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HOUSE BILL NO. 1248

Offered January 20, 2012

A *BILL to amend and reenact §§ 2.2-1514, as it is currently effective and as it may become effective, 15.2-2223, 33.1-12, 33.1-23.05, 33.1-23.1, 33.1-49.1, and 58.1-638 of the Code of Virginia and to amend the Code of Virginia by adding sections numbered 2.2-1509.4 and 33.1-23.04:1, by adding in Title 33.1 a chapter numbered 19, consisting of sections numbered 33.1-466 through 33.1-469, and by adding in Title 33.1 a chapter numbered 20, consisting of sections numbered 33.1-470 through 33.1-488, relating to transportation funding and operation.*

Patrons—Lingamfelter, Rust, Cole, Albo and Cox, M.K.

Referred to Committee on Appropriations

Be it enacted by the General Assembly of Virginia:

1. That §§ 2.2-1514, as it is currently effective and as it may become effective, 15.2-2223, 33.1-12, 33.1-23.05, 33.1-23.1, 33.1-49.1, and 58.1-638 of the Code of Virginia are amended and reenacted and that the Code of Virginia is amended by adding sections numbered 2.2-1509.4 and 33.1-23.04:1, by adding in Title 33.1 a chapter numbered 19, consisting of sections numbered 33.1-466 through 33.1-469, and by adding in Title 33.1 a chapter numbered 20, consisting of sections numbered 33.1-470 through 33.1-488, as follows:

§ 2.2-1509.4. Assignment of general fund revenue growth for transportation.

In submitting "The Budget Bill" pursuant to § 2.2-1509, in years when the projected general fund revenues for a fiscal year are at least five percent greater than the projected general fund revenues for the immediately preceding fiscal year, the Governor shall provide appropriations from growth in general fund revenues to the Transportation Trust Fund or a subfund thereof. Appropriations pursuant to this section shall be at least one percent of the projected general fund revenue growth above five percent. Such recommendations are in addition to any other funds allocated to the Commonwealth's Transportation Fund.

§ 2.2-1514. (Contingent expiration date - see Editor's notes) Assignment of general fund for nonrecurring expenditures.

A. As used in this section:

"The Budget Bill" means the "The Budget Bill" submitted pursuant to § 2.2-1509, including any amendments to a general appropriation act pursuant to such section.

"Nonrecurring expenditures" means the acquisition or construction of capital outlay projects as defined in § 2.2-1518, the acquisition or construction of capital improvements, the acquisition of land, the acquisition of equipment, or other expenditures of a one-time nature as specified in the general appropriation act. Such term shall not include any expenditures relating to transportation, including but not limited to transportation maintenance.

B. At the end of each fiscal year, the Comptroller shall assign within his annual report pursuant to § 2.2-813 as follows: ~~one-third~~ 75 percent of the remaining amount of the general fund balance that is not otherwise restricted, committed, or assigned for other usage within the general fund shall be assigned by the Comptroller for ~~nonrecurring expenditures~~, and ~~two-thirds~~ shall be assigned for deposit into the to the Transportation Trust Fund or a subfund thereof, and the remaining amount shall be assigned for ~~nonrecurring expenditures~~. No such assignment shall be made unless the full amounts required for other restrictions, commitments, or assignments including but not limited to (i) the Revenue Stabilization Fund deposit pursuant to § 2.2-1829, (ii) the Virginia Water Quality Improvement Fund deposit pursuant to § 10.1-2128, but excluding any deposits provided under the Virginia Natural Resources Commitment Fund established under § 10.1-2128.1, (iii) capital outlay reappropriations pursuant to the general appropriation act, (iv) (a) operating expense reappropriations pursuant to the general appropriation act, and (b) reappropriations of unexpended appropriations to certain public institutions of higher education pursuant to § 2.2-5005, (v) pro rata rebate payments to certain public institutions of higher education pursuant to § 2.2-5005, (vi) the unappropriated balance anticipated in the general appropriation act for the end of such fiscal year, and (vii) interest payments on deposits of certain public institutions of higher education pursuant to § 2.2-5005 are set aside. The Comptroller shall set aside amounts required for clauses (iv) (b), (v), and (vii) beginning with the initial fiscal year as determined under § 2.2-5005 and for all fiscal years thereafter.

C. The Governor shall include in "The Budget Bill" pursuant to § 2.2-1509 recommended appropriations from the general fund or recommended amendments to general fund appropriations in the general appropriation act in effect at that time an amount for ~~nonrecurring expenditures~~ and an amount

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59 for deposit into the Transportation Trust Fund *or a subfund thereof, and an amount for nonrecurring*
60 *expenditures* equal to the amounts assigned by the Comptroller for such purposes pursuant to the
61 provisions of subsection B. Such deposit to the Transportation Trust Fund *or a subfund thereof* shall not
62 preclude the appropriation of additional amounts from the general fund for transportation purposes.

63 § 2.2-1514. (Contingent effective date - see Editor's notes) Assignment of general fund for
64 nonrecurring expenditures.

65 A. As used in this section:

66 "The Budget Bill" means the "The Budget Bill" submitted pursuant to § 2.2-1509, including any
67 amendments to a general appropriation act pursuant to such section.

68 "Nonrecurring expenditures" means the acquisition or construction of capital outlay projects as
69 defined in § 2.2-1518, the acquisition or construction of capital improvements, the acquisition of land,
70 the acquisition of equipment, or other expenditures of a one-time nature as specified in the general
71 appropriation act.

72 B. At the end of each fiscal year, the Comptroller shall assign within his annual report pursuant to
73 § 2.2-813 ~~an amount for nonrecurring expenditures, which shall equal the remaining amount of the~~
74 ~~general fund balance that is not otherwise restricted, committed, or assigned for other usage within the~~
75 ~~general fund as follows: 75 percent of the remaining amount of the general fund balance that is not~~
76 ~~otherwise restricted, committed, or assigned for other usage within the general fund to the~~
77 ~~Transportation Trust Fund or a subfund thereof, and the remaining amount shall be assigned for~~
78 ~~nonrecurring expenditures.~~ No such assignment shall be made unless the full amounts required for other
79 restrictions, commitments, or assignments including but not limited to (i) the Revenue Stabilization Fund
80 deposit pursuant to § 2.2-1829, (ii) the Virginia Water Quality Improvement Fund deposit pursuant to
81 § 10.1-2128, but excluding any deposits provided under the Virginia Natural Resources Commitment
82 Fund established under § 10.1-2128.1, (iii) capital outlay reappropriations pursuant to the general
83 appropriation act, (iv) (a) operating expense reappropriations pursuant to the general appropriation act,
84 and (b) reappropriations of unexpended appropriations to certain public institutions of higher education
85 pursuant to § 2.2-5005, (v) pro rata rebate payments to certain public institutions of higher education
86 pursuant to § 2.2-5005, (vi) the unappropriated balance anticipated in the general appropriation act for
87 the end of such fiscal year, and (vii) interest payments on deposits of certain public institutions of
88 higher education pursuant to § 2.2-5005 are set aside. The Comptroller shall set aside amounts required
89 for clauses (iv) (b), (v), and (vii) beginning with the initial fiscal year as determined under § 2.2-5005
90 and for all fiscal years thereafter.

91 C. The Governor shall include in "The Budget Bill" pursuant to § 2.2-1509 recommended
92 appropriations from the general fund or recommended amendments to general fund appropriations in the
93 general appropriation act in effect at that time an amount for *deposit into the Transportation Trust Fund*
94 *or a subfund thereof, and an amount for nonrecurring expenditures* equal to the amount assigned by the
95 Comptroller for such purpose pursuant to the provisions of subsection B ~~of this section.~~ *Such deposit to*
96 *the Transportation Trust Fund or a subfund thereof shall not preclude the appropriation of additional*
97 *amounts from the general fund for transportation purposes.*

98 § 15.2-2223. Comprehensive plan to be prepared and adopted; scope and purpose.

99 A. The local planning commission shall prepare and recommend a comprehensive plan for the
100 physical development of the territory within its jurisdiction and every governing body shall adopt a
101 comprehensive plan for the territory under its jurisdiction.

102 In the preparation of a comprehensive plan, the commission shall make careful and comprehensive
103 surveys and studies of the existing conditions and trends of growth, and of the probable future
104 requirements of its territory and inhabitants. The comprehensive plan shall be made with the purpose of
105 guiding and accomplishing a coordinated, adjusted and harmonious development of the territory which
106 will, in accordance with present and probable future needs and resources, best promote the health,
107 safety, morals, order, convenience, prosperity and general welfare of the inhabitants, including the
108 elderly and persons with disabilities.

109 The comprehensive plan shall be general in nature, in that it shall designate the general or
110 approximate location, character, and extent of each feature, including any road improvement and any
111 transportation improvement, shown on the plan and shall indicate where existing lands or facilities are
112 proposed to be extended, widened, removed, relocated, vacated, narrowed, abandoned, or changed in use
113 as the case may be.

114 B. ~~1.~~As part of the comprehensive plan, each locality shall develop a transportation plan that
115 designates a system of transportation infrastructure needs and recommendations that ~~may~~ include the
116 designation of new and expanded transportation facilities and that support the planned development of
117 the territory covered by the plan and shall include, as appropriate, but not be limited to, roadways,
118 bicycle accommodations, pedestrian accommodations, railways, bridges, waterways, airports, ports, and
119 public transportation facilities. The plan ~~should~~ *shall* recognize and differentiate among a hierarchy of
120 roads such as expressways, arterials, and collectors. The Virginia Department of Transportation shall,

upon request, provide localities with technical assistance in preparing such transportation plan.

2. *The transportation plan shall include a map that shall show road and transportation improvements, including the cost estimates of such road and transportation improvements from the Virginia Department of Transportation, taking into account the current and future needs of residents in the locality while considering the current and future needs of the planning district within which the locality is situated.*

3. *The transportation plan, and any amendment thereto pursuant to § 15.2-2229, shall be consistent with the Commonwealth Transportation Board's Statewide Transportation Plan developed pursuant to § 33.1-23.03, the Six-Year Improvement Program adopted pursuant to subdivision (9) (b) of § 33.1-12, and the location of routes to be followed by roads comprising systems of state highways pursuant to subdivision (1) of § 33.1-12. The locality shall consult with the Virginia Department of Transportation to assure such consistency is achieved.*

4. *Prior to the adoption of the transportation plan or any amendment to the transportation plan, the locality shall submit such plan or amendment to the Department for review and comment. The Department shall conduct its review and provide written comments to the locality on the consistency of the transportation plan or any amendment to the provisions of subdivision 1. The Department will provide such written comments to the locality within 90 days of receipt of the plan or amendment, or by such deadline as may be otherwise agreed upon by the Department and the locality.*

5. *The locality shall submit a copy of the adopted transportation plan or any amendment to the transportation plan to the Department for informational purposes. If the Department determines that the transportation plan or amendment is not consistent with the provisions of subdivision 1, the Department shall notify the Commonwealth Transportation Board so that the Board may take appropriate action in accordance with subdivision (9) (f) of § 33.1-12.*

C. The plan, with the accompanying maps, plats, charts, and descriptive matter, shall show the locality's long-range recommendations for the general development of the territory covered by the plan. It may include, but need not be limited to:

1. The designation of areas for various types of public and private development and use, such as different kinds of residential, including age-restricted, housing; business; industrial; agricultural; mineral resources; conservation; active and passive recreation; public service; flood plain and drainage; and other areas;

2. The designation of a system of community service facilities such as parks, sports playing fields, forests, schools, playgrounds, public buildings and institutions, hospitals, nursing homes, assisted living facilities, community centers, waterworks, sewage disposal or waste disposal areas, and the like;

3. The designation of historical areas and areas for urban renewal or other treatment;

4. The designation of areas for the implementation of reasonable ground water protection measures;

5. A capital improvements program, a subdivision ordinance, a zoning ordinance and zoning district maps, mineral resource district maps and agricultural and forestal district maps, where applicable;

6. The location of existing or proposed recycling centers;

7. The location of military bases, military installations, and military airports and their adjacent safety areas; and

8. The designation of corridors or routes for electric transmission lines of 150 kilovolts or more.

D. The plan shall include: the designation of areas and implementation of measures for the construction, rehabilitation and maintenance of affordable housing, which is sufficient to meet the current and future needs of residents of all levels of income in the locality while considering the current and future needs of the planning district within which the locality is situated.

~~The plan shall include: a map that shall show road improvements and transportation improvements, including the cost estimates of such road and transportation improvements as available from the Virginia Department of Transportation, taking into account the current and future needs of residents in the locality while considering the current and future needs of the planning district within which the locality is situated.~~

§ 33.1-12. General powers and duties of Board, etc.; definitions.

The Commonwealth Transportation Board shall be vested with the following powers and shall have the following duties:

(1) Location of routes. To locate and establish the routes to be followed by the roads comprising systems of state highways between the points designated in the establishment of such systems, except that such routes shall not include roads located within any local system of roads, within the urban system of highways, or those local roads in any county that has resumed full responsibility for all of the secondary system of highways within such county's boundaries pursuant to § 33.1-84.1. Such routes shall include corridors of statewide significance pursuant to § 33.1-23.03.

(2) Construction and maintenance contracts and activities related to passenger and freight rail and public transportation.

(a) To let all contracts to be administered by the Virginia Department of Transportation or the Department of Rail and Public Transportation for the construction, maintenance, and improvement of the roads comprising systems of state highways and for all activities related to passenger and freight rail and public transportation in excess of \$5 million. The Commissioner of Highways shall have authority to let all Virginia Department of Transportation-administered contracts for highway construction, maintenance, and improvements up to \$5 million in value. The Director of the Department of Rail and Public Transportation shall have the authority to let contracts for passenger and freight rail and public transportation improvements up to \$5 million in value. The Commissioner of Highways is authorized to enter into agreements with localities, authorities, and transportation districts to administer projects and to allow those localities, authorities, and transportation districts to let contracts with no limit on contract value, and without prior concurrence of the Commissioner of Highways or the Board for highway construction, maintenance, and improvements within their jurisdictions, in accordance with those provisions of the Code of Virginia providing those localities, authorities, and transportation districts the ability to let such contracts. The Director of the Department of Rail and Public Transportation is authorized to enter into agreements with localities, authorities, and transportation districts to administer projects and to allow those localities, authorities, and transportation districts to let contracts with no limit on contract value, and without prior concurrence of the Director of the Department of Rail and Public Transportation or the Board for passenger and freight rail and public transportation activities within their jurisdictions, in accordance with those provisions of the Code of Virginia providing those localities, authorities, and transportation districts the ability to let such contracts. The Commissioner of Highways and the Director of the Department of Rail and Public Transportation shall report on their respective transportation contracting activities at least quarterly to the Board.

(b) The Commonwealth Transportation Board may award contracts for the construction of transportation projects on a design-build basis. These contracts may be awarded after a written determination is made by the Commissioner of Highways or the Director of the Department of Rail and Public Transportation, pursuant to objective criteria previously adopted by the Board regarding the use of design-build, that delivery of the projects must be expedited and that it is not in the public interest to comply with the design and construction contracting procedures normally followed. Such objective criteria will include requirements for prequalification of contractors and competitive bidding processes. These contracts shall be of such size and scope to encourage maximum competition and participation by agency prequalified and otherwise qualified contractors. Such determination shall be retained for public inspection in the official records of the Department of Transportation or the Department of Rail and Public Transportation, as the case may be, and shall include a description of the nature and scope of the project and the reasons for the Commissioner's or Director's determination that awarding a design-build contract will best serve the public interest. The provisions of this section shall supersede contrary provisions of subsection D of § 2.2-4303 and § 2.2-4306.

(c) For transportation construction projects valued in excess of \$100 million, the Commonwealth Transportation Board shall require that a financial plan be prepared. This plan shall include, but not be limited to, the following: (i) a complete cost estimate for all major project elements; (ii) an implementation plan with the project schedule and cost-to-complete information presented for each year; (iii) identified revenues by funding source available each year to meet project costs; (iv) a detailed cash-flow analysis for each year of the proposed project; and (v) efforts to be made to ensure maximum involvement of private enterprise and private capital.

(d) The Commonwealth Transportation Board may award contracts for the provision of equipment, materials, and supplies to be used in construction of transportation projects on a fixed-price basis. Any such contract may provide that the price to be paid for the provision of equipment, materials, and supplies to be furnished in connection with the projects shall not be increased but shall remain fixed until completion of the projects specified in the contracts. Material components of any such contract for annual and multi-year programs, including but not limited to maintenance, may be fixed at the outset of the projects and until completion based on best achievable prices.

(3) Traffic regulations. To make rules and regulations, from time to time, not in conflict with the laws of the Commonwealth, for the protection of and covering traffic on and the use of systems of state highways and to add to, amend or repeal the same.

(4) Naming highways, bridges, ~~and interchanges, and other transportation facilities~~. To give suitable names to state highways, bridges, ~~and interchanges, and other transportation facilities~~ and change the names of any highways, bridges, ~~or interchanges, or other transportation facilities~~ forming a part of the systems of state highways; ~~except such highways, bridges, or interchanges as have been or may hereafter be named by the General Assembly; provided that the~~ *The name of living persons private entities, as defined in § 56-557, located within the Commonwealth shall not be used for such purposes unless such private entity pays to the Department of Transportation an annual naming rights fee as determined by the Board.* The Department of Transportation shall place and maintain appropriate signs indicating the names of highways, bridges, ~~and interchanges, and other transportation facilities~~ named by the Board or

by the General Assembly. The costs of producing, placing, and maintaining these signs shall be paid by the counties, cities, and towns in which they are located *or by the private entity whose name is attached to the highway, bridge, interchange, or other transportation facility*. No name shall be given to any state highway, bridge, interchange, or other transportation facility by the Commonwealth Transportation Board unless and until the Commonwealth Transportation Board shall have received from the local governing body of the locality within which a portion of the facility to be named is located a resolution of that governing body requesting such naming, *except in such cases where a private entity has requested such naming. No highway, bridge, interchange, or other transportation facility previously named by the Board or the General Assembly shall be eligible for renaming by a private entity, unless such naming incorporates the previous name. The Board shall develop and approve guidelines governing the naming of highways, bridges, interchanges, and other transportation facilities by private entities and the applicable fees for such naming rights. Such fees shall be deposited in the Highway Maintenance and Operating Fund.*

(5) Compliance with federal acts. To comply fully with the provisions of the present or future federal aid acts. The Board may enter into all contracts or agreements with the United States government and may do all other things necessary to carry out fully the cooperation contemplated and provided for by present or future acts of Congress in the area of transportation.

(6) Information and statistics. To gather and tabulate information and statistics relating to transportation and disseminate the same throughout the Commonwealth. In addition, the Commissioner shall provide a report to the Governor, the General Assembly, the Commonwealth Transportation Board, and the public concerning the current status of all highway construction projects in the Commonwealth. This report shall be posted at least four times each fiscal year, but may be updated more often as circumstances allow. The report shall contain, at a minimum, the following information for every project in the Six-Year Improvement Program: (i) project description; (ii) total cost estimate; (iii) funds expended to date; (iv) project timeline and completion date; (v) statement of whether project is ahead of, on, or behind schedule; (vi) the name of the prime contractor; (vii) total expenditures of federal transportation funds in each county and city; (viii) total expenditures of state transportation funds in each county and city; (ix) statewide totals for federal, state, and local funds expended for highways; (x) statewide totals for federal, state, and local funds expended for transit; (xi) total funds expended on intercity passenger and freight rail line and trains; and (xii) total funds expended in each federal and state programmatic category. Use of one or more Internet websites may be used to satisfy this requirement. Project specific information posted on the Internet shall be updated daily as information is available.

(7) Policies and operation of Departments. To review and approve policies and transportation objectives of the Department of Transportation and the Department of Rail and Public Transportation, to assist in establishing such policies and objectives, to oversee the execution thereof, and to report thereon to the Commissioner of Highways and the Director of the Department of Rail and Public Transportation, respectively.

(8) Cooperation with other agencies and local governments.

(a) To cooperate with the federal government, the American Association of State Highway and Transportation Officials and any other organization in the numbering, signing and marking of highways, in the taking of measures for the promotion of highway safety, in research activities, in the preparation of standard specifications, in the testing of highway materials and otherwise with respect to transportation projects.

(b) To offer technical assistance and coordinate state resources to work with local governments, upon their request, in developing sound transportation components for their local comprehensive plans.

(9) Transportation.

(a) To monitor and, where necessary, approve actions taken by the Department of Rail and Public Transportation pursuant to Chapter 10.1 (§ 33.1-391.1 et seq.) ~~of this title~~ in order to ensure the efficient and economical development of public transportation, the enhancement of rail transportation, and the coordination of such rail and public transportation plans with highway programs.

(b) To coordinate the planning for financing of transportation needs, including needs for highways, railways, seaports, airports, and public transportation and to set aside funds as provided in § 33.1-23.03:1. To allocate funds for these needs pursuant to §§ 33.1-23.1 and 58.1-638, the Board shall adopt a Six-Year Improvement Program of anticipated projects and programs by July 1 of each year. This program shall be based on the most recent official Transportation Trust Fund revenue forecast and shall be consistent with a debt management policy adopted by the Board in consultation with the Debt Capacity Advisory Committee and the Department of the Treasury.

(c) To recommend to the General Assembly for their consideration at the next session of the General Assembly, objective criteria to be used by the Board in selecting those transportation projects to be advanced from the feasibility to the construction stage. If such criteria are enacted into law, such

objectives shall apply to the interstate, primary, and urban systems of highways.

(d) To enter into contracts with local districts, commissions, agencies, or other entities created for transportation purposes.

(e) To promote increasing private investment in Virginia's transportation infrastructure, including but not limited to acquisition of causeways, bridges, tunnels, highways, and other transportation facilities.

(f) *To integrate land use with transportation planning and programming, consistent with the efficient and economical use of public funds. If the Board determines that a local transportation plan described in § 15.2-2223 or any amendment as described in § 15.2-2229 or a metropolitan regional long-range transportation plan or regional Transportation Improvement Program as described in § 33.1-223.2:25 is not consistent with the Commonwealth Transportation Board's Statewide Transportation Plan developed pursuant to § 33.1-23.03, the Six-Year Improvement Program adopted pursuant to subdivision (9) (b) of § 33.1-12, and the location of routes to be followed by roads comprising systems of state highways pursuant to subdivision (1) of § 33.1-112, the Board may withhold federal and state transportation funds for transportation capital improvement projects from the locality or the metropolitan planning area as permitted by state or federal law. If a locality or metropolitan planning organization requests the termination of a project or the alteration of a project or does not advance a project to the next phase of construction when requested by the Board, and the Department of Transportation has expended state or federal funds, the locality or the localities within the metropolitan planning organization shall be required to reimburse the Department of Transportation for all funds expended on the project or additional project costs above the original estimates for making such alteration.*

(10) Contracts with other states. To enter into all contracts with other states necessary for the proper coordination of the location, construction, maintenance, improvement, and operation of transportation systems, including the systems of state highways with the highways of such other states and, where necessary, to seek the approval of such contracts by the Congress of the United States.

(11) Use of funds. To administer, distribute, and allocate funds in the Transportation Trust Fund as provided by law. The Commonwealth Transportation Board shall ensure that the total funds allocated to any highway construction project are equal to total expenditures within 12 months following completion of the project. However, this requirement shall not apply to debt service apportionments pursuant to § 33.1-23.3 or 33.1-23.4.

(12) Financial and investment advisors. With the advice of the Secretary of Finance and the State Treasurer, to engage a financial advisor and investment advisor who may be anyone within or without the government of the Commonwealth, to assist in planning and making decisions concerning the investment of funds and the use of bonds for transportation purposes. The work of these advisors shall be coordinated with the Secretary of Finance and the State Treasurer.

(13) The powers of the Virginia Aviation Board set out in Chapter 1 (§ 5.1-1 et seq.) of Title 5.1 and the Virginia Port Authority set out in Chapter 10 (§ 62.1-128 et seq.) of Title 62.1 are in no way diminished by the provisions of this title.

(14) To enter into payment agreements with the Treasury Board related to payments on bonds issued by the Commonwealth Transportation Board.

(15) Establishment of highway user fees for the systems of state highways. When the traffic-carrying capacity of any system of state highways or a portion thereof is increased by construction or improvement, the Commonwealth Transportation Board may enter into agreements with localities, authorities, and transportation districts to establish highway user fees for such system of state highways or portion thereof that the localities, authorities, and transportation districts maintain.

(16) Subject to compliance with applicable federal regulations, the Commonwealth Transportation Board shall establish a plan for identification and acquisition of rights-of-way that may be needed within the corridors designated on the Statewide Transportation Plan.

The term "public transportation" or "mass transit" as used in this title means passenger transportation by rubber-tired, rail, or other surface conveyance which provides shared ride services open to the general public on a regular and continuing basis. The term does not include school buses; charter or sight-seeing service; vehicular ferry service that serves as a link in the highway network; or human service agency or other client-restricted transportation.

§ 33.1-23.04:1. *Contributions to toll road construction, maintenance, and operation by localities.*

A. *Notwithstanding any other provision of law, any county, city, or town that will be traversed by a road or other transportation facility, or that may have residents who will utilize such toll road or transportation facility on a regular basis, the construction, maintenance, or operation of which will be financed in whole or in part with tolls, may contribute funds for construction, maintenance, or operation of the toll road or transportation facility for the purpose of reducing the tolls charged for use of the toll road or facility. Any funds contributed by such locality shall be appropriated from the locality's general fund for use by the Department of Transportation, any other public entity, or any private entity authorized to construct, maintain, or operate toll roads to reduce the costs of financing construction, maintenance, or operation of the toll road. The locality contribution must be committed to the project by*

a formal resolution of the locality's governing body prior to the execution of a comprehensive agreement and paid to the Department, other public entity, or private entity prior to financial close if the project will be constructed or operated pursuant to the Public-Private Transportation Act of 1995 (§ 56-556 et seq.) or prior to the issuance of bonds for projects that will be constructed, maintained, or operated by the Department or any other public entity with the authority to issue bonds for transportation projects. Nothing herein shall require the Department, other public entity, or any private entity to accept any such contribution in the event that the contribution would in any way require revision to previously established or executed financing or any previously executed interim or concession agreement, or that, in the opinion of the Department, other public entity, or private entity, could negatively impact operation or maintenance of the toll road or transportation facility. Contributions authorized pursuant to this subsection shall not be utilized for construction, maintenance, or operation of roads or transportation facilities where the toll rate is varied based on actual traffic volumes to manage traffic flow to defined traffic flow standards.

B. Notwithstanding any other provision of law, and subject to the provisions of this subsection, any county, city, or town traversed by an existing road or transportation facility that is subject to tolls or whose residents utilize such road or transportation facility on a regular basis may contribute funds annually for the purpose of reducing the tolls charged for such toll road or transportation facility. The funds contributed by such locality shall be appropriated from the locality's general fund and must be used by the Department of Transportation, other public entity, or a private entity who is a party to a concession agreement under the Public-Private Transportation Act of 1995 (§ 56-556 et seq.) to supplant all or a portion of the income to be derived from tolls charged to users of the toll road or transportation facility for the purpose of reducing the tolls charged. Nothing in this section shall require the Department, other public entity, or any private entity to accept any such contribution in the event that the contribution would in any way require revision to previously established or executed financing or any previously executed interim or concession agreement or that, in the opinion of the Department, other public entity, or the private entity could negatively impact operation or maintenance of the toll road or transportation facility. Furthermore, contributions authorized pursuant to this subsection shall not be utilized for maintenance or operation of roads or transportation facilities where the toll rate is varied based on actual traffic volumes to manage traffic flow to defined traffic flow standards.

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

A. From revenues made available by the General Assembly and appropriated for the improvement, construction, ~~or~~ reconstruction, or maintenance of the systems of state highways, the Commonwealth Transportation Board may make an equivalent matching allocation to any county, city, or town for designations by the governing body of up to \$10 million for use by the county, city, or town to improve, construct, or reconstruct the highway systems within such county, city, or town with up to \$5 million for use by the county, city, or town to maintain 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, or maintain a highway system located in another locality, between two or more localities, or to bring subdivision streets, used as such prior to the date specified in § 33.1-72.1, 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. In allocating funds under this section, the Board shall give priority to allocations that will accelerate projects in the Commonwealth Transportation Six-Year Improvement Program or the locality's capital plan to those pavement resurfacing and bridge rehabilitation projects where the maintenance needs analysis determines that the infrastructure is below the Department of Transportation's maintenance performance targets.

C. The Department of Transportation 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, and/or maintenance 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 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 one year 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

428 Commonwealth Transportation Board.

429 D. Total Commonwealth funds allocated by the Board under this section shall not exceed \$200
430 million in any one fiscal year and no less than \$15 million each fiscal year, subject to appropriation for
431 such purpose. *For any fiscal year in which less than the full program allocation has been allocated by*
432 *the Commonwealth Transportation Board to specific governing bodies, those localities requesting the*
433 *maximum allocation under subsection A may be allowed an additional allocation at the discretion of the*
434 *Board.*

435 E. The funds allocated by the Commonwealth Transportation Board under this section shall be
436 distributed and administered in accordance with the revenue-sharing program guidelines established by
437 the Board.

438 § 33.1-23.1. Allocation of funds among highway systems.

439 A. The Commonwealth Transportation Board shall allocate each year from all funds made available
440 for highway purposes such amount as it deems reasonable and necessary for the maintenance of roads
441 within the interstate system of highways, the primary system of state highways, the secondary system of
442 state highways and for city and town street maintenance payments made pursuant to § 33.1-41.1 and
443 payments made to counties which have withdrawn or elect to withdraw from the secondary system of
444 state highways pursuant to § 33.1-23.5:1.

445 B. After funds are set aside for administrative and general expenses and pursuant to other provisions
446 in this title ~~which~~ *that* provide for the disposition of funds prior to allocation for highway purposes, and
447 after allocation is made pursuant to subsection A ~~of this section~~, the Commonwealth Transportation
448 Board ~~may~~ *shall* allocate *an amount determined by the Board, not to exceed \$500 million in any given*
449 *year, as follows: 25 percent to bridge reconstruction and rehabilitation; 25 percent to advancing high*
450 *priority projects statewide; 25 percent to reconstructing deteriorated interstate and primary system*
451 *pavements determined to have a Combined Condition Index of less than 60; 15 percent to projects*
452 *undertaken pursuant to the Public-Private Transportation Act of 1995 (§ 56-556 et seq.); five percent to*
453 *paving unpaved roads carrying more than 500 vehicles per day; and five percent to smart roadway*
454 *technology, provided that at the discretion of the Commonwealth Transportation Board, such*
455 *percentages of funds may be adjusted in any given year to meet project cash flow needs or when funds*
456 *cannot be expended due to legal, environmental, or other project management considerations and*
457 *provided that such allocations shall cease beginning July 1, 2020. After such allocations are made, the*
458 *Board may allocate each year up to 10% 10 percent of the funds remaining for highway purposes for*
459 *the undertaking and financing of rail projects that, in the Board's determination, will result in mitigation*
460 *of highway congestion. After the foregoing foregoing allocations have been made, the Board shall*
461 *allocate the remaining funds available for highway purposes, exclusive of federal funds for the interstate*
462 *system, among the several highway systems for construction first pursuant to §§ 33.1-23.1:1 and*
463 *33.1-23.1:2 and then as follows:*

464 1. Forty percent of the remaining funds exclusive of federal-aid matching funds for the interstate
465 system shall be allocated to the primary system of state highways, including the arterial network, and in
466 addition, an amount shall be allocated to the primary system as interstate matching funds as provided in
467 subsection B of § 33.1-23.2.

468 2. Thirty percent of the remaining funds exclusive of federal-aid matching funds for the interstate
469 system shall be allocated to urban highways for state aid pursuant to § 33.1-44.

470 3. Thirty percent of the remaining funds exclusive of federal-aid matching funds for the interstate
471 system shall be allocated to the secondary system of state highways.

472 C. In addition, the Commonwealth Transportation Board, from funds appropriated for such purpose
473 in the general appropriation act, shall allocate additional funds to the Cities of Newport News, Norfolk,
474 and Portsmouth and the County of Warren in such manner and apportion such funds among such
475 localities as the Board may determine, unless otherwise provided in the general appropriation act. The
476 localities shall use such funds to address highway maintenance and repair needs created by or associated
477 with port operations in those localities.

478 D. Notwithstanding the foregoing provisions of this section, the General Assembly may, through the
479 general appropriations act, permit the Governor to increase the amounts to be allocated to highway
480 maintenance, highway construction, either or both.

481 E. *As used in this section:*

482 *"Bridge reconstruction and rehabilitation" means reconstruction and rehabilitation of those bridges*
483 *identified by the Department of Transportation as being functionally obsolete or structurally deficient.*

484 *"High priority projects" means those projects identified by the Board that reduce congestion,*
485 *increase safety, create jobs, or increase economic development.*

486 *"Smart roadway technology" means those projects or programs identified by the Board that reduce*
487 *congestion, improve mobility, improve safety, provide up-to-date travel data, or improve emergency*
488 *response.*

489 § 33.1-49.1. Contracts for maintenance of components of Interstate Highway System.

All maintenance on components of the Interstate Highway System in Virginia, excluding frontage roads, shall be carried out under contracts awarded by the Commissioner of Highways and approved by or the Commonwealth Transportation Board pursuant to § 33.1-12, except for instances where good and sufficient reasons for not doing so shall have been shown in advance in writing by the Commissioner of Highways to the Commonwealth Transportation Board and to the chairmen of the House Committee on Transportation, the House Committee on Appropriations, the House Committee on Finance, the Senate Committee on Transportation and the Senate Committee on Finance. Nothing in this section shall be construed to prevent the Virginia Department of Transportation from performing emergency work at any time on the Interstate System with its own employees or agents or to assume the maintenance responsibilities of a contractor who has been determined to be in default or as a result of a contract termination.

CHAPTER 19.

COMMONWEALTH OF VIRGINIA TRANSPORTATION IMPROVEMENT DISTRICT ACT OF 2012.

§ 33.1-466. *This act may be known and cited as the "Commonwealth of Virginia Transportation Improvement District Act of 2012."*

§ 33.1-467. *Definitions.*

As used in this chapter, unless the context clearly indicates otherwise:

"CTB" and "Board" means the Commonwealth Transportation Board.

"State tax revenues" means the net revenues collected from the (i) individual income tax levied pursuant to Article 2 (§ 58.1-320 et seq.) of Chapter 3 of Title 58.1, (ii) the corporate income tax levied pursuant to Article 10 (§ 58.1-400 et seq.) of Chapter 3 of Title 58.1, (iii) the sales and use tax levied pursuant to Chapter 6 (§ 58.1-600 et seq.) of Title 58.1, and (iv) the insurance license tax levied pursuant to Chapter 25 (§ 58.1-2500 et seq.) of Title 58.1.

"Substantial project completion" means the opening of the facility or project to freight, passenger, or vehicular travel.

"Total project cost" means the sum of all costs including, but not limited to, the costs of planning, design, right-of-way acquisition, engineering, financing, construction, materials, machinery, and equipment incurred in carrying out all works and undertakings necessary or incidental to the completion of any transportation infrastructure project.

"Transportation improvement district" means any area designated as such by the Board and approved by the Governor.

"Transportation infrastructure project" means (i) the construction, reconstruction, rehabilitation, or replacement of any interstate, state highway, toll road, local road, bridge, intersection or other structure; (ii) the construction, reconstruction, rehabilitation, or replacement of any freight or passenger rail track, crossing, or bridge; or (iii) the construction of any intermodal facility.

§ 33.1-468. *Transportation improvement districts.*

A. The General Assembly does hereby declare it to be in the public interest that to address congestion, safety, economic development, and growth, transportation improvement districts should be designated by the Commonwealth Transportation Board and approved by the Governor from time to time to provide additional funding for future transportation projects.

B. In designating a transportation improvement district, the Board shall select a new transportation infrastructure project costing in excess of \$20 million to be constructed within the transportation improvement district.

C. A transportation improvement district shall consist of any territory within a five-mile radius of a transportation infrastructure project or the boundary of any county, city or town through which a transportation infrastructure project traverses, whichever is less.

D. Within such transportation improvement district, 25 percent of the growth in state tax revenues shall be transferred to the Transportation Improvement District Fund created pursuant to § 33.1-469.

§ 33.1-469. *Transportation Improvement District Fund.*

A. There is hereby established in the state treasury a special nonreverting fund that is a subfund of the Transportation Trust Fund to be known as the Transportation Improvement District Fund, hereinafter referred to as the "TIDF." The TIDF shall consist of all funds designated for the TIDF pursuant to subsection B and any and all other funds as may be appropriated by the General Assembly and designated for the TIDF. Interest earned on moneys in the TIDF shall be credited to the TIDF. Any moneys remaining in the TIDF, including interest thereon, at the end of each fiscal year shall not revert to the general fund but shall remain in the TIDF.

B. When the CTB designates and the Governor approves a transportation improvement district, the Commissioner of the Department of Taxation shall determine and the Comptroller shall transfer 25 percent of the growth in state tax revenues within the transportation improvement district, as determined pursuant to subsection C, to the TIDF.

C. In the year of substantial project completion, the Tax Commissioner, using the most recent

551 available data or forecast, shall calculate the estimated growth of state tax revenues based on the
552 amount of state tax revenues during such year less the amount of state tax revenues during the year
553 preceding substantial project completion. The Tax Commissioner, using the most recent available data,
554 shall multiply the estimated growth in state tax revenues by a ratio, the numerator of which is the most
555 recent assessed value of the real estate in the transportation improvement district and the denominator
556 of which is the most recent assessed value of the real estate in the Commonwealth to determine the
557 estimated growth in state tax revenues generated within the transportation improvement district.

558 In each succeeding year, the Tax Commissioner, using the most recent available data or forecast,
559 shall calculate the estimated growth of state tax revenues based on the amount of state tax revenues
560 during such year less the amount of state tax revenues during the preceding year. The Tax
561 Commissioner, using the most recent available data, shall multiply such estimated growth in state tax
562 revenues by a ratio, the numerator of which is the most recent assessed value of real estate in the
563 transportation improvement district and the denominator of which is the most recent assessed value of
564 the real estate in the Commonwealth to determine the estimated growth in state tax revenues generated
565 within the transportation district.

566 The commissioners of revenue within the transportation improvement district shall report to the Tax
567 Commissioner the most recent assessed value of the real estate within their locality that is located in the
568 transportation improvement district.

569 D. Upon substantial project completion, the Chair of the Board shall notify the Comptroller of the
570 total project costs. Beginning with the first full calendar quarter following substantial project
571 completion, the Tax Commissioner shall make a written certification to the Comptroller within 15 days
572 of the close of each calendar quarter providing an estimate of the growth in state tax revenues within
573 the transportation improvement district. Not later than 30 days after the close of each quarter, the
574 Comptroller shall transfer from the general fund 25 percent of that estimate to the TIDF. These
575 transfers shall continue until 25 percent of the total project costs are transferred from the general fund
576 to the TIDF, at which time all general fund revenues generated within the transportation improvement
577 district shall remain in the general fund. Once 25 percent of the total project costs have been
578 transferred, the Chairman of the Board shall notify the Comptroller that the full amount has been
579 transferred.

580 E. Funds held in the TIDF shall be allocated by the Board on an annual basis to projects contained
581 within the Commonwealth Transportation Board's Six-Year Improvement Program.

582 CHAPTER 20.

583 VIRGINIA TOLL ROAD AUTHORITY ACT OF 2012.

584 § 33.1-470. Definitions.

585 As used in this chapter, unless the context clearly indicates otherwise:

586 "Act" means the Virginia Toll Road Authority Act of 2012 (§ 33.1-470 et seq.).

587 "Authority" means the Virginia Toll Road Authority created by this act, or if the Authority shall be
588 abolished, the board, body, commission or agency succeeding to the principal functions thereof or on
589 whom the powers given by this act to the Authority shall be conferred by law.

590 "Authority facility" means any or all projects purchased, constructed or otherwise acquired by the
591 Authority or any and all highways operated pursuant to the provisions of this act, and all extensions,
592 improvements, and betterments thereof.

593 "Board" means the Board of Directors of the Virginia Toll Road Authority.

594 "Bonds" or "revenue bonds" means any obligations for the payment of money issued or incurred by
595 the Authority in the exercise of its borrowing powers in accordance with the provisions of this act.

596 "Commonwealth" means the Commonwealth of Virginia.

597 "Cost" as applied to any Project includes the cost of design, financing, construction, maintenance
598 and operations of a Project; the cost of acquisition of all land, rights-of-way, property, rights,
599 easements and interests acquired by the Authority, the cost of demolishing or removing any buildings or
600 structures on land so acquired including the costs of acquiring any lands to which such buildings or
601 structures may be moved; the costs of all machinery and equipment, financing charges, interest prior to
602 and during construction and for a period of time after completion of construction as deemed advisable
603 by the Authority; the cost of traffic estimates and of engineering and legal services, plans, specifications,
604 surveys, estimates of cost and of revenues, other expenses necessary or incident to determining the
605 feasibility or practicality of constructing the Project, administrative expenses, initial working capital,
606 debt service reserves; and such other expenses as may be deemed necessary or incident to the
607 construction of the Project. Any obligation or expense incurred by the Department before or after the
608 effective date of this act, for surveys, engineering, borings, plans and specifications, legal and other
609 professional and technical services, reports, studies, and data in connection with the construction of a
610 Project shall be repaid or reimbursed by the Authority and the amounts thereof shall be included as
611 part of the cost of the Project.

612 "CTB" means the Commonwealth Transportation Board.

"Department" means the Virginia Department of Transportation.

"Highways" includes public highways, roads and streets, whether owned, operated or maintained by the Authority, the Department, or a participating local government.

"Issued" or "incurred" when in reference to revenue bonds shall mean issued, incurred or any derivation of such word.

"Limited access highway" means a highway especially designed for through traffic, over which abutters have no easement or right of light, air, or access to by reason of the fact that their property abuts upon such limited access highway.

"Project" means any highway, bridge, tunnel, or ferry used for the transportation of persons or goods, together with all buildings, structures, parking areas, appurtenances, and other property needed to operate the Project, including extensions, improvements and betterments thereof.

"Revenues" means any or all fees, tolls, rents, rates, receipts, moneys, and income derived by the Authority through the ownership and operation of Authority facilities and includes any cash contributions made to the Authority by the federal government or the Commonwealth, any agency or department thereof, or the governing body of any county, city, or town.

§ 33.1-471. Virginia Toll Road Authority created.

A. There is hereby created a political subdivision and public body corporate and politic of the Commonwealth to be known as the "Virginia Toll Road Authority" to be governed by a Board of Directors. The Board shall consist of 12 members: the Secretary of Transportation and 11 citizen members. The citizen members of the Board shall be appointed by the Governor subject to confirmation by the General Assembly. Citizen members shall be removable from office during their respective terms by the Governor at his pleasure. The Governor shall appoint one citizen member from each of the 11 congressional districts. Of the initial appointments by the Governor, one shall be appointed for a term of one year, two shall be appointed for a term of two years, three shall be appointed for a term of three years, and five shall be appointed for a term of four years. Thereafter, the citizen members of the Board shall be appointed for terms of four years. Vacancies in the membership of the Board shall be filled by appointment by the Governor for the unexpired term and shall be effective until 30 days after the next meeting of the ensuing General Assembly and, if confirmed, thereafter for the remainder of the term. No person shall be eligible to serve more than two successive terms of four years. A person appointed to fill a vacancy may serve two additional successive terms.

B. The Secretary of Transportation shall serve as chairman of the Board.

C. The Board shall enter upon the performance of its duties and shall initially and annually elect a vice-chairman. The Board shall also annually elect a secretary or secretary-treasurer who need not be a member of the Board. The chairman, or in his absence the vice-chairman, shall preside at all meetings of the Board, and in the absence of both the chairman and the vice-chairman, the Board shall elect a chairman pro tempore who shall preside at such meetings. All action by the Board shall require the affirmative vote of a majority of the directors present and voting. The members of the Board shall be entitled to reimbursement for expenses incurred in attendance upon meetings of the Board or while otherwise engaged in the discharge of their duties. Such expenses shall be paid out of the moneys of the Authority in such manner as shall be prescribed by the Authority.

D. The Board shall employ an Executive Director of the Authority, who shall serve at the pleasure of the Board, to direct the day-to-day operations and activities of the Authority and carry out the powers and duties conferred upon him by the Board. The Executive Director's compensation from the Authority shall be fixed by the Board and shall be payable from the moneys of the Authority. The Executive Director shall employ such staff as deemed necessary and approved by the Board to carry out the powers and duties of the Authority.

§ 33.1-472. Powers of the Authority.

In order to alleviate highway congestion; promote economic, industrial and agricultural development, and highway safety; expand highway construction; increase the utility and benefits and extend the services of public highways, including bridges, tunnels, ferries, and other highway facilities, both free and toll; and to promote the health, safety, and welfare of the Commonwealth, the Authority shall have the following powers:

1. To contract and be contracted with; to sue and be sued; and to adopt and use a seal and to alter the same at its pleasure;

2. To acquire and hold interests in real or personal property necessary for its purposes, including without limitation leasehold interests and licenses, with the title to such interest taken in the name of the Authority;

3. To sell, lease or otherwise dispose of any personal or real property or rights, easements, or estates therein deemed by the Authority not necessary for its purposes;

4. To purchase, construct or otherwise acquire, maintain, repair, and operate, or cause to be constructed, repaired, maintained, and operated, highways and limited access highways, as designated

674 by the General Assembly, the Governor, or the Commonwealth Transportation Board, including all
675 bridges, tunnels, overpasses, underpasses, grade separations, interchanges, entrance plazas, approaches,
676 approach roads, tollbooths, and administration, storage and other buildings and facilities that the
677 Authority may deem necessary for the operation of such highways and limited access highways;

678 5. To accept the transfer of any highway facility right-of-way from the Commonwealth, the
679 Department, or a local governing body;

680 6. To determine, after appropriate public hearings, the location of any highways or limited access
681 highways constructed or acquired by the Authority, subject to the approval of the CTB and, if required,
682 applicable federal review and approval; and to determine the design standards and materials of
683 construction of such highways based on applicable federal and state engineering and safety standards;

684 7. To designate with the approval of the CTB, the location of each Project, and to establish, limit
685 and control such points of ingress to and egress from any limited access highway constructed by the
686 Authority as deemed necessary or desirable in the judgment of the Authority to ensure the proper
687 operation and maintenance of such highway; to prohibit entrance to and exit from such highway from
688 any point or points not so designated; and to construct, maintain, repair, and operate service roads
689 connecting with points of ingress to and egress from such highway at such locations as may be
690 designated by the Authority;

691 8. To connect any highway constructed or acquired by the Authority with other highways or toll
692 roads with the approval of the Department and the owner of such other roads, at such location or
693 locations as shall be mutually agreed upon;

694 9. To make and enter into all contracts and agreements necessary or incidental to the performance
695 of its duties and the execution of its powers under this act, including contracts or agreements authorized
696 by this act with the Department and any locality, provided that no such contract or agreement shall
697 constitute a project labor agreement and that all such contracts comply with Virginia's labor union laws
698 (§ 40.1-52 et seq.);

699 10. To enter into agreements pursuant to the Public-Private Transportation Act of 1995 (§ 56-556 et
700 seq.);

701 11. To construct grade separations at intersections of any limited access highway constructed by the
702 Authority with public highways, streets or other public ways or places, and to change and adjust the
703 lines and grades thereof so as to accommodate the same to the design of the grade separation with the
704 approvals required in subdivision 8; the costs of such grade separations and any damage incurred in
705 changing and adjusting the lines and grades of such highways and streets, ways, and places shall be
706 ascertained and paid for by the Authority as part of the cost of such highway;

707 12. To vacate or change the location of any portion of any public highway, street, or other public
708 way or place, public utility, sewer, pipe, main, conduit, cable, wire, tower, pole, and other equipment
709 and appliances of the Commonwealth, or a participating locality, and to reconstruct the same in such
710 new location as shall be designated by the Authority, and of substantially the same type and in as good
711 condition as the original highway, street, other public way, place, public utility, sewer, pipe, main,
712 conduit, cable, wire, tower, pole, equipment, or appliance; the cost of such reconstruction and any
713 damage incurred in vacating or changing the location thereof shall be ascertained and paid by the
714 Authority as part of the cost of the Project in connection with which such expenditures are made; and
715 any public highway, street or other public way or place vacated or relocated by the Authority shall be
716 vacated or relocated in the manner provided by law for the vacation or relocation of public roads, and
717 any damages awarded on account thereof shall be paid by the Authority as part of the cost of the
718 Project; any changes or modifications to any highway under the jurisdiction or supervision of the CTB
719 or the Department are subject to the approval of the CTB or the Department as applicable;

720 13. To enter upon any lands, waters and premises for the purpose of making such surveys,
721 soundings, borings, and examinations as the Authority may deem necessary for its purposes, and such
722 entry shall not be deemed a trespass, nor shall an entry for such purposes be deemed an entry upon any
723 condemnation proceedings; however, the Authority shall pay any actual damage resulting to such lands,
724 water, and premises as a result of such entry and activities;

725 14. To operate or permit the operation of vehicles for the transportation of persons or property for
726 compensation on any limited access highway constructed or acquired by the Authority, provided the
727 State Corporation Commission or the Surface Transportation Board shall not be divested of jurisdiction
728 to authorize or regulate the operation of such carriers;

729 15. To establish reasonable regulations for the installation, construction, maintenance, repair,
730 renewal, relocation, and removal of pipes, mains, sewers, conduits, cables, wires, towers, poles, and
731 other equipment and appliances, referred to herein as "public utility facilities" of a participating locality
732 and of public utility and public service corporations and of any person, firm or other corporation
733 rendering similar services, owning or operating public utility facilities in, on, along, over or under
734 highways constructed by the Authority; and whenever the Authority shall determine that it is necessary
735 that any public utility facilities should be relocated or removed, the Authority may relocate or remove

the public utility facilities in accordance with the regulations of the Authority and the cost and expense of such relocation or removal, including the cost of installing the public utility facilities in a new location or locations and the cost of any lands, rights or interest in lands, and any other rights acquired to accomplish such relocation or removal shall be paid by the Authority as a part of the costs of such highway, and the owner or operator of the public utility facilities may maintain and operate the 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 the public utility facilities in their former location or locations;

16. To borrow money;

17. To fix, charge, and collect fees, tolls, rents, rates, and other charges for the use of Authority facilities and the several parts or sections thereof;

18. To establish rules and regulations for the use of any of the Authority facilities as may be necessary or expedient in the interest of public safety with respect to the use of Authority facilities and property under the control of the Authority;

19. To employ and fix the compensation of consulting engineers, attorneys, accountants, construction, and financial experts, superintendents, managers, trustees, depositories, paying agents, and such other employees and agents as may be necessary in the discretion of the Authority to determine the feasibility of and to finance, construct, acquire, maintain, and operate Authority facilities;

20. To receive and accept from any federal agency for or in aid of the construction, operation, maintenance, or financing of any Authority facility, and to receive and accept from the Commonwealth, or a county, city, or town and from any other source, grants, contributions, or other aid in such construction, either in money, property, labor, materials, or other things of value, and to also receive and accept any toll road, highway, or limited access highway;

21. To exercise the power of eminent domain under the provisions of this act as may be necessary to carry out the powers expressly granted in this act;

22. To promote the use of any Authority facility by appropriate means, including advertising or marketing, as the Authority determines appropriate and to treat the expenses thereof as operating expenses of such Authority facility; and

22. To do all other acts and things necessary to carry out the powers expressly granted in this act.

§ 33.1-473. Issuance or incurrence of revenue bonds.

The Authority is hereby authorized to provide by resolution for the issuance from time to time of revenue bonds of the Authority for the purpose of paying all or any part of the costs of any project. The principal of and interest on such bonds shall be secured by the revenues pledged for such payment. The bonds of each issue or series shall be dated, shall bear interest at such rate or rates as the Board shall accept or approve and are permitted by law, shall mature at such time or times not exceeding 35 years from the date or dates thereof, as may be determined by the Authority and may contain provisions reserving the right of the Authority to redeem such bonds before maturity at such price or prices and upon such terms and conditions as may be fixed by the Authority in the resolution authorizing such bonds. Such bonds may be issued in coupon or registered form or both as prescribed by the Authority, and provisions may be made for the registration of coupon bonds as to principal only or as to both principal and interest and for the reconversion of registered bonds into coupon bonds. Such bonds may be issued in any denomination or denominations and may be made payable at any bank or trust company within or without the Commonwealth as the Authority may determine. Such bonds and the coupons attached to coupon bonds shall be signed in such manner either manually or by facsimile signature as shall be determined by the Authority and sealed with the seal of the Authority or a facsimile thereof. In case any officer whose signature or facsimile thereof shall appear on any bonds or coupons shall cease to be such officer before the delivery of such bonds, such signature or such facsimile signature shall nevertheless be valid and sufficient for all purposes, the same as if such officer or officers had remained in office until the delivery thereof. The Authority may sell such bonds in such manner either at public or private sale and for such price or prices as the Authority may determine. Prior to the preparation of definitive bonds, the Authority may issue interim receipts or temporary bonds, with or without coupons, exchangeable for definitive bonds when such bonds shall have been executed and are available for delivery. The Authority may also provide for the replacement of any bonds that become mutilated destroyed, or lost.

§ 33.1-474. Rates and charges.

Whenever the Authority shall have constructed or otherwise acquired Authority facilities or the right to operate Authority facilities, the Authority shall fix, revise, charge and collect fees, tolls, rents, rates and other charges for the use of such facilities and the different parts or sections thereof, sufficient, together with any other moneys made available and used for that purpose, to provide revenues to (i) pay the costs of operating, maintaining, improving and repairing all or the applicable portion of the Authority facilities; (ii) pay the principal, interest, and premium, if any, on all of the applicable portion

797 of the Authority's bonds issued or incurred with respect to such Authority facilities; (iii) fund debt
798 service, rate stabilization, repair and replacement and similar reserves for such Authority facilities or
799 bonds; and (iv) provide a margin of safety for the foregoing obligations. Such fees, tolls, rents, rates
800 and other charges shall not be subject to the supervision or regulation by any commission, board,
801 bureau or agency of the Commonwealth or of any municipality, county or other political subdivision of
802 the Commonwealth. All revenues, when collected, and the proceeds from the sale of revenue bonds, shall
803 be held by the Authority in trust for the benefit of the holders of bonds of the Authority and for the
804 proper operating, improving and repairing of the Authority facilities, and for any purpose determined by
805 the Authority.

806 Revenue bonds issued or incurred under the provisions of this act shall not be deemed to constitute a
807 debt of the Commonwealth or a pledge of the full faith and credit of the Commonwealth, and shall be
808 payable solely from the funds provided therefor from revenues.

809 § 33.1-475. Refunding bonds.

810 The Authority is hereby authorized by resolution to provide for the issuance or incurrence of
811 refunding revenue bonds with which to refund outstanding revenue bonds or any issue or series of such
812 outstanding bonds, which refunding revenue bonds may be issued or incurred at or before the maturity
813 or redemption date of the bonds to be refunded, and to include different issues or series of such
814 outstanding revenue bonds by a single issue of refunding revenue bonds, and to issue refunding revenue
815 bonds to pay any redemption premium and interest to accrue and become payable on the outstanding
816 revenue bonds being refunded to the date of payment or redemption, and to establish reserves for such
817 refunding revenue bonds. Such refunding revenue bonds shall be payable solely from all or that portion
818 of the revenues of the Authority facilities pledged to the payment thereof in the bond resolution pursuant
819 to which the bonds were issued. Such refunding revenue bonds may, in the discretion of the Authority,
820 be exchanged for the revenue bonds which are being refunded, or may be sold at public or private sale
821 in such manner and at such price or prices as the Authority shall deem for the best interests of the
822 Authority with such interest rate as may be permitted by law. The proceeds derived from the sale of
823 refunding revenue bonds issued under this act shall be invested in obligations of or guaranteed by the
824 United States government pending the application of such proceeds to the purpose for which such
825 refunding revenue bonds have been issued, and to further secure such refunding revenue bonds the
826 Authority may contract with the purchasers thereof with respect to safekeeping and application of the
827 proceeds thereof and the safekeeping and application of the earnings of such investments. The
828 determination of the Authority with respect to the financial soundness and advantage of the issuance
829 and delivery of refunding revenue bonds authorized under this act shall be conclusive, but nothing
830 herein contained shall require the holders of any outstanding revenue bonds being refunded to accept
831 payment thereof otherwise than as provided in the outstanding bonds.

832 § 33.1-476. Trust agreement.

833 In the discretion of the Authority any bonds issued under the provisions of this act may be secured
834 by a trust agreement or indenture by and between the Authority and a corporate trustee, which may be
835 any trust company or bank having the powers of a trust company within or without the Commonwealth
836 to be selected by the Authority in such manner as it may elect. Such trust agreement or the resolution
837 providing for the issuance of such bonds may pledge or assign all or any portion of the tolls and other
838 revenues to be received by the Authority from the ownership and operations of Authority facilities; but
839 shall not convey or mortgage any Authority facilities or any part thereof. It shall be lawful for any bank
840 or trust company incorporated under the laws of the Commonwealth which may act as the depository of
841 the proceeds of bonds or of revenue to furnish such indemnifying bonds or to pledge such securities as
842 may be required by the Authority. Any such resolution, trust agreement or indenture may set forth the
843 rights and remedies of the bondholders and of the trustee, and may restrict the individual right of action
844 by bondholders. In addition to the foregoing, any such resolution, trust agreement or indenture may
845 contain such other provisions as the Authority may deem reasonable and proper for the security of the
846 bondholders. All expenses incurred in carrying out the provisions of such trust agreement or resolution
847 may be treated as a part of the cost of the operation of the Authority facilities or portion thereof.

848 All or any portion of the revenues derived from the ownership and operation of Authority facilities,
849 as may be provided for in the resolution authorizing the issuance of such bonds or in the trust
850 agreement or indenture securing the same, may be pledged to, and charged with, the payment of the
851 principal, interest, and premium, if any, on such bonds as the same shall become due, and the
852 redemption price or the purchase price of bonds retired by call or purchase as therein provided. Such
853 pledge shall be valid and binding from the time when the pledge is made; the revenues or other moneys
854 so pledged and thereafter received by the Authority shall immediately be subject to the lien of such
855 pledge without any physical delivery thereof or further act, and the lien of any such pledge shall be
856 valid and binding as against all parties having claims of any kind in tort, contract or otherwise against
857 the Authority, irrespective of whether such parties have notice thereof. Neither the resolution nor any
858 trust agreement nor indenture by which a pledge is created need be filed or recorded except in the

records of the Authority.

§ 33.1-477. Covenants to secure bonds.

Any resolution authorizing the issuance of bonds of the Authority or any trust agreement or indenture entered into by the Authority may, for the benefit and security of the holders from time to time of such bonds, contain covenants by the Authority for said purpose, including covenants as to, among other things:

1. The operation, maintenance, improvement and repair of the Authority facilities and the application of revenues to pay the costs thereof prior to the payment of bonds;

2. The purpose or purposes to which the proceeds of the sales of bonds may be applied and the use and disposition thereof;

3. The use and disposition of the revenues of the Authority, including the investment thereof and the creation and maintenance of reserve and rate stabilization funds and funds for working capital and all renewals and replacements to Authority facilities;

4. The amount, if any, of additional revenue bonds payable from such revenues that may be issued and the terms and conditions upon which such additional revenue bonds may be issued;

5. Fixing, maintaining, collecting and depositing of fees, tolls, rents, rates and other charges for all the services sold, furnished or supplied by the Authority facilities;

6. Limitations upon the right of the Authority to dispose of Authority facilities or any part thereof without providing for the payment of the outstanding revenue bonds;

7. The appointment of trustees, depositaries and paying agents within or without the Commonwealth to receive, hold, disburse, invest or reinvest the proceeds derived from the sale of revenue bonds and all or any part of the revenues derived by the Authority from the operation, ownership and management of the Authority facilities; and

8. Such other covenants and agreements as may be determined necessary in the discretion of the Authority to advantageously market the revenue bonds of the Authority.

§ 33.1-478. Revenue bonds eligible for investment.

Bonds issued by the Authority under the provisions of this act are hereby made securities in which all public officers and public bodies of the Commonwealth and its political subdivisions, all insurance companies, trust companies, banks, banking associations, investment companies, executors, administrators, trustees and other fiduciaries may properly and legally invest funds, including capital, in their control or belonging to them. Such bonds are also hereby made securities that may properly and legally be deposited with and received by any Commonwealth or municipal officer or any agency or political subdivision of the Commonwealth for any purpose for which the deposit of bonds or obligations is now or may hereafter be authorized by law.

§ 33.1-479. Bonds to be negotiable instruments; enforcement of bonds.

Notwithstanding the provisions of this act, or any provisions of the laws of the Commonwealth, and any recitals in any bonds issued under the provisions of this act, all such bonds shall be deemed to be negotiable instruments under the laws of the Commonwealth. The provisions of this act, and of any resolution or resolutions or trust agreements or indentures providing for the issuance and security of any revenue bonds, issued as herein set forth, shall constitute a contract with the holder or holders of any such revenue bonds, and the agreements and covenants of the Authority under this act and under such resolution, resolutions, or trust agreement or indentures shall be enforceable by any holder or holders of revenue bonds issued under the provisions of this act and any representative of such holder or holders, and any trustee appointed under the bond resolution and authorized to do so may, by suit, action, injunction, mandamus or other proceeding issued by a court of competent jurisdiction, enforce any and all rights of such holders under the laws of the Commonwealth or granted by this act and in any such bond resolution or indenture, and may compel performance of all duties required to be performed by this act and by such bond resolutions or trust agreements or indenture by the Authority or by any officer or agent thereof, including the fixing, charging and collecting of fees, tolls, rents, rates and other charges for the use of the Authority facilities.

§ 33.1-480. Exemption from taxation.

All property, real and personal, and all rights and interests therein and the income of the Authority, the revenue bonds and the interest thereon, and the transfer thereof and any profit made on the sale thereof, shall at all times be free from taxation or assessment by the Commonwealth and by any municipality, county, or other political subdivision thereof.

§ 33.1-481. Powers of the CTB and the Department.

A. The CTB is authorized and empowered:

1. To determine which Projects or highway facilities shall be constructed or transferred to the Authority for the construction, improvement, maintenance, operation, or repair by the Authority; and

2. To transfer right-of-way from the control of the Department to the Authority for construction, improvement, maintenance, operation, or repair by the Authority.

920 *B. The Department of Transportation is authorized and empowered:*

921 *1. To enter into and perform contracts or agreements with the Authority to furnish it with surveys,*
922 *engineering, borings, plans, and specifications and other technical services, reports, studies, and data,*
923 *the cost of which shall be reimbursed by the Authority as part of the cost of the Project in connection*
924 *with such contracts or agreements entered into;*

925 *2. Subject to appropriation, to allocate to and for the construction, operation, or maintenance of any*
926 *highways constructed by the Authority and to pay to the Authority such funds as may be or become*
927 *available to the Department for such purposes;*

928 *3. To permit the connection of any highways constructed or acquired by the Authority with highways*
929 *under the control and jurisdiction of the Department; and*

930 *4. To transfer right-of-way from the control of the Department to the Authority for construction,*
931 *improvement, maintenance, operation, or repair by the Authority.*

932 *§ 33.1-482. Acquisition of property.*

933 *A. The Authority is hereby authorized and empowered to acquire solely from funds provided under*
934 *the provisions of this act such lands, structures, property, rights, rights-of-way, franchises, easements,*
935 *and other interests in lands, including lands lying under water and riparian rights, as it may deem*
936 *necessary for the construction and operation of Authority facilities, upon such terms and at such prices*
937 *as may be considered by it to be reasonable and can be agreed upon between it and the owner thereof.*

938 *B. A locality, the CTB, the Department, and, with the approval of the Governor, other public*
939 *agencies and commissions of the Commonwealth, notwithstanding any contrary provision of law, are*
940 *hereby authorized and empowered to lease, grant, or convey to the Authority at its request upon such*
941 *terms and conditions as the governing body of a participating locality or the proper authorities of such*
942 *agencies or commissions of the Commonwealth may deem reasonable and fair and without the necessity*
943 *of any advertisement, order of court, or other action or formality, other than the regular and formal*
944 *action of the governing body or authorities concerned, any real property which may be necessary for*
945 *the effectuation of the authorized purposes of the Authority, including public highways and any other*
946 *real property already devoted to public use.*

947 *§ 33.1-483. Dissolution of Authority.*

948 *A. Upon dissolution of the Authority, all Authority facilities, including highways and limited access*
949 *highways, shall revert to the Department of Transportation; however, no such dissolution may occur if*
950 *the Authority has outstanding bonds.*

951 *§ 33.1-484. Miscellaneous.*

952 *A. The Authority shall contract with the Department of State Police for the policing of any or all*
953 *Authority facilities; the Department of State Police is hereby authorized to enter into contracts with the*
954 *Authority for such purpose. State Police officers providing police services pursuant to such contracts*
955 *shall be under the exclusive control and direction of the Superintendent of State Police. The Authority*
956 *and the Department of State Police shall agree upon reasonable terms and conditions pursuant to which*
957 *the activities contemplated in this section may take place, including payment of such amounts and at*
958 *such time or times as shall be mutually agreed upon, for providing police service. Such officers shall be*
959 *responsible for the preservation of the public peace, prevention of crime, apprehension of criminals,*
960 *protection of the rights of persons and property, and enforcement of the laws of the Commonwealth and*
961 *all rules and regulations of the Authority made in accordance herewith, and such officers shall have all*
962 *the rights and duties of police officers as provided by the general laws of the Commonwealth. The*
963 *violation of any such rule or regulation shall be punishable as follows: if such a violation would have*
964 *been a violation of law if committed on any public road, street or highway in the locality, it shall be*
965 *punishable in the same manner as if it had been committed on such public road, street or highway;*
966 *otherwise it shall be punishable as a Class 4 misdemeanor. All other law-enforcement officers of the*
967 *Commonwealth shall have the same powers and jurisdiction within the areas of operations agreed upon*
968 *by the parties that they have beyond such limits and shall have access to all such areas at any and all*
969 *times without interference for the purpose of exercising such powers and jurisdiction. For the purpose of*
970 *enforcing such laws, rules, and regulations, the court or courts having jurisdiction for the trial of*
971 *criminal offenses committed in the locality shall have jurisdiction to try any person charged with the*
972 *violation of any such laws, rules, and regulations within such boundaries. A copy of the rules and*
973 *regulations of the Authority, attested by the secretary or secretary-treasurer of the Authority, may be*
974 *admitted as evidence in lieu of the original. Any such copy purporting to be sealed and signed by such*
975 *secretary or secretary-treasurer may be admitted as evidence without any proof of the seal or signature*
976 *or of the official character of the person whose name is signed to it.*

977 *B. All actions at law and suits in equity and other proceedings, actions and suits against the*
978 *Authority, or any other person, firm or corporation, growing out of the construction, maintenance,*
979 *repair, operation and use of any Authority facility, or growing out of other circumstances, events or*
980 *causes in connection therewith, unless otherwise provided herein, shall be brought and conducted in the*
981 *court or courts having jurisdiction of such actions, suits and proceedings. All such actions, suits and*

proceedings on behalf of the Authority shall be brought and conducted in the circuit court, except as herein otherwise provided, and exclusive jurisdiction is hereby conferred on such court for the purpose. Eminent domain proceedings instituted and conducted by the Authority shall be brought and conducted in the court or courts having jurisdiction of such proceedings.

C. On or before September 30 in each year, the Authority shall prepare a report of its activities for the period of 12 months ending the preceding July 1 of such year and shall file a copy thereof with the Governor, the Chairman of the House Appropriations Committee, the Chairman of the House Transportation Committee, the Chairman of the Senate Finance Committee, the Chairman of the Senate Transportation Committee, and the Auditor of Public Accounts. Each such report shall set forth the operating and financial statements of the Authority's operations during the 12 months covered by such report. The Authority shall cause an audit of its books and accounts to be made at least once in each year certified by public accountants to be selected by the Authority.

§ 33.1-485. Approval by Commonwealth Transportation Board.

The Authority may not construct a limited access toll highway without the approval of the Commonwealth Transportation Board.

§ 33.1-486. Exemptions.

The Authority is hereby exempt from the provisions of the Virginia Public Procurement Act (§ 2.2-4300 et seq.) and the Virginia Personnel Act (§ 2.2-2900 et seq.) in the exercise of any of its powers and duties provided that the Board of Directors adopts procedures to ensure fairness and competitiveness in the procurement of goods and services and the employment of personnel. The Authority shall be exempt from the provisions of §§ 2.2-1124, 2.2-1131.1, 2.2-1136, 2.2-1149, 2.2-1153, 2.2-1154, and 2.2-1156. These exemptions shall remain in effect so long as the Board of Directors has adopted regulations consistent with the requirements of such sections and such regulations remain in effect. Regulations promulgated by the Authority shall be exempt from the Administrative Process Act (§ 2.2-4000 et seq.).

§ 33.1-487. Constitutional construction.

The provisions of this act are severable, and if any of its provisions shall be held unconstitutional by any court of competent jurisdiction, the decision of such court shall not affect or impair any of the other provisions of this act.

§ 33.1-488. Inconsistent laws inapplicable.

All other general or special laws inconsistent with any provision of this act are hereby declared to be inapplicable to the provisions of this act and to any Project constructed by the Authority pursuant to this act.

§ 58.1-638. Disposition of state sales and use tax revenue; localities' share; Game Protection Fund.

A. The Comptroller shall designate a specific revenue code number for all the state sales and use tax revenue collected under the preceding sections of this chapter.

1. The sales and use tax revenue generated by the one-half percent sales and use tax increase enacted by the 1986 Special Session of the General Assembly shall be paid, in the manner hereinafter provided in this section, to the Transportation Trust Fund as defined in § 33.1-23.03:1.

Of the funds paid to the Transportation Trust Fund, an aggregate of 4.2 percent shall be set aside as the Commonwealth Port Fund as provided in this section; an aggregate of 2.4 percent shall be set aside as the Commonwealth Airport Fund as provided in this section; and an aggregate of ~~14.5 percent in fiscal year 1998-1999 and 14.7 percent in fiscal year 1999-2000 and thereafter~~ shall be set aside as the Commonwealth Mass Transit Fund as provided in this section. The Fund's share of such net revenue shall be computed as an estimate of the net revenue to be received into the state treasury each month, and such estimated payment shall be adjusted for the actual net revenue received in the preceding month. All payments shall be made to the Fund on the last day of each month.

2. There is hereby created in the Department of the Treasury a special nonreverting fund which shall be a part of the Transportation Trust Fund and which shall be known as the Commonwealth Port Fund.

a. The Commonwealth Port Fund shall be established on the books of the Comptroller and the funds remaining in such Fund at the end of a biennium shall not revert to the general fund but shall remain in the Fund. Interest earned on such funds shall remain in the Fund and be credited to it. Funds may be paid to any authority, locality or commission for the purposes hereinafter specified.

b. The amounts allocated pursuant to this section shall be allocated by the Commonwealth Transportation Board to the Board of Commissioners of the Virginia Port Authority to be used to support port capital needs and the preservation of existing capital needs of all ocean, river, or tributary ports within the Commonwealth.

c. Commonwealth Port Fund revenue shall be allocated by the Board of Commissioners to the Virginia Port Authority in order to foster and stimulate the flow of maritime commerce through the ports of Virginia, including but not limited to the ports of Richmond, Hopewell and Alexandria.

3. There is hereby created in the Department of the Treasury a special nonreverting fund which shall

1043 be part of the Transportation Trust Fund and which shall be known as the Commonwealth Airport Fund.
1044 The Commonwealth Airport Fund shall be established on the books of the Comptroller and any funds
1045 remaining in such Fund at the end of a biennium shall not revert to the general fund but shall remain in
1046 the Fund. Interest earned on the funds shall be credited to the Fund. The funds so allocated shall be
1047 allocated by the Commonwealth Transportation Board to the Virginia Aviation Board. The funds shall
1048 be allocated by the Virginia Aviation Board to any Virginia airport which is owned by the
1049 Commonwealth, a governmental subdivision thereof, or a private entity to which the public has access
1050 for the purposes enumerated in § 5.1-2.16, or is owned or leased by the Metropolitan Washington
1051 Airports Authority (MWAA), as follows:

1052 Any new funds in excess of \$12.1 million which are available for allocation by the Virginia Aviation
1053 Board from the Commonwealth Transportation Fund, shall be allocated as follows: 60 percent to
1054 MWAA, up to a maximum annual amount of \$2 million, and 40 percent to air carrier airports as
1055 provided in subdivision A 3 a. Except for adjustments due to changes in enplaned passengers, no air
1056 carrier airport sponsor, excluding MWAA, shall receive less funds identified under subdivision A 3 a
1057 than it received in fiscal year 1994-1995.

1058 Of the remaining amount:

1059 a. Forty percent of the funds shall be allocated to air carrier airports, except airports owned or leased
1060 by MWAA, based upon the percentage of enplanements for each airport to total enplanements at all air
1061 carrier airports, except airports owned or leased by MWAA. No air carrier airport sponsor, however,
1062 shall receive less than \$50,000 nor more than \$2 million per year from this provision.

1063 b. Forty percent of the funds shall be allocated by the Aviation Board for air carrier and reliever
1064 airports on a discretionary basis, except airports owned or leased by MWAA.

1065 c. Twenty percent of the funds shall be allocated by the Aviation Board for general aviation airports
1066 on a discretionary basis.

1067 4. There is hereby created in the Department of the Treasury a special nonreverting fund which shall
1068 be a part of the Transportation Trust Fund and which shall be known as the Commonwealth Mass
1069 Transit Fund.

1070 a. The Commonwealth Mass Transit Fund shall be established on the books of the Comptroller and
1071 any funds remaining in such Fund at the end of the biennium shall not revert to the general fund but
1072 shall remain in the Fund. Interest earned on such funds shall be credited to the Fund. Funds may be
1073 paid to any local governing body, transportation district commission, or public service corporation for
1074 the purposes hereinafter specified.

1075 b. The amounts allocated pursuant to this section shall be used to support the public transportation
1076 administrative costs and the costs borne by the locality for the purchase of fuels, lubricants, tires and
1077 maintenance parts and supplies for public transportation at a state share of 80 percent in 2002 and 95
1078 percent in 2003 and succeeding years. These amounts may be used to support up to 95 percent of the
1079 local or nonfederal share of capital project costs for public transportation and ridesharing equipment,
1080 facilities, and associated costs. Capital costs may include debt service payments on local or agency
1081 transit bonds. The term "borne by the locality" means the local share eligible for state assistance
1082 consisting of costs in excess of the sum of fares and other operating revenues plus federal assistance
1083 received by the locality.

1084 c. Commonwealth Mass Transit Fund revenue shall be allocated by the Commonwealth
1085 Transportation Board as follows:

1086 (1) Funds for special programs, which shall include ridesharing, experimental transit, and technical
1087 assistance, shall not exceed 1.5 percent of the Fund.

1088 (2) The Board may allocate these funds to any locality or planning district commission to finance up
1089 to 80 percent of the local share of all costs associated with the development, implementation, and
1090 continuation of ridesharing programs.

1091 (3) Funds allocated for experimental transit projects may be paid to any local governing body,
1092 transportation district commission, or public corporation or may be used directly by the Department of
1093 Rail and Public Transportation for the following purposes:

1094 (a) To finance up to 95 percent of the capital costs related to the development, implementation and
1095 promotion of experimental public transportation and ridesharing projects approved by the Board.

1096 (b) To finance up to 95 percent of the operating costs of experimental mass transportation and
1097 ridesharing projects approved by the Board for a period of time not to exceed 12 months.

1098 (c) To finance up to 95 percent of the cost of the development and implementation of any other
1099 project designated by the Board where the purpose of such project is to enhance the provision and use
1100 of public transportation services.

1101 d. Funds allocated for public transportation promotion and operation studies may be paid to any local
1102 governing body, planning district commission, transportation district commission, or public transit
1103 corporation, or may be used directly by the Department of Rail and Public Transportation for the
1104 following purposes and aid of public transportation services:

(1) At the approval of the Board to finance a program administered by the Department of Rail and Public Transportation designed to promote the use of public transportation and ridesharing throughout Virginia.

(2) To finance up to 50 percent of the local share of public transportation operations planning and technical study projects approved by the Board.

e. At least 73.5 percent of the Fund shall be distributed to each transit property in the same proportion as its operating expenses bear to the total statewide operating expenses and shall be spent for the purposes specified in subdivision 4 b.

f. The remaining 25 percent shall be distributed for capital purposes on the basis of 95 percent of the nonfederal share for federal projects and 95 percent of the total costs for nonfederal projects. In the event that total capital funds available under this subdivision are insufficient to fund the complete list of eligible projects, the funds shall be distributed to each transit property in the same proportion that such capital expenditure bears to the statewide total of capital projects. Prior to the annual adoption of the Six-Year Improvement Program, the Commonwealth Transportation Board may allocate up to 20 percent of the funds in the Commonwealth Mass Transit Fund designated for capital purposes to transit operating assistance if operating funds for the next fiscal year are estimated to be less than the current fiscal year's allocation, to attempt to maintain transit operations at approximately the same level as the previous fiscal year.

g. There is hereby created in the Department of the Treasury a special nonreverting fund known as the Commonwealth Transit Capital Fund. The Commonwealth Transit Capital Fund shall be part of the Commonwealth Mass Transit Fund. The Commonwealth Transit Capital Fund subaccount shall be established on the books of the Comptroller and consist of such moneys as are appropriated to it by the General Assembly and of all donations, gifts, bequests, grants, endowments, and other moneys given, bequeathed, granted, or otherwise made available to the Commonwealth Transit Capital Fund. Any funds remaining in the Commonwealth Transit Capital Fund at the end of the biennium shall not revert to the general fund, but shall remain in the Commonwealth Transit Capital Fund. Interest earned on funds within the Commonwealth Transit Capital Fund shall remain in and be credited to the Commonwealth Transit Capital Fund. Proceeds of the Commonwealth Transit Capital Fund may be paid to any political subdivision, another public entity created by an act of the General Assembly, or a private entity as defined in § 56-557 and for purposes as enumerated in subdivision 4c of § 33.1-269 or expended by the Department of Rail and Public Transportation for the purposes specified in this subdivision. Revenues of the Commonwealth Transit Capital Fund shall be used to support capital expenditures involving the establishment, improvement, or expansion of public transportation services through specific projects approved by the Commonwealth Transportation Board. Projects financed by the Commonwealth Transit Capital Fund shall receive local, regional or private funding for at least 20 percent of the nonfederal share of the total project cost.

5. Funds for Metro shall be paid by the Northern Virginia Transportation Commission (NVTC) to the Washington Metropolitan Area Transit Authority (WMATA) and be a credit to the Counties of Arlington and Fairfax and the Cities of Alexandria, Falls Church and Fairfax in the following manner:

a. Local obligations for debt service for WMATA rail transit bonds apportioned to each locality using WMATA's capital formula shall be paid first by NVTC. NVTC shall use 95 percent state aid for these payments.

b. The remaining funds shall be apportioned to reflect WMATA's allocation formulas by using the related WMATA-allocated subsidies and relative shares of local transit subsidies. Capital costs shall include 20 percent of annual local bus capital expenses. Hold harmless protections and obligations for NVTC's jurisdictions agreed to by NVTC on November 5, 1998, shall remain in effect.

Appropriations from the Commonwealth Mass Transit Fund are intended to provide a stable and reliable source of revenue as defined by Public Law 96-184.

B. The sales and use tax revenue generated by a one percent sales and use tax shall be distributed among the counties and cities of this Commonwealth in the manner provided in subsections C and D.

C. The localities' share of the net revenue distributable under this section among the counties and cities shall be apportioned by the Comptroller and distributed among them by warrants of the Comptroller drawn on the Treasurer of Virginia as soon as practicable after the close of each month during which the net revenue was received into the state treasury. The distribution of the localities' share of such net revenue shall be computed with respect to the net revenue received into the state treasury during each month, and such distribution shall be made as soon as practicable after the close of each such month.

D. The net revenue so distributable among the counties and cities shall be apportioned and distributed upon the basis of the latest yearly estimate of the population of cities and counties ages five to 19, provided by the Weldon Cooper Center for Public Service of the University of Virginia. Such population estimate produced by the Weldon Cooper Center for Public Service of the University of

Virginia shall account for persons who are domiciled in orphanages or charitable institutions or who are dependents living on any federal military or naval reservation or other federal property within the school division in which the institutions or federal military or naval reservation or other federal property is located. Such population estimate produced by the Weldon Cooper Center for Public Service of the University of Virginia shall account for members of the military services who are under 20 years of age within the school division in which the parents or guardians of such persons legally reside. Such population estimate produced by the Weldon Cooper Center for Public Service of the University of Virginia shall account for persons who are confined in state hospitals, state training schools or state training centers for the mentally retarded, mental institutions, or state or federal correctional institutions or who attend the Virginia School for the Deaf and the Blind within the school division in which the parents or guardians of such persons legally reside. Such population estimate produced by the Weldon Cooper Center for Public Service of the University of Virginia shall account for persons who attend institutions of higher education within the school division in which the student's parents or guardians legally reside. To such estimate, the Department of Education shall add the population of students with disabilities, ages two through four and 20 through 21, as provided to the Department of Education by school divisions. The revenue so apportionable and distributable is hereby appropriated to the several counties and cities for maintenance, operation, capital outlays, debt and interest payments, or other expenses incurred in the operation of the public schools, which shall be considered as funds raised from local resources. In any county, however, wherein is situated any incorporated town constituting a school division, the county treasurer shall pay into the town treasury for maintenance, operation, capital outlays, debt and interest payments, or other expenses incurred in the operation of the public schools, the proper proportionate amount received by him in the ratio that the school population of such town bears to the school population of the entire county. If the school population of any city or of any town constituting a school division is increased by the annexation of territory since the last estimate of school population provided by the Weldon Cooper Center for Public Service, such increase shall, for the purposes of this section, be added to the school population of such city or town as shown by the last such estimate and a proper reduction made in the school population of the county or counties from which the annexed territory was acquired.

E. Beginning July 1, 2000, of the remaining sales and use tax revenue, the revenue generated by a two percent sales and use tax, up to an annual amount of \$13 million, collected from the sales of hunting equipment, auxiliary hunting equipment, fishing equipment, auxiliary fishing equipment, wildlife-watching equipment, and auxiliary wildlife-watching equipment in Virginia, as estimated by the most recent U.S. Department of the Interior, Fish and Wildlife Service and U.S. Department of Commerce, Bureau of the Census National Survey of Fishing, Hunting, and Wildlife-Associated Recreation, shall be paid into the Game Protection Fund established under § 29.1-101 and shall be used, in part, to defray the cost of law enforcement. Not later than 30 days after the close of each quarter, the Comptroller shall transfer to the Game Protection Fund the appropriate amount of collections to be dedicated to such Fund. At any time that the balance in the Capital Improvement Fund, established under § 29.1-101.01, is equal to or in excess of \$35 million, any portion of sales and use tax revenues that would have been transferred to the Game Protection Fund, established under § 29.1-101, in excess of the net operating expenses of the Board, after deduction of other amounts which accrue to the Board and are set aside for the Game Protection Fund, shall remain in the general fund until such time as the balance in the Capital Improvement Fund is less than \$35 million.

F. 1. Of the net revenue generated from the one-half percent increase in the rate of the state sales and use tax effective August 1, 2004, pursuant to enactments of the 2004 Special Session I of the General Assembly, the Comptroller shall transfer from the general fund of the state treasury to the Public Education Standards of Quality/Local Real Estate Property Tax Relief Fund established under § 58.1-638.1 an amount equivalent to one-half of the net revenue generated from such one-half percent increase as provided in this subdivision. The transfers to the Public Education Standards of Quality/Local Real Estate Property Tax Relief Fund under this subdivision shall be for one-half of the net revenue generated (and collected in the succeeding month) from such one-half percent increase for the month of August 2004 and for each month thereafter.

2. For the purposes of the Comptroller making the required transfers under subdivision 1, the Tax Commissioner shall make a written certification to the Comptroller no later than the twenty-fifth of each month certifying the sales and use tax revenues generated in the preceding month. Within three calendar days of receiving such certification, the Comptroller shall make the required transfers to the Public Education Standards of Quality/Local Real Estate Property Tax Relief Fund.

G. Beginning July 1, 2012, of the remaining sales and use tax revenue, an amount equal to the following percentages of the revenue generated by a 0.5 percent sales and use tax, such as that paid to the Transportation Trust Fund as provided in subdivision A 1, shall be paid to the Highway Maintenance and Operating Fund:

1. For fiscal years 2013 and 2014

10%

- | | |
|--|-----|
| 2. For fiscal years 2015 and 2016 | 20% |
| 3. For fiscal years 2017 and 2018 | 30% |
| 4. For fiscal years 2019 | 40% |
| 5. For fiscal year 2020 and thereafter | 50% |

The Highway Maintenance and Operating Fund's share of the net revenue distributable under this section shall be computed as an estimate of the net revenue to be received into the state treasury each month, and such estimated payment shall be adjusted for the actual net revenue received in the preceding month. All payments shall be made to the Fund on the last day of each month.

H. If errors are made in any distribution, or adjustments are otherwise necessary, the errors shall be corrected and adjustments made in the distribution for the next quarter or for subsequent quarters.

HI. The term "net revenue," as used in this section, means the gross revenue received into the general fund or the Transportation Trust Fund of the state treasury under the preceding sections of this chapter, less refunds to taxpayers.

2. That the staff of the Virginia Department of Transportation shall assist in the proper formation and effective organization of the Virginia Toll Road Authority as defined in § 33.1-470 being added in this act. Until such time as the Authority is fully established and functioning, staff of the Department shall serve as staff, and the Department shall provide office space and administrative support. The Authority shall reimburse the Department for the cost of such staff, office space, and administrative support.

3. That the General Assembly, finding a coordinated regional transportation plan and responsible body to be of critical importance for the continued economic development and prosperity of the Northern Virginia region, does hereby request that the Secretary of Transportation study the feasibility of establishing a new Northern Virginia Metropolitan Planning Organization. The Secretary of Transportation, in consultation with the Commissioner of Highways, the Director of the Department of Rail and Public Transportation, representatives from the Federal Highway Administration, representatives from the local governments comprising Planning District 8, and any and all other stakeholders deemed necessary and appropriate shall undertake a study examining all aspects of establishing a Northern Virginia metropolitan planning organization. The Secretary shall issue a report to the Chairmen of the House and Senate Committees on Transportation by December 1, 2012, making recommendations on the establishment of such a body.

4. That the General Assembly, finding growing concerns regarding the maintenance of the Commonwealth's system of roadways to be of the utmost importance to the continued economic prosperity of Virginia, does hereby request the Secretary of Transportation, in consultation with the Virginia Department of Transportation, local government officials, the Virginia Association of Counties, the Virginia Municipal League, and any and all other stakeholders he deems necessary, to develop a proposal for the devolution of secondary roads in counties with populations greater than 200,000 as of the census of 2010. The Secretary shall report on his progress not later than December 1, 2012, and shall submit such a proposal for consideration by the General Assembly during the 2013 Session of the General Assembly.