

1 VIRGINIA ACTS OF ASSEMBLY — CHAPTER

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

[S 282]

Approved

7 **Be it enacted by the General Assembly of Virginia:**

8 **1. That the Code of Virginia is amended by adding in Chapter 6 of Title 10.1 an article numbered**
 9 **1.3, consisting of sections numbered 10.1-603.24 through 10.1-603.27, as follows:**

Article 1.3.

Virginia Shoreline Resiliency Fund.

12 **§ 10.1-603.24. Definitions.**13 *As used in this article, unless the context requires a different meaning:*14 *"Authority" means the Virginia Resources Authority.*

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

18 *"Department" means the Virginia Department of Emergency Management.*19 *"Fund" means the Virginia Shoreline Resiliency Fund.*

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

23 **§ 10.1-603.25. Virginia Shoreline Resiliency Fund.**

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

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

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

42 **§ 10.1-603.26. Deposit of moneys; expenditures; investments.**

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

54 **§ 10.1-603.27. Annual audit.**

55 *The Auditor of Public Accounts, or his legally authorized representatives, shall annually audit the*
 56 *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.*