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SENATE BILL NO. 541

Offered January 13, 2010

Prefiled January 13, 2010

A BILL to amend and reenact § 33.1-23.4:01 of the Code of Virginia, relating to the use of Commonwealth of Virginia Transportation Capital Projects Revenue Bonds.

Patrons—Newman, Martin, McWaters, Vogel and Wagner

Referred to Committee on Finance

Be it enacted by the General Assembly of Virginia:

1. That § 33.1-23.4:01 of the Code of Virginia is amended and reenacted as follows:

§ 33.1-23.4:01. Allocation of proceeds of Commonwealth of Virginia Transportation Capital Projects Revenue Bonds.

A. The Commonwealth Transportation Board shall allocate, use, and distribute the proceeds of any bonds it is authorized to issue on or after July 1, 2007, pursuant to subdivision 4f of § 33.1-269, as follows:

1. A minimum of 20% of the bond proceeds shall be used for transit capital consistent with subdivision A 4 g of § 58.1-638.

2. A minimum of 4.3% of the bond proceeds shall be used for rail capital consistent with the provisions of §§ 33.1-221.1:1.1 and 33.1-221.1:1.2.

3. The remaining amount of bond proceeds shall be used for paying the costs incurred or to be incurred for construction of transportation projects with such bond proceeds used or allocated as follows: (a) first, to match federal highway funds projected to be made available and allocated to highway and public transportation capital projects by the Commonwealth Transportation Board, for purposes of allowing additional state construction funds to be allocated to the primary, urban, and secondary systems of highways pursuant to subdivisions B 1, B 2, and B 3 of § 33.1-23.1; (b) next, to provide any required funding to fulfill the Commonwealth's allocation of equivalent revenue sharing matching funds pursuant to § 33.1-23.05; and (c) third, to pay or fund the costs of statewide or regional projects throughout the Commonwealth. Costs incurred or to be incurred for construction or funding of these transportation projects shall include, but are 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 or other financing expenses relating to such bonds. Such costs may include the payment of interest on such bonds for a period during construction and not exceeding one year after completion of construction of the relevant project.

4. The total amount of bonds authorized shall be used for purposes of applying the percentages in subdivisions 1 through 3.

B. In addition to the allocation requirements under subsection A, at least 50 percent of the proceeds of any bonds issued pursuant to subdivision 4 f of § 33.1-269 shall be used to fund the direct and indirect costs of new road or highway construction projects. For purposes herein, a new road or highway construction project means the construction of, enhancement of, or addition to a road or highway (or a portion or segment of a road or highway), which construction, enhancement, or addition did not commence prior to January 1, 2010. The total amount of bonds authorized to be issued pursuant to subdivision 4 f of § 33.1-269 shall be used for purposes of applying such percentage.