

WEST VIRGINIA LEGISLATURE

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Introduced

House Bill 4009

FISCAL
NOTE

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[Introduced January 13, 2016; Referred to the
Committee on Roads and Transportation then
Finance.]

1 A BILL to amend the Code of West Virginia, 1931, as amended, by adding thereto a new article,
2 designated §7-26-1, §7-26-2, §7-26-3, §7-26-4, §7-26-5, §7-26-6, §7-26-7, §7-26-8,
3 §7-26-9, §7-26-10, §7-26-11, §7-26-12, §7-26-13, §7-26-14, §7-26-15, §7-26-16,
4 §7-26-17, §7-26-18, §7-26-19, §7-26-20, §7-26-21, §7-26-22, §7-26-23, §7-26-24,
5 §7-26-25, §7-26-26, §7-26-27, §7-26-28, §7-26-29, §7-26-30, §7-26-31, §7-26-32, §7-26-
6 33, §7-26-34, §7-26-35, §7-26-36, §7-26-37, §7-26-38, §7-26-39, §7-26-40, §7-26-41,
7 §7-26-42, §7-26-43, §7-26-44 and §7-26-45, all relating generally to the role of county
8 commissions and Commissioner of Highways in construction and financing of road and
9 bridge projects in counties; providing a short title, legislative purpose and findings; defining
10 terms; authorizing county commissions to develop road construction project plans;
11 specifying process for development and approval of road construction project plans and
12 plan amendments; allowing joint road construction project plans; requiring county
13 commissions to submit road construction project plans and plan amendments approved
14 by the voters to Commissioner of Highways for approval; specifying contents of application
15 and approval process; creating a new account and subaccounts in State Road Fund;
16 allowing road construction projects to be financed on cash basis or by special revenue
17 bonds issued by the Commissioner of Highways; giving the Commissioner of Highways
18 jurisdiction over all road construction projects accepted into state road system; specifying
19 that road construction projects are public improvements; requiring annual reporting by
20 Commissioner of Highways on county road construction projects; providing procedures
21 and requirements for issuance of special revenue bonds and refunding bonds for county
22 road construction projects; providing that bonds are not debts of state, county or any
23 political subdivisions, are negotiable instruments, and are exempt from taxation; specifying
24 that persons executing bonds have no personal liability; providing that powers relating to
25 road construction project plans, construction of projects and issuance of special revenue
26 bonds are additional powers; allowing county commissions with approved road

27 construction projects to impose county transportation sales and use taxes; limiting rate of
28 taxes; requiring transactions and uses subject or exempt from county sales and use taxes
29 to conform to state consumers sales and service tax and use tax requirements except that
30 county tax may not apply to sales of motor vehicles, motor fuels or to purchases where
31 local taxation is prohibited by federal law; requiring the Tax Commissioner to administer,
32 collect and enforce county transportation sales and use tax and for that purpose,
33 specifying a fee allowed for commissioner's services, making county transportation sales
34 and use taxes subject to West Virginia Tax Procedure and Administration Act and to West
35 Virginia Tax Crimes and Penalties Act; requiring that definitions, taxable transactions and
36 exemptions from county transportation sales and use taxes automatically update when
37 state consumers sales and service tax and use tax laws are amended; requiring county
38 commissions to develop and maintain county rate and boundary databases; notifying tax
39 of adoption of order imposing taxes or changing rate of tax and to provide commissioner
40 with county rate and boundary database; specifying when collection of county
41 transportation sales and use taxes begins; requiring that net collection of county
42 transportation sales and use taxes be deposited in a subaccount of a county in a county
43 road improvement account in the State Road Fund; providing that all powers are
44 supplemental; exempting public officers from personal liability; providing for severability;
45 and providing criminal penalties.

Be it enacted by the Legislature of West Virginia:

1 That the Code of West Virginia, 1931, as amended, be amended by adding thereto a new
2 article, designated §7-26-1, §7-26-2, §7-26-3, §7-26-4, §7-26-5, §7-26-6, §7-26-7, §7-26-8,
3 §7-26-9, §7-26-10, §7-26-11, §7-26-12, §7-26-13, §7-26-14, §7-26-15, §7-26-16, §7-26-17,
4 §7-26-18, §7-26-19, §7-26-20, §7-26-21, §7-26-22, §7-26-23, §7-26-24, §7-26-25, §7-26-26,
5 §7-26-27, §7-26-28, §7-26-29, §7-26-30, §7-26-31, §7-26-32, §7-26-33, §7-26-34, §7-26-35,

6 §7-26-36, §7-26-37, §7-26-38, §7-26-39, §7-26-40, §7-26-41, §7-26-42, §7-26-43, §7-26-44 and
7 §7-26-45, all to read as follows:

ARTICLE 26. LETTING OUR COUNTIES ACT LOCALLY ACT.

PART I. GENERAL.

§7-26-1. Short title.

1 This article shall be known as the “Letting Our Counties Act Locally Act.”

§7-26-2. Purpose and findings.

1 (a) The purpose of this article is to provide county commissions with a source of funding
2 to finance: (1) The accelerated construction of new roads and bridges in their respective counties;
3 and (2) the accelerated upgrading or modernizing of existing state roads and bridges in their
4 counties, by allowing them to impose transportation sales and use taxes as provided in this article.

5 (b) The Legislature hereby makes the following findings:

6 (1) Roads maintained by the Department of Transportation include:

7 (A) Thirty-eight thousand six hundred eighty-four miles of public roads (2012 Public
8 Certified Mileage);

9 (B) Thirty-five thousand eight hundred ninety-three miles of state owned highways;

10 (C) Four hundred sixty-eight miles of state-owned Interstate highway;

11 (D) Eighty-eight miles of West Virginia Turnpike;

12 (E) One thousand nine hundred seventy-two miles included in the National Highway
13 System, twenty-three miles of which are connectors to other modes of transportation such as
14 airports, trains and buses;

15 (F) Six thousand nine hundred fourteen bridges of which thirty-three percent are more
16 than one hundred feet in length;

17 (G) One all American road;

- 18 (H) Five national byways;
- 19 (I) Fourteen state byways; and
- 20 (J) Eight backways.
- 21 (2) A 2012 road-needs assessment prepared for Governor Tomblin’s Blue Ribbon
- 22 Commission by Wilbur Smith Associates reveals that during the next seventeen years:
- 23 (A) Fifty-one thousand one hundred eight lane miles of road will need to be improved;
- 24 (B) Ten thousand four hundred one lane miles will need modernization improvements
- 25 including lane widening, road reconstruction, and shoulder improvements;
- 26 (C) Three thousand four hundred two lane miles will need to be constructed;
- 27 (3) The needs assessment concluded that over a twenty-five year period:
- 28 (A) Eight hundred fourteen bridges will need to be replaced;
- 29 (B) Five hundred seventy-seven bridges will need to be widened;
- 30 (C) Eight bridges will need to be straightened; and
- 31 (D) One bridge will need to be raised.
- 32 (4) The needs assessment projected the funding gap for road construction and
- 33 maintenance over the next twenty-five years was estimated to be \$36.7 billion, excluding new
- 34 road construction; and
- 35 (5) The needs assessment also projected that the funding gap for bridges construction
- 36 and maintenance was \$2.4 billion, excluding new bridge construction.
- 37 (6) Modern, safe roads are critical to economic development;
- 38 (7) Modern, safe roads and bridges are essential to the growth of our communities and to
- 39 the public health, welfare and safety;
- 40 (8) Counties need greater ability to influence when and where new roads are constructed
- 41 and existing roads and bridges are modernized or upgraded; and

42 (9) Significant ways to provide county commissions with the opportunity to influence when
43 and where roads and bridges are constructed, reconstructed, replaced, modernized or upgraded
44 include the ability to recommend to the Division of Highways road and bridge construction projects
45 and to assist in the financing of those projects.

§7-26-3. Definitions.

1 For purposes of this article:

2 (1) "Business" means any activity engaged in by any person, or caused to be engaged in
3 by any person, with the object of direct or indirect economic gain, benefit or advantage, and
4 includes any purposeful revenue generating activity in a county of this state that imposes
5 transportation sales and use taxes pursuant to this article.

6 (2) "Categories of road construction projects" include and are limited to preservation
7 projects, modernization projects and expansion projects.

8 (A) "Preservation projects" are road and bridge construction projects that take care of what
9 is already in place and include, but are not limited to, pavement rehabilitation and reconstruction,
10 and bridge repairs and replacements.

11 (B) "Modernization projects" are road and bridge construction projects that improve safety
12 by improving the existing roadway including, but not limited to, shoulder improvements, reducing
13 the grade of hills, straightening curves, and improving interchanges.

14 (C) "Expansion projects" are road and bridge construction projects that add to the existing
15 road system and include, but are not limited to, new roads, new bridges, new lanes and new
16 interchanges.

17 (3) "Commissioner of Highways" means the Chief Executive Officer of the Division of
18 Highway of the Department of Transportation provided in section one, article two-a, chapter
19 seventeen of this code, or his or her delegate. The term "delegate" in the phrase "or his or her

20 delegate”, when used in reference to the Commissioner of Highways, means any officer or
21 employee of the Division of Highways duly authorized by the commissioner directly, or indirectly
22 by one or more redelegations of authority, to perform the functions mentioned or described in this
23 article or rules promulgated for this article.

24 (4) “Computer software” means “computer software” as defined in section two, article
25 fifteen-b, chapter eleven of this code.

26 (5) “Consumer” means any person purchasing tangible personal property, custom
27 software or a taxable service from a retailer as defined in subdivision (17) of this section or from
28 a seller as defined in section two, article fifteen-b, chapter eleven of this code.

29 (6) “County commission” means the governing body of a county of this state.

30 (7) “County transportation sales tax” means the transportation sales and service tax
31 imposed by a county commission pursuant to this article.

32 (8) “County transportation sales and use taxes” means the county transportation sales tax
33 and the county transportation use tax imposed by a county commission pursuant to this article.

34 (9) “County transportation use tax” means the transportation use tax imposed by a county
35 commission pursuant to this article.

36 (10) “Custom software” means software prepared for a particular customer to meet the
37 specific needs or circumstances of the customer.

38 (11) “Highway authority” or “highway association” means any entity created by the
39 Legislature for the advancement and improvement of the state road and highway system,
40 including, but not limited to, the New River Parkway Authority, Midland Trail Scenic Highway
41 Association, Shawnee Parkway Authority, Corridor G Regional Development Authority, Coalfields
42 Expressway Authority, Robert C. Byrd Corridor H Highway Authority, West Virginia 2 and I-68
43 Authority, Little Kanawha River Parkway Authority, King Coal Highway Authority, Coal Heritage

44 Highway Authority, Blue and Gray Intermodal Highway Authority and the West Virginia Eastern
45 Panhandle Transportation Authority or, if an authority is abolished, any entity succeeding to the
46 principal functions of the highway authority or to whom the powers given to the highway authority
47 are given by law.

48 (12) "Lease" means "lease" as defined in section two, article fifteen-b, chapter eleven of
49 this code;

50 (13) "Person" includes any individual, firm, partnership, joint venture, joint stock company,
51 association, public or private corporation, limited liability company, limited liability partnership,
52 cooperative, estate, trust, business trust, receiver, executor, administrator, any other fiduciary,
53 any representative appointed by order of any court or otherwise acting on behalf of others, or any
54 other group or combination acting as a unit, and the plural as well as the singular number.

55 (14) "Project costs" means capital costs, costs of financing, planning, designing,
56 constructing, expanding, improving, or maintaining a road, the cost of land, equipment,
57 machinery, installation of utilities and other similar expenditures and all other charges or expenses
58 necessary, appurtenant or incidental to the foregoing.

59 (15) "Purchase" means any transfer, exchange or barter, conditional or otherwise, in any
60 manner or by any means whatsoever, for a consideration.

61 (16) "Purchase price" means "purchase price" as defined in section two, article fifteen-b,
62 chapter eleven of this code;

63 (17) "Purchaser" means a person to whom a sale of personal property is made or to whom
64 a service is furnished.

65 (18) "Retailer" means and includes every person engaging in the business of selling,
66 leasing or renting tangible personal property or custom software or furnishing a taxable service
67 for use within the meaning of this article, or in the business of selling, at auction, tangible personal

68 property or custom software owned by the person or others for use in the county imposing taxes
69 pursuant to this article. However, when, in the opinion of the Tax Commissioner, it is necessary
70 for the efficient administration of county uses taxes imposed pursuant to this article to regard any
71 salespersons, representatives, truckers, peddlers or canvassers as the agents of the dealers,
72 distributors, supervisors, employees or persons under whom they operate or from whom they
73 obtain the tangible personal property sold by them, irrespective of whether they are making sales
74 on their own behalf or on behalf of the dealers, distributors, supervisors, employers or persons,
75 the Tax Commissioner may so regard them and may regard the dealers, distributors, supervisors,
76 employers, or persons as retailers for purposes of county use taxes.

77 (19) "Retailer engaging in business in the county" or any like term, unless otherwise limited
78 by federal statute, means and includes, but is not limited to:

79 (A) Any retailer having or maintaining, occupying or using, within the county, directly or by
80 a subsidiary, an office, distribution house, sales house, warehouse, or other place of business, or
81 any agent (by whatever name called) operating within the county under the authority of the retailer
82 or its subsidiary, irrespective of whether the place of business or agent is located in the county
83 permanently or temporarily, or whether the retailer or subsidiary is admitted to do business within
84 this state pursuant to article fifteen, chapter thirty-one-d of this code or article fourteen, chapter
85 thirty-one-e of this code; or

86 (B) Any retailer that is related to, or part of a unitary business with, a person, entity or
87 business that, without regard to whether the retailer is admitted to do business in this state
88 pursuant to article fifteen, chapter thirty-one-d of this code or article fourteen, chapter thirty-one-
89 e of this code, is a subsidiary of the retailer, or is related to, or unitary with, the retailer as a related
90 entity, a related member or part of a unitary business, all as defined in section three-a, article
91 twenty four, chapter eleven of this code, that:

92 (i) Pursuant to an agreement with or in cooperation with the related retailer, maintains an
93 office, distribution house, sales house, warehouse or other place of business in the county;

94 (ii) Performs services in the county in connection with tangible personal property or
95 services sold by the retailer, or any related entity, related member or part of the unitary business;

96 (iii) By any agent, or representative (by whatever name called), or employee, performs
97 services in the county in connection with tangible personal property or services sold by the retailer,
98 or any related entity, related member or part of the unitary business; or

99 (iv) Directly or indirectly, through or by an agent, representative or employee located in,
100 or present in, the county, solicits business in the county for or on behalf of the retailer, or any
101 related entity, related member or part of the unitary business.

102 (C) For purposes of paragraph (B) of this subdivision, the term "service" means and
103 includes, but is not limited to, customer support services, help desk services, call center services,
104 repair services, engineering services, installation service, assembly service, delivery service by
105 means other than common carrier or the United States Postal Service, technical assistance
106 services, the service of investigating, handling or otherwise assisting in resolving customer issues
107 or complaints while in the county, the service of operating a mail order business or telephone,
108 Internet or other remote order business from facilities located within the county, the service of
109 operating a website or Internet-based business from a location within the county imposing the use
110 tax, or any other service.

111 (20) "Retail sale" or "sale at retail" mean "retail sale" and "sales at retail" as defined in
112 section two, article fifteen-b, chapter eleven of this code.

113 (21) "Road" means a public highway, road, bridge, tunnel, overpass to be used for the
114 transportation of persons or goods including bicycle and pedestrian facilities.

115 (22) "Road project" means any project to acquire, design, construct, expand, renovate,

116 extend, enlarge, increase, equip, improve, maintain or operate a road in this state, including, but
117 not limited to, providing bicycle and pedestrian facilities in conjunction with a road in this state,
118 that is under the jurisdiction of the Division of Highways.

119 (23) "Road construction project" means and includes any road construction project
120 included in a road construction project plan that is adopted by a county commission pursuant to
121 this article and approved by the Commissioner of Highways as provided in this article.

122 (24) "Sale" means any transaction resulting in the purchase or lease of tangible personal
123 property, custom software or a taxable service from a retailer.

124 (25) "Sales price" means "sales price" as defined in section two, article fifteen-b, chapter
125 eleven of this code.

126 (26) "Sales tax" means the transportation sales and service tax imposed by a county
127 commission pursuant to this article on sales of tangible personal property or custom software and
128 on the furnishing of taxable services.

129 (27) "Seller" means "seller" as defined in section two, article fifteen-b, chapter eleven of
130 this code.

131 (28) "Service" or "selected service" mean "service" or "selected service" as defined in
132 section two, article fifteen-b, chapter eleven of this code.

133 (29) "Tangible personal property" means tangible personal property as defined in section
134 two, article fifteen-b, chapter eleven of this code.

135 (30) "Tax" means a transportation sales or a transportation use tax imposed by a county
136 commission pursuant to this article and includes additions to tax, interest and penalties levied
137 under article ten, chapter eleven of this code.

138 (31) "Tax Commissioner" means the State Tax Commissioner provided in article one,
139 chapter eleven of this code or his or her delegate. The term "delegate" in the phrase "or his or

140 her delegate”, when used in reference to the Tax Commissioner, means any officer or employee
141 of the State Tax Division duly authorized by the Tax Commissioner directly, or indirectly by one
142 or more redelegations of authority, to perform the functions mentioned or described in this article
143 or rules promulgated for this article.

144 (32) “Taxpayer” means “taxpayer” as defined in section two, article fifteen-b, chapter
145 eleven of this code, who is subject to a transportation sales tax or a transportation use tax imposed
146 by a county commission pursuant to this article, whether acting for himself or herself or as a
147 fiduciary, and who is liable for payment of any additions to tax, penalties or interest imposed by
148 article ten, chapter eleven of this code for failure to timely pay or remit transportation sales taxes
149 or transportation use taxes imposed by a county commission pursuant to this article.

150 (33) “The code” or “this code” means the Code of West Virginia, 1931, as amended by the
151 Legislature.

152 (34) “This state” means the State of West Virginia.

153 (35) “Use tax” means the county transportation use tax imposed by a county commission
154 pursuant to this article on the use in the county of tangible personal property, custom software or
155 the results of a taxable service upon which the county transportation sales and service tax was
156 not paid.

157 (36) “Vendor” means any person furnishing services subject to a county’s sales and use
158 taxes imposed pursuant to this article, or making sales of tangible personal property or custom
159 software subject to a county’s sales and use taxes imposed pursuant to this article. The terms
160 “vendor,” “retailer” and “seller” are used interchangeably in this article.

PART II. COUNTY ROAD AND BRIDGE CONSTRUCTION PROJECTS.

§7-26-4. Creation of county road construction project plan.

1 County commissions, upon their own initiative or upon application of: (1) A highway

2 authority; (2) a local, county or regional economic development authority; or (3) any resident of
3 the county, may propose creation of a road construction project plan for the county, or propose
4 an amendment to an existing road construction project plan of the county.

§7-26-5. Public hearing required.

1 (a) *General.* – After the proposed road construction project plan, or proposed project plan
2 amendment is drafted, the county commission shall hold one or more public hearings at which
3 interested persons may express their views on the county’s proposed road construction project
4 plan, or the proposed amendment to an existing road construction project plan.

5 (b) *Notice of public hearing.* – Notice of the public hearing or hearings shall be published
6 as a Class II legal advertisement in accordance with the requirements of article three, chapter
7 fifty-nine of this code. The published notice shall include, at a minimum:

8 (1) The date, time, place and purpose of the public hearing or hearings;

9 (2) A description of each road construction project included in the proposed road
10 construction project plan, or the proposed amendment to an existing project plan, in sufficient
11 detail to give the public notice of the contents of the proposed project plan, or the proposed
12 amendment to an existing project plan, to cause residents of the county and other interested
13 persons to examine the proposed road construction project plan, or the proposed amendment to
14 an existing project plan, and attend the public hearing or submit written comments should they so
15 choose;

16 (3) Identify the places in the county where the proposed road construction project plan, or
17 the proposed amendment to an existing project plan may be viewed, one of which places shall be
18 the county commission’s webpage; and

19 (4) Explain whether one or more projects in the proposed road construction project plan,
20 or in the proposed amendment to an existing project plan, will be financed, in whole or in part, by

21 county transportation sales and use taxes and the proposed rate of tax.

22 (c) *Notice by mail.* – On or before the first day of publication of the public notice, a copy of
23 the notice shall be sent by first-class mail to the Commissioner of Highways, the Director of the
24 West Virginia Development Office and to the mayor of each municipality located within the county.
25 Additionally, when the county commission reasonably anticipates that a proposed road
26 construction project may affect a bordering county, a copy of the notice shall also be sent by first-
27 class mail to the president of the county commission of the bordering county or counties.

28 (d) *Opportunity to be heard.* – All persons who appear at the public hearing shall be
29 afforded a reasonable opportunity to express their views on all or any part of the proposed road
30 construction project plan, or the proposed amendment to an existing project plan.

31 (e) *Written comments.* – Additionally, written comments may be submitted to the county
32 commission before, during or within five business days after the public hearing. Timely mailing
33 of the written comments to the county commission, at the mailing address of the courthouse,
34 postage prepaid, shall be deemed timely submission of the written comments.

35 (f) *Recording of public hearing.* – Each public hearing shall be recorded by a court reporter,
36 or be digitally recorded.

§7-26-6. Finalization of project plan, or amendment.

1 (a) *Resolution of county commission.* – After both the public hearing and the public
2 comment period closes, and after receipt of any required resolution of the governing body of a
3 municipality as provided in subsection (b) of this section, the county commission may, by
4 resolution, finalize its roads construction project plan, or its proposed amendment to an existing
5 road construction project plan and, after prioritizing each project, adopt a resolution authorizing
6 the application for the road construction project plan, or for the amendment to an existing project
7 plan, as finalized, to be voted on by the voters of the county in a referendum. If at least fifty

8 percent of the voters vote in favor of the plan, county commission shall submit the plan to the
9 Commissioner of Highways for his or her review and approval, as provided in section eleven of
10 this article.

11 (b) *Consent of municipality in which project located.* – No county commission may adopt
12 a resolution approving a road construction project plan, or an amendment to a previously
13 approved project plan, any portion of which is located within the boundaries of a Class I, II, III or
14 IV municipality, without the adoption of a resolution by the governing body of that municipality
15 consenting to the road construction project.

§7-26-7. Order adopting road construction project plan or plan amendment.

1 (a) A road construction project plan, or an amendment to an existing project plan, may not
2 be adopted by order of the county commission until after the project plan, or the plan amendment,
3 has been approved by the Commissioner of Highways.

4 (b) Upon approval of a road construction project plan, or a plan amendment, by the
5 Commissioner of Highways, the county commission may enter an order that:

6 (1) Describes each approved road construction project sufficiently to identify with ordinary
7 and reasonable certainty the geographic location in the county of each road construction project
8 included in the county's plan;

9 (2) Assigns a name to the road construction project for identification purposes, which
10 name shall be the name given to the project by the Commissioner of Highways should the
11 commissioner assign a name to the project.

12 (A) The name may include a geographic or other designation; and

13 (B) In addition to the project name, the project shall be assigned a project number that
14 begins with the federal information processing code number (FIPS code number) for the county
15 followed by a hyphen and a consecutive number beginning with the number "01". Each additional

16 road construction project in the county approved by the Commissioner of Highways shall be
17 assigned the next consecutive number.

18 (3) Establish a county transportation sales tax and a county transportation use tax as
19 provided in this article at rates not to exceed one percent. However, the rate of the sales tax and
20 the rate of the use tax shall at all times be identical.

§7-26-8. Amendment of road construction project plan.

1 (a) *General.* – A road construction project plan adopted by order of the county commission
2 may be amended by the county commission at any time to add one or more projects, or delete
3 one or more project, or redesignate the order in which projects are to be completed as funds
4 become available: *Provided*, That once a particular road construction project has been approved
5 by the Commissioner of Highways and an intergovernmental agreement is executed as provided
6 in this article for that project, the project may not be revised by the county commission without the
7 express written approval of the Commissioner of Highways.

8 (b) *Procedure to amend project plan.* – The procedures in this article that apply to creation
9 of a road construction project plan shall also apply to each proposed amendment to the adopted
10 road construction project plan.

§7-26-9. Joint road construction projects.

1 (a) The Legislature hereby finds and declares that the citizens of the state would benefit
2 from coordinated road construction efforts by county commissions that impose transportation
3 sales and use taxes pursuant to this article.

4 (b) Notwithstanding any other section of this code to the contrary, any two or more county
5 commissions may contract to share expenses for and to share transportation sales and use tax
6 revenues, on a pro rata basis, to facilitate construction of road construction projects within their
7 respective counties.

8 (c) When a road construction project begins in one county and ends in one or more other
9 counties of this state, the county commission of each county may, by resolution, adopt a written
10 intergovernmental agreement with each county and the Commissioner of Highways regarding the
11 proposed multi-county road construction project.

12 (d) No county commission may withdraw from an intergovernmental agreement as long
13 as revenue bonds remain outstanding the proceeds of which were used by the Commissioner of
14 Highways to finance construction of the road.

15 (e) No withdrawing county commission shall be entitled to the return of any money or
16 property advanced to the road construction project.

17 (f) Notwithstanding any provision of this code to the contrary, any county commission
18 imposing transportation sales and use taxes pursuant to this article may agree with one or more
19 other counties that also impose transportation sales and use taxes pursuant to this article that
20 have an interest in completion of a proposed road construction project, may enter into an
21 intergovernmental agreement with respect to the pooling of transportation sales and use tax
22 revenues to finance construction of the road construction project either on a cash basis or to pay
23 debt service on revenue bonds issued by the Commissioner of Highways to fund the road
24 construction project.

25 (g) The obligations of the parties under any intergovernmental agreement executed
26 pursuant to this article shall not be debt within the meaning of sections six or eight, article X of
27 the Constitution of West Virginia.

28 (h) Any intergovernmental agreement shall be approved by resolution adopted by a
29 majority vote of the county commission of each county participating in the agreement and by the
30 Commissioner of Highways. After the resolution is adopted, the agreement shall be signed by at
31 least one member of the county commission and by the Commissioner of Highways.

32 (i) The Commissioner of Highways is authorized to enter into intergovernmental
33 agreements with county commissions or other political subdivisions of the state, or with the federal
34 government or any agency thereof, respecting the financing, planning, and construction of roads
35 and bridges constructed pursuant to this article.

§7-26-10. Termination of road construction project plan.

1 (a) *General.* – No road construction project plan may be in existence for a period longer
2 than thirty years, except as otherwise provided in this section, and no revenue bonds secured by
3 collections of the taxes imposed by a county commission pursuant to this article may have a final
4 maturity date of more than thirty years after date of issuance of the revenue bonds.

5 (b) *Extension of plan.* – Each amendment of a county's roads construction project plan
6 approved by the Commissioner of Highways that results in execution of an intergovernmental
7 agreement by the county commission and the Commissioner of Highways shall extend the term
8 of the project plan for another thirty years beginning with the day the last party to sign, signs that
9 intergovernmental agreement.

10 (c) *Termination of transportation sales and use taxes.* – The transportation sales and use
11 taxes imposed by a county commission pursuant to this article to finance, in whole or in part, the
12 county's road construction project plan shall expire on the first day of the calendar quarter that
13 begins one hundred twenty days after the later of: (1) The day the county commission notifies
14 the Tax Commissioner in writing that its road construction projects financed, in whole or in part,
15 with transportation sales and use tax revenue have been completed; or (2) the Commissioner of
16 Highways certifies to the county commission and to the Tax Commissioner that all principal and
17 interest due, or to become due, on special revenue bonds issued under this article to finance the
18 road construction project or projects has been paid or is provided for.

19 (d) *Shorter period.* – The county commission creating the road construction project plan

20 financed, in whole or in part, by transportation sales and use tax revenues may set a shorter
21 period for the existence of the taxes. However, in this event, no revenue bonds may have a final
22 maturity date later than the termination date of the county's transportation sales and use taxes
23 imposed pursuant to this article.

24 (e) *Termination order.* – Prior to expiration of the county's transportation sales and use
25 taxes, the county commission shall adopt an order terminating the transportation sales and use
26 taxes imposed pursuant to this article on the date specified. However, the termination shall not
27 extinguish any person's liability for payment of transportation sales and use taxes that arose prior
28 to termination of the taxes regardless of whether the taxes were assessed or not assessed prior
29 to the termination date, and as to those taxes, the rights and duties of the taxpayer and of the
30 State of West Virginia shall be fully and completely preserved.

31 (f) *Prohibition on termination or rate reduction.* – The county commission may not repeal
32 the order imposing transportation sales and use taxes pursuant to this article, or reduce the rates
33 at which the taxes are imposed, so long as any revenue bonds secured by the taxes remain
34 outstanding, unless payment of the bonds has been secured.

PART III. COMMISSIONER OF HIGHWAYS.

§7-26-11. Application to Commissioner of Highways for approval of road construction project plans.

1 The Commissioner of Highways, within sixty days after receipt of the county commission's
2 proposed road construction project plan, or an amendment to a previously approved project plan,
3 shall: (1) Approve the plan as submitted, in whole or in part; (2) reject the plan as submitted in
4 whole or in part; or (3) return the plan to the county commission for further development or review
5 in accordance with instructions of the Commissioner of Highways. The decision of the
6 commissioner is final and is not subject to judicial review.

§7-26-12. Contents of application.

1 Each application submitted under section eleven of this article shall include:

2 (1) A true copy of the county's proposed road construction project plan, or proposed
3 amendment to a project plan previously approved by the Commissioner of Highways, that is
4 adopted, after the public hearing, by resolution of the county commission.

5 (2) A true copy of the resolution adopted by the county commission approving submission
6 of the adopted road construction project plan, or the proposed amendment to a project plan
7 previously by the Commissioner of Highways, to the Commissioner of Highways for approval.

8 (3) A true copy of the notice of public hearing or hearings on the county's proposed road
9 construction plan, or proposed amendment to a previously adopted project plan, and a true copy
10 of the proposed plan, or the proposed amendment to an existing project plan that was the subject
11 of the public hearing.

12 (4) An affidavit signed by the president of the county commission confirming publication
13 of the notice of public hearing.

14 (5) A true copy of the transcript of the public hearing or hearings, or a true copy of the
15 digital recording of the public hearing or hearings, including true copies of any written comments
16 received by the commission on the proposed road construction project plan, or the proposed
17 amendment to an existing project plan.

18 (6) A statement generally describing each project included in the county's road
19 construction project plan, or the proposed amendment to an existing project plan, and identifying:

20 (A) Type of project, as:

21 (i) Road project;

22 (ii) Bridge project; or

23 (iii) Road and bridge project.

- 24 (B) Location of the project.
- 25 (C) Length of the project (in miles or feet).
- 26 (D) Scope of the work.
- 27 (E) Classification of the project as:
 - 28 (i) Preservation project;
 - 29 (ii) Modernization projects; or
 - 30 (iii) Expansion project.
- 31 (F) Estimated cost of the project.
- 32 (G) Method of financing the project.
- 33 (H) Time line for completion of the project.
- 34 (7) A map of the county showing the geographic location of each road construction project
- 35 included in the county's road construction project plan.
- 36 (8) When the road construction project is located, in whole or in part, within the corporate
- 37 limits of any municipality, a true copy of the resolution adopted by the governing body of the
- 38 municipality consenting to the road construction project.
- 39 (9) Identification of any businesses or residents that the county commission anticipates
- 40 will be displaced or leave because of the road construction project;
- 41 (10) A good faith estimate of the annual net county transportation sales and use tax
- 42 collections to be deposited in the county's sub-account in County Road Improvement Account in
- 43 the State Road Fund that will be available to finance the project, in whole or in part; and
- 44 (11) Any additional information the Commissioner of Highways may reasonably require to
- 45 analyze a proposed road construction project.
- 46 (b) *Review of applications.* -- The Commissioner of Highways shall review all proposed
- 47 road construction project plans for conformance to statutory and regulatory requirements, the

48 reasonableness of the project's budget and timetable for completion using the following criteria:

49 (1) The quality of the proposed road construction project and how it addresses
50 transportation problems in the area in which the road construction project will be located;

51 (2) Whether there is credible evidence that unless county transportation sales and use tax
52 revenues are used to finance the road construction project, in whole or in part, the project would
53 not otherwise be feasible in the time line proposed by the county commission;

54 (3) Whether the county's transportation sales and use tax revenues will leverage or be the
55 catalyst for the effective use of state or federal funding that is available;

56 (4) Whether there is substantial and credible evidence that the proposed road construction
57 project is likely to be started and completed in a timely fashion;

58 (5) Whether the proposed project will, directly or indirectly, improve transportation in the
59 area where the road construction project will occur benefitting county residents and facilitating
60 commercial business development and expansion in the county;

61 (6) Whether the proposed road construction project will, directly or indirectly, assist in the
62 creation of additional long-term employment opportunities in the area and the quality of jobs
63 created to include, but not be limited to, wages and benefits;

64 (7) Whether the proposed road construction project will fulfill a pressing transportation
65 need for the county, or part of the county, in which the road construction project would be located;

66 (8) Whether the county commission has a strategy for road construction in the county and
67 whether the proposed road construction project is consistent with that strategy;

68 (9) Whether the road construction project is consistent with the goals of this article; and

69 (10) Whether the road construction project is economically and fiscally sound using
70 recognized business standards of finance and accounting

71 (c) *Additional criteria.* -- The Commissioner of Highways may establish by rule additional

72 criteria for use when evaluating applications and approving or denying the application, in whole
73 or in part.

74 (d) *Certification of road construction project.* – When the Commissioner of Highways
75 approves a county's road construction project application, in whole or in part, the commissioner
76 shall issue to the county commission a written certificate evidencing approval of each approved
77 project.

78 (e) *Promulgation of rules.* – The Commissioner of Highways may promulgate rules to
79 implement the county road construction project application approval process and to further
80 describe the criteria and procedures it has established in connection therewith. These rules shall
81 be promulgated in conformity with the requirements of chapter twenty-nine-a of this code.

§7-26-13. Creation of County Road Improvement Account in State Road Fund.

1 (a) *Account created.* – There is created in the State Road Fund a Special Revenue
2 Revolving Fund account known as the "County Road Improvement Account" which is an interest-
3 bearing account that shall be invested in the manner described in section nine-c, article six,
4 chapter twelve of this code, with the interest income a proper credit to the account.

5 (b) *County subaccount.* – A separate and segregated subaccount within the account shall
6 be established for each county that imposes a county transportation sales tax and a county
7 transportation use tax pursuant to this article.

8 (c) *Additional funds.* – In addition to the county transportation sales and use taxes levied
9 and collected as provided in this article, funds paid into the account for the credit of any
10 subaccount may also be derived from the following sources:

11 (1) All interest or return on the investment accruing to the subaccount;

12 (2) Any gifts, grants, bequests, transfers, appropriations or donations which are received
13 from any governmental entity or unit or any person, firm, foundation or corporation; and

14 (3) Any appropriations by the Legislature which are made for this purpose.

15 (d) *Expenditures from account.* – The Commissioner of Highways may withdraw funds
16 from a county’s subaccount only in accordance with one or more intergovernmental agreement
17 or contracts executed by the county commission of that county.

§7-26-14. Cash basis projects; issuance of road construction special revenue bonds by

Commissioner of Highways.

1 (a) *Cash basis projects.* – Each county commission that has a subaccount in the County
2 Road Improvement Account established pursuant to this article may, in its discretion and pursuant
3 to an intergovernmental written agreement with the county commission, authorize the
4 Commissioner of Highways to use the moneys in its subaccount to finance the costs of road
5 construction projects in the county on a cash basis.

6 (b) *Special revenue bonds.* – Additionally, the county commission may by
7 intergovernmental written agreement authorize the Commissioner of Highways to issue, in the
8 manner prescribed by this article, special revenue bonds secured by county transportation sales
9 and use taxes imposed pursuant to this article to finance or refinance all or part of a road
10 construction project in the county and pledge all or any part of the county transportation sales and
11 use taxes for the payment of the principal of and interest on such bonds and the reserves therefor.

§7-26-15. Commissioner's authority over road construction projects accepted into the

state road system; use of state road funds.

1 (a) Notwithstanding anything in this article to the contrary, the Commissioner of Highways
2 has final approval of any road construction project. However, no state road funds may be used,
3 singly or together with funds from any other source, for any purpose or in any manner contrary to
4 or prohibited by the Constitution and laws of this state or the federal government or where such
5 use, in the sole discretion of the commissioner, would jeopardize receipt of federal funds.

6 (b) All road construction projects that are accepted as part of the state road system, and
7 all real property interests and appurtenances, shall be under the exclusive jurisdiction and control
8 of the Commissioner of Highways, who may exercise the same rights and authority as he or she
9 has over other transportation facilities in the state road system.

§7-26-16. Qualifying a transportation project as a public improvement.

1 All road construction projects authorized under this article are public improvements subject
2 to article five-a, chapter twenty-one of this code, article one-c, chapter twenty-one of this code,
3 and either article twenty-two, chapter five of this code or article two-d, chapter seventeen of this
4 code.

§7-26-17. Reports by Commissioner of Highways.

1 Each year, the Commissioner of Highways shall prepare a report giving the status of each
2 road construction project being constructed pursuant to this article and file it by October 1 each
3 year with the Governor, the Joint Committee on Government and Finance of the Legislature and
4 with each county commission with which the Commissioner of Highways has an
5 intergovernmental agreement executed pursuant to this article. The report shall include the
6 following information:

7 (1) The identification, by county, of each road construction project for which an
8 intergovernmental agreement has been executed pursuant to this article, and the status of the
9 road construction project as of June 30 preceding the due date of the report;

10 (2) The estimated cost of each road construction project included in the report;

11 (3) The source or sources of funding for each road construction project included in the
12 report;

13 (4) If revenue bonds have been issued by the Commissioner of Highways, the amount of
14 the bonds issued that are outstanding as of June 30 preceding the due date of the report for each

15 project included in the report;

16 (5) The balance as of the June 30 preceding the due date of the report of each county's
17 subaccount in the County Improvement Account in the State Road Fund.

18 (6) The amount of transportation sales and use taxes deposited into each county's
19 subaccount in the County Road Improvement Account in the State Road Fund during the fiscal
20 year ending June 30 preceding the due date of the commissioner's report.

21 (7) The amount the Commissioner of Highways withdrew from each county's subaccount
22 in the County Road Improvement Account in the State Road Fund during the fiscal year ending
23 June 30 preceding the due date of the report to pay debt service on revenue bonds issued
24 pursuant to this article or to construct projects financed on a pay-as-you-go basis.

PART IV. COUNTY ROAD CONSTRUCTION SPECIAL REVENUE BONDS.

§7-26-18. Issuance of county road construction special revenue bonds.

1 Special revenue bonds may be issued by the Division of Highways pursuant to an
2 intergovernmental written agreement with the county commission to finance or refinance, in whole
3 or in part, road construction projects in an aggregate principal amount not exceeding the amount
4 which the county commission(s) and the Commissioner of Highways mutually agree can be paid
5 as to both principal and interest and reasonable margins for a reserve, if any, therefor from county
6 transportation sales and use tax collections. In the discretion of the Commissioner of Highways,
7 special revenue bonds issued pursuant to this article may be issued for road construction projects
8 in two or more counties.

9 (1) The Commissioner of Highways issuing road construction special revenue bonds
10 pursuant to this article shall establish a fund to deposit county transportation sales and use tax
11 collections to pay debt service on the bonds.

12 (2) The Commissioner of Highways shall thereafter transfer from the county's subaccount

13 all transportation sales and use tax revenues pledged to the payment of principal and interest of
14 the road construction special revenue bonds into the fund established under subdivision (1) of
15 this section.

16 (3) The road construction special revenue bonds shall be authorized to be issued by the
17 Commissioner of Highways pursuant to the provisions of this article, and shall be secured, shall
18 bear such date and shall mature at such time, not exceeding thirty years from the date of issue,
19 shall bear interest at such rate or rates, including variable rates, be in such denominations, be in
20 such form, carry such registration privileges, be payable in such medium of payment and at such
21 place or places and such time or times and be subject to such terms of redemption as the
22 Commissioner of Highways may authorize. Road construction special revenue bonds may be
23 sold by the Division of Highways, at public or private sale, at or not less than the price the
24 Commissioner of Highways determines. The road construction special revenue bonds shall be
25 executed by manual or facsimile signature by the Commissioner of Highways. In case any
26 Commissioner of Highways whose signature, or a facsimile of whose signature, appears on any
27 bond ceases to be the Commissioner of Highways before delivery of such bonds, such signature
28 or facsimile is nevertheless sufficient for all purposes the same as if he or she had remained in
29 office until such deliver.

**§7-26-19. Trustee for bondholders; contents of trust agreement; pledge or assignment of
revenues and funds.**

1 For bonds issued pursuant to the provisions of this article, in the discretion of the
2 Commissioner of Highways, any bonds, including refunding bonds issued by the commissioner,
3 may be secured by a trust agreement between the commissioner and a corporate trustee, which
4 trustee may be any bank or trust company within or without the state. Any such trust agreement
5 may contain such binding covenants with the holders of such bonds as to any matter or provisions

6 as are deemed necessary or advisable to the commissioner to enhance the marketability and
7 security of such bonds and may also contain such other provisions with respect thereto as the
8 commissioner may authorize and approve. Any trust agreement may contain a pledge or
9 assignment of revenues to be received in connection with the financing.

§7-26-20. Refunding bonds.

1 Any bonds issued by the Division of Highways pursuant to the provisions of this article or
2 any other provision of this code and at any time outstanding may at any time and from time to
3 time be refunded by the Division of Highways by the issuance of its refunding bonds in such
4 amount as it may deem necessary to refund the principal of the bonds so to be refunded, together
5 with any unpaid interest thereon, to provide additional funds approved project costs and to pay
6 any premiums and commissions necessary to be paid in connection therewith. Any such
7 refunding may be effected by whether the bonds to be refunded have then matured or thereafter
8 matured, either by sale of the refunding bonds and the application of the proceeds thereof for the
9 redemption of the bonds to be refunded thereby or by exchange of the refunding bonds for the
10 bonds to be refunded thereby. Refunding bonds shall be issued in conformance with the
11 provisions of this article related to issuance of bonds.

**§7-26-21. Obligations of Commissioner of Highways undertaken pursuant to this article
not debt of state, county, municipality or any political subdivision.**

1 (a) Bonds, including refunding bonds, issued under the authority of this article and any
2 other obligations undertaken by the Division of Highways pursuant to this article, do not constitute
3 a debt or a pledge of the faith and credit or taxing power of this state or of any county, municipality
4 or any other political subdivision of this state, and the holders and owners thereof have no right
5 to have taxes levied by the Legislature or the taxing authority of any county, municipality or any
6 other political subdivision of this state for the payment of the principal thereof or interest thereon,

7 but such bonds and other obligations are payable solely from the revenues and funds pledged for
8 their payment as authorized by this article unless the bonds are refunded by refunding bonds
9 issued under the authority of this article, which bonds or refunding bonds shall be payable solely
10 from revenues and funds pledged for their payment as authorized by this article.

11 (b) All such bonds, and all documents evidencing any other obligation, shall contain on
12 the face thereof a statement to the effect that the bonds or such other obligation as to both
13 principal and interest are not debts of the state or any county, municipality or political subdivision
14 thereof, but are payable solely from revenues and funds pledged for their payment as authorized
15 by this article.

§7-26-22. Negotiability of bonds issued pursuant to this article.

1 Whether or not the bonds issued pursuant to this article are of such form or character as
2 to be negotiable instruments under the Uniform Commercial Code, such bonds are negotiable
3 instruments within the meaning of and for all the purposes of the Uniform Commercial Code,
4 subject only to the provisions of the bonds for registration.

§7-26-23. Exemption from taxation.

1 All bonds issued by the Commissioner of Highways pursuant to this article, and all interest
2 and income thereon, are exempt from all taxation by this state and any county, municipality,
3 political subdivision or agency thereof, except inheritance taxes.

§7-26-24. Personal liability; persons executing bonds issued pursuant to this article.

1 Neither the Commissioner of Highways, nor any officer or employee of the Division of
2 Highways or the Department of Transportation, or any person executing the bonds issued
3 pursuant to the provisions of this article, are liable personally on such bonds or subject to any
4 personal liability or accountability by reason of the issuance thereof.

§7-26-25. Cumulative authority as to powers conferred; applicability of other statutes and

charters; bonds issued pursuant to this article.

1 The provisions of this article relating to the issuance of bonds shall be construed as
2 granting cumulative authority for the exercise of the various powers herein conferred, and neither
3 the powers nor any bonds issued hereunder are affected or limited by any other statutory or
4 charter provision now or hereafter in force, other than as may be provided in this article, it being
5 the purpose and intention of this article to create full, separate and complete additional powers.
6 The various powers conferred herein may be exercised independently and notwithstanding that
7 no bonds are issued hereunder.

PART V. TRANSPORTATION SALES AND USE TAXES.

**§7-26-26. Criteria and requirements necessary to impose county transportation sales and
use taxes.**

1 As a prerequisite to imposing county transportation sales and use taxes, the county
2 commission shall have entered into one or more intergovernmental agreements with the
3 Commissioner of Highways pursuant to which the county commission agrees to finance one or
4 more road construction projects in the county, in whole or in part, using collections of the county's
5 transportation sales and use taxes deposited in the county's subaccount in the County Road
6 Improvement Account in the State Road Fund.

§7-26-27. Counties authorized to impose transportation sales and use taxes.

1 (a) In addition to all other powers and duties now conferred by law upon county
2 commissions, county commissions, may, after first satisfying the requirements of the preceding
3 section, adopt an order duly entered of record imposing countywide transportation sales and use
4 taxes as provided in this article.

5 (b) *Rate of tax.* – The rate of the county transportation sales tax and the rate of the county
6 transportation use tax shall be identical and may not exceed one percent of the purchase price

7 subject to tax under article fifteen, chapter eleven of this code, or one percent of the value upon
8 which the county use tax is imposed.

9 (c) *Sales tax base.* – In general, the tax base of county transportation sales tax imposed
10 pursuant to this article shall be identical to the consumers sales and service tax base of this state,
11 except that: (1) The exemption in section nine-f, article fifteen, chapter eleven of this code shall
12 not apply; (2) the county sales tax may not apply when taxation is prohibited by federal law; and
13 (3) the county sales tax may not apply as provided in subsection (e) of this section.

14 (d) *Use tax base.* – In general, the tax base of a county transportation use tax imposed
15 pursuant to this article shall be identical to the use tax base of this state unless otherwise
16 prohibited by federal law and except as provided in subsection (e) of this section. When the tax
17 imposed by article fifteen, chapter eleven of this code was paid to the vendor at the time of
18 purchase but the county's sales tax was not paid because the vendor is located in this state but
19 not in the county imposing use tax pursuant to this article, the purchaser who uses the tangible
20 personal property, custom software or results of the taxable service in the county shall owe the
21 use tax imposed by that county unless taxation is otherwise prohibited by federal law or prohibited
22 by subsection (e) of this section.

23 (e) *Exceptions.* – County sales and use taxes may not apply to:

24 (1) Sales and uses of motor vehicles upon which the tax imposed by section three-c, article
25 fifteen, chapter eleven of this code was paid or is payable.

26 (2) Sales and uses of motor fuel upon which or with respect to which the taxes imposed
27 by articles fourteen-a and fourteen-c, chapter eleven of this code was paid or is payable.

28 (3) Any sale of tangible personal property or custom software or the furnishing of a service
29 that is exempt from the tax imposed by article fifteen, chapter eleven of this code;

30 (4) Any use of tangible personal property, custom software or the results of a taxable

31 service that is exempt from the tax imposed by article fifteen-a, chapter eleven of this code, except
32 that this exception shall not apply to any use within the county when the state consumers sales
33 and service tax imposed by article fifteen, chapter eleven of this code, was paid to the seller at
34 the time of purchase but the county's transportation sales tax was not paid to the seller.

35 (5) Any sale or use of tangible personal property, custom software, taxable service that
36 the county is prohibited from taxing by federal law or the laws of this state.

37 (f) Whenever tangible personal property, custom software, or a taxable service are
38 purchased in a county of this state that does not impose county transportation sales and use taxes
39 pursuant to this article and the tangible personal property, custom software or results of a taxable
40 service are used in a county that does impose county transportation sales and use taxes pursuant
41 to this article:

42 (1) A vendor who delivers the tangible personal property, custom software or results of a
43 taxable service to a purchaser, or the purchaser's donee, located in a county that imposes county
44 transportation sales and use taxes pursuant to this article, shall collect, add the tax to the
45 purchase price and collect the tax from the purchaser; and

46 (2) A person using tangible personal property, customer software in a county of this state
47 that imposes sales and use taxes pursuant to this article, shall remit the county's use tax to the
48 Tax Commissioner unless the amount of sales and use taxes imposed by the county in which the
49 tangible personal property, custom software or taxable service was purchased were lawfully paid.

§7-26-28. Notification of Tax Commissioner, Auditor and Treasurer.

1 (a) Any county that imposes a transportation sales and service tax and a transportation
2 use tax pursuant to this article, or changes the rate of the taxes, shall notify the Tax Commissioner
3 at least sixty days before the effective date of the imposition of the taxes or the change in the rate
4 of the taxes and provide the commissioner with a certified copy of the order of the county

5 commission imposing the taxes or changing the rates of tax.

6 (b) A copy of the notice shall at the same time be furnished to the State Auditor and the
7 State Treasurer.

**§7-26-29. State level administration of county transportation sales and use taxes required;
fee for services.**

1 (a) *State administration required.* – Any county commission that imposes a transportation
2 sales and service tax pursuant to this article and a county transportation use tax may not
3 administer, collect or enforce those taxes. Authority to administer, collect and enforce county
4 transportation sales and use taxes is vested solely in the Tax Commissioner as required by article
5 fifteen-b, chapter eleven of this code.

6 (b) *Fee for services.* -- The Tax Commissioner may retain from net amount of sales and
7 use taxes collected for a county pursuant to this article a fee not to exceed the lesser of the cost
8 of the service provided or one percent of the amount of net amount of the taxes imposed pursuant
9 to this article that are collected by the Tax Commissioner during any fiscal year, notwithstanding
10 any provision of this code or rule promulgated by the Tax Commissioner to the contrary.

11 (c) *Deposit of fees in special revenue account.* -- The fees retained by the Tax
12 Commissioner pursuant to subsection (b) of this section shall be deposited in the State Treasury
13 in a special revenue revolving fund account known as the Tax Department Sales and Use Tax
14 Operations Fund.

§7-26-30. County transportation sales and service tax collected from purchaser.

1 A vendor selling tangible personal property or custom software or furnish a service in a
2 county that imposes a transportation sales and service tax pursuant to this article shall for the
3 privilege of doing business in the county collect the county's transportation sales and service tax
4 from the purchaser at the same time and in the same manner that the tax imposed by article

5 fifteen, chapter eleven of this code, is collected from the customer. All sales of tangible personal
6 property and custom software made in the county and all services furnished in the county are
7 presumed to be subject to the county's transportation sales and service tax unless an exemption
8 or exception applies.

§7-26-31. Payment of county transportation use taxes.

1 A county transportation use tax imposed pursuant to this article shall be paid to the Tax
2 Commissioner by the user of tangible personal property or custom software or the results of a
3 taxable service in the county that imposes the transportation use tax, unless the county's use tax
4 is collected by a retailer located outside the county that is a retailer engaging in business in the
5 county as defined in this article, or the retailer is an out-of-state retailer who is required to collect
6 West Virginia state and local use taxes.

§7-26-32. County transportation sales and use taxes are in addition to other taxes.

1 County transportation sales and use taxes imposed pursuant to this article shall be
2 collected and paid in addition to:

3 (1) The state consumers sales and service tax imposed by article fifteen, chapter eleven
4 of this code;

5 (2) The state use tax imposed by article fifteen-a, chapter eleven of this code;

6 (3) Any hotel occupancy tax imposed pursuant to section one, article eighteen of this
7 chapter;

8 (4) Any tax imposed pursuant to article twenty-two of this chapter;

9 (5) Any municipal sales or use tax imposed pursuant to section five-a, article one, chapter
10 eight of this code;

11 (6) Any tax imposed pursuant to sections six and seven, article thirteen, chapter eight of
12 this code;

13 (7) Any tax imposed by article thirty-eight, chapter eight of this code; and

14 (8) The tax imposed by section twenty-one, article three-a, chapter sixty of this code.

§7-26-33. Credit for sales tax paid to another county.

1 (a) *Credit against county use tax.* -- A person is entitled to a credit against the use tax
2 imposed by a county commission pursuant to this article on the use of tangible personal property,
3 custom software or the results of a taxable service in the county equal to the amount, if any, of
4 sales tax lawfully paid to another county for the acquisition of that tangible personal property,
5 custom software or taxable service. However, the amount of credit allowed may not exceed the
6 amount of use tax imposed on the use of the property or service in the county of use and no credit
7 shall be allowed for payment of county special district excise taxes imposed pursuant to article
8 twenty-two of this chapter.

9 (b) *Definitions.* -- For purposes of this section:

10 (1) "County" means a county in this state or a comparable unit of local government in
11 another state;

12 (2) "Sales tax" includes a sales tax, or a compensating use tax, lawfully imposed on the
13 sale or use of tangible personal property, custom software or a taxable service by the county, as
14 appropriate, in which the sale or first use occurred; and

15 (3) "State" includes the fifty states of the United States and the District of Columbia but
16 does not include any of the several territories organized by Congress.

17 (c) No credit is allowed under this section for payment of any sales or use taxes imposed
18 by this state or by any other state.

§7-26-34. Sourcing rules for county transportation sales and use taxes.

1 Sales, purchases and uses of tangible personal property, custom software and taxable
2 services shall be sourced for purposes of imposition and payment of county transportation sales

3 and use taxes imposed pursuant to this article in accordance with the sourcing rules set forth in
4 article fifteen-b, chapter eleven of this code applicable to the taxes imposed by articles fifteen and
5 fifteen-a, chapter eleven of this code.

§7-26-35. Application of state consumers sales and service tax provisions.

1 (a) *Application of state sales tax.* – The provision of article fifteen, chapter eleven of this
2 code, and any subsequent amendments to that article and the administrative rules of the Tax
3 Commissioner relating to article fifteen of chapter eleven shall apply to a county transportation
4 sales and service tax imposed pursuant to this article to the extent that article and the rules are
5 applicable the tax imposed by the county.

6 (b) *Application of state use tax law.* – The provisions of article fifteen-a, chapter eleven of
7 this code, and any subsequent amendments to that article and the rules of the Tax Commissioner
8 relating to article fifteen-a of chapter eleven shall apply to a county transportation use tax imposed
9 pursuant to this article to the extent the rules and laws are applicable.

10 (c) *Definitions incorporated.* – Any term used in this article or in an order adopted by a
11 county commission pursuant to this article imposing county transportation sales and use taxes
12 that is defined in articles fifteen, fifteen-a and fifteen-b, chapter eleven of this code, as amended,
13 and used in those articles in a similar context, shall have the same meaning when used in this
14 article or in an order entered by the county commission pursuant to this article imposing
15 transportation sales and use taxes, unless the context in which the term is used clearly indicates
16 that a different result is intended by the Legislature.

§7-26-36. Application of West Virginia Tax Procedure and Administration Act.

1 Each and every provision of the West Virginia Tax Procedure and Administration Act set
2 forth in article ten, chapter eleven of this code, and as amended from time to time by the
3 Legislature, applies to the taxes imposed pursuant to this article, except as otherwise expressly

4 provided in this article, with like effect as if that act were applicable only to the taxes imposed by
5 this article and were set forth in extensor in this article or the order entered by the county
6 commission imposing the taxes pursuant to this article.

§7-26-37. Application of West Virginia Tax Crimes and Penalties Act.

1 Each and every provision of the West Virginia Tax Crimes and Penalties Act set forth in
2 article nine, chapter eleven of this code, and as amended from time to time by the Legislature,
3 applies to the taxes imposed pursuant to this article with like effect as if that act were applicable
4 only to the taxes imposed pursuant to this article and were set forth in extensor in this article or
5 the order entered by the county commission imposing the taxes pursuant to this article.

§7-26-38. Automatic updating.

1 Any amendments to articles nine, ten, fifteen, fifteen-a and fifteen-b, chapter eleven of this
2 code shall automatically apply to transportation sales and service tax and transportation use tax
3 imposed by county commissions pursuant to this article, to the extent any amendment is
4 applicable to the taxes imposed by articles fifteen and fifteen-a, chapter eleven of this code.

§7-26-39. Local rate and boundary changes.

1 (a) *General.* – New county transportation sales and use taxes and any change in the rate
2 of existing transportation sales and use taxes shall first apply and be collected and paid only on
3 the first day of a calendar quarter that begins at least sixty days after the Tax Commissioner
4 notifies sellers of the imposition of the county taxes, or a change in the rate of those taxes, except
5 as provided in subsection (b) of this section.

6 (b) *Printed catalogs.* -- County transportation sales and use taxes and any change in the
7 rate of tax shall first apply to purchases from printed catalogs where the purchaser computed the
8 tax based upon the local tax rate published in the catalog only on and after the first day of a
9 calendar quarter that begins after the Tax Commissioner provides sellers at least one hundred

10 twenty days' notice of imposition of the tax or a change in the rate of tax.

11 (c) *County boundary changes.* – A county boundary change shall first apply for purposes
12 of computation of a county transportation sales and use taxes on the first day of a calendar quarter
13 that begins at least sixty days' after the Tax Commissioner notice sellers of the boundary change.

§7-26-40. Deposit of county transportation sales and use taxes.

1 (a) All county sales and use taxes collected by the Tax Commissioner under this article
2 shall be collected and paid into the State Road Fund to the credit of each county commission's
3 subaccount in the "County Road Improvement Account" established in the State Road Fund
4 pursuant to this article.

5 (b) The credit shall be made to the subaccount of the county commission of the county in
6 which the taxable sales were made and services rendered or taxable uses occurred as shown by
7 the records of the Tax Commissioner and certified by the Tax Commissioner to the State
8 Treasurer, namely, the location of each place of business of every vendor collecting and paying
9 sales and use taxes to the Tax Commissioner without regard to the place of possible use by the
10 purchaser and by every person remitting county transportation use tax to the Tax Commissioner
11 or paying the county's use tax to the Tax Commissioner.

12 (c) As soon as practicable after the transportation sales and use taxes for a particular
13 county have been paid into the State Road Fund in any month for the preceding reporting period,
14 the Commissioner of Highways may issue a requisition to the Auditor requesting issuance of a
15 state warrant for the funds of the county in its subaccount, as provided in the intergovernmental
16 agreement or agreements executed by the Commissioner of Highways and the county
17 commission.

18 (1) Upon receipt of the requisition, the Auditor shall issue his or her warrant on the State
19 Treasurer for the funds requested and the State Treasurer shall pay the warrant out of the

20 subaccount.

21 (2) If errors are made in any payment, or adjustments are otherwise necessary, whether
22 attributable to refunds to taxpayers or to some other fact, the errors shall be corrected and
23 adjustments made in the payments for the next six months as follows: One sixth of the total
24 adjustment shall be included in the payments for the next six months. In addition, the payment
25 shall include a refund of amounts erroneously not paid to the subaccount of the county
26 commission and not previously remitted to the county's subaccount during the three years
27 preceding the discovery of the error.

28 (3) A correction and adjustment in payments described in this subsection due to the
29 misallocation of funds by the person remitting the tax shall be made within three years of the date
30 of the payment error.

31 (d) Notwithstanding any other provision of this code to the contrary or any legislative rule
32 promulgated by the Tax Commissioner, the Tax Commissioner may deduct and retain for the
33 benefit of his or her office for expenditure pursuant to appropriation of the Legislature from each
34 payment into the "County Road Improvement Account" in the State Road Fund, as provided in
35 subsection (c) of this section, one percent thereof as a commission to compensate his or her
36 office for the administration, collection and enforcement of county sales and use taxes.

§7-26-41. Effective date of county transportation sales and use taxes.

1 (a) Notwithstanding the effective date of an order of the county commission imposing
2 transportation sales and use taxes, or changing the rate of tax, the tax or a rate change shall not
3 become operational and no vendor shall be required to collect the tax and no purchaser or user
4 shall be required to pay the tax until the first day of a calendar quarter that begins at least sixty
5 days after the Tax Commissioner complies with the requirements of section thirty-five, article
6 fifteen-b, chapter eleven of this code.

7 (b) The Tax Commissioner shall issue his or her notice to vendors and other persons
8 required to collect sales and use taxes within thirty days after receiving from the county:

9 (1) A certified copy of the order of the county commission imposing transportation sales
10 and use taxes, or changing the rate of tax, notwithstanding any other provision of this code to the
11 contrary, or legislative rule promulgated by the Tax Commissioner;

12 (2) The rate and boundary database of the county identifying all of the five digit zip codes
13 and nine-digit zip codes located in the county in conformity with the requirements for West Virginia
14 to maintain full membership in the Streamlined Sales Tax Governing Board pursuant to article
15 fifteen-b, chapter eleven of this code;

16 (3) Such other information as the Tax Commissioner may reasonably require.

**§7-26-42. Cash basis projects; termination of county transportation sales and use taxes;
excess funds.**

1 (a) *Cash basis projects.* – When special revenue bonds have been issued as provided in
2 this article and the amount of county transportation sales and use taxes imposed pursuant to this
3 article and collected, less costs of administration, collection and enforcement, exceeds the
4 amount needed to pay project costs and annual debt service, including the funding of required
5 debt service and maintenance reserves, if any, the additional amount remaining in the county's
6 subaccount in the County Road Improvement Account in the State Road Fund and shall be used
7 to retire outstanding revenue bonds before their maturity date in accordance with the terms of
8 such bonds.

9 (b) *Termination of transportation sales and use taxes.* – Once the special revenue bonds
10 issued as provided in this article are no longer outstanding or have been defeased, and no
11 additional road construction projects have been requested and approved by the Commissioner of
12 Highways, the county transportation sales and use taxes shall be discontinued by order adopted

13 by the county commission as provided in this article. Termination of the transportation sales and
14 use taxes as provided in this section shall not bar or otherwise prevent the Tax Commissioner
15 from collecting county transportation sales and use taxes that accrued before the termination date
16 and the rights of the state and the taxpayers as to those taxes shall be preserved.

17 (c) *Excess funds.* – After all intergovernmental agreements with the Commissioner of
18 Highways have ended and all debt service on special revenue bonds issued to finance, in whole
19 or in part, the road construction projects has been paid or provided for, and transportation sales
20 and use taxes imposed by the county have terminated, the Commissioner of Highways shall
21 forward the unencumbered balance of moneys remaining in the county's subaccount in the
22 County Road Improvement Account in the State Road Fund to the county commission of that
23 county for deposit in the county's general fund.

PART VI. MISCELLANEOUS.

§7-26-43. Powers supplemental.

1 (a) *County Commissions* – The powers conferred by this article are in addition and
2 supplemental to the powers conferred upon county commissions by the Legislature elsewhere in
3 this chapter.

4 (b) *Commissioner of Highways.* – The powers conferred by this article are in addition and
5 supplemental to the powers conferred upon the Commissioner of Highways, the Division of
6 Highways, and the Department of Transportation by the Legislature elsewhere in this code.

§7-26-44. Public officials exempt from personal liability.

1 No member of a county commission or other county officer shall be personally liable on
2 any contract or obligation executed pursuant to the authority contained in this article. Nor shall
3 such contracts or obligations or the issuance of revenue bonds by the Commissioner of Highways
4 secured by transportation sales and use taxes imposed by county commissions under this article

5 be considered as misfeasance in office.

§7-26-45. Severability.

1 If any section, subsection, subdivision, paragraph, sentence, clause or phrase of this
2 article is for any reason held to be invalid, unlawful or unconstitutional, that decision does not
3 affect the validity of the remaining portions of this article or any part thereof.

NOTE: The purpose of this bill is give each county commission authority to submit road and bridge construction projects that are approved by the voters to the Commissioner of Highways. The bill authorizes county commissions to impose a county transportation sales and service tax and a county use tax, at a rate not to exceed one percent, to finance the construction, in whole or in part, thereby accelerating the time for completion of those projects. The bill states that the taxes would be collected by the Tax Commissioner, at the same time and in the same manner as the state consumers sales and service tax and use taxes are collected. The bill permits the net county transportation sales and use taxes would be deposited in the County Road Improvement Account, a new account that would be created in the State Road Fund, to the credit of the county's subaccount in that account. The bill states that the funds in the subaccounts could be used to fund road and bridge construction projects on a cash basis and the Division of Highways would be authorized to issue special revenue bonds to finance construction secured by the county's subaccount. The bill provides criminal penalties.

Strike-throughs indicate language that would be stricken from a heading or the present law, and underscoring indicates new language that would be added.