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**HOUSE BILL NO. 2771****AMENDMENT IN THE NATURE OF A SUBSTITUTE**(Proposed by the House Committee on Appropriations  
on February 2, 2005)

(Patrons Prior to Substitute—Delegates Callahan, Reid [HB 2736], Hugo [HB 2099], and Frederick [HB 1525])

*A BILL to amend and reenact §§ 33.1-268, 33.1-269, and 33.1-277 of the Code of Virginia; to amend the Code of Virginia by adding sections numbered 33.1-223.2:14, 58.1-2511 and 58.1-2512; to amend § 2 of the second enactment of Chapter 1019 of the Acts of Assembly of 2000 and § 2 of the second enactment of Chapter 1044 of the Acts of Assembly of 2000; and to repeal the third and tenth enactments of Chapter 1019 of the Acts of Assembly of 2000 and the third and tenth enactments of Chapter 1044 of the Acts of Assembly of 2000, relating to the dedication of certain insurance license tax revenues for transportation projects throughout the Commonwealth and to authorize the Commonwealth Transportation Board to issue revenue bonds for transportation projects throughout the Commonwealth.*

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

**1. That §§ 33.1-268, 33.1-269, and 33.1-277 of the Code of Virginia are amended and reenacted, and that the Code of Virginia is amended by adding sections numbered 33.1-223.2:14, 58.1-2511, and 58.1-2512 as follows:**

*§ 33.1-223.2:14. Full allocation of funds for construction project within 12 months of completion required.*

*The Commonwealth Transportation Board and the Commonwealth Transportation Commissioner shall ensure that total funds allocated to any highway construction project are equal to total expenditures within 12 months following completion of the project. The requirements of this section shall not apply to debt service apportionments pursuant to § 33.1-23.3 or § 33.1-23.4.*

**§ 33.1-268. Definitions.**

As used in this article, the following words and terms shall have the following meanings:

(1) The word "Board" means the Commonwealth Transportation Board, or if the Commonwealth Transportation Board is abolished, any board, commission or officer succeeding to the principal functions thereof or upon whom the powers given by this article to the Board shall be given by law.

(2) The word "project" or "projects" means any one or more of the following:

(a) York River Bridges, extending from a point within the Town of Yorktown in York County, or within York County across the York River to Gloucester Point or some point in Gloucester County.

(b) Rappahannock River Bridge, extending from Greys Point, or its vicinity, in Middlesex County, across the Rappahannock River to a point in the vicinity of White Stone, in Lancaster County, or at some other feasible point in the general vicinity of the two respective points.

(c), (d) [Reserved.]

(e) James River Bridge, from a point at or near Jamestown, in James City County, across the James River to a point in Surry County.

(f), (g) [Reserved.]

(h) James River, Chuckatuck and Nansemond River Bridges, together with necessary connecting roads, in the Cities of Newport News and Suffolk and the County of Isle of Wight.

(i) [Reserved.]

(j) Hampton Roads Bridge, Tunnel, or Bridge and Tunnel System, extending from a point or points in the Cities of Newport News and Hampton on the northwest shore of Hampton Roads across Hampton Roads to a point or points in the City of Norfolk or Suffolk on the southeast shore of Hampton Roads.

(k) The Norfolk-Virginia Beach Highway, extending from a point in the vicinity of the intersection of Interstate Route 64 and Primary Route 58 at Norfolk to some feasible point between London Bridge and Primary Route 60.

(l) The Henrico-James River Bridge, extending from a point on the eastern shore of the James River in Henrico County to a point on the western shore, between Falling Creek and Bells Road interchanges of the Richmond-Petersburg Turnpike; however, the project shall be deemed to include all property, rights, easements and franchises relating to any of the foregoing projects and deemed necessary or convenient for the operation thereof and to include approaches thereto.

(m) The limited access highway between the Patrick Henry Airport area and the Newport News downtown area which generally runs parallel to tracks of the Chesapeake and Ohio Railroad.

(n) Transportation improvements in the Dulles Corridor, with an eastern terminus of the East Falls Church Metrorail station at Interstate Route 66 and a western terminus of Virginia Route 772 in Loudoun County, including without limitation the Dulles Toll Road, the Dulles Access Road, outer

60 roadways adjacent or parallel thereto, mass transit, including rail, bus rapid transit, and capacity  
61 enhancing treatments such as High-Occupancy Vehicle lanes, High-Occupancy Toll (HOT) lanes,  
62 interchange improvements, commuter parking lots, and other transportation management strategies.

63 (o), (p) [Repealed.]

64 (q) Subject to the limitations and approvals of § 33.1-279.1, any other highway for a primary  
65 highway transportation improvement district or transportation service district which the Board has agreed  
66 to finance under a contract with any such district or any other alternative mechanism for generation of  
67 local revenues for specific funding of a project satisfactory to the Commonwealth Transportation Board,  
68 the financing for which is to be secured by Transportation Trust Fund revenues under any appropriation  
69 made by the General Assembly for that purpose and payable first from revenues received under such  
70 contract or other local funding source, second, to the extent required, from funds appropriated and  
71 allocated, pursuant to the highway allocation formula as provided by law, to the highway construction  
72 district in which the project is located or to the county or counties in which the project is located and  
73 third, to the extent required from other legally available revenues of the Trust Fund and from any other  
74 available source of funds.

75 (r) U.S. 58 Corridor Development Program projects as defined in §§ 33.1-221.1:2 and 58.1-815.

76 (s) The Northern Virginia Transportation District Program as defined in § 33.1-221.1:3.

77 (t) Any program for highways or mass transit or transportation facilities, endorsed by the local  
78 jurisdiction or jurisdictions affected, which agree that certain distributions of state recordation taxes will  
79 be dedicated and used for the payment of any bonds or other obligations, including interest thereon, the  
80 proceeds of which were used to pay the cost of the program. Any such program shall be referred to as a  
81 "Transportation Improvement Program."

82 (u) Any project designated from time to time by the General Assembly financed in whole or part  
83 through the issuance of Commonwealth of Virginia Federal Highway Reimbursement Anticipation Notes.

84 (v) *Any project authorized by the General Assembly financed in whole or in part by funds from the*  
85 *Commonwealth Transportation Investment Fund under § 58.1-2512 or from the proceeds of bonds whose*  
86 *debt service is paid in whole or in part by funds from such Fund.*

87 (3) The word "undertaking" means all of the projects authorized to be acquired or constructed under  
88 this article.

89 (4) The word "improvements" means such repairs, replacements, additions and betterments of and to  
90 a project acquired by purchase or by condemnation as are deemed necessary to place it in a safe and  
91 efficient condition for the use of the public, if such repairs, replacements, additions and betterments are  
92 ordered prior to the sale of any bonds for the acquisition of such project.

93 (5) The term "cost of project" as applied to a project to be acquired by purchase or by  
94 condemnation, includes the purchase price or the amount of the award, cost of improvements, financing  
95 charges, interest during any period of disuse before completion of improvements, cost of traffic  
96 estimates and of engineering and legal expenses, plans, specifications and surveys, estimates of cost and  
97 of revenues, other expenses necessary or incident to determining the feasibility or practicability of the  
98 enterprises, administrative expenses and such other expenses as may be necessary or incident to the  
99 financing herein authorized and the acquisition of the project and the placing of the project in operation.

100 (6) The term "cost of project" as applied to a project to be constructed, embraces the cost of  
101 construction, the cost of all lands, properties, rights, easements and franchises acquired which are  
102 deemed necessary for such construction, the cost of acquiring by purchase or condemnation any ferry  
103 which is deemed by the Board to be competitive with any bridge to be constructed, the cost of all  
104 machinery and equipment, financing charges, interest prior to and during construction and for one year  
105 after completion of construction, cost of traffic estimates and of engineering data, engineering and legal  
106 expenses, cost of plans, specifications and surveys, estimates of cost and of revenues, other expenses  
107 necessary or incident to determining the feasibility or practicability of the enterprise, administrative  
108 expense and such other expenses as may be necessary or incident to the financing herein authorized, the  
109 construction of the project, the placing of the project in operation and the condemnation of property  
110 necessary for such construction and operation.

111 (7) The word "owner" includes all individuals, incorporated companies, copartnerships, societies or  
112 associations having any title or interest in any property rights, easements or franchises authorized to be  
113 acquired by this article.

114 (8) [Repealed.]

115 (9) The words "revenue" and "revenues" include tolls and any other moneys received or pledged by  
116 the Board pursuant to this article, including, without limitation, legally available Transportation Trust  
117 Fund revenues and any federal highway reimbursements and any other federal highway assistance  
118 received from time to time by the Commonwealth.

119 (10) The terms "toll project" and "toll projects" mean projects financed in whole or in part through  
120 the issuance of revenue bonds which are secured by toll revenues generated by such project or projects.

121 § 33.1-269. General powers of Board.

The Commonwealth Transportation Board may, subject to the provisions of this article:

1. Acquire by purchase or by condemnation, construct, improve, operate and maintain any one or more of the projects mentioned and included in the undertaking defined in this article;

2. Issue revenue bonds of the Commonwealth, to be known and designated as "Commonwealth of Virginia Toll Revenue Bonds," payable from earnings and from any other available sources of funds, to pay the cost of such projects;

3. Subject to the limitations and approvals of § 33.1-279.1, issue revenue bonds of the Commonwealth to be known and designated as "Commonwealth of Virginia Transportation Contract Revenue Bonds," secured by Transportation Trust Fund revenues under a payment agreement between the Board and the Treasury Board, subject to their appropriation by the General Assembly and payable first from revenues received pursuant to contracts with a primary highway transportation improvement district or transportation service district or other local revenue sources for which specific funding of any such bonds may be authorized by law; second, to the extent required, from funds appropriated and allocated, pursuant to the highway allocation formula as provided by law, to the highway construction district in which the project or projects to be financed are located or to the county or counties in which the project or projects to be financed are located; and third, to the extent required, from other legally available revenues of the Trust Fund and from any other available source of funds;

4. Issue revenue bonds of the Commonwealth to be known and designated as "Commonwealth of Virginia Transportation Revenue Bonds," secured (i) by revenues received from the U.S. Route 58 Corridor Development Fund, subject to their appropriation by the General Assembly, (ii) to the extent required, from revenues legally available from the Transportation Trust Fund and (iii) to the extent required, from any other legally available funds which have been appropriated by the General Assembly;

4a. Issue revenue bonds of the Commonwealth to be known and designated as "Commonwealth of Virginia Transportation Revenue Bonds," secured, subject to their appropriation by the General Assembly, first from (i) revenues received from the Northern Virginia Transportation District Fund, (ii) to the extent required, funds appropriated and allocated, pursuant to the highway allocation formula as provided by law, to the highway construction district in which the project or projects to be financed are located or to the city or county in which the project or projects to be financed are located, (iii) to the extent required, legally available revenues of the Transportation Trust Fund, and (iv) such other funds which may be appropriated by the General Assembly;

4b. Issue revenue bonds of the Commonwealth to be known and designated as "Commonwealth of Virginia Transportation Program Revenue Bonds" secured, subject to their appropriation by the General Assembly, first from (i) any revenues received from any Set-aside Fund established by the General Assembly pursuant to § 58.1-816.1, (ii) to the extent required, revenues received pursuant to any contract with a local jurisdiction or any alternative mechanism for generation of local revenues for specific funding of a project satisfactory to the Commonwealth Transportation Board, (iii) to the extent required, funds appropriated and allocated, pursuant to the highway allocation formula as provided by law, to the highway construction district in which the project or projects to be financed are located or to the city or county in which the project or projects to be financed are located, (iv) to the extent required, legally available revenues of the Transportation Trust Fund, and (v) such other funds which may be appropriated by the General Assembly. No bonds for any project or projects shall be issued under the authority of this subsection unless such project or projects are specifically included in a bill or resolution passed by the General Assembly;

4c. Issue revenue bonds of the Commonwealth to be known and designated as "Commonwealth of Virginia Transportation Program Revenue Bonds" secured, subject to their appropriation by the General Assembly, first from (i) any revenues received from the Commonwealth Transit Capital Fund established by the General Assembly pursuant to subdivision A 4 g of § 58.1-638, (ii) to the extent required, legally available revenues of the Transportation Trust Fund, and (iii) such other funds which may be appropriated by the General Assembly. No bonds for any project or projects shall be issued under the authority of this subsection unless such project or projects are specifically included in a bill or resolution passed by the General Assembly;

4d. Issue revenue bonds of the Commonwealth from time to time to be known and designated as "Commonwealth of Virginia Federal Highway Reimbursement Anticipation Notes" secured, subject to their appropriation by the General Assembly, (i) first from any federal highway reimbursements and any other federal highway assistance received from time to time by the Commonwealth; (ii) then, at the discretion of the Board, to the extent required, from legally available revenues of the Transportation Trust Fund; and (iii) then from such other funds, if any, which are designated by the General Assembly for such purpose;

4e. Issue revenue bonds of the Commonwealth from time to time to be known and designated as "Commonwealth of Virginia Credit Assistance Revenue Bonds," secured, subject to their appropriation by the General Assembly, solely from revenues with respect to or generated by the project or projects

183 being financed thereby and any tolls or other revenues pledged by the Board as security therefor and in  
184 accordance with the applicable federal credit assistance authorized with respect to such project or  
185 projects by the United States Department of Transportation;

186 4f. *Issue revenue bonds of the Commonwealth to be known and designated as "Commonwealth of*  
187 *Virginia Transportation Revenue Bonds," secured (i) from the revenues deposited into the*  
188 *Commonwealth Transportation Investment Fund pursuant to § 58.1-2512; (ii) to the extent required,*  
189 *from revenues legally available from the Transportation Trust Fund; and (iii) to the extent required,*  
190 *from any other legally available funds;*

191 5. Fix and collect tolls and other charges for the use of such projects or to refinance the cost of such  
192 projects;

193 6. Construct grade separations at intersections of any projects with public highways, streets or other  
194 public ways or places and change and adjust the lines and grades thereof so as to accommodate the  
195 same to the design of such grade separations, the cost of such grade separations and any damage  
196 incurred in changing and adjusting the lines and grades of such highways, streets, ways and places to be  
197 ascertained and paid by the Board as a part of the cost of the project;

198 7. Vacate or change the location of any portion of any public highway, street or other public way or  
199 place and reconstruct the same at such new location as the Board deems most favorable for the project  
200 and of substantially the same type and in as good condition as the original highway, streets, way or  
201 place, the cost of such reconstruction and any damage incurred in vacating or changing the location  
202 thereof to be ascertained and paid by the Board as a part of the cost of the project. Any public highway,  
203 street or other public way or place vacated or relocated by the Board shall be vacated or relocated in the  
204 manner provided by law for the vacation or relocation of public roads and any damages awarded on  
205 account thereof may be paid by the Board as a part of the cost of the project;

206 8. Make reasonable regulations for the installation, construction, maintenance, repair, renewal and  
207 relocation of pipes, mains, sewers, conduits, cables, wires, towers, poles and other equipment and  
208 appliances herein called "public utility facilities," of the Commonwealth and of any municipality, county,  
209 or other political subdivision, public utility or public service corporation owning or operating the same  
210 in, on, along, over or under the project. Whenever the Board determines that it is necessary that any  
211 such public utility facilities should be relocated or removed, the Commonwealth or such municipality,  
212 county, political subdivision, public utility or public service corporation shall relocate or remove the  
213 same in accordance with the order of the Board. The cost and expense of such relocation or removal,  
214 including the cost of installing such public utility facilities in a new location or locations, and the cost  
215 of any lands or any rights or interests in lands, and any other rights acquired to accomplish such  
216 relocation or removal shall be ascertained by the Board.

217 On any toll project, the Board shall pay the cost and expense of relocation or removal as a part of  
218 the cost of the project for those public utility facilities owned or operated by the Commonwealth or such  
219 municipality, county, political subdivision, public utility or public service corporation. On all other  
220 projects, under this article, the Board shall pay the cost and expense of relocation or removal as a part  
221 of the cost of the project for those public utility facilities owned or operated by the Commonwealth or  
222 such municipality, county, or political subdivision. The Commonwealth or such municipality, county,  
223 political subdivision, public utility or public service corporation may maintain and operate such public  
224 utility facilities with the necessary appurtenances, in the new location or locations, for as long a period  
225 and upon the same terms and conditions as it had the right to maintain and operate such public utility  
226 facilities in their former location or locations;

227 9. Acquire by the exercise of the power of eminent domain any lands, property, rights, rights-of-way,  
228 franchises, easements and other property, including public lands, parks, playgrounds, reservations,  
229 highways or parkways, or parts thereof or rights therein, of any municipality, county or other political  
230 subdivision, deemed necessary or convenient for the construction or the efficient operation of the project  
231 or necessary in the restoration, replacement or relocation of public or private property damaged or  
232 destroyed.

233 The cost of such projects shall be paid solely from the proceeds of Commonwealth of Virginia Toll  
234 or Transportation Contract Revenue Bonds or a combination thereof or from such proceeds and from  
235 any grant or contribution which may be made thereto pursuant to the provisions of this article;

236 10. Notwithstanding any provision of this article to the contrary, the Board shall be authorized to  
237 exercise the powers conferred herein, in addition to its general powers to acquire rights-of-way and to  
238 construct, operate and maintain state highways, with respect to any project which the General Assembly  
239 has authorized or may hereafter authorize to be financed in whole or in part through the issuance of  
240 bonds of the Commonwealth pursuant to the provisions of Section 9 (c) of Article X of the Constitution  
241 of Virginia; and

242 11. Enter into any agreements or take such other actions as the Board shall determine in connection  
243 with applying for or obtaining any federal credit assistance, including without limitation loan guarantees  
244 and lines of credit, pursuant to authorization from the United States Department of Transportation with

respect to any project included in the Commonwealth's long-range transportation plan and the approved State Transportation Improvement Program.

§ 33.1-277. Credit of Commonwealth not pledged.

A. Commonwealth of Virginia Toll Revenue Bonds issued under the provisions of this article shall not be deemed to constitute a debt of the Commonwealth of Virginia or a pledge of the faith and credit of the Commonwealth, but such bonds shall be payable solely from the funds herein provided therefor from tolls and revenues, from bond proceeds or earnings thereon and from any other available sources of funds. All such bonds shall state on their face that the Commonwealth of Virginia is not obligated to pay the same or the interest thereon except from the special fund provided therefor from tolls and revenues under this article, from bond proceeds or earnings thereon and from any other available sources of funds and that the faith and credit of the Commonwealth are not pledged to the payment of the principal or interest of such bonds. The issuance of such revenue bonds under the provisions of this article shall not directly or indirectly or contingently obligate the Commonwealth to levy or to pledge any form of taxation whatever therefor or to make any appropriation for their payment, other than appropriate available funds derived as revenues from tolls and charges under this article or derived from bond proceeds or earnings thereon and from any other available sources of funds.

B. Commonwealth of Virginia Transportation Contract Revenue Bonds issued under the provisions of this article shall not be deemed to constitute a debt of the Commonwealth of Virginia or a pledge of the faith and credit of the Commonwealth, but such bonds shall be payable solely from the funds herein provided therefor (i) from revenues received pursuant to contracts with a primary highway transportation district or transportation service district or any other alternative mechanism for generation of local revenues for specific funding of a project satisfactory to the Commonwealth Transportation Board; (ii) to the extent required, from funds appropriated and allocated, pursuant to the highway allocation formula as provided by law, to the highway construction district in which the project or projects to be financed are located or to the county or counties in which such project or projects are located; (iii) from bond proceeds or earnings thereon; (iv) to the extent required, from other legally available revenues of the Trust Fund; and (v) from any other available source of funds. All such bonds shall state on their face that the Commonwealth of Virginia is not obligated to pay the same or the interest thereon except from revenues in clauses (i) and (iii) hereof and that the faith and credit of the Commonwealth are not pledged to the payment of the principal and interest of such bonds. The issuance of such revenue bonds under the provisions of this article shall not directly or indirectly or contingently obligate the Commonwealth to levy or to pledge any form of taxation whatever or to make any appropriation for their payment, other than to appropriate available funds derived as revenues under this article from the sources set forth in clauses (i) and (iii) hereof. Nothing in this article shall be construed to obligate the General Assembly to make any appropriation of the funds set forth in clause (ii) or (iv) hereof for payment of such bonds.

C. Commonwealth of Virginia Transportation Revenue Bonds issued under the provisions of this article shall not be deemed to constitute a debt of the Commonwealth of Virginia or a pledge of the full faith and credit of the Commonwealth, but such bonds shall be payable solely from the funds herein provided therefor (i) from revenues received from the U.S. Route 58 Corridor Development Fund, subject to their appropriation by the General Assembly, (ii) to the extent required, from revenues legally available from the Transportation Trust Fund and (iii) to the extent required, from any other legally available funds which shall have been appropriated by the General Assembly.

D. Commonwealth of Virginia Transportation Revenue Bonds issued under this article for Category 1 projects as provided in subdivision (2) (s) of § 33.1-268 shall not be deemed to constitute a debt of the Commonwealth of Virginia or a pledge of the faith and credit of the Commonwealth. Such bonds shall be payable solely, subject to their appropriation by the General Assembly, first from (i) revenues received from the Northern Virginia Transportation District Fund; (ii) to the extent required, funds appropriated and allocated, pursuant to the highway allocation formula as provided by law, to the highway construction district in which the project or projects to be financed are located or to the city or county in which the project or projects to be financed are located; (iii) to the extent required, legally available revenues of the Transportation Trust Fund; and (iv) such other funds which may be appropriated by the General Assembly.

E. Commonwealth of Virginia Transportation Program Revenue Bonds issued under this article for projects defined in subdivision (2) (t) of § 33.1-268 shall not be deemed to constitute a debt of the Commonwealth or a pledge of the faith and credit of the Commonwealth. Such bonds shall be payable solely, subject to their appropriation by the General Assembly, first from (i) any revenues received from any Set-aside Fund established by the General Assembly pursuant to § 58.1-816.1; (ii) to the extent required, revenues received pursuant to any contract with a local jurisdiction or any alternative mechanism for generation of local revenues for specific funding of a project satisfactory to the Commonwealth Transportation Board; (iii) to the extent required, funds appropriated and allocated,

306 pursuant to the highway allocation formula as provided by law, to the highway construction district in  
307 which the project or projects to be financed are located or to the city or county in which the project or  
308 projects to be financed are located; (iv) to the extent required, legally available revenues from the  
309 Transportation Trust Fund; and (v) such other funds which may be appropriated by the General  
310 Assembly.

311 F. Commonwealth of Virginia Federal Highway Reimbursement Anticipation Notes issued under this  
312 article shall not be deemed to constitute a debt of the Commonwealth of Virginia or a pledge of the full  
313 faith and credit of the Commonwealth, but such obligations shall be payable solely, subject to  
314 appropriation by the General Assembly, (i) first from any federal highway reimbursements and any other  
315 federal highway assistance received from time to time by the Commonwealth; (ii) then, at the discretion  
316 of the Board, to the extent required, from legally available revenues of the Transportation Trust Fund;  
317 and (iii) then, from such other funds, if any, which are designated by the General Assembly for such  
318 purpose.

319 G. Commonwealth of Virginia Transportation Credit Assistance Revenue Bonds issued under the  
320 provisions of this article shall not be deemed to constitute a debt of the Commonwealth of Virginia or a  
321 pledge of the full faith and credit of the Commonwealth, but such obligations shall be payable solely,  
322 subject to appropriation by the General Assembly, from revenues with respect to or generated by the  
323 project or projects being financed thereby and any tolls or other revenues pledged by the Board as  
324 security therefor and in accordance with the applicable federal credit assistance authorized with respect  
325 to such project or projects by the United States Department of Transportation.

326 H. Commonwealth of Virginia Transportation Revenue Bonds issued under the provisions of this  
327 article for projects as provided in subdivision (2) (v) of § 33.1-268 shall not be deemed to constitute a  
328 debt of the Commonwealth of Virginia or a pledge of the full faith and credit of the Commonwealth, but  
329 such bonds shall be payable solely from the funds herein provided therefor (i) from the revenues  
330 deposited into the Commonwealth Transportation Investment Fund pursuant to § 58.1-2512; (ii) to the  
331 extent required, from revenues legally available from the Transportation Trust Fund; and (iii) to the  
332 extent required, from any other legally available funds.

333 § 58.1-2511. Distribution of certain revenues.

334 A. Beginning July 1, 2005, one-third of all insurance license tax revenues paid to the State  
335 Corporation Commission pursuant to this chapter shall be deposited in the Commonwealth  
336 Transportation Investment Fund, a special nonreverting fund created pursuant to § 58.1-2512.

337 B. The Commonwealth Transportation Board shall allocate and distribute the proceeds of any bonds  
338 it is authorized to issue pursuant to subdivision 4f of § 33.1-269 and all revenues in the Fund not  
339 needed to pay the costs of such bonds, for transportation projects throughout the Commonwealth in  
340 conformity with §§ 33.1-23.1.

341 C. The transportation projects to be funded from the revenues and bond proceeds allocated to each  
342 highway construction district pursuant to subsection B shall be determined by the Commonwealth  
343 Transportation Board. In determining the projects to be funded, the Commonwealth Transportation  
344 Board shall consider traffic congestion, air quality improvement, and other mobility enhancements.  
345 These revenues shall be available to fund highway, transit, and rail projects.

346 § 58.1-2512. Commonwealth Transportation Investment Fund.

347 There is hereby created in the Department of the Treasury a special nonreverting fund that shall be  
348 a part of the Transportation Trust Fund and that shall be known as the Commonwealth Transportation  
349 Investment Fund. The Fund shall consist of deposits pursuant to subsection A of § 58.1-2511 and shall  
350 include such other funds as may be appropriated by the General Assembly from time to time and  
351 designated for this Fund and all interest, dividends, and appreciation that may accrue thereto. Any  
352 moneys remaining in the Fund at the end of any fiscal year shall not revert to the general fund but  
353 shall remain in the Fund. The Fund shall be distributed and used as set forth in subsections B and C of  
354 § 58.1-2511.

355 **2. That the Commonwealth Transportation Board is authorized to issue bonds as follows:**

356 § 1. Title. This act shall be known and may be cited as the "Transportation Investment Bond Act of  
357 2005."

358 § 2. The Commonwealth Transportation Board is hereby authorized, by and with the consent of the  
359 Governor, to issue, pursuant to the provisions of the State Revenue Bond Act (§ 33.1-267 et seq.), as  
360 amended from time to time, revenue obligations of the Commonwealth to be designated "Commonwealth  
361 of Virginia Transportation Investment Notes, Series .." The Notes shall be issued in such amounts so  
362 that the debt service on such bonds does not exceed the amount deposited into the Commonwealth  
363 Transportation Investment Fund created pursuant to § 58.1-2512, and further provided that the total  
364 face amount of bonds issued in any fiscal year (excluding bond anticipation notes, refunding bonds, or  
365 refunding bond anticipation notes) shall not exceed two-thirds of the amount estimated to be deposited  
366 into the Commonwealth Transportation Investment Fund pursuant to § 58.1-2512 for that fiscal year  
367 (exclusive of any obligations that may be issued to refund such notes in accordance with § 33.1-293of

the Code of Virginia, as amended) plus an amount for financing expenses (including, without limitation, any original issue discount).

The net proceeds of the Notes shall be allocated for transportation projects throughout the Commonwealth in conformity with § 33.1-23.1.

The proceeds distributed to each highway construction district shall be used exclusively for the purpose of providing funds for paying the costs incurred or to be incurred for construction or funding of transportation projects in each such district as described in § 3, including, but not limited to, environmental and engineering studies; rights-of-way acquisition; improvements to all modes of transportation; acquisition, construction and related improvements; and any financing costs and other financing expenses. Such costs may include the payment of interest on the Notes for a period during construction and not exceeding one year after completion of construction of the projects.

§ 3. The transportation projects to be funded from the proceeds of the Notes shall be determined by the Commonwealth Transportation Board. In determining the projects to be funded, the Commonwealth Transportation Board shall consider traffic congestion, air quality improvement, and other mobility enhancements. These revenues shall be available to fund highway, transit, and rail projects.

§ 4. The proceeds of the Notes, including any premium received on the sale thereof, shall be made available by the Commonwealth Transportation Board to pay costs of the projects and, where appropriate, may be paid to any authority, locality, commission or other entity for the purposes of paying for costs of the projects. The proceeds of the Notes may be used together with any federal, local or private funds that may be made available for such purpose. The proceeds of the Notes, together with any investment earnings thereon, may at the discretion of the Commonwealth Transportation Board secure the payment of principal or purchase price of and redemption premium, if any, and interest on the Notes.

§ 5. The terms and structure of each issue of the Notes shall be determined by the Commonwealth Transportation Board, subject to approval by the Treasury Board in accordance with § 2.2-2416 of the Code of Virginia, as amended. The Notes of each issue shall be dated; shall be issued in a principal amount (subject to the limitations set forth in § 1); shall bear interest at such rate or rates which may be fixed, adjustable, variable or a combination thereof, and may be determined by a formula or other method; shall mature at such time or times not exceeding 10 years after the issuance thereof; and may be made subject to purchase or redemption before their maturity or maturities, at such price or prices and under such terms and conditions, all as may be determined by the Commonwealth Transportation Board. The Commonwealth Transportation Board shall determine the form of Notes, whether the Notes are certificated or uncertificated, and fix the authorized denomination or denominations of the Notes and the place or places of payment of principal or purchase price of, and redemption premium, if any, and interest on the Notes, which may be at the office of the State Treasurer or any bank or trust company within or without the Commonwealth. The principal or purchase price of, and redemption premium, if any, and interest on the Notes shall be made payable in lawful money of the United States of America. Each issue of the Notes may be issued under a system of book entry for recording the ownership and transfer of ownership of rights to receive payments of principal or purchase price of and redemption premium, if any, and interest on such Notes. All Notes shall have and are hereby declared to have, as between successive holders, all the qualities and incidents of negotiable instruments under the negotiable instruments law of the Commonwealth.

The Commonwealth Transportation Board may sell the Notes from time to time at public or private sale, by competitive bidding, negotiated sale or private placement, for such price or prices as it may determine to be in the best interests of the Commonwealth.

§ 6. The Notes shall be signed on behalf of the Commonwealth Transportation Board by the chairman or vice-chairman of the Commonwealth Transportation Board, or shall bear the facsimile signature of such officer, and shall bear the official seal of the Board, which shall be attested to by the manual or facsimile signature of the secretary or assistant secretary of the Commonwealth Transportation Board. In the event that the Notes shall bear the facsimile signature of the chairman or vice-chairman of the Commonwealth Transportation Board, such Notes shall be signed by such administrative assistant as the chairman of the Transportation Board shall determine or by any registrar/paying agent that may be designated by the Commonwealth Transportation Board. In case any officer whose signature or a facsimile of whose signature appears on any Notes shall cease to be such officer before the delivery of such Notes, such signature or facsimile signature nevertheless shall be valid and sufficient for all purposes as if such officer had remained in office until such delivery.

§ 7. All expenses incurred under this Act or in connection with the issuance of the Notes shall be paid from the proceeds of such Notes or from any available funds as the Commonwealth Transportation Board shall determine.

§ 8. The Commonwealth Transportation Board is hereby authorized to borrow money at such rate or rates through the execution and issuance of the notes for the same, but only in the following

429 *circumstances and under the following conditions:*

430 *a. In anticipation of the sale of the Notes, the issuance of which shall have been authorized by the*  
431 *Commonwealth Transportation Board and shall have been approved by the Governor, if the*  
432 *Commonwealth Transportation Board shall deem it advisable to postpone the issuance of such Notes; or*

433 *b. For the renewal of any anticipation notes herein authorized.*

434 *§ 9. The proceeds of the Notes and of any anticipation notes herein authorized (except the proceeds*  
435 *of the Notes the issuance of which has been anticipated by such anticipation notes) shall be placed by*  
436 *the State Treasurer in a special fund in the state treasury, or may be placed with a trustee in*  
437 *accordance with § 33.1-283 of the Code of Virginia, as amended, and shall be disbursed only for the*  
438 *purpose for which such Notes and such anticipation notes shall be issued; provided, however, that*  
439 *proceeds derived from the sale of the Notes herein authorized shall be first used in the payment of any*  
440 *anticipation notes that may have been issued in anticipation of the sale of such Notes and any renewals*  
441 *of such Notes. The proceeds of the Notes and of any anticipation notes herein authorized, together with*  
442 *any investment earnings thereon, shall not be taken into account in computing, and shall be in addition*  
443 *to funds allocated pursuant to, the highway allocation formula set forth in § 33.1-23.1 of the Code of*  
444 *Virginia, as amended.*

445 *§ 10. The Commonwealth Transportation Board is hereby authorized to receive any other funds that*  
446 *may be made available to pay costs of the projects and, subject to appropriation, to make available the*  
447 *same to the payment of the principal or purchase price of, and redemption premium, if any, and interest*  
448 *on the Notes authorized hereby and to enter into the appropriate agreements to allow for those funds to*  
449 *be paid into the state treasury, or to a trustee in accordance with § 33.1-283 of the Code of Virginia, as*  
450 *amended, to pay a part of the costs of the projects or to pay principal or purchase price of, and*  
451 *redemption premium, if any, and interest on the Notes.*

452 *§ 11. The Commonwealth Transportation Board, in connection with the issuance of the Notes, shall*  
453 *establish a fund in accordance with § 33.1-286 of the Code of Virginia, as amended, either in the state*  
454 *treasury or with a trustee in accordance with § 33.1-283 of the Code of Virginia, as amended, which*  
455 *shall secure and be used for the payment of the Notes to the credit of which there shall be deposited*  
456 *such amounts, appropriated therefor by the General Assembly, as are required to pay principal or*  
457 *purchase price of, and redemption premium, if any, and interest on the Notes, as and when due and*  
458 *payable, (i) first from one-third of the amount deposited into the Commonwealth Transportation*  
459 *Investment Fund pursuant to §§ 58.1-2511 and 58.1-2512; (ii) then, at the discretion of the*  
460 *Commonwealth Transportation Board, to the extent required, from legally available revenues of the*  
461 *Transportation Trust Fund; and (iii) then from such other funds, if any, which may be designated by the*  
462 *General Assembly for such purpose.*

463 *§ 12. Note proceeds and moneys in any reserve funds and sinking funds in respect of the Notes shall*  
464 *be invested by the State Treasurer in accordance with the provisions of general law relating to the*  
465 *investment of such funds belonging to or in the control of the Commonwealth, or by a trustee in*  
466 *accordance with § 33.1-283 of the Code of Virginia, as amended.*

467 *§ 13. The interest income from, and any profit made on the sale of, the obligations issued under the*  
468 *provisions of this Act shall at all times be free and exempt from taxation by the Commonwealth and by*  
469 *any municipality, county, or other political subdivision thereof.*

470 *§ 14. All obligations issued under the provisions of this Act are hereby made securities in which all*  
471 *persons and entities listed in § 33.1-280 of the Code of Virginia, as amended, may properly and legally*  
472 *invest funds under their control.*

473 **2. That § 2 of the second enactment of Chapter 1019 of the Acts of Assembly of 2000 and § 2 of**  
474 **the second enactment of Chapter 1044 of the Acts of Assembly of 2000 are amended as follows:**

475 *§ 2. The Commonwealth Transportation Board is hereby authorized, by and with the consent of the*  
476 *Governor, to issue, pursuant to the provisions of §§ 33.1-267 through 33.1-295 of the Code of Virginia,*  
477 *as amended, from time to time revenue obligations of the Commonwealth to be designated*  
478 *"Commonwealth of Virginia Federal Highway Reimbursement Anticipation Notes, Series .," provided*  
479 *that the aggregate principal amount outstanding at any time shall not exceed \$800,000,000*  
480 *\$1,200,000,000 (exclusive of any obligations that may be issued to refund such notes in accordance with*  
481 *§ 33.1-293 of the Code of Virginia, as amended) plus an amount for financing expenses, (including,*  
482 *without limitation, any original issue discount) (the Notes). The net proceeds of the Notes shall be used*  
483 *exclusively for the purpose of providing funds, together with any other available funds, for paying the*  
484 *costs, incurred or to be incurred for construction or funding of such projects to be designated from time*  
485 *to time by the General Assembly; provided, however, at the discretion of listed in the Six-Year*  
486 *Improvement Program as may be adopted from time to time by the Commonwealth Transportation*  
487 *Board; funds allocated to projects within transportation district may be allocated among projects within*  
488 *the same transportation district as needed to meet construction cash flow needs.*

489 **3. That the third and tenth enactments of Chapter 1019 of the Acts of Assembly of 2000 and the**  
490 **third and tenth enactments of Chapter 1044 of the Acts of Assembly of 2000 are repealed.**



491 4. That no moneys distributed pursuant to this act shall be used to calculate or reduce the share  
492 of federal, state, or local revenues or funds otherwise available to the localities in the counties and  
493 cities participating in those programs nor shall they be used to calculate or reduce any allocation  
494 of revenues or funds made pursuant to Title 33.1 of the Code of Virginia. Such share or allocation  
495 of revenues or funds that shall not be reduced includes, but is not limited to, state basic aid  
496 payments.  
497 5. That if any clause, sentence, paragraph, section, or part of this act or the application thereof to  
498 any person, entity, or circumstance is adjudged invalid by any court of competent jurisdiction,  
499 such judgment shall not affect the validity of the remainder hereof but shall be confined to the  
500 clause, sentence, paragraph, section, or part hereof directly involved in the controversy in which  
501 such judgment shall have been rendered, and to this end the provisions of this act are severable.