

VIRGINIA ACTS OF ASSEMBLY — CHAPTER

An Act to amend the Code of Virginia by adding in Chapter 6 of Title 10.1 an article numbered 1.3, consisting of sections numbered 10.1-603.24 through 10.1-603.27, relating to the Virginia Shoreline Resiliency Fund.

[S 282]

Approved

Be it enacted by the General Assembly of Virginia:

1. That the Code of Virginia is amended by adding in Chapter 6 of Title 10.1 an article numbered 1.3, consisting of sections numbered 10.1-603.24 through 10.1-603.27, as follows:

Article 1.3.

Virginia Shoreline Resiliency Fund.

§ 10.1-603.24. Definitions.

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

"Authority" means the Virginia Resources Authority.

"Cost," as applied to any project financed under the provisions of this article, means the total of all costs incurred by the local government as reasonable and necessary for carrying out all works and undertakings necessary or incident to the accomplishment of any project.

"Department" means the Virginia Department of Emergency Management.

"Fund" means the Virginia Shoreline Resiliency Fund.

"Local government" means any county, city, town, municipal corporation, authority, district, commission, or political subdivision created by the General Assembly or pursuant to the Constitution of Virginia or laws of the Commonwealth.

§ 10.1-603.25. Virginia Shoreline Resiliency Fund.

There shall be set apart a permanent and perpetual fund, to be known as the Virginia Shoreline Resiliency Fund, consisting of such sums that may be appropriated to the Fund by the General Assembly, all receipts by the Fund from loans made by it to local governments, all income from the investment of moneys held in the Fund, and any other sums designated for deposit to the Fund from any source, public or private. The Fund shall be administered by the Department as prescribed in this article. The Department shall establish guidelines regarding the distribution of loans from the Fund and prioritization of such loans. The Authority shall manage the Fund and shall establish interest rates and repayment terms of such loans as provided in this article. The Authority may disburse from the Fund its reasonable costs and expenses incurred in the management of the Fund.

Localities shall use moneys from the Fund primarily for the purpose of creating a low-interest loan program to help residents and businesses that are subject to recurrent flooding as confirmed by a locality-certified floodplain manager. Moneys in the Fund may be used to mitigate future flood damage.

Any locality is authorized to secure a loan made through such a low-interest loan program by placing a lien up to the value to the loan against any property that benefits from the loan. Such a lien shall be subordinate to each prior lien on such property, except prior liens for which the prior lienholder executes a written subordination agreement, in a form and substance acceptable to the prior lienholder in its sole and exclusive discretion, that is recorded in the land records where the property is located.

§ 10.1-603.26. Deposit of moneys; expenditures; investments.

All moneys in the Fund shall be deposited in an account or accounts in banks or trust companies organized under the laws of the Commonwealth or in national banking associations located in Virginia or in savings institutions located in Virginia organized under the laws of the Commonwealth or the United States. The moneys in these accounts shall be paid by check signed by the Executive Director of the Authority or other officers or employees designated by the Board of Directors of the Authority. All deposits of moneys shall, if required by the Authority, be secured in a manner determined by the Authority to be prudent, and all banks, trust companies, and savings institutions are authorized to give security for the deposits. Moneys in the Fund shall not be commingled with other moneys of the Authority. Moneys in the Fund not needed for immediate use or disbursement may be invested or reinvested by the Authority in obligations or securities that are considered lawful investments for public funds under the laws of the Commonwealth.

§ 10.1-603.27. Annual audit.

The Auditor of Public Accounts, or his legally authorized representatives, shall annually audit the accounts of the Authority, and the cost of such audit services as shall be required shall be borne by the

57 *Authority. The audit shall be performed at least each fiscal year, in accordance with generally accepted*
58 *auditing standards and, accordingly, include such tests of the accounting records and such auditing*
59 *procedures as are considered necessary under the circumstances. The Authority shall furnish copies of*
60 *such audit to the Governor.*