

# VIRGINIA ACTS OF ASSEMBLY -- 2001 SESSION

## CHAPTER 590

*An Act to amend and reenact § 33.1-23.3 of the Code of Virginia, relating to urban system highway funds used by cities and towns for debt service on bonds.*

[H 1966]

Approved March 24, 2001

**Be it enacted by the General Assembly of Virginia:**

**1. That § 33.1-23.3 of the Code of Virginia is amended and reenacted as follows:**

§ 33.1-23.3. Allocation of construction funds for urban highways.

A. Such funds as are allocated to urban highways in municipalities having 3,500 or more inhabitants pursuant to subdivision 2 of subsection B of § 33.1-23.1 and those incorporated towns which, on June 30, 1985, maintained certain streets under § 33.1-80, as then in effect, shall be apportioned among the cities and towns of this Commonwealth by the Commonwealth Transportation Board in such a manner that each city or town to which these funds are allocable receives the same proportion of total funds available as the population of that city or town bears to the total population of all cities and towns among which such funds are allocable. For the purposes of this section, the term "population" means either the population according to the latest United States census or the latest population estimate of the Center for Public Service, whichever is more recent.

B. No apportionment hereunder shall be made to any city or town which does not have an urban project or projects approved by the Commonwealth Transportation Board and in no case shall the apportionment to any city or town exceed the total estimated cost of the project or projects for which funds are allocated. Such funds shall, as far as possible, be allotted prior to the commencement of the fiscal year and public announcement made of such allotment. Any apportionment due but not received by any city or town in a fiscal year for use under this section shall accrue as a credit to such city or town and be held for its construction projects for five succeeding fiscal years. Funds accrued shall be apportioned prior to any other distribution under this section in the fiscal year requested by the city or town.

Notwithstanding other provisions of this section, not more than one-third of the annual urban system highway funds apportioned to a city or town under this section may be used to reimburse the locality for debt service for bonds or eligible project costs incurred on approved projects included in the Six Year Improvement Program of the Commonwealth Transportation Board and the city's or town's capital improvement program. *Such funds may also be used by the locality for debt service for bonds issued for, or eligible project costs incurred or to be incurred on, approved projects included, at the time such bonds are issued or such costs are incurred or are to be incurred, in the Six Year Improvement Program of the Commonwealth Transportation Board and the city's or town's capital improvement program. Any such funds so apportioned to and received by such city or town, or any portion thereof, may be deposited in a special fund that shall be established separate and apart from any other funds, general or special.*

A portion of allocations made to any city or town under this section may be used on streets functionally classified as arterial for (i) the purchase of residue parcels of land resulting from highway system construction or reconstruction projects where the purchase will result in necessary access control or land use control directly related to the purpose and need for the project, (ii) improvements to traffic safety, (iii) improvements to traffic flow and transportation system utilization, or a combination of (i), (ii), and (iii).

When the city or town presents a resolution requesting that a portion of its annual urban system apportionment be set aside for reimbursement *for, or payment of, debt service* under this section for a specific eligible project, the Commonwealth Transportation Board shall, subject to appropriation and allocation, set aside no more than one-third of the anticipated annual apportionment of urban system funding to the city or town for such purpose, provided such funds have not been previously committed by the Board for projects contained in the Six Year Improvement Program.

~~Reimbursement to localities~~ *The setting aside and use of funds under this section for reimbursement for, or payment of, debt service* shall be subject to such terms and conditions as may be prescribed by the Commonwealth Transportation Commissioner.

The provisions of this section shall not constitute a debt or obligation of the Commonwealth Transportation Board or the Commonwealth of Virginia.