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HOUSE BILL NO. 1887

Offered January 14, 2015

Prefiled January 13, 2015

A BILL to amend and reenact §§ 33.2-200, 33.2-232, 33.2-319, 33.2-352, 33.2-357, 33.2-359, 33.2-366, 33.2-1501, 33.2-1502, 33.2-1503, 33.2-1505, 33.2-1508, 33.2-1529, 58.1-815.4, as it is currently effective, 58.1-1741, and 58.1-2289 of the Code of Virginia and to amend the Code of Virginia by adding sections numbered 33.2-358.1, 33.2-369, and 33.2-370, relating to transportation; funding, formula, and allocations.

Patrons—Jones, Cole and Rust

Referred to Committee on Transportation

Be it enacted by the General Assembly of Virginia:

1. That §§ 33.2-200, 33.2-232, 33.2-319, 33.2-352, 33.2-357, 33.2-359, 33.2-366, 33.2-1501, 33.2-1502, 33.2-1503, 33.2-1505, 33.2-1508, 33.2-1529, 58.1-815.4, as it is currently effective, 58.1-1741, and 58.1-2289 of the Code of Virginia are amended and reenacted and that the Code of Virginia is amended by adding sections numbered 33.2-358.1, 33.2-369, and 33.2-370 as follows:

§ 33.2-200. Commonwealth Transportation Board; membership; terms; vacancies.

The Board shall have a total membership of ~~four~~ 17 members that shall consist of 14 nonlegislative citizen members and ~~four~~ three ex officio members as follows: the Secretary of Transportation, the Commissioner of Highways, ~~and the Director of the Department of Rail and Public Transportation, and the Executive Director of the Virginia Port Authority.~~ The nonlegislative citizen members shall be appointed by the Governor as provided in § 33.2-201, subject to confirmation by the General Assembly; ~~and shall serve at the pleasure of the Governor.~~ Appointments of nonlegislative citizen members shall be for terms of four years commencing on July 1, upon the expiration of the terms of the existing members, respectively. Vacancies 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 nonlegislative citizen member shall be eligible to serve more than two consecutive four-year terms. The remainder of any term to which a member is appointed to fill a vacancy shall not constitute a term in determining that member's eligibility for reappointment. Ex officio members of the Board shall serve terms coincident with their terms of office.

The Secretary shall serve as chairman of the Board and shall have voting privileges only in the event of a tie. The Commissioner of Highways shall serve as vice-chairman of the Board and shall have voting privileges only in the event of a tie when he is presiding during the absence of the chairman. The Director of the Department of Rail and Public Transportation ~~and the Executive Director of the Virginia Port Authority~~ shall not have voting privileges.

§ 33.2-232. Annual report by Commissioner of Highways.

The Commissioner of Highways shall annually report in writing to the Governor and General Assembly, ~~the Joint Legislative Audit and Review Commission, and the Board~~ no later than November 30 each year; on (i) the condition and performance of the existing transportation infrastructure, using an asset management methodology and generally accepted engineering principles and business practices to identify and prioritize maintenance and operations needs and to identify performance standards to be used to determine those needs, and funding required to meet those needs; (ii) the Department's strategies for improving safety and security, increasing efficiency in agency programs and projects, and collaborating with the private sector and local government in the delivery of services; (iii) the operating and financial activities of the Department, including the construction and maintenance programs, transportation costs and revenue, and federal allocations; (iv) the use of funds in the Innovation and Technology Transportation Fund established pursuant to §— 33.2-1531; and (v) other such matters of importance to transportation in the Commonwealth.

The content of such report shall be specified by the Board and shall contain, at a minimum:

1. The condition of existing transportation assets, using asset management methodology pursuant to § 33.2-352;

2. The methodology used to determine maintenance and state of good repair needs, including an explanation of the transparent methodology used for the allocation of funds from the Highway Maintenance and Operating Fund pursuant to subsection A of § 33.2-352 and the allocation of funds for state of good repair purposes pursuant to subsection C of § 33.2-352;

3. The performance targets and outcomes for (i) the current two-year period starting July 1 of even-numbered years and (ii) the following two-year period starting July 1 of the next even-numbered

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59 year. The targets and outcomes shall state what is expected to be achieved, based on funding identified
60 for maintenance and state of good repair purposes, over each two-year period;

61 4. A listing of prioritized pavement and bridge projects based on the priority ranking system
62 developed by the Board pursuant to § 33.2-352 and a description of the priority ranking system;

63 5. The Department's (i) strategies for improving safety and security, (ii) strategies and activities to
64 improve highway operations within the Commonwealth, including the use of funds in the Innovation and
65 Technology Transportation Fund established pursuant to § 33.2-1531 and improved incident
66 management; and

67 6. A review of the Department's collaboration with the private sector in delivering services.

68 **§ 33.2-319. Payments to cities and certain towns for maintenance of certain highways.**

69 The Commissioner of Highways, subject to the approval of the Board, shall make payments for
70 maintenance, construction, or reconstruction of highways to all cities and towns eligible for allocation of
71 construction funds for urban highways under § 33.2-362. Such payments, however, shall only be made if
72 those highways functionally classified as principal and minor arterial roads are maintained to a standard
73 satisfactory to the Department. Whenever any city or town qualifies under this section for allocation of
74 funds, such qualification shall continue to apply to such city or town regardless of any subsequent
75 change in population and shall cease to apply only when so specifically provided by an act of the
76 General Assembly. All allocations made prior to July 1, 2001, to cities and towns meeting the criteria of
77 the foregoing provisions of this section are hereby confirmed.

78 No payments shall be made to any such city or town unless the portion of the highway for which
79 such payment is made either (i) has (a) an unrestricted right-of-way at least 50 feet wide and (b) a
80 hard-surface width of at least 30 feet; (ii) has (a) an unrestricted right-of-way at least 80 feet wide, (b) a
81 hard-surface width of at least 24 feet, and (c) approved engineering plans for the ultimate construction
82 of an additional hard-surface width of at least 24 feet within the same right-of-way; (iii)(a) is a
83 cul-de-sac, (b) has an unrestricted right-of-way at least 40 feet wide, and (c) has a turnaround that meets
84 applicable standards set by the Department; (iv) either (a) has been paved and has constituted part of the
85 primary or secondary state highway system prior to annexation or incorporation or (b) has constituted
86 part of the secondary state highway system prior to annexation or incorporation and is paved to a
87 minimum width of 16 feet subsequent to such annexation or incorporation and with the further exception
88 of streets or portions thereof that have previously been maintained under the provisions of § 33.2-339
89 or 33.2-340; (v) was eligible for and receiving such payments under the laws of the Commonwealth in
90 effect on June 30, 1985; (vi) is a street established prior to July 1, 1950, that has an unrestricted
91 right-of-way width of not less than 30 feet and a hard-surface width of not less than 16 feet; (vii) is a
92 street functionally classified as a local street that was constructed on or after January 1, 1996, and that
93 at the time of approval by the city or town met the criteria for pavement width and right-of-way of the
94 then-current design standards for subdivision streets as set forth in regulations adopted by the Board;
95 (viii) is a street previously eligible to receive street payments that is located in the City of Norfolk or
96 the City of Richmond and is closed to public travel, pursuant to legislation enacted by the governing
97 body of the locality in which it is located, for public safety reasons, within the boundaries of a publicly
98 funded housing development owned and operated by the local housing authority; or (ix) is a local street,
99 otherwise eligible, containing one or more physical protuberances placed within the right-of-way for the
100 purpose of controlling the speed of traffic.

101 However, the Commissioner of Highways may waive the requirements as to hard-surface pavement
102 or right-of-way width for highways where the width modification is at the request of the governing body
103 of the locality and is to protect the quality of the affected locality's drinking water supply or, for
104 highways constructed on or after July 1, 1994, to accommodate some other special circumstance where
105 such action would not compromise the health, safety, or welfare of the public. The modification is
106 subject to such conditions as the Commissioner of Highways may prescribe.

107 For the purpose of calculating allocations and making payments under this section, the Department
108 shall divide affected highways into two categories, which shall be distinct from but based on functional
109 classifications established by the Federal Highway Administration: (1) principal and minor arterial roads
110 and (2) collector roads and local streets. Payments made to affected localities shall be based on the
111 number of moving-lane-miles of highways or portions thereof available to peak-hour traffic in that
112 locality.

113 The Department shall recommend to the Board an annual rate per category to be computed using the
114 base rate of growth planned for the Department's Highway Maintenance and Operations program. The
115 Board shall establish the annual rates of such payments as part of its allocation for such purpose, and
116 the Department shall use those rates to calculate and put into effect annual changes in each qualifying
117 city's or town's payment under this section.

118 The payments by the Department shall be paid in equal sums in each quarter of the fiscal year, and
119 payments shall not exceed the allocation of the Board.

120 The chief administrative officer of the city or town receiving this fund shall make annual categorical

reports of expenditures to the Department, in such form as the Board shall prescribe, accounting for all expenditures, certifying that none of the money received has been expended for other than maintenance, construction, or reconstruction of the streets, and reporting on their performance as specified in subsection B D of § 33.2-352. Such reports shall be included in the scope of the annual audit of each municipality conducted by independent certified public accountants.

§ 33.2-352. Asset management practices and state of good repair projects.

A. The Department shall develop asset management practices in the operation and maintenance of the systems of state highways. *Such practices shall include a transparent methodology for the allocation of funds from the Highway Maintenance and Operating Fund to highway systems maintenance and operations programs and allocations to the highway construction districts.*

B. *The Board shall use funds allocated to state of good repair purposes pursuant to § 33.2-358.1 for reconstruction and replacement of structurally deficient state and locally owned bridges and reconstruction and rehabilitation of pavement on the Interstate System and primary state highway system determined to be deteriorated by the Board, including municipality-maintained primary extensions.*

C. *The Board shall develop a priority ranking system for (i) structurally deficient bridges based on the structural condition of the bridge and other factors and (ii) deteriorated pavements, as determined by the combined condition index and other factors. The Board shall select projects for funds allocated for state of good repair purposes pursuant to § 33.2-358.1 based on the priority ranking system.*

D. The Commissioner of Highways shall advise the Board on or before June 30 of even-numbered years of performance targets and outcomes that are expected to be achieved, based on the funding identified for maintenance *and state of good repair purposes*, over the biennium beginning July 1 of that year. In addition, not later than September 30 of even-numbered years, the Commissioner of Highways shall advise the Board on the Department's accomplishments relative to the expected outcomes and budget expenditures for the biennium ending June 30 of that year and also advise the Board as to the methodology used to determine maintenance needs and the justification as to the maintenance funding by source.

§ 33.2-357. Revenue-sharing funds for systems in certain localities.

A. From revenues made available by the General Assembly and appropriated for the improvement, construction, reconstruction, or maintenance of the systems of state highways, the Board may make an equivalent matching allocation to any locality for designations by the governing body of up to \$10 million for use by the locality to improve, construct, or reconstruct the highway systems within such locality with up to \$5 million for use by the locality to maintain the highway systems within such locality. After adopting a resolution supporting the action, the governing body of the locality may request revenue-sharing funds to improve, construct, reconstruct, or maintain a highway system located in another locality or between two or more localities or to bring subdivision streets, used as such prior to the date specified in § 33.2-335, up to standards sufficient to qualify them for inclusion in the primary or secondary state highway system. 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 ~~first to allocations that will accelerate projects in the Board's Six-Year Improvement Program or the locality's capital plan and next to those pavement resurfacing and bridge rehabilitation projects where the maintenance needs analysis determines that the infrastructure is below the Department's maintenance performance targets to projects as follows: first, to projects that have previously received an allocation of funds pursuant to this section, and second, to projects that (i) meet a transportation need identified in the Statewide Transportation Plan pursuant to § 33.2-353, (ii) accelerate a project in a locality's capital plan, or (iii) address pavement resurfacing and bridge rehabilitation projects where the maintenance needs analysis determines that the infrastructure does not meet the Department's maintenance performance targets.~~

C. The Department shall contract with the locality for the implementation of the project. Such contract may cover either a single project or may provide for the locality's implementation of several projects. The locality shall undertake implementation of the particular project by obtaining the necessary permits from the Department 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, construction, 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 of the locality 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 that at least a portion of such funds have been expended within 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 Board.

D. Total Commonwealth funds allocated by the Board under this section shall be no less than \$15

182 million and no more than \$200 million in each fiscal year, subject to appropriation for such purpose.
183 For any fiscal year in which less than the full program allocation has been allocated by the Board to
184 specific governing bodies, those localities requesting the maximum allocation under subsection A may
185 be allowed an additional allocation at the discretion of the Board.

186 E. The funds allocated by the Board under this section shall be distributed and administered in
187 accordance with the revenue-sharing program guidelines established by the Board.

188 **§ 33.2-358.1. Allocation of funds.**

189 A. Notwithstanding § 33.2-358, after funds are set aside for administrative and general expenses and
190 pursuant to other provisions in this title that provide for the disposition of funds, and after the
191 allocation is made pursuant to subsection B, the Board shall allocate all remaining funds, including
192 funds apportioned pursuant to 23 U.S.C. § 104, subject to the exclusion in subsection C, as follows:

193 1. Forty percent of the remaining funds shall be allocated to state of good repair purposes as set
194 forth in § 33.2-232.

195 2. Thirty percent of the remaining funds shall be allocated to the high-priority projects program
196 established pursuant to § 33.2-369.

197 3. Thirty percent of the remaining funds shall be allocated to the highway construction district grant
198 programs established pursuant to § 33.2-370.

199 B. The Board shall allocate each year from all funds made available for highway purposes such
200 amount as it deems reasonable and necessary for the maintenance of roads within the Interstate System,
201 the primary state highway system, and the secondary state highway system and for city and town street
202 maintenance payments made pursuant to § 33.2-319 and payments made to counties that have
203 withdrawn or elect to withdraw from the secondary state highway system pursuant to § 33.2-366.

204 C. The funds allocated pursuant to this section shall not include the following: funds apportioned to
205 the state pursuant to 23 U.S.C. § 104(b)(4) and state matching funds; funds apportioned to the state
206 pursuant to 23 U.S.C. § 104(b)(3) and state matching funds; funds set aside pursuant to 23 U.S.C. § 213
207 and state matching funds; funds apportioned to the state pursuant to 23 U.S.C. § 104(b)(2) as allocated
208 by 23 U.S.C. § 133(d)(1)(A)(i) and any state matching funds; funds apportioned pursuant to 23 U.S.C.
209 § 104(b)(5) and any state matching funds; funds set aside pursuant to 23 U.S.C. § 505 and any state
210 matching funds; and any funds provided by federal programs established by the federal government
211 after January 1, 2015, with specific rules that restrict the types of projects that may be funded,
212 excluding restrictions on the location of projects with regard to highway functional classification.

213 **§ 33.2-359. Unpaved secondary highway fund created; allocations.**

214 A. Before funds are allocated for distribution for highway construction pursuant to subdivisions C 1,
215 2, and 3 of § 33.2-358, a fund shall be established for the paving of nonsurface treated secondary
216 highways that carry 50 vehicles or more per day. Such fund shall contain 5.67 percent of the total funds
217 available for highway construction under subdivisions C 1, 2, and 3 of § 33.2-358. From funds allocated
218 to highway construction district grant programs pursuant to § 33.2-358.1, a fund shall be established for
219 the paving of nonsurface treated secondary highways that carry 50 or more vehicles per day. The Board
220 shall allocate funds to such fund, provided that the allocation shall not exceed \$25 million annually.
221 Further funds allocated shall be deducted from the applicable highway construction district grant
222 program pursuant to § 33.2-370 based on the ratio of nonsurface treated roads in each highway
223 construction district that carry 50 or more vehicles per day to the total number of such nonsurface
224 treated roads in the Commonwealth.

225 B. Such funds shall be distributed to counties in the secondary state highway system based on the
226 ratio of nonsurface treated roads in each county carrying 50 vehicles or more per day to the total
227 number of such nonsurface treated roads in the Commonwealth.

228 C. The governing body of any county may have funds allocated to the county under this section
229 added to the county's secondary system construction funds allocated pursuant to § 33.2-364. For each
230 \$250,000 or portion thereof added to secondary construction funds under this provision, the amount of
231 the county's nonsurface treated roads used to distribute funds under this section in subsequent years shall
232 be reduced by one mile or proportional part of one mile.

233 **§ 33.2-366. Funds for counties that have withdrawn or elect to withdraw from the secondary**
234 **state highway system.**

235 Pursuant to subsection B of § 33.2-358, the Board shall make the following payments to counties that
236 have withdrawn or elect to withdraw from the secondary state highway system under the provisions of
237 § 11 of Chapter 415 of the Acts of Assembly of 1932 and that have not elected to return: to any county
238 having withdrawn prior to June 30, 1985, and having an area greater than 100 square miles, an amount
239 equal to \$12,529 per lane-mile for fiscal year 2014, and to any county having an area less than 100
240 square miles, an amount equal to \$17,218 per lane-mile for fiscal year 2014; to any county that elects to
241 withdraw after June 30, 1985, the Board shall establish a rate per lane-mile for the first year using (i) an
242 amount for maintenance based on maintenance standards and unit costs used by the Department to
243 prepare its secondary state highway system maintenance budget for the year in which the county

withdraws and (ii) an amount for administration equal to five percent of the maintenance figure determined in clause (i). The payment rates shall be adjusted annually by the Board in accordance with procedures established for adjusting payments to cities and towns under § 33.2-319, and lane mileage shall be adjusted annually to include (a) streets and highways accepted for maintenance in the county system by the local governing body or (b) streets and highways constructed according to standards set forth in the county subdivision ordinance or county thoroughfare plan, and being not less than the standards set by the Department. Such counties shall, in addition, each receive for construction from funds allocated pursuant to subdivision C 3 of § 33.2-358 an annual amount calculated in the same manner as payments for construction in the secondary state highway system are calculated.

Payment of the funds shall be made in four equal sums, one in each quarter of the fiscal year, and shall be reduced in the case of each such county by the amount of federal-aid construction funds credited to each such county.

The chief administrative officer of such counties receiving such funds shall make annual reports of expenditures to the Board, in such form as the Board shall prescribe, accounting for all expenditures, including delineation between construction and maintenance expenditures and reporting on their performance as specified in subsection B D of § 33.2-352. Such reports shall be included in the scope of the annual audit of each county conducted by independent certified public accountants.

§ 33.2-369. High-priority projects program.

The Board shall use funds allocated to the high-priority projects program pursuant to § 33.2-358 for projects and strategies that address a transportation need identified for a corridor of statewide significance or a regional network in the Statewide Transportation Plan pursuant to § 33.2-353. From funds allocated to this program, the Board shall allocate funds to the Innovation and Technology Transportation Fund, provided that the allocation shall not exceed \$25 million annually.

In selecting projects and strategies for funding under this program, the Board shall screen and evaluate candidate projects and strategies pursuant to subsection B of § 33.2-214.1.

§ 33.2-370. Highway construction district grant programs.

A. The Board shall establish a grant program in each highway construction district to fund projects and strategies that address a need identified for a regional network or to promote an urban development area in the Statewide Transportation Plan developed pursuant to § 33.2-353.

B. Funds allocated under § 33.2-358 shall be made available to each district as follows:

- 1. Forty percent based on the allocation pursuant to § 33.2-361;*
- 2. Thirty percent based the allocation pursuant to § 33.2-362; and*
- 3. Thirty percent based on the allocation pursuant to § 33.2-364.*

C. The Board shall solicit candidate projects and strategies from local governments for consideration in the applicable construction district's grant program. Candidate projects and strategies shall be screened and evaluated pursuant to subsection B of § 33.2-214.1.

D. Projects awarded funds under a grant program established by this section may be administered by the Department or the local government.

§ 33.2-1501. Definitions.

As used in this article, unless the context requires a different meaning:

"Bank" means the Virginia Transportation Infrastructure Bank created in § 33.2-1502.

"Cost," as applied to any project financed under the provisions of this article, means the total of all costs, including the costs of planning, design, right-of-way acquisition, engineering, and construction, incurred by an eligible borrower or other project sponsor as reasonable and necessary for carrying out all works and undertakings necessary or incident to the accomplishment of any project. "Cost" also includes capitalized interest; reasonably required reserve funds; and financing, credit enhancement, and issuance costs.

"Credit enhancements" means surety bonds, insurance policies, letters of credit, guarantees, and other forms of collateral or security.

"Creditworthiness" means attributes such as revenue stability, debt service coverage, reserves, and other factors commonly considered in assessing the strength of the security for indebtedness.

"Eligible borrower" means any (i) private entity; (ii) governmental entity; (iii) instrumentality, corporation, or entity established by any of the foregoing pursuant to § 33.2-1505; or (iv) combination of two or more of the foregoing.

"Finance" and any variation of the term, when used in connection with a cost or a project, includes both the initial financing and any refinancing of the cost or project and any variation of such terms. "Finance" does not include a grant.

"Governmental entity" means any (i) locality; (ii) local, regional, state, or federal entity; transportation authority, planning district, commission, or political subdivision created by the General Assembly or pursuant to the Constitution and laws of the Commonwealth; or public transportation entity owned, operated, or controlled by one or more local entities; (iii) entity established by interstate

compact; (iv) instrumentality, corporation, or entity established by any of the foregoing pursuant to § 33.2-1505; or (v) combination of two or more of the foregoing.

"Grant" means a transfer of moneys or property that does not impose any obligation or condition on the grantee to repay any amount to the transferor other than in connection with assuring that the transferred moneys or property will be spent or used in accordance with the governmental purpose of the transfer. "Grant" includes direct cash payments made to pay or reimburse all or a portion of interest payments made by a grantee on a debt obligation. As provided in §§ 33.2-1502 and 33.2-1503, only governmental entities may receive grants of moneys or property held in or for the credit of the Bank.

"Loan" means an obligation subject to repayment that is provided by the Bank to an eligible borrower to finance all or a part of the eligible cost of a project incurred by the eligible borrower or other project sponsor. A loan may be disbursed (i) in anticipation of reimbursement (including an advance or draw under a credit enhancement instrument), (ii) as direct payment of eligible costs, or (iii) to redeem or defease a prior obligation incurred by the eligible borrower or other project sponsor to finance the eligible costs of a project.

"Management agreement" means the memorandum of understanding or interagency agreement among the manager, the Secretary of Finance, and the Board as authorized under subsection B of § 33.2-1502.

"Manager" means the Virginia Resources Authority serving as the manager, administrator, and trustee of funds disbursed from the Bank in accordance with the provisions of this article and the management agreement.

"Other financial assistance" means, but is not limited to, grants, includes capital, or debt reserves for bonds or debt instrument financing, provision of letters of credit and other forms of credit enhancement, and other lawful forms of financing and methods of leveraging funds that are approved by the manager.

"Private entity" means any private or nongovernmental entity that has executed an interim or comprehensive agreement to develop and construct a transportation infrastructure project pursuant to the Public-Private Transportation Act of 1995 (§ 33.2-1800 et seq.).

"Project" means (i) the construction, reconstruction, rehabilitation, or replacement of any interstate, state highway, toll road, tunnel, local street or road, or bridge; (ii) the construction, reconstruction, rehabilitation, or replacement of any (a) mass transit, (b) commuter, passenger, or freight rail, (c) port, (d) airport, or (e) commercial space flight facility; or (iii) the acquisition of any rolling stock, vehicle, or equipment to be used in conjunction with clause (i) or (ii).

"Project obligation" means any bond, note, debenture, interim certificate, ~~grant~~ or revenue anticipation note, lease or lease-purchase or installment sales agreement, or credit enhancements issued, incurred, or entered into by an eligible borrower to evidence a loan, or any financing agreements, reimbursement agreements, guarantees, or other evidences of an obligation of an eligible borrower or other project sponsor to pay or guarantee a loan.

"Project sponsor" means any private entity or governmental entity that is involved in the planning, design, right-of-way acquisition, engineering, construction, maintenance, or financing of a project.

"Reliable repayment source" means any means by which an eligible borrower or other project sponsor generates funds that are dedicated to the purpose of retiring a project obligation.

"Substantial project completion" means the opening of a project for vehicular or passenger traffic or the handling of cargo and freight.

§ 33.2-1502. Creation of the Virginia Transportation Infrastructure Bank.

A. There is hereby created in the state treasury a special nonreverting, revolving loan fund, known as the Virginia Transportation Infrastructure Bank, that is a subfund of the Transportation Trust Fund, established pursuant to § 33.2-1524. The Bank shall be established on the books of the Comptroller. The Bank shall be capitalized with (i) *two-thirds of all interest, dividends, and appreciation that may accrue to the Transportation Trust Fund and the Highway Maintenance and Operating Fund* and (ii) moneys appropriated by the General Assembly and credited to the Bank. Disbursements from the Bank shall be made by the State Treasurer on warrants issued by the Comptroller upon written request signed by the Commissioner of Highways or his or her designee. Payments on project obligations and interest earned on the moneys in the Bank shall be credited to the Bank. Any moneys remaining in the Bank, including interest thereon, at the end of each fiscal year shall not revert to the general fund but shall remain in the Bank. Notwithstanding anything to the contrary set forth in this article or in the management agreement, the Board will have the right to determine the projects for which loans or other financial assistance may be provided by the Bank. Moneys in the Bank shall be used solely for the purposes enumerated in ~~subsections subsection C and D.~~

B. The Board, the manager, and the Secretary of Finance are authorized to enter into a management agreement which may include provisions (i) setting forth the terms and conditions under which the manager will advise the Board on the financial propriety of providing particular loans or other financial assistance, (ii) setting forth the terms and conditions under which the substantive requirements of subsections C ~~through F~~, D, and E and § 33.2-1505 will be applied and administered, and (iii) authorizing the manager to request the Board to disburse from the moneys in the Bank the reasonable

costs and expenses the manager may incur in the management and administration of the Bank and a reasonable fee to be approved by the Board for the manager's management and administrative services.

C. 1. Moneys deposited in the Bank shall be used for the purpose of making loans and other financial assistance to finance projects.

2. Each project obligation shall be payable, in whole or in part, from reliable repayment sources pledged for such purpose.

3. The interest rate on a project obligation shall be determined by reference to the current market rates for comparable obligations, the nature of the project and the financing structure therefor, and the creditworthiness of the eligible borrower and other project sponsors.

4. The repayment schedule for each project obligation shall require (i) the amortization of principal beginning within five years following the later of substantial project completion or the date of incurrence of the project obligation and (ii) a final maturity date of not more than 35 years following substantial project completion.

D. A portion not to exceed 20 percent of the capitalization of the Bank may be used for grants to governmental entities to finance projects.

E. The pledge of reliable repayment sources and other property securing any project obligation may be subordinate to the pledge securing any other senior debt obligations incurred to finance the project.

F. E. Notwithstanding subdivision C 4, the manager may at any time following substantial project completion defer payments on a project obligation if the project is unable to generate sufficient revenues to pay the scheduled payments.

G. F. No loan or other financial assistance may be provided or committed to be provided by the Bank in a manner that would cause such loan or other financial assistance to be tax-supported debt within the meaning of § 2.2-2713 or be deemed to constitute a debt of the Commonwealth or a pledge of the full faith and credit of the Commonwealth but shall be payable solely from legally available moneys held by the Bank.

H. G. Neither the Bank nor the manager is authorized or empowered to be or to constitute (i) a bank or trust company within the jurisdiction or under the control of the Commonwealth or an agency thereof or the Comptroller of Currency of the U.S. Treasury Department or (ii) a bank, banker, or dealer in securities within the meaning of, or subject to the provisions of, any securities, securities exchange, or securities dealers law of the United States or of the Commonwealth.

I. H. The Board or the manager may establish or direct the establishment of federal and state accounts or subaccounts as may be necessary to meet any applicable federal law requirements or desirable for the efficient administration of the Bank in accordance with this article.

§ 33.2-1503. Eligibility and project selection.

A. Any entity constituting an eligible borrower or other project sponsor is eligible to apply to the Board for project financing from the Bank.

B. Notwithstanding subsection A, only governmental entities are eligible to apply for a grant from the Bank.

C. Any governmental entity applying for a grant must demonstrate, among other things as determined by the manager, that the project cannot be financed on reasonable terms or would otherwise be financially infeasible without the grant.

D. All applicants for a loan or other financial assistance (~~other than a grant~~) must file an application with the Board, which must include all items determined by the Board in consultation with the manager to be necessary and appropriate for the Board to determine whether or not to approve the loan, including the availability of reliable repayment sources to retire the project obligation as well as creditworthiness.

E. C. Each applicant for a loan or other financial assistance must demonstrate that the project is of local, regional, or statewide significance and ~~that it meets the goal of generating economic benefits, improving air quality, reducing congestion, or improving safety through enhancement of the state transportation network~~ *meets the public interest identified in subsection A of § 33.2-214.1*. Another criterion to be considered is whether or not the loan or other financial assistance will enable the project to be completed at an earlier date than would otherwise be feasible. The Board shall issue guidelines for scoring projects in accordance with the criteria set out in this subsection and any other criteria deemed necessary and appropriate for evaluating projects as determined by the Board in consultation with the manager and shall apply the scoring guidelines to each proposed project. Further, the Board shall promptly publish each proposed project and its score using the scoring guidelines.

F. D. All projects for which a loan or other financial assistance is provided must meet and remain in compliance with the policies and guidelines established by the Board and the manager.

§ 33.2-1505. Project obligations.

A. Subject to the terms determined by the manager in accordance with the management agreement, each loan or other financial assistance (~~which for purposes of this section shall not include grants~~) shall be evidenced or guaranteed by project obligations provided to finance the costs of any project. The

428 manager may also sell any project obligations so acquired and apply the proceeds of such a sale to the
429 making of additional loans and the provision of other financial assistance for financing the cost of any
430 project or for any other corporate purpose of the Bank.

431 B. The manager may require, as a condition to provision of a loan or other financial assistance and
432 the acquisition of any project obligations, that the eligible borrower or any other project sponsor
433 covenant to perform any of the following:

434 1. Establish and collect tolls, rents, rates, fees, and other charges to produce revenue sufficient to pay
435 all or a specified portion of (i) the costs of operation, maintenance, replacement, renewal, and repairs of
436 the project; (ii) any outstanding indebtedness incurred for the purposes of the project, including the
437 principal of and premium, if any, and interest on the project obligations; and (iii) any amounts necessary
438 to create and maintain any required reserve, including any rate stabilization fund deemed necessary or
439 appropriate by the manager to offset the need, in whole or part, for future increases in tolls, rents, rates,
440 fees, or charges;

441 2. Create and maintain a special fund or funds as security for or the source of the scheduled
442 payments on the project obligations or for the operation, maintenance, repair, or replacement of the
443 project or any portions thereof or other property of the eligible borrower or any other project sponsor
444 and deposit into any fund or funds amounts sufficient to make any payments as they become due and
445 payable;

446 3. Create and maintain other special funds as required by the manager; and

447 4. Perform other acts, including the conveyance or mortgaging of real and personal property together
448 with all right, title, and interest therein to secure project obligations, or take other actions as may be
449 deemed necessary or desirable by the manager to secure payment of the project obligations and to
450 provide for remedies in the event of any default or nonpayment by the eligible borrower or any other
451 project sponsor, including any of the following:

452 a. The procurement of credit enhancements or liquidity arrangements for project obligations from any
453 source, public or private, and the payment therefor of premiums, fees, or other charges.

454 b. The combination of one or more projects, or the combination of one or more projects with one or
455 more other undertakings, facilities, or systems, for the purpose of operations and financing, and the
456 pledging of the revenues from such combined projects, undertakings, facilities, and systems to secure
457 project obligations issued in connection with such combination or any part or parts thereof.

458 c. The payment of such fees and charges in connection with the acquisition of the project obligations
459 as may be determined by the manager.

460 C. All eligible borrowers and other project sponsors, including any governmental entities, providing
461 project obligations to the Bank are authorized to perform any acts, take any action, adopt any
462 proceedings, and make and carry out any contracts with the Bank, the manager, or the Board that are
463 contemplated by this article. Such contracts need not be identical among all eligible borrowers or other
464 project sponsors, but may be structured as determined by the manager according to the needs of the
465 contracting eligible borrowers and other project sponsors and the purposes of the Bank.

466 In addition, subject to the approval of the manager, any project sponsor is authorized to establish and
467 contract with a special purpose or limited purpose instrumentality, corporation, or other entity for the
468 purpose of having such entity serve as the eligible borrower with respect to a particular project.

469 **§ 33.2-1508. Transportation Partnership Opportunity Fund.**

470 A. There is hereby created the Transportation Partnership Opportunity Fund (the Fund) to be used by
471 the Governor to encourage the development of transportation projects through design-build pursuant to
472 subsection B of § 33.2-209 and the Public-Private Transportation Act (§ 33.2-1800 et seq.) and to
473 provide funds to address the transportation aspects of economic development opportunities. The Fund
474 shall consist of (i) *one-third of all interest, dividends, and appreciation that may accrue to the*
475 *Transportation Trust Fund and the Highway Maintenance and Operating Fund* and (ii) any funds
476 appropriated to it by the general appropriation act and revenue from any other source, public or private.
477 The Fund shall be established on the books of the Comptroller, and any funds remaining in the Fund at
478 the end of a biennium shall not revert to the general fund but shall remain in the Fund. All interest and
479 dividends that are earned on the Fund shall be credited to the Fund. The Governor shall report to the
480 Chairmen of the House Committees on Appropriations, Finance, and Transportation and the Senate
481 Committees on Finance and Transportation as funds are awarded in accordance with this section.

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

487 C. Funds shall be awarded from the Fund by the Governor as grants, revolving loans, or other
488 financing tools and equity contributions to (i) an agency or political subdivision of the Commonwealth
489 or (ii) a private entity or operator that has submitted a proposal or signed a comprehensive agreement to

develop a transportation facility pursuant to the Public-Private Transportation Act of 1995 (§ 33.2-1800 et seq.). Loans shall be approved by the Governor and made in accordance with procedures established by the Board and approved by the Comptroller. Loans shall be interest-free and shall be repaid to the Fund. The Governor may establish the duration of any loan, but such term shall not exceed seven years. The Department shall be responsible for monitoring repayment of such loans and reporting the receivables to the Comptroller as required.

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

E. The Board, in consultation with the Secretary of Transportation and the Secretary of Commerce and Trade, shall develop guidelines and criteria that shall be used in awarding grants or making loans from the Fund; however, no grant shall exceed \$5 million and no loan shall exceed \$30 million. No grant or loan shall be awarded until the Governor has provided copies of the guidelines and criteria to the Chairmen of the House Committees on Appropriations, Finance, and Transportation and the Senate Committees on Finance and Transportation. The guidelines and criteria shall include provisions including the number of jobs and amounts of investment that must be committed in the event moneys are being used for an economic development project, a statement of how the studies and analysis to be completed using moneys from the Fund will advance the development of a transportation facility, a process for the application for and review of grant and loan requests, a timeframe for completion of any work, the comparative benefit resulting from the development of a transportation project, assessment of the ability of the recipient to repay any loan funds, and other criteria as necessary to support the timely development of transportation projects. The criteria shall also include incentives to encourage matching funds from any other local, federal, or private source.

F. Within 30 days of each six-month period ending June 30 and December 31, the Governor shall provide a report to the Chairmen of the House Committees on Appropriations, Finance, and Transportation and the Senate Committees on Finance and Transportation that shall include the following information: the locality in which the project is being developed; the amount of the grant or loan made or committed from the Fund and the purpose for which it will be used; the number of jobs created or projected to be created; and the amount of a company's investment in the Commonwealth if the project is part of an economic development opportunity.

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

§ 33.2-1529. Toll Facilities Revolving Account.

A. All definitions of terms in this section shall be as set forth in the Public-Private Transportation Act of 1995 (§ 33.2-1800 et seq.).

B. Subject to any obligations to existing bondholders, but notwithstanding §§ 2.2-1806 and 58.1-13, funds deposited into the Transportation Trust Fund pursuant to subdivision 3 of § 33.2-1524 shall be held in a separate subaccount to be designated the Toll Facilities Revolving Account, (the Account) ~~together with all interest, dividends, and appreciation that accrue to the Transportation Trust Fund and that are not otherwise specifically directed by law or reserved by the Board in the resolution authorizing issuance of bonds to finance toll facilities.~~ In addition, any funds received from the federal government or any agency or instrumentality thereof that, pursuant to federal law, may be made available, as loans or otherwise, to private persons or entities for transportation purposes, hereinafter referred to as "federal funds," shall be deposited in a segregated subaccount within the Account. Payments received with respect to any loan made from such segregated subaccount pursuant to subdivision D 2 shall also be deposited into such segregated subaccount in the Account.

C. User fees collected in excess of the annual debt service, operations, and maintenance expenses and necessary administrative costs including any obligations to the Account and any other obligations for qualifying facilities with respect to which an agency of the Commonwealth is the responsible public entity shall be deposited and held in the Regional Toll Facilities Revolving Subaccount, (the Regional Account), together with all interest, dividends, and appreciation for use within the metropolitan planning organization region within which the facility exists. Payments received with respect to any loan made

551 from such Regional Account pursuant to subdivision D 3 shall also be deposited into the Regional
552 Account.

553 D. The Board may make allocations upon such terms and subject to such conditions as the Board
554 deems appropriate from the following funds for the following purposes:

555 1. From any funds in the Account, exclusive of those in the Regional Account, to pay or finance all
556 or part of the costs, including the cost of planning, operation, maintenance, and improvements, incurred
557 in connection with the acquisition and construction of projects financed in whole or in part as toll
558 facilities or to refinance existing toll facilities, provided that any such funds allocated from the Account
559 for a planned or operating toll facility shall be considered as an advance of funding for which the
560 Account shall be reimbursed;

561 2. From funds in the segregated subaccount in the Account into which federal funds are deposited in
562 conjunction with the Public-Private Transportation Act of 1995 (§ 33.2-1800 et seq.) and pursuant to the
563 terms of a comprehensive agreement between a responsible public entity and a private operator as
564 provided for in that act:

565 a. To make a loan to such operator to pay any cost of a qualifying transportation facility, provided
566 that (i) the operator's return on its investment is limited to a reasonable rate and (ii) such loan is limited
567 to a reasonable term; or

568 b. To pay the Commonwealth's or its agency's portion of costs incurred or to be incurred in
569 accordance with a comprehensive agreement with respect to a transportation facility;

570 3. From funds in the Regional Account:

571 a. To pay or finance all or part of the costs, including the cost of planning, operation, maintenance,
572 and improvements incurred in connection with the acquisition and construction of projects financed in
573 whole or in part as toll facilities or to refinance existing toll facilities, provided that (i) allocations from
574 the Regional Account shall be limited to projects located within the same metropolitan planning
575 organization region as the facility that generated the excess revenue and (ii) any such funds allocated
576 from the Regional Account for a planned or operating toll facility shall be considered as an advance of
577 funding for which the Regional Account shall be reimbursed; or

578 b. To pay the Commonwealth's, its agency's, or its political subdivision's costs incurred or to be
579 incurred in accordance with a comprehensive agreement with respect to a transportation facility within
580 the same metropolitan planning organization region as the facility that generated the excess revenue; and

581 4. From any funds in the Account or Regional Account, to pay the Board's reasonable costs and
582 expenses incurred in (i) the administration and management of the Account, (ii) its program of financing
583 or refinancing costs of toll facilities, and (iii) the making of loans and paying of costs described in
584 subdivisions 1 and 2.

585 E. The Board may transfer from the Account to the Transportation Trust Fund for allocation pursuant
586 to subsection C of § 33.2-358 *or the Virginia Transportation Infrastructure Bank pursuant to Article 1*
587 *(§ 33.2-1500 et seq.)* any interest revenues and, subject to applicable federal limitations, federal funds
588 not committed by the Board to the purposes provided for in subsection D.

589 F. The provisions of this section shall be liberally construed to the end that its beneficial purposes
590 may be effectuated. Insofar as this provision is inconsistent with the provisions of any other general,
591 special, or local law, this provision shall be controlling.

592 G. If any provision of this section or the application thereof to any person or circumstances is held
593 invalid by a court of competent jurisdiction, such invalidity shall not affect other provisions or
594 applications of this section that can be given effect without the invalid provision or application, and to
595 this end the provisions of this section are declared to be severable.

596 **§ 58.1-815.4. (Contingent expiration) Distribution of recordation tax for certain**
597 **transportation-related purposes.**

598 Effective July 1, 2008, of the state recordation taxes imposed pursuant to §§ 58.1-801 and 58.1-803,
599 the revenues collected each fiscal year from \$0.03 of the total tax imposed under each section shall be
600 deposited by the Comptroller as follows:

601 1. The revenues collected from \$0.02 of the total tax shall be deposited into the Commonwealth
602 Mass Transit Fund pursuant to subdivision A 4 b (1)(b) of § 58.1-638; and

603 2. The revenues collected from \$0.01 of the total tax shall be deposited into the Highway
604 Maintenance and Operating Fund established pursuant to § 33.2-1530 *Commonwealth Transit Capital*
605 *Fund established pursuant to subdivision A 4 c of § 58.1-638.*

606 **§ 58.1-1741. Disposition of revenues.**

607 A. After the direct costs of administering this article are recovered by the Department of Taxation,
608 the remaining revenues collected hereunder by the Tax Commissioner shall be forthwith paid into the
609 state treasury. Except as otherwise provided in this section, these funds shall constitute special funds
610 within the Commonwealth Transportation Fund. Any balances remaining in these funds at the end of the
611 year shall be available for use in subsequent years for the purposes set forth in this article, and any
612 interest income on such funds shall accrue to these funds. The revenue so derived, after refunds have

been deducted, is hereby allocated for the construction, reconstruction, and maintenance of highways and the regulation of traffic thereon and for no other purpose. However, (i) all funds collected from the additional tax imposed by subdivision A 2 of § 58.1-1736 on the rental of daily rental vehicles shall be distributed quarterly to the county, city, or town wherein such vehicle was delivered to the rentee; (ii) except as provided in clause (iii) of this sentence, an amount equivalent to the net additional revenues from the motor vehicle rental tax generated by enactments of the 1986 Special Session of the Virginia General Assembly which amended §§ 46.2-694, 46.2-697, and by §§ 58.1-1735, 58.1-1736 and this section, shall be distributed to and paid into the Transportation Trust Fund established pursuant to § 33.2-1524, a special fund within the Commonwealth Transportation Fund, and are hereby appropriated to the Commonwealth Transportation Board for transportation needs; (iii) all moneys collected from the tax on the gross proceeds from the rental in Virginia of any motor vehicle pursuant to subdivision A 1 of § 58.1-1736 at the tax rate in effect on December 31, 1986, shall be paid by the Tax Commissioner into the state treasury and *two-thirds of which shall be paid into the Rail Enhancement Fund established by § 33.2-1601 and one-third of which shall be paid into the Commonwealth Transit Capital Fund established pursuant to subdivision A 4 c of § 58.1-638*; and (iv) all additional revenues resulting from the fee imposed under subdivision A 3 of § 58.1-1736 shall be used to pay the debt service on the bonds issued by the Virginia Public Building Authority for the Statewide Agencies Radio System (STARS) for the Department of State Police pursuant to the authority granted by the 2004 Session of the General Assembly.

B. As provided in subsection A of § 58.1-638, of the funds becoming part of the Transportation Trust Fund pursuant to clause (ii) of subsection A of this section, an aggregate of 4.2 percent shall be set aside as the Commonwealth Port Fund; an aggregate of 2.4 percent shall be set aside as the Commonwealth Airport Fund; and an aggregate of 14.7 percent shall be set aside as the Commonwealth Mass Transit Fund.

§ 58.1-2289. Disposition of tax revenue generally.

A. Unless otherwise provided in this section, all taxes and fees, including civil penalties, collected by the Commissioner pursuant to this chapter, less a reasonable amount to be allocated for refunds, shall be promptly paid into the state treasury and shall constitute special funds within the Commonwealth Transportation Fund. Any balances remaining in these funds at the end of the year shall be available for use in subsequent years for the purposes set forth in this chapter, and any interest income on such funds shall accrue to these funds.

The Governor is hereby authorized to transfer out of such fund an amount necessary for the inspection of gasoline and motor grease measuring and distributing equipment, and for the inspection and analysis of gasoline for purity.

B. The tax collected on each gallon of aviation fuel sold and delivered or used in this Commonwealth, less refunds, shall be paid into a special fund of the state treasury. Proceeds of this special fund within the Commonwealth Transportation Fund shall be disbursed upon order of the Department of Aviation, on warrants of the Comptroller, to defray the cost of the administration of the laws of this Commonwealth relating to aviation, for the construction, maintenance and improvement of airports and landing fields to which the public now has or which it is proposed shall have access, and for the promotion of aviation in the interest of operators and the public generally.

C. One-half cent of the tax collected on each gallon of fuel on which a refund has been paid for gasoline, gasohol, diesel fuel, blended fuel, or alternative fuel, for fuel consumed in tractors and unlicensed equipment used for agricultural purposes shall be paid into a special fund of the state treasury, known as the Virginia Agricultural Foundation Fund, to be disbursed to make certain refunds and defray the costs of the research and educational phases of the agricultural program, including supplemental salary payments to certain employees at Virginia Polytechnic Institute and State University, the Department of Agriculture and Consumer Services and the Virginia Truck and Ornamentals Research Station, including reasonable expenses of the Virginia Agricultural Council.

D. One and one-half cents of the tax collected on each gallon of fuel used to propel a commercial watercraft upon which a refund has been paid shall be paid to the credit of the Game Protection Fund of the state treasury to be made available to the Board of Game and Inland Fisheries until expended for the purposes provided generally in subsection C of § 29.1-701, including acquisition, construction, improvement and maintenance of public boating access areas on the public waters of this Commonwealth and for other activities and purposes of direct benefit and interest to the boating public and for no other purpose. However, one and one-half cents per gallon on fuel used by commercial fishing, oystering, clamming, and crabbing boats shall be paid to the Department of Transportation to be used for the construction, repair, improvement and maintenance of the public docks of this Commonwealth used by said commercial watercraft. Any expenditures for the acquisition, construction, improvement and maintenance of the public docks shall be made according to a plan developed by the Virginia Marine Resources Commission.

674 From the tax collected pursuant to the provisions of this chapter from the sales of gasoline used for
675 the propelling of watercraft, after deduction for lawful refunds, there shall be paid into the state treasury
676 for use by the Marine Resources Commission, the Virginia Soil and Water Conservation Board, the
677 State Water Control Board, and the Commonwealth Transportation Board to (i) improve the public
678 docks as specified in this section, (ii) improve commercial and sports fisheries in Virginia's tidal waters,
679 (iii) make environmental improvements including, without limitation, fisheries management and habitat
680 enhancement in the Chesapeake and its tributaries, and (iv) further the purposes set forth in § 33.2-1510,
681 a sum as established by the General Assembly.

682 E. Of the remaining revenues *attributable to the tax rate in effect prior to January 1, 2015, and*
683 deposited into the Commonwealth Transportation Fund pursuant to this chapter less refunds authorized
684 by this chapter: (i) 80 percent shall be deposited into the Highway Maintenance and Operating Fund
685 established pursuant to § 33.2-1530, (ii) 15 percent shall be deposited into the Transportation Trust Fund
686 established pursuant to § 33.2-1524, (iii) four percent shall be deposited into the Priority Transportation
687 Fund, and (iv) one percent shall be transferred to a special fund within the Commonwealth
688 Transportation Fund in the state treasury, to be used to meet the necessary expenses of the Department
689 of Motor Vehicles.

690 F. *Of the remaining revenues deposited into the Commonwealth Transportation Fund pursuant to this*
691 *chapter less refunds authorized by this chapter and deposited pursuant to subsection E: (i) 80 percent*
692 *shall be deposited into the Highway Maintenance and Operating Fund established pursuant to*
693 *§ 33.2-1530, (ii) 13.5 percent shall be deposited into the Commonwealth Transit Capital Fund*
694 *established pursuant to subdivision A 4 c of § 58.1-638, (iii) four percent shall be deposited into the*
695 *Priority Transportation Fund, (iv) 1.5 percent shall be deposited into Commonwealth Mass Transit Fund*
696 *established pursuant to subdivision A 4 of § 58.1-638 and allocated to subdivision A 4 b (1) (b) of §*
697 *58.1-638, and (v) one percent shall be deposited into Commonwealth Mass Transit Fund established*
698 *pursuant to subdivision A 4 of § 58.1-638 and allocated to subdivision A 4 b (1) (a) of § 58.1-638.*

699 **2. That the Commonwealth Transportation Board shall develop the priority ranking system**
700 **pursuant to section § 33.2-352 of the Code of Virginia, as amended by this act, by January 1,**
701 **2016.**

702 **3. That the provisions of this act amending sections §§ 58.1-815.4, as it is currently effective,**
703 **58.1-1741, and 58.1-2289 of the Code of Virginia shall become effective on July 1, 2016.**

704 **4. That the provisions of this act amending section § 33.2-200 of the Code of Virginia shall**
705 **become effective on July 1, 2017.**

706 **5. That prior to January 1, 2018, the Department of Rail and Public Transportation is authorized**
707 **to enter into an agreement with a private entity pursuant to the Public-Private Transportation Act**
708 **of 1995 (§ 33.2-1800 et seq. of the Code of Virginia) to improve passenger rail service within the**
709 **Commonwealth where the private entity finances the improvements in return for annual payments**
710 **from funds allocated by the Commonwealth Transportation Board pursuant to §§ 33.2-1601 and**
711 **33.2-1604 of the Code of Virginia for a period not to exceed 20 years.**

712 **6. That § 33.2-358.1, as added by this act, shall be effective for funds allocated beginning with the**
713 **fiscal year that commences July 1, 2020.**

714 **7. That notwithstanding allocations pursuant to § 33.2-358 of the Code of Virginia, in order to**
715 **promote implementation of § 33.2-214.1 of the Code of Virginia and transition to the allocation of**
716 **funds pursuant to § 33.2-358.1, as added by this act, the Board shall allocate from July 1, 2016,**
717 **through June 30, 2021, funds not programmed to a project as follows: 50 percent for high-priority**
718 **projects pursuant to § 33.2-369, as added by this act, and 50 percent for the highway construction**
719 **district grant program pursuant to § 33.2-370, as added by this act.**