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HOUSE BILL NO. 2302

AMENDMENT IN THE NATURE OF A SUBSTITUTE

(Proposed by the House Committee on Transportation
on January 31, 2023)

(Patron Prior to Substitute—Delegate Adams, L.R.)

A *BILL to amend and reenact § 33.2-1529.1 of the Code of Virginia, relating to Transportation Partnership Opportunity Fund.*

Be it enacted by the General Assembly of Virginia:

1. That § 33.2-1529.1 of the Code of Virginia is amended and reenacted as follows:

§ 33.2-1529.1. Transportation Partnership Opportunity Fund.

A. There is hereby created the Transportation Partnership Opportunity Fund (the Fund) to be used by the Governor to provide funds to address the transportation aspects of economic development opportunities *or to enhance the economic development opportunities of the Commonwealth's transportation programs*. The Fund shall consist of (i) funds pursuant to subdivision B 3 of § 33.2-1524 and (ii) any funds appropriated to it by the general appropriation act and revenue from any other source, public or private. The Fund shall be established on the books of the Comptroller, and any funds remaining in the Fund at the end of a biennium shall not revert to the general fund but shall remain in the Fund. All interest and dividends that are earned on the Fund shall be credited to the Fund. The Governor shall report to the Chairmen of the House Committees on Appropriations, Finance, and Transportation and the Senate Committees on Finance and Appropriations and on Transportation as funds are awarded in accordance with this section.

B. The Fund shall be a subfund of the Transportation Trust Fund. Provisions of this title and Title 58.1 relating to the allocations or disbursements of proceeds of the Commonwealth Transportation Fund, the Transportation Trust Fund, or the Highway Maintenance and Operating Fund shall not apply to the Fund.

C. 1. Funds shall be awarded from the Fund by the Governor as grants, revolving loans, or other financing tools and equity contributions to an agency or political subdivision of the Commonwealth. 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.

2. *The Governor may direct funds from the Fund to the Board for transportation projects determined to be necessary to support major economic development initiatives or to enhance the economic development opportunities of the Commonwealth's transportation programs when recommended by the Secretary of Transportation and Secretary of Commerce and Trade. Any transfer of funds pursuant to this subdivision in excess of \$35 million shall be subject to approval by the MEI Project Approval Commission established pursuant to § 30-309.*

D. Grants, *funds directed to the Board*, 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; *property acquisition and new or improved infrastructure to support economic development opportunities of the Commonwealth's transportation programs*; 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 *provided pursuant to subdivision C 1* shall exceed \$5 million and no loan *provided pursuant to subdivision C 1* 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 Appropriations and on 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

60 comparative benefit resulting from the development of a transportation project, assessment of the ability
61 of the recipient to repay any loan funds, and other criteria as necessary to support the timely
62 development of transportation projects. The criteria shall also include incentives to encourage matching
63 funds from any other local, federal, or private source.

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

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