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SENATE BILL NO. 1208

Offered January 14, 2015

Prefiled January 13, 2015

A BILL to amend and reenact § 33.2-348 of the Code of Virginia, relating to urban system construction projects; placing aboveground utilities below ground.

 Patron—Wagner

 Referred to Committee on Finance

Be it enacted by the General Assembly of Virginia:**1. That § 33.2-348 of the Code of Virginia is amended and reenacted as follows:****§ 33.2-348. Matching highway funds; funding of urban system construction projects.**

A. For the purposes of this section, "construction or improvement" means the supervising, inspecting, actual building, and all expenses incidental to the construction or reconstruction of a highway, including locating, surveying, design and mapping, costs of rights-of-way, signs, signals and markings, elimination of hazards of railroad grade crossings, and expenses incidental to the relocation of any utility or its facilities owned by a municipality or by a public utility district or public utility authority.

B. In any case in which an act of Congress requires that federal-aid highway funds made available for the construction or improvement of federal or state highways be matched, the Board shall contribute such matching funds. However, in the case of municipalities with a population of 3,500 or more eligible for an allocation of construction funds for urban highways under § 33.2-362 and the Town of Wise, the Town of Lebanon, and the Town of Altavista, the Board may contribute toward the cost of construction of any federal-aid highway or street project 98 percent of the necessary funds, including the federal portion, if the municipality contributes the other two percent, and provided further that within such municipalities the Board may contribute all the required funds on highways in the Interstate System.

In the case of municipalities with a population of 3,500 or more eligible for an allocation of construction funds for urban highways under § 33.2-362 and the Town of Wise, the Town of Lebanon, and the Town of Altavista, the Board may contribute toward the costs of construction or improvement of any highway or street project for which no federal-aid highway funds are made available 98 percent of the necessary funds if the municipality contributes the other two percent.

For purposes of matching highway funds, such contributions shall continue to apply to such municipality regardless of any subsequent change in population and shall cease to apply only when so specifically provided by an act of the General Assembly. All actions taken prior to July 1, 2001, by municipalities meeting the criteria of the foregoing provisions of this section are hereby confirmed.

C. In the case of municipalities with a population of less than 3,500 that on June 30, 1985, maintained certain streets under former § 33.1-80 as then in effect, the Board shall contribute toward the costs of construction or improvement of any highway or street project 100 percent of the necessary funds. The contribution authorized by this subsection shall be in addition to any other contribution, and projects established in reference to municipalities with a population of less than 3,500 shall not in any way be interpreted to change any other formula or manner for the distribution of funds to such municipalities for construction, improvement, or maintenance of highways or streets. The Board may accept from a municipality, for right-of-way purposes, contributions of real estate to be credited, at fair market value, against the matching obligation of such municipality under the provisions of this section.

D. If any municipality requesting a Board contribution subsequently decides to cancel the construction or improvement after the Board has initiated the project at the request of the municipality, the municipality shall reimburse the Board the net amount of all funds expended by the Board for planning, engineering, right-of-way acquisition, demolition, relocation, and construction between the date of initiation by the municipality and the date of cancellation. The Board has the authority to waive all or any portions of the reimbursement at its discretion.

E. For purposes of this section, on any construction or improvement project in the Cities of Chesapeake, Hampton, Newport News, *Norfolk*, or Richmond and funded in accordance with subdivision C 2 of § 33.2-358, the additional cost of placing aboveground utilities below ground may be paid from funds allocated for that project. The maximum cost due to this action shall not exceed \$5 million. Nothing contained in this section shall relieve utility owners of their responsibilities and costs associated with the relocation of their facilities when required to accommodate a construction or improvement project.

INTRODUCED

SB1208