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HOUSE BILL NO. 2703

Offered January 10, 2007

Prefiled January 10, 2007

A *BILL to amend and reenact §§ 33.1-268, 33.1-269, 33.1-277, and 58.1-638, and to amend the Code of Virginia by adding sections numbered 33.1-221.1:3.1.1 and 58.1-638.01, relating to distribution of state sales and use tax revenue for transportation.*

Patron—Hugo

Referred to Committee on Appropriations

Be it enacted by the General Assembly of Virginia:

1. That §§ 33.1-268, 33.1-269, 33.1-277, and 58.1-638 of the Code of Virginia are amended and reenacted and that the Code of Virginia is amended by adding sections numbered 33.1-221.1:3.1 and 58.1-638.01, as follows:

§ 33.1-221.1:3.1. Commonwealth Transportation District Programs.

A. There is hereby created a separate special transportation program to assist in providing an adequate, modern, safe and efficient transportation network in each of the following highway construction districts: the Bristol Construction District, the Salem Construction District, the Lynchburg Construction District, the Staunton Construction District, the Culpeper Construction District, the Fredericksburg Construction District, the Hampton Roads Construction District, and the Richmond Construction District. The program for each district shall be known as the (District) Transportation District Program.

B. Allocations to each program from the Commonwealth Transportation Projects Fund established by § 58.1-638.01 or from the proceeds of bonds whose debt service is paid in whole or in part from such Fund shall be made annually by the Commonwealth Transportation Board for the creation and enhancement of a safe, efficient transportation system connecting the communities, businesses, places of employment, and residences of the localities in each program.

C. The Commonwealth Transportation Board may expend such funds from all sources as may be lawfully available to initiate each program and to support bonds and other obligations referenced in subsection D.

D. For each program, the Commonwealth Transportation Board is authorized to receive, dedicate or use first from (i) revenues received from the Commonwealth Transportation Projects Fund for each program; (ii) to the extent required, funds appropriated and allocated, pursuant to the highway allocation formula as provided by law, to the highway construction district in which the project or projects to be financed are located or to the city or county in which the project or projects to be financed are located; (iii) to the extent required, legally available revenues of the Transportation Trust Fund; and (iv) such other funds as may be appropriated by the General Assembly for the payment of bonds or other obligations, including interest thereon, issued in furtherance of each program. No such bond or other obligations shall pledge the full faith and credit of the Commonwealth.

E. For each transportation district program established by this section other than the Hampton Roads Transportation District Program, the Commonwealth Transportation Board shall determine the transportation projects to be funded for each program. The transportation projects to be funded in the Hampton Roads Transportation Program shall be as determined by the Hampton Roads Metropolitan Planning Organization with the advise and consent of the members of the House Appropriations and Senate Finance Committees residing in Planning District 23.

§ 33.1-268. Definitions.

As used in this article, the following words and terms shall have the following meanings:

(1) The word "Board" means the Commonwealth Transportation Board, or if the Commonwealth Transportation Board is abolished, any board, commission or officer succeeding to the principal functions thereof or upon whom the powers given by this article to the Board shall be given by law.

(2) The word "project" or "projects" means any one or more of the following:

(a) York River Bridges, extending from a point within the Town of Yorktown in York County, or within York County across the York River to Gloucester Point or some point in Gloucester County.

(b) Rappahannock River Bridge, extending from Greys Point, or its vicinity, in Middlesex County, across the Rappahannock River to a point in the vicinity of White Stone, in Lancaster County, or at some other feasible point in the general vicinity of the two respective points.

(c), (d) [Reserved.]

(e) James River Bridge, from a point at or near Jamestown, in James City County, across the James

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59 River to a point in Surry County.

60 (f), (g) [Reserved.]

61 (h) James River, Chuckatuck and Nansemond River Bridges, together with necessary connecting
62 roads, in the Cities of Newport News and Suffolk and the County of Isle of Wight.

63 (i) [Reserved.]

64 (j) Hampton Roads Bridge, Tunnel, or Bridge and Tunnel System, extending from a point or points
65 in the Cities of Newport News and Hampton on the northwest shore of Hampton Roads across Hampton
66 Roads to a point or points in the City of Norfolk or Suffolk on the southeast shore of Hampton Roads.

67 (k) The Norfolk-Virginia Beach Highway, extending from a point in the vicinity of the intersection
68 of Interstate Route 64 and Primary Route 58 at Norfolk to some feasible point between London Bridge
69 and Primary Route 60.

70 (l) The Henrico-James River Bridge, extending from a point on the eastern shore of the James River
71 in Henrico County to a point on the western shore, between Falling Creek and Bells Road interchanges
72 of the Richmond-Petersburg Turnpike; however, the project shall be deemed to include all property,
73 rights, easements and franchises relating to any of the foregoing projects and deemed necessary or
74 convenient for the operation thereof and to include approaches thereto.

75 (m) The limited access highway between the Patrick Henry Airport area and the Newport News
76 downtown area which generally runs parallel to tracks of the Chesapeake and Ohio Railroad.

77 (n) Transportation improvements in the Dulles Corridor, with an eastern terminus of the East Falls
78 Church Metrorail station at Interstate Route 66 and a western terminus of Virginia Route 772 in
79 Loudoun County, including without limitation the Dulles Toll Road, the Dulles Access Road, outer
80 roadways adjacent or parallel thereto, mass transit, including rail, bus rapid transit, and capacity
81 enhancing treatments such as High-Occupancy Vehicle lanes, High-Occupancy Toll (HOT) lanes,
82 interchange improvements, commuter parking lots, and other transportation management strategies.

83 (o), (p) [Repealed.]

84 (q) Subject to the limitations and approvals of § 33.1-279.1, any other highway for a primary
85 highway transportation improvement district or transportation service district which the Board has agreed
86 to finance under a contract with any such district or any other alternative mechanism for generation of
87 local revenues for specific funding of a project satisfactory to the Commonwealth Transportation Board,
88 the financing for which is to be secured by Transportation Trust Fund revenues under any appropriation
89 made by the General Assembly for that purpose and payable first from revenues received under such
90 contract or other local funding source, second, to the extent required, from funds appropriated and
91 allocated, pursuant to the highway allocation formula as provided by law, to the highway construction
92 district in which the project is located or to the county or counties in which the project is located and
93 third, to the extent required from other legally available revenues of the Trust Fund and from any other
94 available source of funds.

95 (r) U.S. 58 Corridor Development Program projects as defined in §§ 33.1-221.1:2 and 58.1-815.

96 (s) The Northern Virginia Transportation District Program as defined in § 33.1-221.1:3.

97 (t) Any program for highways or mass transit or transportation facilities, endorsed by the local
98 jurisdiction or jurisdictions affected, which agree that certain distributions of state recordation taxes will
99 be dedicated and used for the payment of any bonds or other obligations, including interest thereon, the
100 proceeds of which were used to pay the cost of the program. Any such program shall be referred to as a
101 "Transportation Improvement Program."

102 (u) Any project designated from time to time by the General Assembly financed in whole or part
103 through the issuance of Commonwealth of Virginia Federal Highway Reimbursement Anticipation Notes.

104 (v) *Any project authorized by the General Assembly financed in whole or in part by funds from the*
105 *Commonwealth Transportation Projects Fund established pursuant to § 58.1-638.01 or from the*
106 *proceeds of bonds whose debt service is paid in whole or in part by funds from such Fund.*

107 (3) The word "undertaking" means all of the projects authorized to be acquired or constructed under
108 this article.

109 (4) The word "improvements" means such repairs, replacements, additions and betterments of and to
110 a project acquired by purchase or by condemnation as are deemed necessary to place it in a safe and
111 efficient condition for the use of the public, if such repairs, replacements, additions and betterments are
112 ordered prior to the sale of any bonds for the acquisition of such project.

113 (5) The term "cost of project" as applied to a project to be acquired by purchase or by
114 condemnation, includes the purchase price or the amount of the award, cost of improvements, financing
115 charges, interest during any period of disuse before completion of improvements, cost of traffic
116 estimates and of engineering and legal expenses, plans, specifications and surveys, estimates of cost and
117 of revenues, other expenses necessary or incident to determining the feasibility or practicability of the
118 enterprises, administrative expenses and such other expenses as may be necessary or incident to the
119 financing herein authorized and the acquisition of the project and the placing of the project in operation.

120 (6) The term "cost of project" as applied to a project to be constructed, embraces the cost of

construction, the cost of all lands, properties, rights, easements and franchises acquired which are deemed necessary for such construction, the cost of acquiring by purchase or condemnation any ferry which is deemed by the Board to be competitive with any bridge to be constructed, the cost of all machinery and equipment, financing charges, interest prior to and during construction and for one year after completion of construction, cost of traffic estimates and of engineering data, engineering and legal expenses, cost of plans, specifications and surveys, estimates of cost and of revenues, other expenses necessary or incident to determining the feasibility or practicability of the enterprise, administrative expense and such other expenses as may be necessary or incident to the financing herein authorized, the construction of the project, the placing of the project in operation and the condemnation of property necessary for such construction and operation.

(7) The word "owner" includes all individuals, incorporated companies, copartnerships, societies or associations having any title or interest in any property rights, easements or franchises authorized to be acquired by this article.

(8) [Repealed.]

(9) The words "revenue" and "revenues" include tolls and any other moneys received or pledged by the Board pursuant to this article, including, without limitation, legally available Transportation Trust Fund revenues and any federal highway reimbursements and any other federal highway assistance received from time to time by the Commonwealth.

(10) The terms "toll project" and "toll projects" mean projects financed in whole or in part through the issuance of revenue bonds which are secured by toll revenues generated by such project or projects.

§ 33.1-269. General powers of Board.

The Commonwealth Transportation Board may, subject to the provisions of this article:

1. Acquire by purchase or by condemnation, construct, improve, operate and maintain any one or more of the projects mentioned and included in the undertaking defined in this article;

2. Issue revenue bonds of the Commonwealth, to be known and designated as "Commonwealth of Virginia Toll Revenue Bonds," payable from earnings and from any other available sources of funds, to pay the cost of such projects;

3. Subject to the limitations and approvals of § 33.1-279.1, issue revenue bonds of the Commonwealth to be known and designated as "Commonwealth of Virginia Transportation Contract Revenue Bonds," secured by Transportation Trust Fund revenues under a payment agreement between the Board and the Treasury Board, subject to their appropriation by the General Assembly and payable first from revenues received pursuant to contracts with a primary highway transportation improvement district or transportation service district or other local revenue sources for which specific funding of any such bonds may be authorized by law; second, to the extent required, from funds appropriated and allocated, pursuant to the highway allocation formula as provided by law, to the highway construction district in which the project or projects to be financed are located or to the county or counties in which the project or projects to be financed are located; and third, to the extent required, from other legally available revenues of the Trust Fund and from any other available source of funds;

4. Issue revenue bonds of the Commonwealth to be known and designated as "Commonwealth of Virginia Transportation Revenue Bonds," secured (i) by revenues received from the U.S. Route 58 Corridor Development Fund, subject to their appropriation by the General Assembly, (ii) to the extent required, from revenues legally available from the Transportation Trust Fund and (iii) to the extent required, from any other legally available funds which have been appropriated by the General Assembly;

4a. Issue revenue bonds of the Commonwealth to be known and designated as "Commonwealth of Virginia Transportation Revenue Bonds," secured, subject to their appropriation by the General Assembly, first from (i) revenues received from the Northern Virginia Transportation District Fund, (ii) to the extent required, funds appropriated and allocated, pursuant to the highway allocation formula as provided by law, to the highway construction district in which the project or projects to be financed are located or to the city or county in which the project or projects to be financed are located, (iii) to the extent required, legally available revenues of the Transportation Trust Fund, and (iv) such other funds which may be appropriated by the General Assembly;

4b. Issue revenue bonds of the Commonwealth to be known and designated as "Commonwealth of Virginia Transportation Program Revenue Bonds" secured, subject to their appropriation by the General Assembly, first from (i) any revenues received from any Set-aside Fund established by the General Assembly pursuant to § 58.1-816.1, (ii) to the extent required, revenues received pursuant to any contract with a local jurisdiction or any alternative mechanism for generation of local revenues for specific funding of a project satisfactory to the Commonwealth Transportation Board, (iii) to the extent required, funds appropriated and allocated, pursuant to the highway allocation formula as provided by law, to the highway construction district in which the project or projects to be financed are located or to the city or county in which the project or projects to be financed are located, (iv) to the extent required, legally available revenues of the Transportation Trust Fund, and (v) such other funds which may be

182 appropriated by the General Assembly. No bonds for any project or projects shall be issued under the
183 authority of this subsection unless such project or projects are specifically included in a bill or resolution
184 passed by the General Assembly;

185 4c. Issue revenue bonds of the Commonwealth to be known and designated as "Commonwealth of
186 Virginia Transportation Program Revenue Bonds" secured, subject to their appropriation by the General
187 Assembly, first from (i) any revenues received from the Commonwealth Transit Capital Fund established
188 by the General Assembly pursuant to subdivision A 4 g of § 58.1-638, (ii) to the extent required, legally
189 available revenues of the Transportation Trust Fund, and (iii) such other funds which may be
190 appropriated by the General Assembly. No bonds for any project or projects shall be issued under the
191 authority of this subsection unless such project or projects are specifically included in a bill or resolution
192 passed by the General Assembly;

193 4d. Issue revenue bonds of the Commonwealth from time to time to be known and designated as
194 "Commonwealth of Virginia Federal Highway Reimbursement Anticipation Notes" secured, subject to
195 their appropriation by the General Assembly, (i) first from any federal highway reimbursements and any
196 other federal highway assistance received from time to time by the Commonwealth, (ii) then, at the
197 discretion of the Board, to the extent required, from legally available revenues of the Transportation
198 Trust Fund, and (iii) then from such other funds, if any, which are designated by the General Assembly
199 for such purpose;

200 4e. Issue revenue bonds of the Commonwealth from time to time to be known and designated as
201 "Commonwealth of Virginia Credit Assistance Revenue Bonds," secured, subject to their appropriation
202 by the General Assembly, solely from revenues with respect to or generated by the project or projects
203 being financed thereby and any tolls or other revenues pledged by the Board as security therefor and in
204 accordance with the applicable federal credit assistance authorized with respect to such project or
205 projects by the United States Department of Transportation;

206 4f. *Issue revenue bonds of the Commonwealth to be known and designated as "Commonwealth of*
207 *Virginia Transportation Projects Revenue Bonds," secured (i) from the revenues deposited into the*
208 *Commonwealth Transportation Projects Fund pursuant to subsection G of § 58.1-638; (ii) to the extent*
209 *required, from revenues legally available from the Transportation Trust Fund; and (iii) to the extent*
210 *required, from any other legally available funds;*

211 5. Fix and collect tolls and other charges for the use of such projects or to refinance the cost of such
212 projects;

213 6. Construct grade separations at intersections of any projects with public highways, streets or other
214 public ways or places and change and adjust the lines and grades thereof so as to accommodate the
215 same to the design of such grade separations, the cost of such grade separations and any damage
216 incurred in changing and adjusting the lines and grades of such highways, streets, ways and places to be
217 ascertained and paid by the Board as a part of the cost of the project;

218 7. Vacate or change the location of any portion of any public highway, street or other public way or
219 place and reconstruct the same at such new location as the Board deems most favorable for the project
220 and of substantially the same type and in as good condition as the original highway, streets, way or
221 place, the cost of such reconstruction and any damage incurred in vacating or changing the location
222 thereof to be ascertained and paid by the Board as a part of the cost of the project. Any public highway,
223 street or other public way or place vacated or relocated by the Board shall be vacated or relocated in the
224 manner provided by law for the vacation or relocation of public roads and any damages awarded on
225 account thereof may be paid by the Board as a part of the cost of the project;

226 8. Make reasonable regulations for the installation, construction, maintenance, repair, renewal and
227 relocation of pipes, mains, sewers, conduits, cables, wires, towers, poles and other equipment and
228 appliances herein called "public utility facilities," of the Commonwealth and of any municipality, county,
229 or other political subdivision, public utility or public service corporation owning or operating the same
230 in, on, along, over or under the project. Whenever the Board determines that it is necessary that any
231 such public utility facilities should be relocated or removed, the Commonwealth or such municipality,
232 county, political subdivision, public utility or public service corporation shall relocate or remove the
233 same in accordance with the order of the Board. The cost and expense of such relocation or removal,
234 including the cost of installing such public utility facilities in a new location or locations, and the cost
235 of any lands or any rights or interests in lands, and any other rights acquired to accomplish such
236 relocation or removal shall be ascertained by the Board.

237 On any toll project, the Board shall pay the cost and expense of relocation or removal as a part of
238 the cost of the project for those public utility facilities owned or operated by the Commonwealth or such
239 municipality, county, political subdivision, public utility or public service corporation. On all other
240 projects, under this article, the Board shall pay the cost and expense of relocation or removal as a part
241 of the cost of the project for those public utility facilities owned or operated by the Commonwealth or
242 such municipality, county, or political subdivision. The Commonwealth or such municipality, county,
243 political subdivision, public utility or public service corporation may maintain and operate such public

utility facilities with the necessary appurtenances, in the new location or locations, for as long a period and upon the same terms and conditions as it had the right to maintain and operate such public utility facilities in their former location or locations;

9. Acquire by the exercise of the power of eminent domain any lands, property, rights, rights-of-way, franchises, easements and other property, including public lands, parks, playgrounds, reservations, highways or parkways, or parts thereof or rights therein, of any municipality, county or other political subdivision, deemed necessary or convenient for the construction or the efficient operation of the project or necessary in the restoration, replacement or relocation of public or private property damaged or destroyed.

The cost of such projects shall be paid solely from the proceeds of Commonwealth of Virginia Toll or Transportation Contract Revenue Bonds or a combination thereof or from such proceeds and from any grant or contribution which may be made thereto pursuant to the provisions of this article;

10. Notwithstanding any provision of this article to the contrary, the Board shall be authorized to exercise the powers conferred herein, in addition to its general powers to acquire rights-of-way and to construct, operate and maintain state highways, with respect to any project which the General Assembly has authorized or may hereafter authorize to be financed in whole or in part through the issuance of bonds of the Commonwealth pursuant to the provisions of Section 9 (c) of Article X of the Constitution of Virginia; and

11. Enter into any agreements or take such other actions as the Board shall determine in connection with applying for or obtaining any federal credit assistance, including without limitation loan guarantees and lines of credit, pursuant to authorization from the United States Department of Transportation with respect to any project included in the Commonwealth's long-range transportation plan and the approved State Transportation Improvement Program.

§ 33.1-277. Credit of Commonwealth not pledged.

A. Commonwealth of Virginia Toll Revenue Bonds issued under the provisions of this article shall not be deemed to constitute a debt of the Commonwealth of Virginia or a pledge of the faith and credit of the Commonwealth, but such bonds shall be payable solely from the funds herein provided therefor from tolls and revenues, from bond proceeds or earnings thereon and from any other available sources of funds. All such bonds shall state on their face that the Commonwealth of Virginia is not obligated to pay the same or the interest thereon except from the special fund provided therefor from tolls and revenues under this article, from bond proceeds or earnings thereon and from any other available sources of funds and that the faith and credit of the Commonwealth are not pledged to the payment of the principal or interest of such bonds. The issuance of such revenue bonds under the provisions of this article shall not directly or indirectly or contingently obligate the Commonwealth to levy or to pledge any form of taxation whatever therefor or to make any appropriation for their payment, other than appropriate available funds derived as revenues from tolls and charges under this article or derived from bond proceeds or earnings thereon and from any other available sources of funds.

B. Commonwealth of Virginia Transportation Contract Revenue Bonds issued under the provisions of this article shall not be deemed to constitute a debt of the Commonwealth of Virginia or a pledge of the faith and credit of the Commonwealth, but such bonds shall be payable solely from the funds herein provided therefor (i) from revenues received pursuant to contracts with a primary highway transportation district or transportation service district or any other alternative mechanism for generation of local revenues for specific funding of a project satisfactory to the Commonwealth Transportation Board, (ii) to the extent required, from funds appropriated and allocated, pursuant to the highway allocation formula as provided by law, to the highway construction district in which the project or projects to be financed are located or to the county or counties in which such project or projects are located, (iii) from bond proceeds or earnings thereon, (iv) to the extent required, from other legally available revenues of the Trust Fund, and (v) from any other available source of funds. All such bonds shall state on their face that the Commonwealth of Virginia is not obligated to pay the same or the interest thereon except from revenues in clauses (i) and (iii) hereof and that the faith and credit of the Commonwealth are not pledged to the payment of the principal and interest of such bonds. The issuance of such revenue bonds under the provisions of this article shall not directly or indirectly or contingently obligate the Commonwealth to levy or to pledge any form of taxation whatever or to make any appropriation for their payment, other than to appropriate available funds derived as revenues under this article from the sources set forth in clauses (i) and (iii) hereof. Nothing in this article shall be construed to obligate the General Assembly to make any appropriation of the funds set forth in clause (ii) or (iv) hereof for payment of such bonds.

C. Commonwealth of Virginia Transportation Revenue Bonds issued under the provisions of this article shall not be deemed to constitute a debt of the Commonwealth of Virginia or a pledge of the full faith and credit of the Commonwealth, but such bonds shall be payable solely from the funds herein provided therefor (i) from revenues received from the U.S. Route 58 Corridor Development Fund,

305 subject to their appropriation by the General Assembly, (ii) to the extent required, from revenues legally
306 available from the Transportation Trust Fund and (iii) to the extent required, from any other legally
307 available funds which shall have been appropriated by the General Assembly.

308 D. Commonwealth of Virginia Transportation Revenue Bonds issued under this article for Category 1
309 projects as provided in subdivision (2) (s) of § 33.1-268 shall not be deemed to constitute a debt of the
310 Commonwealth of Virginia or a pledge of the faith and credit of the Commonwealth. Such bonds shall
311 be payable solely, subject to their appropriation by the General Assembly, first from (i) revenues
312 received from the Northern Virginia Transportation District Fund, (ii) to the extent required, funds
313 appropriated and allocated, pursuant to the highway allocation formula as provided by law, to the
314 highway construction district in which the project or projects to be financed are located or to the city or
315 county in which the project or projects to be financed are located, (iii) to the extent required, legally
316 available revenues of the Transportation Trust Fund, and (iv) such other funds which may be
317 appropriated by the General Assembly.

318 E. Commonwealth of Virginia Transportation Program Revenue Bonds issued under this article for
319 projects defined in subdivision (2) (t) of § 33.1-268 shall not be deemed to constitute a debt of the
320 Commonwealth or a pledge of the faith and credit of the Commonwealth. Such bonds shall be payable
321 solely, subject to their appropriation by the General Assembly, first from (i) any revenues received from
322 any Set-aside Fund established by the General Assembly pursuant to § 58.1-816.1, (ii) to the extent
323 required, revenues received pursuant to any contract with a local jurisdiction or any alternative
324 mechanism for generation of local revenues for specific funding of a project satisfactory to the
325 Commonwealth Transportation Board, (iii) to the extent required, funds appropriated and allocated,
326 pursuant to the highway allocation formula as provided by law, to the highway construction district in
327 which the project or projects to be financed are located or to the city or county in which the project or
328 projects to be financed are located, (iv) to the extent required, legally available revenues from the
329 Transportation Trust Fund, and (v) such other funds which may be appropriated by the General
330 Assembly.

331 F. Commonwealth of Virginia Federal Highway Reimbursement Anticipation Notes issued under this
332 article shall not be deemed to constitute a debt of the Commonwealth of Virginia or a pledge of the full
333 faith and credit of the Commonwealth, but such obligations shall be payable solely, subject to
334 appropriation by the General Assembly, (i) first from any federal highway reimbursements and any other
335 federal highway assistance received from time to time by the Commonwealth, (ii) then, at the discretion
336 of the Board, to the extent required, from legally available revenues of the Transportation Trust Fund,
337 and (iii) then, from such other funds, if any, which are designated by the General Assembly for such
338 purpose.

339 G. Commonwealth of Virginia Transportation Credit Assistance Revenue Bonds issued under the
340 provisions of this article shall not be deemed to constitute a debt of the Commonwealth of Virginia or a
341 pledge of the full faith and credit of the Commonwealth, but such obligations shall be payable solely,
342 subject to appropriation by the General Assembly, from revenues with respect to or generated by the
343 project or projects being financed thereby and any tolls or other revenues pledged by the Board as
344 security therefor and in accordance with the applicable federal credit assistance authorized with respect
345 to such project or projects by the United States Department of Transportation.

346 *H. Commonwealth Transportation Projects Revenue Bonds issued under the provisions of this article*
347 *for projects as provided in subdivision (2) (v) of § 33.1-268 shall not be deemed to constitute a debt of*
348 *the Commonwealth of Virginia or a pledge of the full faith and credit of the Commonwealth, but such*
349 *bonds shall be payable solely from the funds herein provided therefor (i) from the revenues deposited*
350 *into the Commonwealth Transportation Projects Fund established pursuant to subsection G of*
351 *§ 58.1-638.01; (ii) to the extent required, from revenues legally available from the Transportation Trust*
352 *Fund; and (iii) to the extent required, from any other legally available funds.*

353 § 58.1-638. Disposition of state sales and use tax revenue; localities' share; Game Protection Fund.

354 A. The Comptroller shall designate a specific revenue code number for all the state sales and use tax
355 revenue collected under the preceding sections of this chapter.

356 1. The sales and use tax revenue generated by the one-half percent sales and use tax increase enacted
357 by the 1986 Special Session of the General Assembly shall be paid, in the manner hereinafter provided
358 in this section, to the Transportation Trust Fund as defined in § 33.1-23.03:1. Of the funds paid to the
359 Transportation Trust Fund, an aggregate of 4.2 percent shall be set aside as the Commonwealth Port
360 Fund as provided in this section; an aggregate of 2.4 percent shall be set aside as the Commonwealth
361 Airport Fund as provided in this section; and an aggregate of 14.5 percent in fiscal year 1998-1999 and
362 14.7 percent in fiscal year 1999-2000 and thereafter shall be set aside as the Commonwealth Mass
363 Transit Fund as provided in this section. The Fund's share of such net revenue shall be computed as an
364 estimate of the net revenue to be received into the state treasury each month, and such estimated
365 payment shall be adjusted for the actual net revenue received in the preceding month. All payments shall
366 be made to the Fund on the last day of each month.

2. There is hereby created in the Department of the Treasury a special nonreverting fund which shall be a part of the Transportation Trust Fund and which shall be known as the Commonwealth Port Fund.

a. The Commonwealth Port Fund shall be established on the books of the Comptroller and the funds remaining in such Fund at the end of a biennium shall not revert to the general fund but shall remain in the Fund. Interest earned on such funds shall remain in the Fund and be credited to it. Funds may be paid to any authority, locality or commission for the purposes hereinafter specified.

b. The amounts allocated pursuant to this section shall be allocated by the Commonwealth Transportation Board to the Board of Commissioners of the Virginia Port Authority to be used to support port capital needs and the preservation of existing capital needs of all ocean, river, or tributary ports within the Commonwealth.

c. Commonwealth Port Fund revenue shall be allocated by the Board of Commissioners to the Virginia Port Authority in order to foster and stimulate the flow of maritime commerce through the ports of Virginia, including but not limited to the ports of Richmond, Hopewell and Alexandria.

3. There is hereby created in the Department of the Treasury a special nonreverting fund which shall be a part of the Transportation Trust Fund and which shall be known as the Commonwealth Airport Fund. The Commonwealth Airport Fund shall be established on the books of the Comptroller and any funds remaining in such Fund at the end of a biennium shall not revert to the general fund but shall remain in the Fund. Interest earned on the funds shall be credited to the Fund. The funds so allocated shall be allocated by the Commonwealth Transportation Board to the Virginia Aviation Board. The funds shall be allocated by the Virginia Aviation Board to any Virginia airport which is owned by the Commonwealth, a governmental subdivision thereof, or a private entity to which the public has access for the purposes enumerated in § 5.1-2.16, or is owned or leased by the Metropolitan Washington Airports Authority (MWAA), as follows:

Any new funds in excess of \$12.1 million which are available for allocation by the Virginia Aviation Board from the Commonwealth Transportation Fund, shall be allocated as follows: 60 percent to MWAA, up to a maximum annual amount of \$2 million, and 40 percent to air carrier airports as provided in subdivision A 3 a. Except for adjustments due to changes in enplaned passengers, no air carrier airport sponsor, excluding MWAA, shall receive less funds identified under subdivision A 3 a than it received in fiscal year 1994-1995.

Of the remaining amount:

a. Forty percent of the funds shall be allocated to air carrier airports, except airports owned or leased by MWAA, based upon the percentage of enplanements for each airport to total enplanements at all air carrier airports, except airports owned or leased by MWAA. No air carrier airport sponsor, however, shall receive less than \$50,000 nor more than \$2 million per year from this provision.

b. Forty percent of the funds shall be allocated by the Aviation Board for air carrier and reliever airports on a discretionary basis, except airports owned or leased by MWAA.

c. Twenty percent of the funds shall be allocated by the Aviation Board for general aviation airports on a discretionary basis.

4. There is hereby created in the Department of the Treasury a special nonreverting fund which shall be a part of the Transportation Trust Fund and which shall be known as the Commonwealth Mass Transit Fund.

a. The Commonwealth Mass Transit Fund shall be established on the books of the Comptroller and any funds remaining in such Fund at the end of the biennium shall not revert to the general fund but shall remain in the Fund. Interest earned on such funds shall be credited to the Fund. Funds may be paid to any local governing body, transportation district commission, or public service corporation for the purposes hereinafter specified.

b. The amounts allocated pursuant to this section shall be used to support the public transportation administrative costs and the costs borne by the locality for the purchase of fuels, lubricants, tires and maintenance parts and supplies for public transportation at a state share of 80 percent in 2002 and 95 percent in 2003 and succeeding years. These amounts may be used to support up to 95 percent of the local or nonfederal share of capital project costs for public transportation and ridesharing equipment, facilities, and associated costs. Capital costs may include debt service payments on local or agency transit bonds. The term "borne by the locality" means the local share eligible for state assistance consisting of costs in excess of the sum of fares and other operating revenues plus federal assistance received by the locality.

c. Commonwealth Mass Transit Fund revenue shall be allocated by the Commonwealth Transportation Board as follows:

(1) Funds for special programs, which shall include ridesharing, experimental transit, and technical assistance, shall not exceed 1.5 percent of the Fund.

(2) The Board may allocate these funds to any locality or planning district commission to finance up to 80 percent of the local share of all costs associated with the development, implementation, and

428 continuation of ridesharing programs.

429 (3) Funds allocated for experimental transit projects may be paid to any local governing body,
430 transportation district commission, or public corporation or may be used directly by the Department of
431 Rail and Public Transportation for the following purposes:

432 (a) To finance up to 95 percent of the capital costs related to the development, implementation and
433 promotion of experimental public transportation and ridesharing projects approved by the Board.

434 (b) To finance up to 95 percent of the operating costs of experimental mass transportation and
435 ridesharing projects approved by the Board for a period of time not to exceed 12 months.

436 (c) To finance up to 95 percent of the cost of the development and implementation of any other
437 project designated by the Board where the purpose of such project is to enhance the provision and use
438 of public transportation services.

439 d. Funds allocated for public transportation promotion and operation studies may be paid to any local
440 governing body, planning district commission, transportation district commission, or public transit
441 corporation, or may be used directly by the Department of Rail and Public Transportation for the
442 following purposes and aid of public transportation services:

443 (1) At the approval of the Board to finance a program administered by the Department of Rail and
444 Public Transportation designed to promote the use of public transportation and ridesharing throughout
445 Virginia.

446 (2) To finance up to 50 percent of the local share of public transportation operations planning and
447 technical study projects approved by the Board.

448 e. At least 73.5 percent of the Fund shall be distributed to each transit property in the same
449 proportion as its operating expenses bear to the total statewide operating expenses and shall be spent for
450 the purposes specified in subdivision 4 b.

451 f. The remaining 25 percent shall be distributed for capital purposes on the basis of 95 percent of the
452 nonfederal share for federal projects and 95 percent of the total costs for nonfederal projects. In the
453 event that total capital funds available under this subdivision are insufficient to fund the complete list of
454 eligible projects, the funds shall be distributed to each transit property in the same proportion that such
455 capital expenditure bears to the statewide total of capital projects.

456 g. There is hereby created in the Department of the Treasury a special nonreverting fund known as
457 the Commonwealth Transit Capital Fund. The Commonwealth Transit Capital Fund shall be part of the
458 Commonwealth Mass Transit Fund. The Commonwealth Transit Capital Fund subaccount shall be
459 established on the books of the Comptroller and consist of such moneys as are appropriated to it by the
460 General Assembly and of all donations, gifts, bequests, grants, endowments, and other moneys given,
461 bequeathed, granted, or otherwise made available to the Commonwealth Transit Capital Fund. Any funds
462 remaining in the Commonwealth Transit Capital Fund at the end of the biennium shall not revert to the
463 general fund, but shall remain in the Commonwealth Transit Capital Fund. Interest earned on funds
464 within the Commonwealth Transit Capital Fund shall remain in and be credited to the Commonwealth
465 Transit Capital Fund. Proceeds of the Commonwealth Transit Capital Fund may be paid to any political
466 subdivision, another public entity created by an act of the General Assembly, or a private entity as
467 defined in § 56-557 and for purposes as enumerated in subdivision 4c of § 33.1-269 or expended by the
468 Department of Rail and Public Transportation for the purposes specified in this subdivision. Revenues of
469 the Commonwealth Transit Capital Fund shall be used to support capital expenditures involving the
470 establishment, improvement, or expansion of public transportation services through specific projects
471 approved by the Commonwealth Transportation Board. Projects financed by the Commonwealth Transit
472 Capital Fund shall receive local, regional or private funding for at least 20 percent of the nonfederal
473 share of the total project cost.

474 5. Funds for Metro shall be paid by the Northern Virginia Transportation Commission (NVTC) to the
475 Washington Metropolitan Area Transit Authority (WMATA) and be a credit to the Counties of
476 Arlington and Fairfax and the Cities of Alexandria, Falls Church and Fairfax in the following manner:

477 a. Local obligations for debt service for WMATA rail transit bonds apportioned to each locality
478 using WMATA's capital formula shall be paid first by NVTC. NVTC shall use 95 percent state aid for
479 these payments.

480 b. The remaining funds shall be apportioned to reflect WMATA's allocation formulas by using the
481 related WMATA-allocated subsidies and relative shares of local transit subsidies. Capital costs shall
482 include 20 percent of annual local bus capital expenses. Hold harmless protections and obligations for
483 NVTC's jurisdictions agreed to by NVTC on November 5, 1998, shall remain in effect.

484 Appropriations from the Commonwealth Mass Transit Fund are intended to provide a stable and
485 reliable source of revenue as defined by Public Law 96-184.

486 B. The sales and use tax revenue generated by a one percent sales and use tax shall be distributed
487 among the counties and cities of this Commonwealth in the manner provided in subsections C and D.

488 C. The localities' share of the net revenue distributable under this section among the counties and
489 cities shall be apportioned by the Comptroller and distributed among them by warrants of the

Comptroller drawn on the Treasurer of Virginia as soon as practicable after the close of each month during which the net revenue was received into the state treasury. The distribution of the localities' share of such net revenue shall be computed with respect to the net revenue received into the state treasury during each month, and such distribution shall be made as soon as practicable after the close of each such month.

D. The net revenue so distributable among the counties and cities shall be apportioned and distributed upon the basis as certified to the Comptroller by the Department of Education, of the number of children in each county and city according to the most recent statewide census of school population taken by the Department of Education pursuant to § 22.1-284, as adjusted in the manner hereinafter provided. No special school population census, other than a statewide census, shall be used as the basis of apportionment and distribution except that in any calendar year in which a statewide census is not reported, the Department of Education shall adjust such school population figures by the same percent of annual change in total population estimated for each locality by The Center for Public Service. The revenue so apportionable and distributable is hereby appropriated to the several counties and cities for maintenance, operation, capital outlays, debt and interest payments, or other expenses incurred in the operation of the public schools, which shall be considered as funds raised from local resources. In any county, however, wherein is situated any incorporated town constituting a school division, the county treasurer shall pay into the town treasury for maintenance, operation, capital outlays, debt and interest payments, or other expenses incurred in the operation of the public schools, the proper proportionate amount received by him in the ratio that the school population of such town bears to the school population of the entire county. If the school population of any city or of any town constituting a school division is increased by the annexation of territory since the last preceding school population census, such increase shall, for the purposes of this section, be added to the school population of such city or town as shown by the last such census and a proper reduction made in the school population of the county or counties from which the annexed territory was acquired.

E. Beginning July 1, 2000, of the remaining sales and use tax revenue, the revenue generated by a two percent sales and use tax, up to an annual amount of \$13 million, collected from the sales of hunting equipment, auxiliary hunting equipment, fishing equipment, auxiliary fishing equipment, wildlife-watching equipment, and auxiliary wildlife-watching equipment in Virginia, as estimated by the most recent U.S. Department of the Interior, Fish and Wildlife Service and U.S. Department of Commerce, Bureau of the Census National Survey of Fishing, Hunting, and Wildlife-Associated Recreation, shall be paid into the Game Protection Fund established under § 29.1-101 and shall be used, in part, to defray the cost of law enforcement. Not later than 30 days after the close of each quarter, the Comptroller shall transfer to the Game Protection Fund the appropriate amount of collections to be dedicated to such Fund. At any time that the balance in the Capital Improvement Fund, established under § 29.1-101.1, is equal to or in excess of \$35 million, any portion of sales and use tax revenues that would have been transferred to the Game Protection Fund, established under § 29.1-101, in excess of the net operating expenses of the Board, after deduction of other amounts which accrue to the Board and are set aside for the Game Protection Fund, shall remain in the general fund until such time as the balance in the Capital Improvement Fund is less than \$35 million.

F. 1. Of the net revenue generated from the one-half percent increase in the rate of the state sales and use tax effective August 1, 2004, pursuant to enactments of the 2004 Special Session I of the General Assembly, the Comptroller shall transfer from the general fund of the state treasury to the Public Education Standards of Quality/Local Real Estate Property Tax Relief Fund established under § 58.1-638.1 an amount equivalent to one-half of the net revenue generated from such one-half percent increase as provided in this subdivision. The transfers to the Public Education Standards of Quality/Local Real Estate Property Tax Relief Fund under this subdivision shall be for one-half of the net revenue generated (and collected in the succeeding month) from such one-half percent increase for the month of August 2004 and for each month thereafter.

2. For the purposes of the Comptroller making the required transfers under subdivision 1, the Tax Commissioner shall make a written certification to the Comptroller no later than the twenty-fifth of each month certifying the sales and use tax revenues generated in the preceding month. Within three calendar days of receiving such certification, the Comptroller shall make the required transfers to the Public Education Standards of Quality/Local Real Estate Property Tax Relief Fund.

G. *Beginning July 1, 2007, of the remaining sales and use tax revenues, the revenue generated by a 0.50 percent sales and use tax shall be deposited into the Commonwealth Transportation Projects Fund, a special nonreverting fund created pursuant to § 58.1-638.01.*

GH. If errors are made in any distribution, or adjustments are otherwise necessary, the errors shall be corrected and adjustments made in the distribution for the next quarter or for subsequent quarters.

HI. The term "net revenue," as used in this section, means the gross revenue received into the general fund or the Transportation Trust Fund of the state treasury under the preceding sections of this

chapter, less refunds to taxpayers.

§ 58.1-638.01. *Commonwealth Transportation Projects Fund.*

A. 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 Commonwealth Transportation Projects Fund (the Fund). The Fund shall consist of deposits pursuant to subsection G of § 58.1-638 and shall include such other funds as may be appropriated by the General Assembly from time to time and designated for this Fund and all interest, dividends, and appreciation that may accrue thereto. Any moneys remaining in the Fund at the end of any fiscal year shall not revert to the general fund but shall remain in the Fund.

B. The Commonwealth Transportation Board shall allocate and distribute the proceeds of any bonds it is authorized to issue supported in whole or in part by the Fund pursuant to subdivision 4f of § 33.1-269 for each of the transportation programs established pursuant to §§ 33.1-221.1:3 and 33.1-221.1:3.1, on a pro rata basis according to the percentage of the total state sales and use tax collected in the localities within each transportation program, for transportation projects among various transportation modes in the localities within each transportation program. For the transportation programs embracing all highway construction districts other than the Northern Virginia Construction District and the Hampton Roads Construction District, the Commonwealth Transportation Board shall determine the transportation projects to be funded. The transportation projects to be funded in the Northern Virginia Transportation Program shall be as determined by the Northern Virginia Transportation Authority. The transportation projects to be funded in the Hampton Roads Transportation Program shall be as determined by the Hampton Roads Metropolitan Planning Organization with the advise and consent of the members of the House Appropriations and Senate Finance Committees residing in Planning District 23.

C. All other revenues in the Fund not needed to pay debt service on the bonds shall be allocated for each of the transportation programs established pursuant to §§ 33.1-221.1:3 and 33.1-221.1:3.1, on a pro rata basis according to the percentage of the total state sales and use tax collected in the localities within each transportation program, for transportation projects, including highway, transit, and rail projects.

D. For the transportation programs embracing all highway construction districts other than the Northern Virginia Construction District and the Hampton Roads Construction District, the Commonwealth Transportation Board shall determine the transportation projects to be funded. The transportation projects to be funded in the Northern Virginia Transportation Program shall be as determined by the Northern Virginia Transportation Authority. The transportation projects to be funded in the Hampton Roads Transportation Program shall be as determined by the Hampton Roads Metropolitan Planning Organization with the advise and consent of the members of the House Appropriations and Senate Finance Committees residing in Planning District 23.

2. That the Commonwealth Transportation Board is authorized to issue bonds to fund transportation projects in throughout the Commonwealth as follows:

§ 1. Title. This act shall be known and may be cited as the "Commonwealth Transportation Projects Bond Act of 2007."

§ 2. The Commonwealth Transportation Board is hereby authorized, by and with the consent of the Governor, to issue, pursuant to the provisions of the State Revenue Bond Act (§ 33.1-267 et seq. of the Code of Virginia), as amended from time to time, revenue obligations of the Commonwealth to be designated "Commonwealth Transportation Projects Notes, Series .." The Notes shall be issued in such amounts so that the debt service on such bonds does not exceed the amount deposited into the Commonwealth Transportation Projects Fund created pursuant to § 58.1-638.01 of the Code of Virginia, and so that the total face amount of bonds issued in any fiscal year (excluding bond anticipation notes, refunding bonds, or refunding bond anticipation notes) shall not exceed two-thirds of the amount estimated to be deposited into the Fund for that fiscal year (exclusive of any obligations that may be issued to refund such notes in accordance with § 33.1-293 of the Code of Virginia, as amended) plus an amount for financing expenses (including, without limitation, any original issue discount).

The net proceeds of the Notes shall be allocated for transportation projects among various transportation modes for each of the transportation programs established pursuant to §§ 33.1-221.1:3 and 33.1-221.1:3.1 of the Code of Virginia, on a pro rata basis according to the percentage of the total state sales and use tax collected in the localities within each transportation program.

The proceeds distributed shall be used exclusively for the purpose of providing funds for paying the costs incurred or to be incurred for construction or funding of transportation projects, including, but not limited to, environmental and engineering studies; rights-of-way acquisition; improvements to all modes of transportation; acquisition, construction and related improvements; and any financing costs and other financing expenses. Such costs may include the payment of interest on the Notes for a period during construction and not exceeding one year after completion of construction of the projects.

§ 3. For the transportation programs embracing all highway construction districts other than the

Northern Virginia Construction District and the Hampton Roads Construction District, the Commonwealth Transportation Board shall determine the transportation projects to be funded from the proceeds of the notes. The transportation projects to be funded from the proceeds of the notes in the Northern Virginia Transportation Program shall be as determined by the Northern Virginia Transportation Authority. The transportation projects to be funded from the proceeds of the notes in the Hampton Roads Transportation Program shall be as determined by the Hampton Roads Metropolitan Planning Organization with the advise and consent of the members of the House Appropriations and Senate Finance Committees residing in Planning District 23.

§ 4. The proceeds of the Notes, including any premium received on the sale thereof, shall be made available by the Commonwealth Transportation Board to pay costs of the projects and, where appropriate, may be paid to any authority, locality, commission, or other entity for the purposes of paying for costs of the projects. The proceeds of the Notes may be used together with any federal, local, or private funds that may be made available for such purpose. The proceeds of the Notes, together with any investment earnings thereon, may at the discretion of the Commonwealth Transportation Board secure the payment of principal or purchase price of and redemption premium, if any, and interest on the Notes.

§ 5. The terms and structure of each issue of the Notes shall be determined by the Commonwealth Transportation Board, subject to approval by the Treasury Board in accordance with § 2.2-2416 of the Code of Virginia, as amended. The Notes of each issue shall be dated; shall be issued in a principal amount (subject to the limitations set forth in § 1); shall bear interest at such rate or rates that may be fixed, adjustable, variable or a combination thereof, and may be determined by a formula or other method; shall mature at such time or times not exceeding 10 years after the issuance thereof; and may be made subject to purchase or redemption before their maturity or maturities, at such price or prices and under such terms and conditions, all as may be determined by the Commonwealth Transportation Board. The Commonwealth Transportation Board shall determine the form of Notes, whether the Notes are certificated or uncertificated, and fix the authorized denomination or denominations of the Notes and the place or places of payment of principal or purchase price of, and redemption premium, if any, and interest on the Notes, which may be at the office of the State Treasurer or any bank or trust company within or without the Commonwealth. The principal or purchase price of, and redemption premium, if any, and interest on the Notes shall be made payable in lawful money of the United States of America. Each issue of the Notes may be issued under a system of book entry for recording the ownership and transfer of ownership of rights to receive payments of principal or purchase price of and redemption premium, if any, and interest on such Notes. All Notes shall have and are hereby declared to have, as between successive holders, all the qualities and incidents of negotiable instruments under the negotiable instruments law of the Commonwealth.

The Commonwealth Transportation Board may sell the Notes from time to time at public or private sale, by competitive bidding, negotiated sale or private placement, for such price or prices as it may determine to be in the best interests of the Commonwealth.

§ 6. The Notes shall be signed on behalf of the Commonwealth Transportation Board by the chairman or vice-chairman of the Commonwealth Transportation Board, or shall bear the facsimile signature of such officer, and shall bear the official seal of the Board, which shall be attested to by the manual or facsimile signature of the secretary or assistant secretary of the Commonwealth Transportation Board. In the event that the Notes shall bear the facsimile signature of the chairman or vice-chairman of the Commonwealth Transportation Board, such Notes shall be signed by such administrative assistant as the chairman of the Transportation Board shall determine or by any registrar/paying agent that may be designated by the Commonwealth Transportation Board. In case any officer whose signature or a facsimile of whose signature appears on any Notes shall cease to be such officer before the delivery of such Notes, such signature or facsimile signature nevertheless shall be valid and sufficient for all purposes as if such officer had remained in office until such delivery.

§ 7. All expenses incurred under this Act or in connection with the issuance of the Notes shall be paid from the proceeds of such Notes or from any available funds as the Commonwealth Transportation Board shall determine.

§ 8. The Commonwealth Transportation Board is hereby authorized to borrow money at such rate or rates through the execution and issuance of the Notes for the same, but only in the following circumstances and under the following conditions:

a. In anticipation of the sale of the Notes, the issuance of which shall have been authorized by the Commonwealth Transportation Board and shall have been approved by the Governor, if the Commonwealth Transportation Board shall deem it advisable to postpone the issuance of such Notes; or

b. For the renewal of any anticipation notes herein authorized.

§ 9. The proceeds of the Notes and of any anticipation notes herein authorized (except the proceeds of the Notes the issuance of which has been anticipated by such anticipation notes) shall be placed by

674 the State Treasurer in a special fund in the state treasury, or may be placed with a trustee in
675 accordance with § 33.1-283 of the Code of Virginia, as amended, and shall be disbursed only for the
676 purpose for which such Notes and such anticipation notes shall be issued; provided, however, that
677 proceeds derived from the sale of the Notes herein authorized shall be first used in the payment of any
678 anticipation notes that may have been issued in anticipation of the sale of such Notes and any renewals
679 of such Notes. The proceeds of the Notes and of any anticipation notes herein authorized, together with
680 any investment earnings thereon, shall not be taken into account in computing, and shall be in addition
681 to funds allocated pursuant to the highway allocation formula set forth in § 33.1-23.1 of the Code of
682 Virginia, as amended.

683 § 10. The Commonwealth Transportation Board is hereby authorized to receive any other funds that
684 may be made available to pay costs of the projects and, subject to appropriation, to make available the
685 same to the payment of the principal or purchase price of, and redemption premium, if any, and interest
686 on the Notes authorized hereby and to enter into the appropriate agreements to allow for those funds to
687 be paid into the state treasury, or to a trustee in accordance with § 33.1-283 of the Code of Virginia, as
688 amended, to pay a part of the costs of the projects or to pay principal or purchase price of, and
689 redemption premium, if any, and interest on the Notes.

690 § 11. The Commonwealth Transportation Board, in connection with the issuance of the Notes, shall
691 establish a fund in accordance with § 33.1-286 of the Code of Virginia, as amended, either in the state
692 treasury or with a trustee in accordance with § 33.1-283 of the Code of Virginia, as amended, which
693 shall secure and be used for the payment of the Notes to the credit of which there shall be deposited
694 such amounts, appropriated therefor by the General Assembly, as are required to pay principal or
695 purchase price of, and redemption premium, if any, and interest on the Notes, as and when due and
696 payable, (i) first from one-third of the amount deposited into the Northern Virginia Investment Fund
697 pursuant to § 58.1-638.1 of the Code of Virginia; (ii) then, at the discretion of the Commonwealth
698 Transportation Board, to the extent required, from legally available revenues of the Transportation Trust
699 Fund; and (iii) then from such other funds, if any, which may be designated by the General Assembly
700 for such purpose.

701 § 12. Note proceeds and moneys in any reserve funds and sinking funds in respect of the Notes shall
702 be invested by the State Treasurer in accordance with the provisions of general law relating to the
703 investment of such funds belonging to or in the control of the Commonwealth, or by a trustee in
704 accordance with § 33.1-283 of the Code of Virginia, as amended.

705 § 13. The interest income from, and any profit made on the sale of, the obligations issued under the
706 provisions of this Act shall at all times be free and exempt from taxation by the Commonwealth and by
707 any municipality, county, or other political subdivision thereof.

708 § 14. All obligations issued under the provisions of this Act are hereby made securities in which all
709 persons and entities listed in § 33.1-280 of the Code of Virginia, as amended, may properly and legally
710 invest funds under their control.

711 **3. That no moneys distributed pursuant to this act shall be used to calculate or reduce the share**
712 **of federal, state, or local revenues or funds otherwise available to the localities in the counties and**
713 **cities participating in those programs nor shall they be used to calculate or reduce any allocation**
714 **of revenues or funds made pursuant to Title 33.1 of the Code of Virginia.**

715 **4. That if any clause, sentence, paragraph, section, or part of this act or the application thereof to**
716 **any person, entity, or circumstance is adjudged invalid by any court of competent jurisdiction,**
717 **such judgment shall not affect the validity of the remainder hereof but shall be confined to the**
718 **clause, sentence, paragraph, section, or part hereof directly involved in the controversy in which**
719 **such judgment shall have been rendered, and to this end the provisions of this act are severable.**