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**HOUSE BILL NO. 1309****AMENDMENT IN THE NATURE OF A SUBSTITUTE**(Proposed by the Governor  
on April 11, 2022)

(Patron Prior to Substitute—Delegate Bulova)

A BILL to amend and reenact §§ 62.1-199 and 62.1-203 of the Code of Virginia and to amend the Code of Virginia by adding in Chapter 6 of Title 10.1 an article numbered 1.4, consisting of sections numbered 10.1-603.28 through 10.1-603.40, relating to Resilient Virginia Revolving Fund.

Be it enacted by the General Assembly of Virginia:

1. That §§ 62.1-199 and 62.1-203 of the Code of Virginia are amended and reenacted and that the Code of Virginia is amended by adding in Chapter 6 of Title 10.1 an article numbered 1.4, consisting of sections numbered 10.1-603.28 through 10.1-603.40, as follows:

Article 1.4.

Resilient Virginia Revolving Fund.

**§ 10.1-603.28. Definitions.**

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

"Authority" means the Virginia Resources Authority created in Chapter 21 (§ 62.1-197 et seq.) of Title 62.1.

"Cost," as applied to any project financed under the provisions of this article, means the total of all costs incurred as reasonable and necessary for carrying out all works and undertakings necessary or incident to the accomplishment of any project. "Cost" includes, without limitation, all necessary developmental, planning, and feasibility studies, surveys, plans and specifications, architectural, engineering, financial, legal, or other special services, the cost of acquisition of land and any buildings and improvements thereon, including the discharge of any obligations of the sellers of such land, buildings, or improvements, site preparation and development, including demolition or removal of existing structures, construction and reconstruction, labor, materials, machinery and equipment, the reasonable costs of financing incurred in the course of the development of the project, carrying charges incurred before placing the project in service, interest on funds borrowed to finance the project to a date subsequent to the estimated date the project is to be placed in service, necessary expenses incurred in connection with placing the project in service, the funding of accounts and reserves that the Authority may require, and the cost of other items that the Authority determines to be reasonable and necessary.

"Department" means the Department of Conservation and Recreation.

"Fund" means the Resilient Virginia Revolving Fund created by this article.

"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 or laws of the Commonwealth or any combination of any two or more of the foregoing.

"Person" has the same meaning as set forth in § 1-230.

"Project" means (i) home upgrades for resilience purposes, home buyouts necessary for the construction of mitigation or resilience projects, relocations, and buyout assistance for homes, all including multifamily units; (ii) gap funding related to buyouts in order to move residents out of floodplain hazard areas and restore or enhance the natural flood mitigation capacity of functioning floodplains; (iii) assistance to low-income and moderate-income homeowners to help lower flood risk through structural and nonstructural mitigation projects, or other means; (iv) loans and grants to persons for hazard mitigation and infrastructure improvement projects for resilience purposes; and (v) projects identified in the Virginia Flood Protection Master Plan or the Virginia Coastal Resilience Master Plan.

"Resilience" means the capability to anticipate, prepare for, respond to, and recover from significant multi-hazard threats with minimum damage to social well-being, health, the economy, and the environment.

**§ 10.1-603.29. Resilient Virginia Revolving Fund.**

There shall be set apart as a permanent and perpetual fund, to be known as the "Resilient Virginia Revolving Fund," sums appropriated to the Fund by the General Assembly, sums allocated to the Commonwealth for resilience purposes through the federal government, 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 and managed by the Authority as prescribed in this article, subject to the right of the Department, following consultation with the Authority, to direct the distribution of loans or grants from the Fund to particular local governments and to establish the interest rates and repayment terms of such loans as provided in this article. A portion of the Fund shall be reserved to hold money that is allocated

60 only for the hazard mitigation of buildings and that shall not be available for other uses. In order to  
61 carry out the administration and management of the Fund, the Authority is granted the power to employ  
62 officers, employees, agents, advisers, and consultants, including, without limitation, attorneys, financial  
63 advisers, engineers, and other technical advisers and public accountants and, the provisions of any  
64 other law to the contrary notwithstanding, to determine their duties and compensation without the  
65 approval of any other agency or instrumentality. The Authority may disburse from the Fund its  
66 reasonable costs and expenses incurred in the administration and management of the Fund and a  
67 reasonable fee to be approved by the Department for its management services. The Authority may  
68 provide a portion of that fee to the Department to cover the Department's costs and expenses in  
69 administering the Fund.

70 **§ 10.1-603.30. Deposit of moneys; expenditures; investments.**

71 All moneys belonging to the Fund shall be deposited in an account or accounts in banks or trust  
72 companies organized under the laws of the Commonwealth or in national banking associations located  
73 in Virginia or in savings institutions located in Virginia organized under the laws of the Commonwealth  
74 or the United States. The money in these accounts shall be paid by electronic transfer or check signed  
75 by the Executive Director of the Authority or other officers or employees designated by the Board of  
76 Directors of the Authority. All deposits of money shall, if required by the Authority, be secured in a  
77 manner determined by the Authority to be prudent, and all banks, trust companies, and savings  
78 institutions are authorized to give security for the deposits. Money in the Fund shall not be commingled  
79 with other money of the Authority. Money in the Fund not needed for immediate use or disbursement  
80 may be invested or reinvested by the Authority in obligations or securities that are considered lawful  
81 investments for public funds under the laws of the Commonwealth. Interest earned on moneys in the  
82 Fund shall remain in the Fund and be credited to it. Any moneys remaining in the Fund, including any  
83 appropriated funds and all principal, interest accrued, and payments at the end of each fiscal year shall  
84 not revert to the general fund but shall remain in the Fund.

85 **§ 10.1-603.31. Annual audit.**

86 The Auditor of Public Accounts, or his legally authorized representatives, shall annually audit the  
87 accounts of the Authority, and the cost of such audit services as shall be required shall be borne by the  
88 Authority. The audit shall be performed at least each fiscal year, in accordance with generally accepted  
89 auditing standards and, accordingly, include such tests of the accounting records and such auditing  
90 procedures as considered necessary under the circumstances. The Authority shall furnish copies of such  
91 audit to the Governor and to the Department.

92 **§ 10.1-603.32. Collection of money due to Fund.**

93 The Authority is empowered to collect, or to authorize others to collect on its behalf, amounts due to  
94 the Fund under any loan to a local government, including, if appropriate, taking the action required by  
95 § 15.2-2659 to obtain payment of any amounts in default. Proceedings to recover amounts due to the  
96 Fund may be instituted by the Authority in the name of the Fund in the appropriate circuit court.

97 **§ 10.1-603.33. Loans to local governments.**

98 Except as otherwise provided in this article, moneys in the Fund shall be used to make loans to local  
99 governments to finance or refinance the cost of any project. The local governments to which loans are  
100 to be made, the purposes of the loan, the amount of each such loan, the interest rate thereon, and the  
101 repayment terms thereof, which may vary between loan recipients, shall be designated in writing by the  
102 Department to the Authority following consultation with the Authority. No loan from the Fund shall  
103 exceed the total cost of the project to be financed or the outstanding principal amount of the  
104 indebtedness to be refinanced plus reasonable financing expenses.

105 Except as set forth in this section, the Authority shall determine the terms and conditions of any loan  
106 from the Fund, which may vary between loan recipients. Each loan shall be evidenced by appropriate  
107 bonds or notes of the local government payable to the Fund. The bonds or notes shall have been duly  
108 authorized by the local government and executed by its authorized legal representatives. The Authority is  
109 authorized to require in connection with any loan from the Fund such documents, instruments,  
110 certificates, legal opinions, and other information as it may deem necessary or convenient. In addition  
111 to any other terms or conditions that the Authority may establish, the Authority may require, as a  
112 condition to making any loan from the Fund, that the local government receiving the loan covenant to  
113 perform any of the following:

114 1. Establish and collect rents, rates, fees, and charges to produce revenue sufficient to pay all or a  
115 specified portion of (i) the costs of operation, maintenance, replacement, renewal, and repairs of the  
116 project; (ii) any outstanding indebtedness incurred for the purposes of the project, including the  
117 principal of and premium, if any, and interest on the loan from the Fund to the local government; and  
118 (iii) any amounts necessary to create and maintain any required reserve, including any rate stabilization  
119 fund deemed necessary or appropriate by the Authority to offset the need, in whole or part, for future  
120 increases in rents, rates, fees, or charges;

121 2. With respect to local governments, levy and collect ad valorem taxes on all property within the

jurisdiction of the local government subject to local taxation sufficient to pay the principal of and premium, if any, and interest on the loan from the Fund to the local government;

3. Create and maintain a special fund or funds for the payment of the principal of and premium, if any, and interest on the loan from the Fund to the local government and any other amounts becoming due under any agreement entered into in connection with the loan, or for the operation, maintenance, repair, or replacement of the project or any portions thereof or other property of the local government, and deposit into any fund or funds amounts sufficient to make any payments on the loan as they become due and payable;

4. Create and maintain other special funds as required by the Authority; and

5. Perform other acts, including the conveyance of, or the granting of liens on or security interests in, real and personal property, together with all rights, title, and interest therein, to the Fund, or take other actions as may be deemed necessary or desirable by the Authority to secure payment of the principal of and premium, if any, and interest on the loan from the Fund and to provide for the remedies of the Fund in the event of any default in the payment of the loan, including, without limitation, any of the following:

a. The procurement of insurance, guarantees, letters of credit, and other forms of collateral, security, liquidity arrangements, or credit supports for the loan from any source, public or private, and the payment therefor of premiums, fees, or other charges;

b. The combination of one or more projects, or the combination of one or more projects with one or more other undertakings, facilities, utilities, or systems, for the purpose of operations and financing, and the pledging of the revenues from such combined projects, undertakings, facilities, utilities, and systems to secure the loan from the Fund made in connection with such combination or any part or parts thereof;

c. The maintenance, replacement, renewal, and repair of the project; and

d. The procurement of casualty and liability insurance.

All local governments borrowing money from the Fund are authorized to perform any acts, take any action, adopt any proceedings, and make and carry out any contracts that are contemplated by this article. Such contracts need not be identical among all local governments but may be structured as determined by the Authority according to the needs of the contracting local governments and the Fund.

Subject to the rights, if any, of the registered owners of any of the bonds of the Authority, the Authority may consent to and approve any modification in the terms of any loan subject to guidelines adopted by the Department.

#### **§ 10.1-603.34. Grants to local governments.**

Subject to any restrictions that may apply to the use of money in the Fund, the Department may approve the use of money in the Fund to make grants or appropriations to local governments to pay the cost of any project. The Department may establish such terms and conditions on any grant as it deems appropriate. Grants shall be disbursed from the Fund by the Authority in accordance with the written direction of the Department.

#### **§ 10.1-603.35. Loans and grants for regional projects, etc.**

In approving loans and grants, the Department shall give preference to loans and grants for projects that will utilize private industry in the operation and maintenance of such projects where a material savings in cost can be shown over public operation and maintenance; will serve two or more local governments to encourage regional cooperation; or both.

#### **§ 10.1-603.36. Loans and grants to a local government for a funding program.**

Loans and grants may be made from the Fund, in the Department's discretion, to a local government that has developed a funding program to provide low-interest loans or grants to any persons of the Commonwealth eligible for projects for resilience purposes. In order to secure the loans authorized pursuant to this section, the local government is authorized to place a lien equal in value to the loan against any property where such project is being undertaken. Such liens shall be subordinate to all liens on the property as of the date the loan authorized under this section is made, except that with the prior written consent of the holders of all liens on the property as of such date, the liens securing loans authorized pursuant to this section shall be liens on the property ranking on parity with liens for unpaid local taxes. The local government may bundle or package such loans for transfer to private lenders in such a manner that would allow the liens to remain in full force to secure the loans.

#### **§ 10.1-603.37. Pledge of loans to secure bonds of Authority.**

The Authority is empowered at any time and from time to time to transfer from the Fund to banks or trust companies designated by the Authority any or all of the assets of the Fund to be held in trust as security for the payment of the principal of and premium, if any, and interest on any or all of the bonds, as defined in § 62.1-199, of the Authority. The interests of the Fund in any obligations so transferred shall be subordinate to the rights of the trustee under the pledge. To the extent that funds are not available from other sources pledged for such purpose, any payments of principal and interest

received on the assets transferred or held in trust may be applied by the trustee thereof to the payment of the principal of and premium, if any, and interest on such bonds of the Authority to which the obligations have been pledged, and if such payments are insufficient for such purpose, the trustee is empowered to sell any or all of such assets and apply the net proceeds from the sale to the payment of the principal of and premium, if any, and interest on such bonds of the Authority. Any assets of the Fund transferred in trust as set forth in this section and any payments of principal, interest, or earnings received thereon shall remain part of the Fund but shall be subject to the pledge to secure the bonds of the Authority and shall be held by the trustee to which they are pledged until no longer required for such purpose by the terms of the pledge. On or before January 10 of each year, the Authority shall transfer, or shall cause the trustee to transfer, to the Fund any assets transferred or held in trust as set forth in this section that are no longer required to be held in trust pursuant to the terms of the pledge.

**§ 10.1-603.38. Sale of loans.**

The Authority is empowered at any time and from time to time to sell, upon such terms and conditions as the Authority shall deem appropriate, any loan, or interest therein, made pursuant to this article. The net proceeds of sale remaining after the payment of the costs and expenses of the sale shall be designated for deposit to, and become part of, the Fund.

**§ 10.1-603.39. Powers of the Authority.**

The Authority is authorized to do any act necessary or convenient to the exercise of the powers granted in this article or reasonably implied thereby.

**§ 10.1-603.40. Liberal construction of article.**

The provisions of this article shall be liberally construed to the end that its beneficial purposes may be effectuated. Insofar as the provisions of this article are inconsistent with the provisions of any other law, general, special, or local, the provisions of this article shall be controlling.

**§ 62.1-199. Definitions.**

As used in this chapter, unless a different meaning clearly appears from the context:

"Authority" means the Virginia Resources Authority created by this chapter.

"Board of Directors" means the Board of Directors of the Authority.

"Bonds" means any bonds, notes, debentures, interim certificates, bond, grant or revenue anticipation notes, lease and sale-leaseback transactions or any other obligations of the Authority for the payment of money.

"Capital Reserve Fund" means the reserve fund created and established by the Authority in accordance with § 62.1-215.

"Cost," as applied to any project financed under the provisions of this chapter, 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. It includes, without limitation, all necessary developmental, planning and feasibility studies, surveys, plans and specifications, architectural, engineering, financial, legal or other special services, the cost of acquisition of land and any buildings and improvements thereon, including the discharge of any obligations of the sellers of such land, buildings or improvements, real estate appraisals, site preparation and development, including demolition or removal of existing structures, construction and reconstruction, labor, materials, machinery and equipment, the reasonable costs of financing incurred by the local government in the course of the development of the project, including the cost of any credit enhancements, carrying charges incurred before placing the project in service, interest on local obligations issued to finance the project to a date subsequent to the estimated date the project is to be placed in service, necessary expenses incurred in connection with placing the project in service, the funding of accounts and reserves which the Authority may require and the cost of other items which the Authority determines to be reasonable and necessary. It also includes the amount of any contribution, grant or aid which a local government may make or give to any adjoining state, the District of Columbia or any department, agency or instrumentality thereof to pay the costs incident and necessary to the accomplishment of any project, including, without limitation, the items set forth above. The term also includes interest and principal payments pursuant to any installment purchase agreement.

"Credit enhancements" means surety bonds, insurance policies, letters of credit, guarantees and other forms of collateral or security.

"Defective drywall" means the same as that term is defined in § 36-156.1.

"Federal facility" means any building or infrastructure used or to be used by the federal government, including any building or infrastructure located on lands owned by the federal government.

"Federal government" means the United States of America, or any department, agency or instrumentality, corporate or otherwise, of the United States of America.

"Former federal facility" means any federal facility formerly used by the federal government or in transition from use by the federal government to a facility all or part of which is to serve any local government.

"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 and laws of the Commonwealth or any combination of any two or more of the foregoing.

"Local obligations" means any bonds, notes, debentures, interim certificates, bond, grant or revenue anticipation notes, leases, credit enhancements, or any other obligations of a local government for the payment of money.

"Minimum capital reserve fund requirement" means, as of any particular date of computation, the amount of money designated as the minimum capital reserve fund requirement which may be established in the resolution of the Authority authorizing the issuance of, or the trust indenture securing, any outstanding issue of bonds or credit enhancement.

"Project" means (i) any water supply or wastewater treatment facility, including a facility for receiving and stabilizing septage or a soil drainage management facility, and any solid waste treatment, disposal, or management facility, recycling facility, federal facility or former federal facility, or resource recovery facility located or to be located in the Commonwealth, the District of Columbia, or any adjoining state, all or part of which facility serves or is to serve any local government, and (ii) any federal facility located or to be located in the Commonwealth, provided that both the Board of Directors of the Authority and the governing body of the local government receiving the benefit of the loan, grant, or credit enhancement from the Authority make a determination or finding to be embodied in a resolution or ordinance that the undertaking and financing of such facility is necessary for the location or retention of such facility and the related use by the federal government in the Commonwealth. The term includes, without limitation, water supply and intake facilities; water treatment and filtration facilities; water storage facilities; water distribution facilities; sewage and wastewater (including surface and ground water) collection, treatment, and disposal facilities; drainage facilities and projects; solid waste treatment, disposal, or management facilities; recycling facilities; resource recovery facilities; related office, administrative, storage, maintenance, and laboratory facilities; and interests in land related thereto. The term also includes energy conservation measures and facility technology infrastructure as defined in § 45.2-1702 and other energy objectives as defined in § 45.2-1706.1. The term also means any heavy rail transportation facilities operated by a transportation district created under the Transportation District Act of 1964 (§ 33.2-1900 et seq.) that operates heavy rail freight service, including rolling stock, barge loading facilities, and any related marine or rail equipment. The term also means, without limitation, the design and construction of roads, the construction of local government buildings, including administrative and operations systems and other local government equipment and infrastructure, public parking garages and other public transportation facilities, and facilities for public transportation by commuter rail. In addition, the term means any project as defined in § 5.1-30.1 or 10.1-603.28 and any professional sports facility, including a major league baseball stadium as defined in § 15.2-5800, provided that the specific professional sports facility projects have been designated by the General Assembly as eligible for assistance from the Authority. The term also means any equipment, facilities, and technology infrastructure designed to provide broadband service. The term also means facilities supporting, related to, or otherwise used for public safety, including but not limited to law-enforcement training facilities and emergency response, fire, rescue, and police stations. The term also means the remediation, redevelopment, and rehabilitation of property contaminated by the release of hazardous substances, hazardous wastes, solid wastes, or petroleum, where such remediation has not clearly been mandated by the United States Environmental Protection Agency, the Department of Environmental Quality, or a court pursuant to the Comprehensive Environmental Response, Compensation and Liability Act (42 U.S.C. § 9601 et seq.), the Resource Conservation and Recovery Act (42 U.S.C. § 6901 et seq.), the Virginia Waste Management Act (§ 10.1-1400 et seq.), the State Water Control Law (§ 62.1-44.2 et seq.), or other applicable statutory or common law or where jurisdiction of those statutes has been waived. The term also means any program or project for land conservation, parks, park facilities, land for recreational purposes, or land preservation, including but not limited to any program or project involving the acquisition of rights or interests in land for the conservation or preservation of such land. The term also means any dredging program or dredging project undertaken to benefit the economic and community development goals of a local government but does not include any dredging program or dredging project undertaken for or by the Virginia Port Authority. The term also means any oyster restoration project, including planting and replanting with seed oysters, oyster shells, or other material that will catch, support, and grow oysters. The term also means any program or project to perform site acquisition or site development work for the benefit of economic and community development projects for any local government. The term also means any undertaking by a local government to build or facilitate the building of a recovered gas energy facility; and any local government renewable energy project, including solar, wind, biomass, waste-to-energy, and geothermal projects. The term also means any undertaking by a local government to facilitate the remediation of residential properties contaminated by the presence of defective drywall.

"Recovered gas energy facility" means a facility, located at or adjacent to (i) a solid waste

management facility permitted by the Department of Environmental Quality or (ii) a sewerage system or sewage treatment work described in § 62.1-44.18 that is constructed and operated for the purpose of treating sewage and wastewater for discharge to state waters, which facility or work is constructed and operated for the purpose of (a) reclaiming or collecting methane or other combustible gas from the biodegradation or decomposition of solid waste, as defined in § 10.1-1400, that has been deposited in the solid waste management facility or sewerage system or sewage treatment work and (b) either using such gas to generate electric energy or upgrading the gas to pipeline quality and transmitting it off premises for sale or delivery to commercial or industrial purchasers or to a public utility or locality.

**§ 62.1-203. Powers of Authority.**

The Authority is granted all powers necessary or appropriate to carry out and to effectuate its purposes, including the following:

1. To have perpetual succession as a public body corporate and as a political subdivision of the Commonwealth;

2. To adopt, amend and repeal bylaws, and rules and regulations, not inconsistent with this chapter for the administration and regulation of its affairs and to carry into effect the powers and purposes of the Authority and the conduct of its business;

3. To sue and be sued in its own name;

4. To have an official seal and alter it at will although the failure to affix this seal shall not affect the validity of any instrument executed on behalf of the Authority;

5. To maintain an office at any place within the Commonwealth which it designates;

6. To make and execute contracts and all other instruments and agreements necessary or convenient for the performance of its duties and the exercise of its powers and functions under this chapter;

7. To sell, convey, mortgage, pledge, lease, exchange, transfer and otherwise dispose of all or any part of its properties and assets;

8. To employ officers, employees, agents, advisers and consultants, including without limitations, attorneys, financial advisers, engineers and other technical advisers and public accountants and, the provisions of any other law to the contrary notwithstanding, to determine their duties and compensation without the approval of any other agency or instrumentality;

9. To procure insurance, in amounts and from insurers of its choice, or provide self-insurance, against any loss, cost, or expense in connection with its property, assets or activities, including insurance or self-insurance against liability for its acts or the acts of its directors, employees or agents and for the indemnification of the members of its Board of Directors and its employees and agents;

10. To procure credit enhancements from any public or private entities, including any department, agency or instrumentality of the United States of America or the Commonwealth, for the payment of any bonds issued by the Authority, including the power to pay premiums or fees on any such credit enhancements;

11. To receive and accept from any source aid, grants and contributions of money, property, labor or other things of value to be held, used and applied to carry out the purposes of this chapter subject to the conditions upon which the aid, grants or contributions are made;

12. To enter into agreements with any department, agency or instrumentality of the United States of America or, the Commonwealth, the District of Columbia or any adjoining state for the purpose of planning, regulating and providing for the financing of any projects;

13. To collect, or to authorize the trustee under any trust indenture securing any bonds or any other fiduciary to collect, amounts due under any local obligations owned or credit enhanced by the Authority, including taking the action required by § 15.2-2659 or 62.1-216.1 to obtain payment of any unpaid sums;

14. To enter into contracts or agreements for the servicing and processing of local obligations owned by the Authority;

15. To invest or reinvest its funds as provided in this chapter or permitted by applicable law;

16. Unless restricted under any agreement with holders of bonds, to consent to any modification with respect to the rate of interest, time and payment of any installment of principal or interest, or any other term of any local obligations owned by the Authority;

17. To establish and revise, amend and repeal, and to charge and collect, fees and charges in connection with any activities or services of the Authority;

18. To do any act necessary or convenient to the exercise of the powers granted or reasonably implied by this chapter; and

19. To pledge as security for the payment of any or all bonds of the Authority, all or any part of the Capital Reserve Fund or other reserve fund or account transferred to a trustee for such purpose from the Water Facilities Revolving Fund pursuant to § 62.1-231, from the Water Supply Revolving Fund pursuant to § 62.1-240, from the Virginia Solid Waste or Recycling Revolving Fund pursuant to § 62.1-241.9, from the Virginia Airports Revolving Fund pursuant to § 5.1-30.6, from the Dam Safety, Flood Prevention and Protection Assistance Fund pursuant to § 10.1-603.17, or from the Virginia

368 Tobacco Region Revolving Fund pursuant to § 3.2-3117, *or from the Resilient Virginia Revolving Fund*  
369 *pursuant to § 10.1-603.37*. Notwithstanding the foregoing, any such transfer from the Virginia Tobacco  
370 Region Revolving Fund may be pledged to secure only those bonds of the Authority issued to finance  
371 or refinance projects located in the tobacco-dependent communities in the Southside and Southwest  
372 regions of Virginia.