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**HOUSE BILL NO. 2302**

Offered January 11, 2023

*A BILL to amend and reenact §§ 33.2-1524 and 33.2-1529.1 of the Code of Virginia and to repeal the seventh enactment of Chapter 726 of the Acts of Assembly of 2014, relating to Transportation Partnership Opportunity Fund.*

Patrons—Adams, L.R., Austin, Avoli, Ballard, Bloxom, Brewer, Campbell, E.H., Cordoza, Durant, Fariss, Head, Hodges, Marshall, Runion, Tata, Taylor, Walker, Wampler, Wiley, Williams, Wright and Wyatt; Senator: Stanley

Referred to Committee on Transportation

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

**1. That §§ 33.2-1524 and 33.2-1529.1 of the Code of Virginia are amended and reenacted as follows:**

**§ 33.2-1524. Commonwealth Transportation Fund.**

A. There is hereby created in the Department of the Treasury a special nonreverting fund to be known as the Commonwealth Transportation Fund (the Fund). The Fund shall be established on the books of the Comptroller. Any moneys remaining in the Fund at the end of the year shall not revert to the general fund but shall remain in the Fund. The Fund shall consist of all funds appropriated to the Fund and all funds dedicated to the Fund pursuant to law, including:

1. Revenues pursuant to §§ 58.1-2289 and 58.1-2701;
  2. Revenues pursuant to subsections A and G of § 58.1-638 and § 58.1-638.3;
  3. Tolls and other revenues derived from the projects financed or refinanced pursuant to this title that are payable into the state treasury and tolls and other revenues derived from other transportation projects, which may include upon the request of the applicable appointed local governing body, as soon as their obligations have been satisfied, such tolls and revenue derived for transportation projects pursuant to the Chesapeake Bay Bridge and Tunnel District and Commission established in Chapter 22 (§ 33.2-2200 et seq.) and to the Richmond Metropolitan Transportation Authority established in Chapter 29 (§ 33.2-2900 et seq.), or if the appointed local governing body requests refunding or advanced refunding by the Board and such refunding or advanced refunding is approved by the General Assembly. Such funds shall be held in separate subaccounts of the Commonwealth Transportation Fund to the extent required by law or the Board;
  4. Revenues pursuant to § 58.1-2425;
  5. Revenues pursuant to subdivisions A 1 through 12 of § 46.2-694 and §§ 46.2-694.1, 46.2-697, and 46.2-697.2, except where provided elsewhere in such sections and excluding revenues deposited into a special fund for the Department of Motor Vehicles pursuant to § 46.2-686;
  6. Revenues pursuant to § 58.1-1741;
  7. Revenues pursuant to § 58.1-815.4;
  8. Revenues from § 58.1-2249;
  9. Such other funds as may be appropriated by the General Assembly from time to time and designated for the Commonwealth Transportation Fund;
  10. All interest, dividends, and appreciation that may accrue to the Transportation Trust Fund established pursuant to § 33.2-1524.1 and the Highway Maintenance and Operating Fund established pursuant to § 33.2-1530;
  11. All amounts required by contract to be paid over to the Commonwealth Transportation Fund;
  12. Concession payments paid to the Commonwealth by a private entity pursuant to the Public-Private Transportation Act of 1995 (§ 33.2-1800 et seq.); and
  13. Revenues pursuant to § 58.1-2531.
- B. Funds in the Fund shall be distributed as follows:
1. Of the funds from subdivisions A 1, 2, 4 through 8, and 13: (i) 51 percent to the Highway Maintenance and Operating Fund established pursuant to § 33.2-1530 and (ii) 49 percent to the Transportation Trust Fund established pursuant to § 33.2-1524.1;
  2. The funds from subdivisions A 3 and 12 shall be deposited into the Transportation Trust Fund established pursuant to § 33.2-1524.1;
  3. Of the funds from subdivision A 10: (i) two-thirds shall be deposited in the Virginia Transportation Infrastructure Bank established pursuant to Article 1 (§ 33.2-1500 et seq.) and (ii) one-third shall be deposited into the Transportation Partnership Opportunity Fund established pursuant to § 33.2-1529.1.

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57 C. 1. From funds available pursuant to subsection B, (i) \$40 million annually shall be deposited into  
58 the Route 58 Corridor Development Fund pursuant to § 33.2-2300; (ii) \$40 million annually shall be  
59 deposited into the Northern Virginia Transportation District Fund pursuant to § 33.2-2400; and (iii) \$80  
60 million annually shall be deposited into the Special Structure Fund pursuant to § 33.2-1532, though the  
61 amount deposited shall be adjusted annually based on the change in the United States Average  
62 Consumer Price Index for all items, all urban consumers (CPI-U), as published by the Bureau of Labor  
63 Statistics of the U.S. Department of Labor

64 2. *In addition to the amounts provided in subdivision 1, from funds available pursuant to subsection*  
65 *B, the Governor shall include in the Budget Bill submitted pursuant to § 2.2-1509 a biennial*  
66 *appropriation of up to \$200 million, limited to \$100 million each year, to be deposited into the*  
67 *Transportation Partnership Opportunity Fund established pursuant to § 33.2-1529.1 to maintain an*  
68 *available balance of up to \$300 million in the Transportation Partnership Opportunity Fund. Such*  
69 *deposits may be made in one or more installments.*

70 **§ 33.2-1529.1. Transportation Partnership Opportunity Fund.**

71 A. There is hereby created the Transportation Partnership Opportunity Fund (the Fund) to be used by  
72 the Governor to provide funds to address the transportation aspects of economic development  
73 opportunities *or to enhance the economic development opportunities of the Commonwealth's*  
74 *transportation programs.* The Fund shall consist of (i) funds pursuant to subdivision B 3 of § 33.2-1524  
75 *and; (ii) funds deposited pursuant to subdivision C 2 of § 33.2-1524; and (iii) any funds appropriated to*  
76 *it by the general appropriation act and revenue from any other source, public or private. The Fund shall*  
77 *be established on the books of the Comptroller, and any funds remaining in the Fund at the end of a*  
78 *biennium shall not revert to the general fund but shall remain in the Fund. All interest and dividends*  
79 *that are earned on the Fund shall be credited to the Fund. The Governor shall report to the Chairmen of*  
80 *the House Committees on Appropriations, Finance, and Transportation and the Senate Committees on*  
81 *Finance and Appropriations and on Transportation as funds are awarded in accordance with this section.*

82 B. The Fund shall be a subfund of the Transportation Trust Fund. Provisions of this title and Title  
83 58.1 relating to the allocations or disbursements of proceeds of the Commonwealth Transportation Fund,  
84 the Transportation Trust Fund, or the Highway Maintenance and Operating Fund shall not apply to the  
85 Fund.

86 C. 1. Funds shall be awarded from the Fund by the Governor as grants, revolving loans, or other  
87 financing tools and equity contributions to an agency or political subdivision of the Commonwealth.  
88 Loans shall be approved by the Governor and made in accordance with procedures established by the  
89 Board and approved by the Comptroller. Loans shall be interest-free and shall be repaid to the Fund.  
90 The Governor may establish the duration of any loan, but such term shall not exceed seven years. The  
91 Department shall be responsible for monitoring repayment of such loans and reporting the receivables to  
92 the Comptroller as required.

93 2. *The Governor may direct funds from the Fund to the Board for transportation projects determined*  
94 *to be necessary to support major economic development initiatives or to enhance the economic*  
95 *development opportunities of the Commonwealth's transportation programs when recommended by the*  
96 *Secretary of Transportation and Secretary of Commerce and Trade.*

97 D. Grants, *funds directed to the Board,* or revolving loans may be used for transportation capacity  
98 development on and off site; road, rail, mass transit, or other transportation access costs beyond the  
99 funding capability of existing programs; studies of transportation projects, including environmental  
100 analysis, geotechnical assessment, survey, design and engineering, advance right-of-way acquisition,  
101 traffic analysis, toll sensitivity studies, and financial analysis; *property acquisition and new or improved*  
102 *infrastructure to support economic development opportunities of the Commonwealth's transportation*  
103 *programs; or anything else permitted by law. Funds may be used for any transportation project or any*  
104 *transportation facility. Any transportation infrastructure completed with moneys from the Fund shall not*  
105 *become private property, and the results of any studies or analysis completed as a result of a grant or*  
106 *loan from the Fund shall be property of the Commonwealth.*

107 E. The Board, in consultation with the Secretary of Transportation and the Secretary of Commerce  
108 and Trade, shall develop guidelines and criteria that shall be used in awarding grants or making loans  
109 from the Fund; however, no grant *provided pursuant to subdivision C 1* shall exceed \$5 million and no  
110 loan *provided pursuant to subdivision C 1* shall exceed \$30 million. ~~No grant or loan shall be awarded~~  
111 ~~until the Governor has provided copies of the guidelines and criteria to the Chairmen of the House~~  
112 ~~Committees on Appropriations, Finance, and Transportation and the Senate Committees on Finance and~~  
113 ~~Appropriations and on Transportation.~~ The guidelines and criteria shall include provisions including the  
114 number of jobs and amounts of investment that must be committed in the event moneys are being used  
115 for an economic development project, a statement of how the studies and analysis to be completed using  
116 moneys from the Fund will advance the development of a transportation facility, a process for the  
117 application for and review of grant and loan requests, a timeframe for completion of any work, the  
118 comparative benefit resulting from the development of a transportation project, assessment of the ability

of the recipient to repay any loan funds, and other criteria as necessary to support the timely development of transportation projects. The criteria shall also include incentives to encourage matching funds from any other local, federal, or private source.

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

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

**2. That the seventh enactment of Chapter 726 of the Acts of Assembly of 2014 is repealed.**