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## SENATE BILL NO. 1324

## AMENDMENT IN THE NATURE OF A SUBSTITUTE

(Proposed by the House Committee on Appropriations  
on February 16, 2005)

(Patrons Prior to Substitute—Senators Saslaw and Chichester [SB 1325])

A *BILL to amend and reenact §§ 33.1-72.1, 33.1-75.3, 33.1-221.1:1.1, 33.1-268, 33.1-269, 33.1-277, 46.2-214.1, and 58.1-2425 of the Code of Virginia; to amend the Code of Virginia by adding sections numbered 33.1-23.05, 33.1-221.1:8, 33.1-391.3:1, 58.1-2511 and 58.1-2512 and by adding in Article 15 of Chapter 1 of Title 33.1 a section numbered 33.1-223.2:14; 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; to repeal § 33.1-75.1 of the Code of Virginia; 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 transportation funding.*

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

1. That §§ 33.1-72.1, 33.1-75.3, 33.1-221.1:1.1, 33.1-268, 33.1-269, 33.1-277, 46.2-214.1, and 58.1-2425 of the Code of Virginia are amended and reenacted and that the Code of Virginia is amended by adding sections numbered 33.1-23.05, 33.1-221.1:8, 33.1-391.3:1, 58.1-2511, and 58.1-2512 and by adding in Article 15 of Chapter 1 of Title 33.1 a section numbered 33.1-223.2:14 as follows:

§ 33.1-23.05. *Special matching funds for systems in counties, cities, and towns.*

A. From, and as a first priority of, annual allocations of state funds for the maintenance, improvement, construction, or reconstruction of the systems of state highways, the Commonwealth Transportation Board shall make an equivalent matching allocation to any county, city, or town for designations by the governing body of up to \$2 million in county, city, or town general funds for use by the Commonwealth Transportation Board to construct, maintain, or improve the highway systems within such county, city, or town. Such funds allocated by the Commonwealth Transportation Board and such county, city, or town funds shall be placed in special fund accounts of the Board and county, city, or town respectively, both to be known as the ". . . (inset name of county, city or town) highway fund," and shall be used solely for the purposes of either (i) maintaining, improving, or constructing the highway systems within such county, city, or town; or (ii) bringing subdivision streets, used as such prior to July 1, 1990, up to standards sufficient to qualify them for inclusion in the state primary and secondary system of highways. After due consultation and exchange of recommendations with the Board, the governing body of such county, city, or town shall determine what portion of such funds shall be used for construction, and what portion for maintenance or improvement, of highways in such county, city, or town. That portion so designated by the governing body for construction shall be allocated to specific projects by the Board; that portion designated by the governing body for maintenance or improvement shall be allocated to specific highways by the governing body. The county, city, or town shall pay over to the Board that amount of its special fund account needed for a project upon notice by the Board of its intent to proceed with the project. Projects identified by the local governing body for construction with county, city, or town general funds as provided in this section need not be included in the transportation improvement plan for that locality.

B. Upon indication by a representative of the Department that a project or projects funded pursuant to subsection A cannot be implemented by the Department within the fiscal year for which such sharing funds have been allocated, the Department may contract with the county, city, or town for the implementation of the project or projects by the county, city, or town. Such contract may cover either a single project or may provide for the locality's implementation of several projects during the fiscal year. Upon approval by the Department, the county, city, or town may expend from its special fund created under subsection A funds to undertake the implementation of a particular project or projects. The county, city, or town will undertake implementation of the particular project or projects by obtaining the necessary permits from the Department of Transportation in order to ensure that the improvement is consistent with the Department's standards for such improvements.

C. Total state funds allocated statewide under this section shall not exceed \$50 million in any one fiscal year.

D. Notwithstanding the limitations specified in subsection A, one month prior to the end of any fiscal year in which less than \$50 million has been allocated from state funds under this section, those localities requesting more than \$2 million may be allowed an additional allocation. The difference between the amount first allocated and \$50 million shall be allocated at the discretion of the Commonwealth Transportation Board among the localities receiving the maximum allocation under

60 subsection A.

61 *E. Up to one-half of any local government's contributions under this section may take the form of*  
62 *proffers accepted by the locality and proffered in turn to the Commonwealth.*

63 *F. There is created a special permanent, nonreverting fund to be known as the Local Congestion*  
64 *Mitigation Incentive Fund which shall be a part of the Transportation Trust Fund. Any amounts*  
65 *deposited to this Fund shall be disbursed by the Commonwealth Transportation Board in the form of*  
66 *competitive grants to counties, cities, and towns on the basis of a dollar-for-dollar match of Fund*  
67 *proceeds by local contributions for the purpose of reducing air pollution and alleviating traffic*  
68 *congestion in localities experiencing high population growth. Grants made under this subsection to any*  
69 *county, city, or town shall be limited to those that have experienced population growth at least equal to*  
70 *150 percent of the statewide average for the past decade or are in a nonattainment area as designated*  
71 *by the federal Environmental Protection Agency, and such grants shall be used only for improvements to*  
72 *highways rated at service level E or worse.*

73 § 33.1-72.1. Taking certain streets into secondary system.

74 A. "Street," as used in this section, means a street or highway shown on a plat which was recorded  
75 or otherwise opened to public use prior to July 1, 1992, at which time it was open to and used by motor  
76 vehicles, and which, for any reason, has not been taken into the secondary system of state highways and  
77 serves at least three families per mile.

78 B. "County," as used in this section, means a county in which the secondary system of the state  
79 highways is constructed and maintained by the Department of Transportation and which has adopted a  
80 local ordinance for control of the development of subdivision streets to the necessary standards for  
81 acceptance into the secondary system.

82 C. "Speculative interest," as used in this section means that the original developer or a successor  
83 developer retains ownership in any lot abutting such street for development or speculative purposes. In  
84 instances where it is determined that speculative interest is retained by the original developer,  
85 developers, or successor developers and the governing body of the county deems that extenuating  
86 circumstances exist, the governing body of the county shall require a pro rata participation by such  
87 original developer, developers, or successor developers as prescribed in subsection G of this section as a  
88 condition of the county's recommendation pursuant to this section.

89 D. "Qualifying rural addition cost," as used in this section, means that portion of the estimated  
90 engineering and construction cost to improve the street to the minimum standards for acceptance  
91 remaining after reducing the total estimated cost by any prorated amount deemed the responsibility of  
92 others based on speculative interests as defined in subsection C.

93 E. Whenever the governing body of a county recommends in writing to the Department of  
94 Transportation that any street in the county be taken into and become a part of the secondary system of  
95 the state highways in such county, the Department of Transportation thereupon, within the limit of  
96 available funds and the mileage available in such county for the inclusion of roads and streets in the  
97 secondary system, shall take such street into the secondary system of state highways for maintenance,  
98 improvement, construction and reconstruction if such street, at the time of such recommendation, either:  
99 (i) has a minimum dedicated width of 40 feet or (ii) in the event of extenuating circumstances as  
100 determined by the Commonwealth Transportation Commissioner, such street has a minimum dedicated  
101 width of 30 feet at the time of such recommendation. In either case such streets must have easements  
102 appurtenant thereto which conform to the policy of the Commonwealth Transportation Board with  
103 respect to drainage. After the streets are taken into the secondary system of state highways, the  
104 Department shall maintain the same in the manner provided by law.

105 F. Such street shall only be taken into the secondary system of state highways if the governing body  
106 of the county has identified and made available the funds required to improve the street to the required  
107 minimum standards. The county may consider the following options to fund the required improvements  
108 for streets accepted under this section:

109 1. The local governing body of the county may use a portion of the county's annual secondary  
110 highway system construction allocation designated as "rural addition funds" to fund the qualifying rural  
111 addition costs for qualifying streets if the county agrees to contribute from county revenue or the special  
112 assessment of the landowners on the street in question one-half of the qualifying rural addition cost to  
113 bring the streets up to the necessary minimum standards for acceptance. No such special assessment of  
114 landowners on such streets shall be made unless the governing body of the county receives written  
115 declarations from the owners of 75 percent or more of the platted parcels of land abutting upon such  
116 street stating their acquiescence in such assessments. The basis for such special assessments, at the  
117 option of the local governing body, shall be either (i) the proportion the value of each abutting parcel  
118 bears to total value of all abutting parcels on such street as determined by the current evaluation of the  
119 property for real estate tax purposes, or (ii) the proportion the abutting road front footage of each parcel  
120 abutting the street bears to the total abutting road front footage of all parcels abutting on the street, or  
121 (iii) an equal amount for each parcel abutting on such street. No such special assessment on any parcel

shall exceed one-third of the current evaluation of such property for real estate tax purposes. Special assessments under this section shall be conducted in the manner provided in Article 2 (§ 15.2-2404 et seq.) of Chapter 24 of Title 15.2, mutatis mutandis, for assessments for local improvements.

2. The local governing body of any county may use a portion of its annual secondary highway system construction allocation designated as "rural addition funds" to fund the qualifying rural addition cost for qualifying streets within the limitation of funds and the mileage limitation of the Commonwealth Transportation Board's policy on rural additions.

3. The local governing body of any county may use revenues derived from the sale of bonds to finance the construction of rural additions to the secondary system of such county. In addition, from the funds allocated by the Commonwealth for the construction of secondary road improvements, such governing body may use funds allocated within the Commonwealth Transportation Board policy for the construction of rural additions to pay principal and interest on bonds associated with rural additions in such county, provided the revenue derived from the sale of such bonds is not used as the county matching contribution under § 33.1-75.1. The provisions of this section shall not constitute a debt or obligation of the Commonwealth Transportation Board or the Commonwealth of Virginia.

4. The local governing body of the county may expend general county revenue for the purposes of this section.

5. The local governing body of the county may permit one or more of the landowners on the street in question to pay to the county a sum equal to one-half of the qualifying rural addition cost to bring the street up to the necessary minimum standards for acceptance into the secondary system of state highways, which funds the county shall then utilize for such purpose. Thereafter, upon collection of the special assessment of landowners on such street, the county shall use such special assessment funds to reimburse, without interest, the one or more landowners for those funds which they previously advanced to the count to bring the street up to the necessary minimum standards for acceptance.

6. The local governing body of the county may utilize the allocations made to the county in accordance with ~~§ 33.1-75.1~~ §33.1-23.05.

G. In instances where it is determined that speculative interest, as defined in subsection C, exists the basis for the pro rata percentage required of such developer, developers, or successor developers shall be the proportion that the value of the abutting parcels owned or partly owned by the developer, developers, or successor developers bears to the total value of all abutting property as determined by the current evaluation of the property for real estate purposes. The pro rata percentage shall be applied to the Department of Transportation's total estimated cost to construct such street to the necessary minimum standards for acceptance to determine the amount of costs to be borne by the developer, developers, or successor developers. Property so evaluated shall not be assessed in the special assessment for the determination of the individual pro rata share attributable to other properties. Further, when such pro rata participation is accepted by the governing body of the county from such original developer, developers, or successor developers, such amount shall be deducted from the Department of Transportation's total estimated cost and the remainder of such estimated cost, the qualifying rural addition cost, shall then be the basis of determining the assessment under the special assessment provision or determining the amount to be provided by the county when funded from general county revenue under subsection C of this section or determining the amount to be funded as a rural addition under subsection D of this section.

H. Acceptance of any street into the secondary system of state highways for maintenance, improvement, construction, and reconstruction shall not impose any obligation on the Board to acquire any additional right-of-way or easements should they be necessary by virtue of faulty construction or design.

I. "Rural addition funds" means those funds reserved from the county's annual allocation of secondary system highway construction funds, as defined in § 33.1-67, for the purpose of this section. If such funds are not used by such county for such purpose during the fiscal year they are so allocated, the funds may be held for such purpose for the four succeeding fiscal years. A maximum of five percent of the annual secondary system highway construction allocation may be reserved by the governing body for rural additions.

§ 33.1-75.3. Construction and improvement of primary or secondary highways by counties.

A. Notwithstanding any other provisions of this article, the governing body of any county may expend general revenues or revenues derived from the sale of bonds for the purpose of constructing or improving highways, including curbs, gutters, drainageways, sound barriers, sidewalks, and all other features or appurtenances conducive to the public safety and convenience, which either have been or may be taken into the primary or secondary system of state highways. Project planning and the acquisition of rights-of-way shall be under the control and at the direction of the county, subject to the approval of project plans and specifications by the Department of Transportation. All costs incurred by the Department of Transportation in administering such contracts shall be reimbursed from the county's

183 general revenues or from revenues derived from the sale of bonds or such costs may be charged against  
184 the funds which the county may be entitled to under the provisions of §§ 33.1-23.1, 33.1-23.2 or  
185 § 33.1-23.4.

186 B. Projects undertaken under the authority of subsection A of this section shall not diminish the  
187 funds to which a county may be entitled under the provisions of §§ 33.1-23.1, 33.1-23.2, 33.1-23.4, or  
188 ~~§ 33.1-75.1~~ 33.1-23.05.

189 C. At the request of the county, the Department of Transportation may agree to undertake the design,  
190 right-of-way acquisition or construction of projects funded by the county. In such situations, the  
191 Department of Transportation and the county will enter into an agreement specifying all relevant  
192 procedures and responsibilities concerning the design, right-of-way acquisition, construction or contract  
193 administration of projects to be funded by the county. The county will reimburse the Department of  
194 Transportation for all costs incurred by the Department in carrying out the aforesaid activities from  
195 general revenues or revenues derived from the sale of bonds.

196 D. Notwithstanding any contrary provision of law, any county may undertake activities towards the  
197 design, land acquisition, or construction of primary or secondary highway projects that have been  
198 included in the six-year plan pursuant to § 33.1-70.01, or in the case of a primary highway, an approved  
199 project included in the six-year improvement program of the Commonwealth Transportation Board. In  
200 such situations, the Department of Transportation and the county shall enter into an agreement  
201 specifying all relevant procedures and responsibilities concerning the design, right-of-way acquisition,  
202 construction, or contract administration of projects to be funded by the Department. Such activities shall  
203 be undertaken with the prior concurrence of the Department of Transportation, and the Department shall  
204 reimburse the county for expenses incurred in carrying out these activities. Such reimbursement shall be  
205 derived from primary or secondary highway funds which the county may be entitled to under the  
206 provisions of this chapter. The county may undertake these activities in accordance with all applicable  
207 county procedures, provided the Commissioner finds that those county procedures are substantially  
208 similar to departmental procedures and specifications.

209 § 33.1-221.1:1.1. Rail Enhancement Fund.

210 A. The General Assembly declares it to be in the public interest that railway preservation and  
211 development of railway transportation facilities are an important element of a balanced transportation  
212 system of the Commonwealth for freight and passengers and further declares it to be in the public  
213 interest that the retention, maintenance, improvement and development of the railways are essential to  
214 the Commonwealth's continued economic growth, vitality, and competitiveness in national and world  
215 markets, and there is hereby created in the state treasury a special nonreverting fund to be known as the  
216 ~~Railway Preservation and Development~~ *Rail Enhancement* Fund, hereafter referred to as "the Fund."

217 B. The Fund shall be established on the books of the Comptroller, and shall consist of such funds  
218 from such sources as shall be set forth in the appropriation act and shall be paid into the state treasury  
219 and credited to the Fund. Interest earned on moneys in the Fund shall remain in the Fund and be  
220 credited to it. Any moneys remaining in the Fund, including interest thereon, at the end of each fiscal  
221 year shall not revert to the general fund but shall remain in the Fund. Moneys in the Fund shall be used  
222 solely as provided in this section. Expenditures and disbursements from the Fund shall be made by the  
223 State Treasurer on warrants issued by the Comptroller upon written request signed by the ~~Executive~~  
224 Director of the Virginia Department of Rail and Public Transportation or the ~~Executive~~ Director's  
225 designee.

226 C. To fulfill this purpose, there shall be funding set forth each year in the budget bill and  
227 appropriated by the General Assembly in the Rail Assistance Program of the Department of Rail and  
228 Public Transportation. These funds shall be used by the Department of Rail and Public Transportation to  
229 administer a Rail Preservation and Development Program for the purposes described in subsection A.  
230 Furthermore, the Commonwealth Transportation Board shall include an annual allocation for such  
231 purpose in its allocation of transportation revenues.

232 D. The ~~Executive~~ Director of the Department of Rail and Public Transportation shall administer and  
233 expend or commit, subject to the approval of the Commonwealth Transportation Board, the Fund for  
234 acquiring, leasing, and/or improving railways or assisting other appropriate entities to acquire, lease, or  
235 improve railways for freight and/or passenger rail transportation purposes whenever the Board shall have  
236 determined that such acquisition, lease, and/or improvement is for the common good of a region of the  
237 Commonwealth or the Commonwealth as a whole. ~~The Executive~~ *Prior to recommending an allocation*  
238 *of the Fund to the Commonwealth Transportation Board, the* Director of the Department of Rail and  
239 Public Transportation ~~may~~ shall consult with other agencies or their designated representatives  
240 concerning projects to be undertaken under this section and obtain the advice and recommendations of  
241 *the Rail Advisory Board established pursuant to § 33.1-391.3:1.*

242 E. Tracks and facilities constructed and property and equipment purchased under this section shall be  
243 the property of the Commonwealth for the useful life of the project as determined by the Executive  
244 Director of the Department of Rail and Public Transportation and shall be made available for use by all

common carriers using the railway system to which they connect under trackage rights agreements between the parties. Projects undertaken pursuant to this section shall be limited to those the Commonwealth Transportation Board shall have determined will result in public benefits to the Commonwealth that are equal to or greater than the investment of funds under this section. Such projects shall include a minimum of 30 percent cash or an in-kind matching contribution from a private source, a regional authority, or a local government source.

§ 33.1-221.1:8. Transportation Partnership Opportunity Fund.

A. There is created the Transportation Partnership Opportunity Fund (the Fund) to be used by the Governor to encourage the development of transportation projects through design-build pursuant to Section 33.1-12 (b), the Public Private Transportation Act (§ 56-556 et seq.) and to provide funds to address the transportation aspects of economic development opportunities. The Fund shall consist of any funds appropriated to it by the general appropriation act and revenue from any other source, public or private. The Fund shall be established on the books of the Comptroller, and any funds remaining in the Fund at the end of a biennium shall not revert to the general fund but shall remain in the Fund. All interest and dividends that are earned on the Fund shall be credited to the Fund. The Governor shall report to the chairmen of the House Committees on Appropriations, Finance, and Transportation and the Senate Committees on Finance and Transportation as funds are awarded in accordance with this section.

B. The Fund shall be a component of the Commonwealth Transportation Fund but not a component or subcomponent of the Transportation Trust Fund or the Highway Maintenance and Operating Fund. Provisions of this title and Title 58.1 relating to the allocations or disbursements of proceeds of the Commonwealth Transportation Fund, the Transportation Trust Fund, or the Highway Maintenance and Operating Fund shall not apply to the Fund.

C. Funds shall be awarded from the Fund by the Governor as grants, revolving loans, or other financing tools and equity contributions to (i) an agency or political subdivision of the Commonwealth or (ii) a private entity or operator which has submitted a proposal or signed a comprehensive agreement to develop a transportation facility pursuant to § 56-556 et seq. Loans shall be approved by the Governor and made in accordance with procedures established by the Commonwealth Transportation Board and approved by the Comptroller. Loans shall be interest-free and shall be repaid to the Fund. The Governor may establish the duration of any loan, but such term shall not exceed seven years. The Virginia Department of Transportation shall be responsible for monitoring repayment of such loans and reporting the receivables to the Comptroller as required.

D. Grants or revolving loans may be used for transportation capacity development on-and off-site; road, rail, mass transit, or other transportation access costs beyond the funding capability of existing programs; studies of transportation projects including but not limited to environmental analysis, geotechnical assessment, survey, design and engineering, advance right-of-way acquisition, traffic analysis, toll sensitivity studies, financial analysis, or anything else permitted by law. Funds may be used for any transportation project or any transportation facility. Any transportation infrastructure completed with moneys from the Fund shall not become private property, and the results of any studies or analysis completed as a result of a grant or loan from the Fund shall be property of the Commonwealth.

E. The Commonwealth Transportation Board, in consultation with the Secretary of Transportation and the Secretary of Commerce and Trade, shall develop guidelines and criteria that shall be used in awarding grants or making loans from the Fund; however, no grant shall exceed \$5 million and no loan shall exceed \$30 million. No grant or loan shall be awarded until the Governor has provided copies of the guidelines and criteria to the chairmen of the House Committees on Appropriations, Finance, and Transportation and the Senate Committees on Finance and Transportation. The guidelines and criteria shall include provisions including, but not limited to, the number of jobs and amounts of investment that must be committed in the event moneys are being used for an economic development project, a statement of how the studies and analysis to be completed using moneys from the Fund will advance the development of a transportation facility, a process for the application for and review of grant and loan requests, a timeframe for completion of any work, the comparative benefit resulting from the development of a transportation project, assessment of the ability of the recipient to repay any loan funds, and other criteria as necessary to support the timely development of transportation projects. The criteria shall also include incentives to encourage matching funds from any other local, federal, or private source.

F. Within 30 days of each six-month period ending June 30 and December 31, the Governor shall provide a report to the chairmen of the House Committees on Appropriations, Finance and Transportation and the Senate Committees on Finance and Transportation which shall include, but is not limited to, the following information: the location (county, city, or town) of the project; the amount of the grant or loan made or committed from the Fund and the purpose for which it will be used; the

306 number of jobs created or projected to be created and the amount of a company's investment in the  
307 Commonwealth if the project is part of an economic development opportunity.

308 G. The Governor shall provide grants and commitments from the Fund in an amount not to exceed  
309 the total value of the moneys contained in the Fund. If the Governor commits funds for years beyond the  
310 fiscal years covered under the existing appropriation act, the State Treasurer shall set aside and reserve  
311 the funds the Governor has committed, and the funds set aside and reserved shall remain in the Fund  
312 for those future fiscal years. No grant or loan shall be payable in the years beyond the existing  
313 appropriation act unless the funds are currently available in the Fund.

314 § 33.1-223.2:14. Full allocation of funds for construction project within 12 months of completion  
315 required.

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

320 § 33.1-268. Definitions.

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

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

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

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

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

331 (c), (d) [Reserved.]

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

334 (f), (g) [Reserved.]

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

337 (i) [Reserved.]

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

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

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

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

351 (n) Transportation improvements in the Dulles Corridor, with an eastern terminus of the East Falls  
352 Church Metrorail station at Interstate Route 66 and a western terminus of Virginia Route 772 in  
353 Loudoun County, including without limitation the Dulles Toll Road, the Dulles Access Road, outer  
354 roadways adjacent or parallel thereto, mass transit, including rail, bus rapid transit, and capacity  
355 enhancing treatments such as High-Occupancy Vehicle lanes, High-Occupancy Toll (HOT) lanes,  
356 interchange improvements, commuter parking lots, and other transportation management strategies.

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

358 (q) Subject to the limitations and approvals of § 33.1-279.1, any other highway for a primary  
359 highway transportation improvement district or transportation service district which the Board has agreed  
360 to finance under a contract with any such district or any other alternative mechanism for generation of  
361 local revenues for specific funding of a project satisfactory to the Commonwealth Transportation Board,  
362 the financing for which is to be secured by Transportation Trust Fund revenues under any appropriation  
363 made by the General Assembly for that purpose and payable first from revenues received under such  
364 contract or other local funding source, second, to the extent required, from funds appropriated and  
365 allocated, pursuant to the highway allocation formula as provided by law, to the highway construction  
366 district in which the project is located or to the county or counties in which the project is located and  
367 third, to the extent required from other legally available revenues of the Trust Fund and from any other

available source of funds.

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

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

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

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

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

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

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

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

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

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

(8) [Repealed.]

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

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

§ 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

429 allocated, pursuant to the highway allocation formula as provided by law, to the highway construction  
430 district in which the project or projects to be financed are located or to the county or counties in which  
431 the project or projects to be financed are located; and third, to the extent required, from other legally  
432 available revenues of the Trust Fund and from any other available source of funds;

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

438 4a. Issue revenue bonds of the Commonwealth to be known and designated as "Commonwealth of  
439 Virginia Transportation Revenue Bonds," secured, subject to their appropriation by the General  
440 Assembly, first from (i) revenues received from the Northern Virginia Transportation District Fund, (ii)  
441 to the extent required, funds appropriated and allocated, pursuant to the highway allocation formula as  
442 provided by law, to the highway construction district in which the project or projects to be financed are  
443 located or to the city or county in which the project or projects to be financed are located, (iii) to the  
444 extent required, legally available revenues of the Transportation Trust Fund, and (iv) such other funds  
445 which may be appropriated by the General Assembly;

446 4b. Issue revenue bonds of the Commonwealth to be known and designated as "Commonwealth of  
447 Virginia Transportation Program Revenue Bonds" secured, subject to their appropriation by the General  
448 Assembly, first from (i) any revenues received from any Set-aside Fund established by the General  
449 Assembly pursuant to § 58.1-816.1, (ii) to the extent required, revenues received pursuant to any  
450 contract with a local jurisdiction or any alternative mechanism for generation of local revenues for  
451 specific funding of a project satisfactory to the Commonwealth Transportation Board, (iii) to the extent  
452 required, funds appropriated and allocated, pursuant to the highway allocation formula as provided by  
453 law, to the highway construction district in which the project or projects to be financed are located or to  
454 the city or county in which the project or projects to be financed are located, (iv) to the extent required,  
455 legally available revenues of the Transportation Trust Fund, and (v) such other funds which may be  
456 appropriated by the General Assembly. No bonds for any project or projects shall be issued under the  
457 authority of this subsection unless such project or projects are specifically included in a bill or resolution  
458 passed by the General Assembly;

459 4c. Issue revenue bonds of the Commonwealth to be known and designated as "Commonwealth of  
460 Virginia Transportation Program Revenue Bonds" secured, subject to their appropriation by the General  
461 Assembly, first from (i) any revenues received from the Commonwealth Transit Capital Fund established  
462 by the General Assembly pursuant to subdivision A 4 g of § 58.1-638, (ii) to the extent required, legally  
463 available revenues of the Transportation Trust Fund, and (iii) such other funds which may be  
464 appropriated by the General Assembly. No bonds for any project or projects shall be issued under the  
465 authority of this subsection unless such project or projects are specifically included in a bill or resolution  
466 passed by the General Assembly;

467 4d. Issue revenue bonds of the Commonwealth from time to time to be known and designated as  
468 "Commonwealth of Virginia Federal Highway Reimbursement Anticipation Notes" secured, subject to  
469 their appropriation by the General Assembly, (i) first from any federal highway reimbursements and any  
470 other federal highway assistance received from time to time by the Commonwealth, (ii) then, at the  
471 discretion of the Board, to the extent required, from legally available revenues of the Transportation  
472 Trust Fund, and (iii) then from such other funds, if any, which are designated by the General Assembly  
473 for such purpose;

474 4e. Issue revenue bonds of the Commonwealth from time to time to be known and designated as  
475 "Commonwealth of Virginia Credit Assistance Revenue Bonds," secured, subject to their appropriation  
476 by the General Assembly, solely from revenues with respect to or generated by the project or projects  
477 being financed thereby and any tolls or other revenues pledged by the Board as security therefor and in  
478 accordance with the applicable federal credit assistance authorized with respect to such project or  
479 projects by the United States Department of Transportation;

480 4f. Issue revenue bonds of the Commonwealth to be known and designated as "Commonwealth of  
481 Virginia Transportation Revenue Bonds," secured (i) from the revenues deposited into the  
482 Commonwealth Transportation Investment Fund pursuant to § 58.1-2512, (ii) to the extent required,  
483 from revenues legally available from the Transportation Trust Fund, and (iii) to the extent required,  
484 from any other legally available funds;

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

487 6. Construct grade separations at intersections of any projects with public highways, streets or other  
488 public ways or places and change and adjust the lines and grades thereof so as to accommodate the  
489 same to the design of such grade separations, the cost of such grade separations and any damage  
490 incurred in changing and adjusting the lines and grades of such highways, streets, ways and places to be

ascertained and paid by the Board as a part of the cost of the project;

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

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

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

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

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

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

11. Enter into any agreements or take such other actions as the Board shall determine in connection with applying for or obtaining any federal credit assistance, including without limitation loan guarantees 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, 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 from the Transportation Trust Fund, and (v) such other funds which may be appropriated by the General Assembly.

F. Commonwealth of Virginia Federal Highway Reimbursement Anticipation Notes issued under 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 obligations shall be payable solely, subject to 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.

G. Commonwealth of Virginia Transportation Credit Assistance 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 obligations shall be payable solely, subject to appropriation by the General Assembly, from revenues with respect to or generated by the project or projects being financed thereby and any tolls or other revenues pledged by the Board as security therefor and in accordance with the applicable federal credit assistance authorized with respect to such project or projects by the United States Department of Transportation.

*H. Commonwealth of Virginia Transportation Revenue Bonds issued under the provisions of this article for projects as provided in subdivision (2) (v) of § 33.1-268 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 the revenues deposited into the Commonwealth Transportation Investment Fund pursuant to § 58.1-2512, (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.*

*§ 33.1-391.3:1. Rail Advisory Board.*

*There is hereby established the Rail Advisory Board to consist of nine members appointed by the Governor for terms of four years. Vacancies shall be filled for the unexpired term in the same manner as the original appointment. One of such appointees shall be an at-large member of the Commonwealth Transportation Board and shall serve as Chairman of the Rail Advisory Board. The Board may, by majority vote, choose one of its members to serve as vice-chairman. The Board shall, in consultation with the Director, develop recommendations to be presented to the Commonwealth Transportation Board regarding allocations of funds from the Rail Partnership Fund. The Board shall also advise the Director and the Department on other matters at the request of the Director or the Department. The Board shall meet at the call of the Chairman. A majority of the members shall constitute a quorum for the conduct of all Board business.*

*The Board shall have the following responsibilities:*

*1. In consultation with, and with the assistance of the Director, the Board shall develop recommendations to be presented to the Commonwealth Transportation Board regarding all proposed allocations of funds from the Rail Partnership Fund.*

*2. The Board shall work cooperatively with the Director of the Department of Rail and Public Transportation and with any affected railroad in identifying, developing, and advocating projects and policies to enhance the quality and utility to the public of rail transportation in the Commonwealth.*

*3. At the request of the Director, the Board shall consider and advise the Director and the Department on any other matter or matters pertaining to transportation in the Commonwealth.*

*Members of the Board shall receive no compensation, but shall be reimbursed the actual and necessary expenses incurred in connection with their official duties. Staff support for the Board shall be provided by the Department of Rail and Public Transportation.*

*§ 46.2-214.1. Additional charge for information supplied by Department.*

*Beginning July 1, 2002, in addition to the fee charged pursuant to § 46.2-214, the Commissioner shall charge \$2 for furnishing information under this title, but no fee shall be charged to any official, including court and police officials, of the Commonwealth or any county, city, or town of the Commonwealth, or to court, police, and licensing officials of other states or of the federal government, provided that the information requested is for official use.*

*All fees collected pursuant to this section shall be deposited into the state treasury and credited to the Rail Enhancement Fund established by § 33.1-221.1:1.1. The Fund shall be considered a special fund within the Transportation Trust Fund. Any moneys remaining in the Fund, including interest thereon, at the end of each fiscal year shall not revert to the general fund but shall remain in the Fund.*

*§ 58.1-2425. Disposition of revenues.*

*A. All funds collected hereunder by the Commissioner shall be forthwith paid into the state treasury. Except as otherwise provided in this section, these funds shall constitute special funds within the Commonwealth Transportation Fund. Any balances remaining in these funds at the end of the year shall be available for use in subsequent years for the purposes set forth in this chapter, and any interest income on such funds shall accrue to these funds. The revenue so derived, after refunds have been deducted, is hereby allocated for the construction, reconstruction and maintenance of highways and the regulation of traffic thereon and for no other purpose. However, (i) all funds collected pursuant to the provisions of this chapter from manufactured homes, as defined in § 46.2-100, shall be distributed to the city, town, or county wherein such manufactured home is to be situated as a dwelling; (ii) all funds collected from the additional tax imposed by subdivision A 4 of § 58.1-2402 on the rental of daily rental vehicles shall be distributed quarterly to the city, town, or county wherein such vehicle was delivered to the rentee; (iii) effective January 1, 1987, an amount equivalent to the net additional revenues generated by enactments of the 1986 Special Session of the Virginia General Assembly which amended §§ 46.2-694, 46.2-697, 58.1-2401, 58.1-2402 and this section shall be distributed to and paid into the*

675 Transportation Trust Fund, a special fund within the Commonwealth Transportation Fund, and are  
676 hereby appropriated to the Commonwealth Transportation Board for transportation needs; (iv) except as  
677 otherwise provided in clause (iii) of this sentence, all moneys collected from the tax on the gross  
678 proceeds from the rental in Virginia of any motor vehicle pursuant to subdivision A 3 of § 58.1-2402 at  
679 the tax rate in effect on December 31, 1986, shall be paid by the Commissioner into the state treasury  
680 and shall be set aside in a special fund within the Commonwealth Transportation Fund to be used to  
681 meet the expenses of the Department of Motor Vehicles paid into the Rail Enhancement Fund  
682 established by § 33.1-221.1:1.1; and (v) all additional revenues resulting from the fee imposed under  
683 subdivision A 5 of § 58.1-2402 as enacted by the 2004 Session of the General Assembly shall be used  
684 to pay the debt service on the bonds issued by the Virginia Public Building Authority for the Statewide  
685 Agencies Radio System (STARS) for the Department of State Police pursuant to the authority granted  
686 by the 2004 Session of the General Assembly.

687 B. As provided in subsection A of § 58.1-638, of the funds becoming part of the Transportation  
688 Trust Fund pursuant to clause (iii) of subsection A of this section, an aggregate of 4.2 percent shall be  
689 set aside as the Commonwealth Port Fund; an aggregate of 2.4 percent shall be set aside as the  
690 Commonwealth Airport Fund; and an aggregate of 14.5 percent in fiscal year 1998-1999 and 14.7  
691 percent in fiscal year 1999-2000 and thereafter shall be set aside as the Commonwealth Mass Transit  
692 Fund.

693 § 58.1-2511. *Distribution of certain revenues.*

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

697 B. *The Commonwealth Transportation Board shall allocate and distribute the proceeds of any bonds*  
698 *it is authorized to issue pursuant to subdivision 4f of § 33.1-269 and all revenues in the Fund not*  
699 *needed to pay the costs of such bonds among various transportation modes in accordance with*  
700 *subdivision A 1 of § 58.1-638.*

701 C. *The portion dedicated to highways shall be allocated for transportation projects throughout the*  
702 *Commonwealth pursuant to § 33.1-23.1.*

703 D. *The transportation projects to be funded from the revenues and bond proceeds allocated to each*  
704 *highway construction district pursuant to subsection B shall be determined by the Commonwealth*  
705 *Transportation Board. In determining the projects to be funded, the Commonwealth Transportation*  
706 *Board shall consider traffic congestion, air quality improvement, and other mobility enhancements.*  
707 *These revenues shall be available to fund highway, transit, airport, port, and rail projects.*

708 § 58.1-2512. *Commonwealth Transportation Investment Fund.*

709 *There is hereby created in the Department of the Treasury a special nonreverting fund that shall be*  
710 *a part of the Transportation Trust Fund and that shall be known as the Commonwealth Transportation*  
711 *Investment Fund. The Fund shall consist of deposits pursuant to subsection A of § 58.1-2511 and shall*  
712 *include such other funds as may be appropriated by the General Assembly from time to time and*  
713 *designated for this Fund and all interest, dividends, and appreciation that may accrue thereto. Any*  
714 *moneys remaining in the Fund at the end of any fiscal year shall not revert to the general fund but*  
715 *shall remain in the Fund. The Fund shall be distributed and used as set forth in subsections B and C of*  
716 *§ 58.1-2511.*

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

718 § 1. *Title. This act shall be known and may be cited as the "Transportation Investment Bond Act of*  
719 *2005."*

720 § 2. *The Commonwealth Transportation Board is hereby authorized, by and with the consent of the*  
721 *Governor, to issue, pursuant to the provisions of the State Revenue Bond Act (§ 33.1-267 et seq.), as*  
722 *amended from time to time, revenue obligations of the Commonwealth to be designated "Commonwealth*  
723 *of Virginia Transportation Investment Notes, Series .." The Notes shall be issued in such amounts so*  
724 *that the debt service on such bonds does not exceed the amount deposited into the Commonwealth*  
725 *Transportation Investment Fund created pursuant to § 58.1-2512, and further provided that the total*  
726 *face amount of bonds issued in any fiscal year (excluding bond anticipation notes, refunding bonds, or*  
727 *refunding bond anticipation notes) shall not exceed two-thirds of the amount estimated to be deposited*  
728 *into the Commonwealth Transportation Investment Fund pursuant to § 58.1-2512 for that fiscal year*  
729 *(exclusive of any obligations that may be issued to refund such notes in accordance with § 33.1-293 of*  
730 *the Code of Virginia, as amended) plus an amount for financing expenses (including, without limitation,*  
731 *any original issue discount).*

732 *The net proceeds of the Notes shall be allocated for transportation projects throughout the*  
733 *Commonwealth in accordance with subsections B and C of § 58.1-2511.*

734 *The proceeds distributed to each highway construction district shall be used exclusively for the*  
735 *purpose of providing funds for paying the costs incurred or to be incurred for construction or funding*  
736 *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, airport, port, 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 circumstances and under the following conditions:

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

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

§ 9. The proceeds of the Notes and of any anticipation notes herein authorized (except the proceeds

798 of the Notes the issuance of which has been anticipated by such anticipation notes) shall be placed by  
799 the State Treasurer in a special fund in the state treasury, or may be placed with a trustee in  
800 accordance with § 33.1-283 of the Code of Virginia, as amended, and shall be disbursed only for the  
801 purpose for which such Notes and such anticipation notes shall be issued; provided, however, that  
802 proceeds derived from the sale of the Notes herein authorized shall be first used in the payment of any  
803 anticipation notes that may have been issued in anticipation of the sale of such Notes and any renewals  
804 of such Notes. The proceeds of the Notes and of any anticipation notes herein authorized, together with  
805 any investment earnings thereon, shall not be taken into account in computing, and shall be in addition  
806 to funds allocated pursuant to, the highway allocation formula set forth in § 33.1-23.1 of the Code of  
807 Virginia, as amended.

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

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

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

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

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

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

838 § 2. The Commonwealth Transportation Board is hereby authorized, by and with the consent of the  
839 Governor, to issue, pursuant to the provisions of §§ 33.1-267 through 33.1-295 of the Code of Virginia,  
840 as amended, from time to time revenue obligations of the Commonwealth to be designated  
841 "Commonwealth of Virginia Federal Highway Reimbursement Anticipation Notes, Series .," provided  
842 that the aggregate principal amount outstanding at any time shall not exceed \$800,000,000  
843 \$1,200,000,000 (exclusive of any obligations that may be issued to refund such notes in accordance with  
844 § 33.1-293 of the Code of Virginia, as amended) plus an amount for financing expenses, (including,  
845 without limitation, any original issue discount) (the Notes). The net proceeds of the Notes shall be used  
846 exclusively for the purpose of providing funds, together with any other available funds, for paying the  
847 costs, incurred or to be incurred for construction or funding of such projects to be designated from time  
848 to time by the General Assembly; provided, however, at the discretion of listed in the Six-Year  
849 Improvement Program as may be adopted from time to time by the Commonwealth Transportation  
850 Board; funds allocated to projects within transportation district may be allocated among projects within  
851 the same transportation district as needed to meet construction cash flow needs.

852 **3. That § 33.1-75.1 of the Code of Virginia is repealed.**

853 **4. That the third and tenth enactments of Chapter 1019 of the Acts of Assembly of 2000 and the**  
854 **third and tenth enactments of Chapter 1044 of the Acts of Assembly of 2000 are repealed.**

855 **5. That no moneys distributed pursuant to this act shall be used to calculate or reduce the share**  
856 **of federal, state, or local revenues or funds otherwise available to the localities in the counties and**  
857 **cities participating in those programs nor shall they be used to calculate or reduce any allocation**  
858 **of revenues or funds made pursuant to Title 33.1 of the Code of Virginia. Such share or allocation**  
859 **of revenues or funds that shall not be reduced includes, but is not limited to, state basic aid**

860 payments.

861 6. That it is the intent of the General Assembly that the Governor and the chairs of the  
862 Transportation Committees of the Senate and House of Delegates, or their respective designees,  
863 will facilitate the development of model guidelines to assist in the implementation of § 33.1-221.1:8  
864 of this act, that public entities and private sector businesses will be consulted in the development  
865 of such guidelines, and that such model guidelines will be completed and made available to public  
866 entities covered by this act not later than September 30, 2005.

867 7. That if any clause, sentence, paragraph, section, or part of this act or the application thereof to  
868 any person, entity, or circumstance is adjudged invalid by any court of competent jurisdiction,  
869 such judgment shall not affect the validity of the remainder hereof but shall be confined to the  
870 clause, sentence, paragraph, section, or part hereof directly involved in the controversy in which  
871 such judgment shall have been rendered, and to this end the provisions of this act are severable.