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**HOUSE BILL NO. 2203**

Offered January 12, 2011

Prefiled January 12, 2011

*A BILL to amend and reenact § 33.1-23.05 of the Code of Virginia, relating to allocation of revenue-sharing funds.*

Patrons—Comstock, Bulova, Filler-Corn, Keam, LeMunyon, Plum, Scott, J.M., Sickles, Surovell and Watts; Senators: Marsden and Petersen

Referred to Committee on Transportation

**Be it enacted by the General Assembly of Virginia:****1. That § 33.1-23.05 of the Code of Virginia is amended and reenacted as follows:**

§ 33.1-23.05. Revenue-sharing funds for systems in certain counties, cities, and towns.

A. From revenues made available by the General Assembly after January 1, 2008, and appropriated for the 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 \$1 million in county, city, or town general funds for use by the county, city, or town to improve, construct, or reconstruct the highway systems within such county, city, or town. After adopting a resolution supporting the action, the governing body may request revenue-sharing funds to improve, construct, or reconstruct a highway system located in another locality, between two or more localities, or to bring subdivision streets, used as such prior to July 1, 1992, up to standards sufficient to qualify them for inclusion in the state primary and secondary system of highways. All requests for funding shall be accompanied by a prioritized listing of specified projects.

B. The allocation of funds to localities shall be only for the purposes set forth in subsection A. In allocating funds under this section, the Board shall give priority (i) first when such project is administered by the county, city, or town, either directly or by contract with another entity, (ii) second, when such county, city, or town commits more local funding than the amount of revenue-sharing funding requested, and (iii) third when the allocation to projects that will accelerate an existing project in the Six-Year Improvement Program or the locality's capital plans. Any funds remaining may be applied to any other project that requires an equivalent matching allocation from the governing body.

C. The Department will contract with the county, city, or town for the implementation of the project or projects. Such contract may cover either a single project or may provide for the locality's implementation of several projects during the fiscal year. 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. At the request of the locality, the Department may provide the locality with engineering, right-of-way acquisition, and/or construction services for a project with its own forces. The locality shall provide payment to the Department for any such services. If administered by the Department, such contract shall also require that the governing body pay to the Department within 30 days the local revenue-sharing funds from its general fund upon written notice by the Department of its intent to proceed. Any project having funds allocated under this program shall be initiated in such a fashion where at least a portion of such funds have been expended within two subsequent fiscal years of allocation. Any revenue-sharing funds for projects not initiated after two subsequent fiscal years of allocation may be reallocated at the discretion of the Commonwealth Transportation Board.

D. Total Commonwealth funds allocated by the Board under this section shall not exceed \$50 million in any one fiscal year and no less than \$15 million each fiscal year, subject to appropriation for such purpose.

E. No more than three months prior to the end of any fiscal year in which less than the full program allocation has been allocated by the Board to specific governing bodies, those localities requesting the maximum allocation under subsection A may be allowed an additional allocation.

INTRODUCED

HB2203