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SENATE BILL NO. 197**AMENDMENT IN THE NATURE OF A SUBSTITUTE**(Proposed by the Senate Committee on Finance
on February 2, 2016)

(Patron Prior to Substitute—Senator Stanley)

A *BILL to amend the Code of Virginia by adding in Title 33.2 a chapter numbered 34, consisting of sections numbered 33.2-3400 and 33.2-3401, and to repeal Chapter 23 (§§ 33.2-2300 and 33.2-2301) of Title 33.2 of the Code of Virginia and the thirteenth enactment of Chapter 766 of the Acts of Assembly of 2013, relating to the Interstate 73 Corridor Development Fund and Program.*

Be it enacted by the General Assembly of Virginia:

1. That the Code of Virginia is amended by adding in Title 33.2 a chapter numbered 34, consisting of sections numbered 33.2-3400 and 33.2-3401, as follows:

CHAPTER 34.**INTERSTATE 73 CORRIDOR DEVELOPMENT FUND AND PROGRAM.****§ 33.2-3400. Interstate 73 Corridor Development Fund.**

There is hereby created in the Department of the Treasury a special nonreverting fund that shall be a part of the Transportation Trust Fund and that shall be known as the Interstate 73 Corridor Development Fund, referred to in this chapter as "the Fund," consisting of the first \$40 million of annual collections of the state recordation taxes imposed by Chapter 8 (§ 58.1-800 et seq.) of Title 58.1, provided, however, that this dedication shall not affect the local recordation taxes under subsection B of § 58.1-802 and § 58.1-814. The Fund shall also include such other funds as may be appropriated by the General Assembly and designated for the Fund and all interest, dividends, and appreciation that may accrue thereto. Any moneys remaining in the Fund at the end of a biennium shall not revert to the general fund but shall remain in the Fund. Allocations from the Fund may be paid to any authority, locality, or commission for the purposes specified in § 33.2-3401.

§ 33.2-3401. Interstate 73 Corridor Development Program.

A. The General Assembly declares it to be in the public interest that the economic development needs and economic growth potential of south-central and Southwest Virginia be addressed by the Fund. Moneys contained in the Fund shall be used for the costs of providing an adequate, modern, safe, and efficient highway system, generally along Virginia's southern boundary (the Program), including environmental and engineering studies, rights-of-way acquisition, construction, improvements, and financing costs.

B. Allocations from the Fund shall be made annually by the Commonwealth Transportation Board for the creation and enhancement of a safe, efficient highway system connecting the communities, businesses, places of employment, and residents of the southwestern-most portion of the Commonwealth to the communities, businesses, places of employment, and residents of the southeastern-most portion of the Commonwealth, thereby enhancing the economic development potential, employment opportunities, and mobility along such highway.

C. Allocations from the Fund shall not diminish or replace allocations made or planned to be made from other sources or diminish allocations to which any highway, project, facility, district, system, or locality would be entitled under other provisions of this title, but shall be supplemental to other allocations to the end that highway resource improvements in the Interstate 73 Corridor may be accelerated and augmented. Notwithstanding any contrary provisions of this title, allocations from the Fund may be applied to highway projects in the Interstate System, primary or secondary state highway system, or urban highway system. Allocations under this subsection shall not be limited to projects involving only Interstate 73 but may be made to projects involving other highways, provided that the broader goal of creation of an adequate modern highway system generally along Virginia's southern boundary is served thereby.

D. The Commonwealth Transportation Board may expend such funds from all sources as may be lawfully available to initiate the Program and to support bonds and other obligations referenced in subsection F. Any moneys expended from the Transportation Trust Fund for the Program, other than moneys contained in the Fund, may be reimbursed from the Fund, to the extent permitted by Article X, Section 9 of the Constitution of Virginia.

E. The Commonwealth Transportation Board is encouraged to utilize the existing four-lane divided highways, available rights-of-way acquired for additional four-laning, bypasses, connectors, and alternate routes.

F. To the extent permitted by Article X, Section 9 of the Constitution of Virginia, moneys contained in the Fund may be used to secure payment of bonds or other obligations, and the interest thereon, issued in furtherance of the purposes of this section. In addition, the Commonwealth Transportation

60 Board is authorized to receive, dedicate, or use legally available Transportation Trust Fund revenues
61 and any other available sources of funds to secure the payment of bonds or other obligations, including
62 interest thereon, in furtherance of the Program. No bond or other obligations payable from revenues of
63 the Fund shall be issued unless specifically approved by the General Assembly. No bond or other
64 obligations, secured in whole or in part by revenues of the Fund, shall pledge the full faith and credit
65 of the Commonwealth.

66 G. Forty million dollars shall be transferred annually to the Interstate 73 Corridor Development
67 Fund. Such transfer shall be made by the issuance of a treasury loan at no interest in the amount of
68 \$40 million to the Fund to ensure that the Fund is fully funded on the first day of the fiscal year. Such
69 treasury loan shall be repaid from the Commonwealth's portion of the state recordation tax imposed by
70 Chapter 8 (§ 58.1-800 et seq.) of Title 58.1 designated for the Fund by § 33.2-3400. For each fiscal
71 year following, the Secretary of Finance is authorized to make additional treasury loans in the amount
72 of \$40 million on July 1 of such fiscal years, and such treasury loans shall be repaid in a like manner
73 as provided in this subsection.

74 **2. That Chapter 23 (§§ 33.2-2300 and 33.2-2301) of Title 33.2 of the Code of Virginia is repealed.**

75 **3. That the thirteenth enactment of Chapter 766 of the Acts of Assembly of 2013 is repealed.**

76 **4. That the provisions of the first, second, and third enactments of this act shall become effective**
77 **upon the completion of the construction of and payments, including debt service payments, for any**
78 **and all parts of the U.S. Route 58 Corridor Development Program. Such completion shall be**
79 **determined by the Commissioner of Highways.**