

Route	FY27	FY28	FY29	FY30	FY31	FY32	FY33	FY34
Line 30	\$ -	\$ -	\$ 2,714	\$ -	\$ -	\$ -	\$ -	\$ -
Line 31	\$ -	\$ 1,067	\$ -	\$ -	\$ 3,191	\$ -	\$ -	\$ -
Line 32	\$ (255)	\$ 266	\$ 1,370	\$ -	\$ -	\$ -	\$ -	\$ -
Line 33	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Line 34	\$ -	\$ -	\$ 974	\$ -	\$ -	\$ -	\$ -	\$ -
Line 35	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Line 36A/B	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Line 102	\$ -	\$ -	\$ -	\$ 285	\$ -	\$ -	\$ -	\$ -
Line 103	\$ -	\$ -	\$ 546	\$ -	\$ -	\$ -	\$ -	\$ -
Line 104	\$ -	\$ -	\$ 546	\$ -	\$ -	\$ -	\$ -	\$ -
Trolley	\$ -	\$ -	\$ -	\$ 2,107	\$ -	\$ -	\$ -	\$ -
Totals	\$ (255)	\$ 1,334	\$ 6,150	\$ 2,392	\$ 3,191	\$ -	\$ -	\$ -

Appendix A:

DASH Public Outreach Summary

Appendix B:

Fare Free Analysis

Space of Her Own

For National Mentoring Month, DASH partnered with Space of Her Own (SOHO) to host an interactive tour for a group of about 8-10 middle-school girls and their mentors on January 22.

Women and leaders from across DASH joined to share personal career stories, answer questions, and discuss what a future in transit could look like. The experience also included hands-on demonstrations led by two of our team members, Alicia Thomas (Bus Operator) and Jasmin Martinez (Maintenance Technician), who walked the girls through how our buses work and what it takes to enter the field.



Transit Equity Day + Black History Month Wrap

This Black History Month, as we mark the 100th anniversary of the celebration and recognize Transit Equity Day, we're proud to introduce our newest bus wrap: *Freedom Moves Forward*, a tribute to the history, resilience, and progress that continues to shape Alexandria and public transit today.

We unveiled *Freedom Moves Forward* on February 4, Transit Equity Day, during the City of Alexandria's Department of Human Resources Black History Month Celebration. All month long, it will travel throughout the city to serve as a moving reminder of how transit is a vehicle for social change, connecting people, opening doors, and supporting equity.

