

VIRGINIA ACTS OF ASSEMBLY — CHAPTER

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An Act to amend and reenact §§ 33.2-200, 33.2-214, 33.2-214.1, 33.2-221, 33.2-228, 33.2-232, 33.2-318, 33.2-319, 33.2-328, 33.2-331, 33.2-337, 33.2-338, 33.2-349, 33.2-352, 33.2-357 through 33.2-360, 33.2-363, 33.2-365, 33.2-366, 33.2-1501, 33.2-1502, 33.2-1503, 33.2-1505, 33.2-1510, 33.2-1526, 33.2-1529, 33.2-1530, 33.2-1531, 33.2-2400, 58.1-638, 58.1-815.4, 58.1-1741, and 58.1-2289 of the Code of Virginia; to amend the Code of Virginia by adding in Article 5 of Chapter 3 of Title 33.2 sections numbered 33.2-369, 33.2-370, and 33.2-371 and by adding in Article 5 of Chapter 15 of Title 33.2 a section numbered 33.2-1529.1; and to repeal §§ 33.2-348, 33.2-361, 33.2-362, and 33.2-364 and Article 2 (§ 33.2-1508) of Chapter 15 of Title 33.2 of the Code of Virginia, relating to the Commonwealth Transportation Board and transportation funding.

[H 1887]

Approved

Be it enacted by the General Assembly of Virginia:

1. That §§ 33.2-200, 33.2-214, 33.2-214.1, 33.2-221, 33.2-228, 33.2-232, 33.2-318, 33.2-319, 33.2-328, 33.2-331, 33.2-337, 33.2-338, 33.2-349, 33.2-352, 33.2-357 through 33.2-360, 33.2-363, 33.2-365, 33.2-366, 33.2-1501, 33.2-1502, 33.2-1503, 33.2-1505, 33.2-1510, 33.2-1526, 33.2-1529, 33.2-1530, 33.2-1531, 33.2-2400, 58.1-638, 58.1-815.4, 58.1-1741, and 58.1-2289 of the Code of Virginia are amended and reenacted and that the Code of Virginia is amended by adding in Article 5 of Chapter 3 of Title 33.2 sections numbered 33.2-369, 33.2-370, and 33.2-371 and by adding in Article 5 of Chapter 15 of Title 33.2 a section numbered 33.2-1529.1 as follows:

§ 33.2-200. Commonwealth Transportation Board; membership; terms; vacancies.

The Board shall have a total membership of ~~four~~ *17* members that shall consist of 14 nonlegislative citizen members and ~~four~~ *three* ex officio members as follows: the Secretary of Transportation, the Commissioner of Highways, *and* the Director of the Department of Rail and Public Transportation, ~~and the Executive Director of the Virginia Port Authority~~. The nonlegislative citizen members shall be appointed by the Governor as provided in § 33.2-201, subject to confirmation by the General Assembly, ~~and shall serve at the pleasure of the Governor~~. Appointments of nonlegislative citizen members shall be for terms of four years commencing on July 1, upon the expiration of the terms of the existing members, respectively. Vacancies shall be filled by appointment by the Governor for the unexpired term and shall be effective until 30 days after the next meeting of the ensuing General Assembly and, if confirmed, thereafter for the remainder of the term. No nonlegislative citizen member shall be eligible to serve more than two consecutive four-year terms. The remainder of any term to which a member is appointed to fill a vacancy shall not constitute a term in determining that member's eligibility for reappointment. Ex officio members of the Board shall serve terms coincident with their terms of office.

The Secretary shall serve as chairman of the Board and shall have voting privileges only in the event of a tie. The ~~Commissioner of Highways~~ *senior nonlegislative citizen member* shall serve as vice-chairman of the Board ~~and shall have voting privileges only in the event of a tie when he is presiding and shall preside~~ during the absence of the chairman. *In the event that more than one nonlegislative citizen member of the Board may be considered the senior nonlegislative citizen member, the Board shall elect the vice-chairman from such senior nonlegislative citizen members.* The Director of the Department of Rail and Public Transportation and the ~~Executive Director of the Virginia Port Authority~~ *Commissioner of Highways* shall not have voting privileges.

§ 33.2-214. Transportation; Six-Year Improvement Program.

A. The Board shall have the power and duty to monitor and, where necessary, approve actions taken by the Department of Rail and Public Transportation pursuant to Article 5 (§ 33.2-281 et seq.) in order to ensure the efficient and economical development of public transportation, the enhancement of rail transportation, and the coordination of such rail and public transportation plans with highway programs.

B. The Board shall have the power and duty to coordinate the planning for financing of transportation needs, including needs for highways, railways, seaports, airports, and public transportation and set aside funds as provided in § 33.2-1524. To allocate funds for these needs pursuant to §§ 33.2-358 and 58.1-638, the Board shall adopt a Six-Year Improvement Program of anticipated projects and programs by July 1 of each year. This program shall be based on the most recent official Transportation Trust Fund revenue forecast and shall be consistent with a debt management policy adopted by the Board in consultation with the Debt Capacity Advisory Committee and the Department of the Treasury.

C. The Board shall have the power and duty to enter into contracts with local districts, commissions,

57 agencies, or other entities created for transportation purposes.

58 D. The Board shall have the power and duty to promote increasing private investment in the
59 Commonwealth's transportation infrastructure, including acquisition of causeways, bridges, tunnels,
60 highways, and other transportation facilities.

61 E. The Board shall have the power and duty to integrate land use with transportation planning and
62 programming, consistent with the efficient and economical use of public funds. If the Board determines
63 that a local transportation plan described in § 15.2-2223 or any amendment as described in § 15.2-2229
64 or a metropolitan regional long-range transportation plan or regional Transportation Improvement
65 Program as described in § 33.2-3201 is not consistent with the Board's Statewide Transportation Plan
66 developed pursuant to § 33.2-353, the Six-Year Improvement Program adopted pursuant to subsection B,
67 and the location of routes to be followed by roads comprising systems of state highways pursuant to
68 subsection A of § 33.2-208, the Board shall notify the locality of such inconsistency and request that the
69 applicable plan or program be amended accordingly. If, after a reasonable time, the Board determines
70 that there is a refusal to amend the plan or program, then the Board may reallocate funds that were
71 allocated to the nonconforming project as permitted by state or federal law. However, the Board shall
72 not reallocate any funds allocated pursuant to § 33.2-319, ~~33.2-348, 33.2-362,~~ or 33.2-366, based on a
73 determination of inconsistency with the Board's Statewide Transportation Plan or the Six-Year
74 Improvement Program nor shall the Board reallocate any funds, allocated pursuant to ~~subdivision C of~~
75 *subsection C or D of* § 33.2-358, from any projects on highways controlled by any county that has
76 withdrawn, or elects to withdraw, from the secondary system of state highways based on a determination
77 of inconsistency with the Board's Statewide Transportation Plan or the Six-Year Improvement Program.
78 If a locality or metropolitan planning organization requests the termination of a project, and the
79 Department does not agree to the termination, or if a locality or metropolitan planning organization does
80 not advance a project to the next phase of construction when requested by the Board and the
81 Department has expended state or federal funds, the locality or the localities within the metropolitan
82 planning organization may be required to reimburse the Department for all funds expended on the
83 project. If, after design approval by the Chief Engineer of the Department, a locality or metropolitan
84 planning organization requests alterations to a project that, in the aggregate, exceeds 10 percent of the
85 total project costs, the locality or the localities within the metropolitan planning organization may be
86 required to reimburse the Department for the additional project costs above the original estimates for
87 making such alterations.

88 **§ 33.2-214.1. Statewide prioritization process for project selection.**

89 A. The General Assembly declares it to be in the public interest that a prioritization process for
90 projects funded by the Commonwealth Transportation Board be developed and implemented to improve
91 the efficiency and effectiveness of the state's transportation system, transportation safety, transportation
92 accessibility for people and freight, environmental quality, and economic development in the
93 Commonwealth.

94 B. Subject to the limitations in subsection C, the Commonwealth Transportation Board shall develop,
95 in accordance with federal transportation requirements, and in cooperation with metropolitan planning
96 organizations wholly within the Commonwealth and with the Northern Virginia Transportation
97 Authority, a statewide prioritization process for the use of funds allocated pursuant to §§ 33.2-358,
98 ~~33.2-370, and 33.2-371~~ or apportioned pursuant to 23 U.S.C. § 104. Such prioritization process shall be
99 used for the development of the Six-Year Improvement Program pursuant to § 33.2-214 and shall
100 consider, at a minimum, highway, transit, rail, roadway, technology operational improvements, and
101 transportation demand management strategies.

102 1. The prioritization process shall be based on an objective and quantifiable analysis that considers,
103 at a minimum, the following factors relative to the cost of the project or strategy: congestion mitigation,
104 economic development, accessibility, safety, and environmental quality.

105 2. Prior to the analysis in subdivision 1, candidate projects and strategies shall be screened by the
106 Commonwealth Transportation Board to determine whether they are consistent with the assessment of
107 capacity needs for all for corridors of statewide significance, regional networks, and improvements to
108 promote urban development areas established pursuant to § 15.2-2223.1, undertaken in the Statewide
109 Transportation Plan in accordance with § 33.2-353.

110 3. The Commonwealth Transportation Board shall weight the factors used in subdivision 1 for each
111 of the state's highway construction districts. The Commonwealth Transportation Board may assign
112 different weights to the factors, within each highway construction district, based on the unique needs and
113 qualities of each highway construction district.

114 4. The Commonwealth Transportation Board shall solicit input from localities, metropolitan planning
115 organizations, transit authorities, transportation authorities, and other stakeholders in its development of
116 the prioritization process pursuant to this section. Further, the Board shall explicitly consider input
117 provided by an applicable metropolitan planning organization or the Northern Virginia Transportation

118 Authority when developing the weighting of factors pursuant to subdivision 3 for a metropolitan
119 planning area with a population over 200,000 individuals.

120 C. The prioritization process developed under subsection B shall not apply to the following: projects
121 or activities undertaken pursuant to § 33.2-352; projects funded by the Congestion Mitigation Air
122 Quality funds apportioned to the state pursuant to 23 U.S.C. § 104(b)(4) and state matching funds;
123 projects funded by the Highway Safety Improvement Program funds apportioned to the state pursuant to
124 23 U.S.C. § 104(b)(3) and state matching funds; projects funded by the Transportation Alternatives funds
125 set-aside pursuant to 23 U.S.C. § 213 and state matching funds; ~~projects funded pursuant to subdivisions~~
126 ~~C 2 and 3 of § 33.2-358~~; projects funded by the revenue-sharing program pursuant to § 33.2-357; and
127 projects funded by federal programs established by the federal government after June 30, 2014, with
128 specific rules that restrict the types of projects that may be funded, excluding restrictions on the location
129 of projects with regard to highway functional classification. The Commonwealth Transportation Board
130 may, at its discretion, develop a prioritization process for any of the funds covered by this subsection,
131 subject to planning and funding requirements of federal law. ~~However, the Board shall defer to~~
132 ~~individual local governments for projects funded pursuant to subdivisions C 2 and 3 of § 33.2-358.~~

133 D. The Commonwealth Transportation Board shall make public, in an accessible format, the results
134 of the screening and analysis of candidate projects and strategies under subsection B, including the
135 weighting of factors, in a timely fashion.

136 **§ 33.2-221. Other powers, duties, and responsibilities.**

137 A. The Board shall have the power and duty to comply fully with the provisions of the present or
138 future federal aid acts. The Board may enter into all contracts or agreements with the United States
139 government and may do all other things necessary to carry out fully the cooperation contemplated and
140 provided for by present or future acts of Congress related to transportation.

141 B. The Board shall have the power and duty to enter into all contracts with other states necessary for
142 the proper coordination of the location, construction, maintenance, improvement, and operation of
143 transportation systems, including the systems of state highways with the highways of such other states,
144 and where necessary, seek the approval of such contracts by the Congress of the United States.

145 C. The Board shall have the power and duty to administer, distribute, and allocate funds in the
146 Transportation Trust Fund as provided by law. The Board shall ensure that the total funds allocated to
147 any highway construction project are equal to total expenditures within 12 months following completion
148 of the project. ~~However, this requirement shall not apply to debt service apportionments pursuant to~~
149 ~~§ 33.2-362 or 33.2-364.~~

150 D. The Board shall have the power and duty, with the advice of the Secretary of Finance and the
151 State Treasurer, to engage a financial advisor and investment advisor who may be anyone within or
152 without the government of the Commonwealth to assist in planning and making decisions concerning the
153 investment of funds and the use of bonds for transportation purposes. The work of these advisors shall
154 be coordinated with the Secretary of Finance and the State Treasurer.

155 E. The Board shall have the power and duty to enter into payment agreements with the Treasury
156 Board related to payments on bonds issued by the Commonwealth Transportation Board.

157 F. When the traffic-carrying capacity of any of the systems of state highways or a portion thereof is
158 increased by construction or improvement, the Board may enter into agreements with localities,
159 authorities, and transportation districts to establish highway user fees for such system of state highways
160 or portion thereof that the localities, authorities, and transportation districts maintain.

161 **§ 33.2-228. Agreements between Commissioner of Highways and certain localities.**

162 Notwithstanding the provisions of §§ 33.2-209, 33.2-214, ~~and 33.2-221, and 33.2-362~~, the
163 Commissioner of Highways, pursuant to a resolution adopted by the Board and following receipt of a
164 resolution adopted by the governing body of a ~~city or town to which funds are apportioned pursuant to~~
165 ~~§ 33.2-362 locality~~, may enter into an agreement with any such ~~city or town locality~~ pursuant to which
166 the ~~city or town locality~~ assumes responsibility for the design, right-of-way acquisition, and construction
167 of ~~urban system~~ highways or portions thereof in such ~~city or town locality~~, using funds allocated
168 pursuant to ~~subdivision C 2 of § 33.2-358~~ § 33.2-371.

169 **§ 33.2-232. Annual report by Commissioner of Highways.**

170 The Commissioner of Highways shall annually report in writing to the Governor ~~and, the General~~
171 ~~Assembly, the Joint Legislative Audit and Review Commission, and the Board~~ no later than November
172 30 each year; ~~on (i) the condition and performance of the existing transportation infrastructure, using an~~
173 ~~asset management methodology and generally accepted engineering principles and business practices to~~
174 ~~identify and prioritize maintenance and operations needs and to identify performance standards to be~~
175 ~~used to determine those needs, and funding required to meet those needs; (ii) the Department's strategies~~
176 ~~for improving safety and security, increasing efficiency in agency programs and projects, and~~
177 ~~collaborating with the private sector and local government in the delivery of services; (iii) the operating~~
178 ~~and financial activities of the Department, including the construction and maintenance programs,~~

179 transportation costs and revenue, and federal allocations; (iv) the use of funds in the Innovation and
 180 Technology Transportation Fund established pursuant to ~~§ 33.2-1531~~; and (v) other such matters of
 181 importance to transportation in the Commonwealth. The content of such report shall be specified by the
 182 Board and shall contain, at a minimum:

183 1. The condition of existing transportation assets, using asset management methodology pursuant to
 184 § 33.2-352;

185 2. The methodology used to determine maintenance needs, including an explanation of the
 186 transparent methodology used for the allocation of funds from the Highway Maintenance and Operating
 187 Fund pursuant to subsection A of § 33.2-352;

188 3. Beginning with the November 2015 report through the November 2019 report, the allocations to
 189 the reconstruction and rehabilitation of functionally obsolete or structurally deficient bridges and to the
 190 reconstruction of pavements determined to have a combined condition index of less than 60 and
 191 beginning with the November 2020 report, the methodology used to determine allocations of
 192 construction funds for state of good repair purposes as defined in § 33.2-369 and any waiver of the cap
 193 provided for in subsection B of § 33.2-369;

194 4. The performance targets and outcomes for (i) the current two-year period starting July 1 of
 195 even-numbered years and (ii) the following two-year period starting July 1 of the next even-numbered
 196 year. The targets and outcomes shall state what is expected to be achieved, based on funding identified
 197 for maintenance and state of good repair purposes, over each two-year period;

198 5. Beginning with the November 2016 report, a listing of prioritized pavement and bridge needs
 199 based on the priority ranking system developed by the Board pursuant to § 33.2-369 and a description
 200 of the priority ranking system;

201 6. The Department's (i) strategies for improving safety and security and (ii) strategies and activities
 202 to improve highway operations within the Commonwealth, including the use of funds in the Innovation
 203 and Technology Transportation Fund established pursuant to § 33.2-1531 and improved incident
 204 management; and

205 7. A review of the Department's collaboration with the private sector in delivering services.

206 **§ 33.2-318. Bypasses through or around cities and towns.**

207 A. The Commissioner of Highways may acquire by gift, purchase, exchange, condemnation, or
 208 otherwise such lands or interest therein necessary or proper for the purpose and may construct and
 209 improve thereon such bypasses or extensions and connections of the primary state highway system
 210 through or around cities and towns as the Board deems necessary for the uses of the primary state
 211 highway system, provided that the respective cities and towns with populations of 3,500 or more by
 212 action of their governing bodies agree to participate in accordance with the provisions of ~~§ 33.2-348~~ in
 213 all costs of such construction and improvement, including the cost of rights-of-way, on that portion of
 214 any such bypass or extension that is located within any such city or town. The maintenance of that
 215 portion of a bypass or extension located within a city or town shall be borne by the city or town.
 216 However, the Board shall contribute to such maintenance in accordance with the provisions of law
 217 governing its contribution to the maintenance of highways, bridges, and streets in such cities and towns.
 218 The location, form, and character of informational, regulatory, and warning signs, curb and pavement, or
 219 other markings and traffic signals installed or placed by any public authority shall be subject to the
 220 approval of the Commissioner of Highways. At both ends of bypasses through or around cities and
 221 towns, the Commissioner of Highways shall erect and maintain adequate directional signs of sufficient
 222 size and suitable design to indicate clearly the main route leading directly into such cities and towns.

223 B. Notwithstanding the provisions of subsection A, in any case in which a municipality refuses to
 224 contribute to the construction of a bypass or an extension or connection of the primary state highway
 225 system within said municipality, the Commissioner of Highways may construct such bypass or extension
 226 and connection without any contribution by the municipality when the Board determines that such
 227 bypass or extension and connection is primarily rural in character and that the most desirable and
 228 economical location is within the municipality. Any bypass or extension and connection built under this
 229 subsection shall be maintained by the Commissioner of Highways as a part of the primary state highway
 230 system, and the municipality shall receive no payment for such bypass or extension and connection
 231 under § 33.2-319.

232 C. All the provisions of general law relating to the exercise of eminent domain by the Commissioner
 233 of Highways are applicable to such bypasses, extensions, and connections of the primary state highway
 234 system.

235 D. The Board may expend out of funds appropriated to the Board *and allocated to an applicable*
 236 *project* under ~~subsection B and subdivision C~~ ~~of~~ § 33.2-358, 33.2-370, or 33.2-371 such funds as may
 237 be necessary to carry out the provisions of this section.

238 **§ 33.2-319. Payments to cities and certain towns for maintenance of certain highways.**

239 The Commissioner of Highways, subject to the approval of the Board, shall make payments for

240 maintenance, construction, or reconstruction of highways to all cities and towns eligible for allocation of
 241 construction funds for urban highways under ~~§ 33.2-362~~ *this section*. Such payments, however, shall
 242 only be made if those highways functionally classified as principal and minor arterial roads are
 243 maintained to a standard satisfactory to the Department. Whenever any city or town qualifies under this
 244 section for allocation of funds, such qualification shall continue to apply to such city or town regardless
 245 of any subsequent change in population and shall cease to apply only when so specifically provided by
 246 an act of the General Assembly. ~~All allocations made prior to July 1, 2001, to cities and towns meeting~~
 247 ~~the criteria of the foregoing provisions of this section are hereby confirmed.~~

248 *Funds are allocated to urban highways in (i) all towns that have a population of more than 3,500*
 249 *according to the last preceding United States census; (ii) all towns that, according to evidence*
 250 *satisfactory to the Board, have attained a population of more than 3,500 since the last preceding United*
 251 *States census; (iii) Chase City, Elkton, Grottoes, Narrows, Pearisburg, and Saltville, which, on June 30,*
 252 *1985, maintained certain streets under former § 33.1-80 as then in effect; (iv) all cities regardless of*
 253 *their populations; and (v) the Towns of Altavista, Lebanon, and Wise.*

254 No payments shall be made to any such city or town unless the portion of the highway for which
 255 such payment is made either ~~(i)~~ (a) has ~~(a)~~ (1) an unrestricted right-of-way at least 50 feet wide and ~~(b)~~
 256 (2) a hard-surface width of at least 30 feet; ~~(ii)~~ (b) has ~~(a)~~ (1) an unrestricted right-of-way at least 80
 257 feet wide, ~~(b)~~ (2) a hard-surface width of at least 24 feet, and ~~(c)~~ (3) approved engineering plans for the
 258 ultimate construction of an additional hard-surface width of at least 24 feet within the same
 259 right-of-way; ~~(iii)~~(a) (c) (1) is a cul-de-sac, ~~(b)~~ (2) has an unrestricted right-of-way at least 40 feet wide,
 260 and ~~(c)~~ (3) has a turnaround that meets applicable standards set by the Department; ~~(iv)~~ (d) either ~~(a)~~ (1)
 261 has been paved and has constituted part of the primary or secondary state highway system prior to
 262 annexation or incorporation or ~~(b)~~ (2) has constituted part of the secondary state highway system prior
 263 to annexation or incorporation and is paved to a minimum width of 16 feet subsequent to such
 264 annexation or incorporation and with the further exception of streets or portions thereof that have
 265 previously been maintained under the provisions of § 33.2-339 or 33.2-340; ~~(v)~~ (e) was eligible for and
 266 receiving such payments under the laws of the Commonwealth in effect on June 30, 1985; ~~(vi)~~ (f) is a
 267 street established prior to July 1, 1950, that has an unrestricted right-of-way width of not less than 30
 268 feet and a hard-surface width of not less than 16 feet; ~~(vii)~~ (g) is a street functionally classified as a
 269 local street that was constructed on or after January 1, 1996, and that at the time of approval by the city
 270 or town met the criteria for pavement width and right-of-way of the then-current design standards for
 271 subdivision streets as set forth in regulations adopted by the Board; ~~(viii)~~ (h) is a street previously
 272 eligible to receive street payments that is located in the City of Norfolk or the City of Richmond and is
 273 closed to public travel, pursuant to legislation enacted by the governing body of the locality in which it
 274 is located, for public safety reasons, within the boundaries of a publicly funded housing development
 275 owned and operated by the local housing authority; or ~~(ix)~~ (i) is a local street, otherwise eligible,
 276 containing one or more physical protuberances placed within the right-of-way for the purpose of
 277 controlling the speed of traffic.

278 However, the Commissioner of Highways may waive the requirements as to hard-surface pavement
 279 or right-of-way width for highways where the width modification is at the request of the governing body
 280 of the locality and is to protect the quality of the affected locality's drinking water supply or, for
 281 highways constructed on or after July 1, 1994, to accommodate some other special circumstance where
 282 such action would not compromise the health, safety, or welfare of the public. The modification is
 283 subject to such conditions as the Commissioner of Highways may prescribe.

284 For the purpose of calculating allocations and making payments under this section, the Department
 285 shall divide affected highways into two categories, which shall be distinct from but based on functional
 286 classifications established by the Federal Highway Administration: ~~(1)~~ (A) principal and minor arterial
 287 roads and ~~(2)~~ (B) collector roads and local streets. Payments made to affected localities shall be based
 288 on the number of moving-lane-miles of highways or portions thereof available to peak-hour traffic in
 289 that locality.

290 The Department shall recommend to the Board an annual rate per category to be computed using the
 291 base rate of growth planned for the Department's Highway Maintenance and Operations program. The
 292 Board shall establish the annual rates of such payments as part of its allocation for such purpose, and
 293 the Department shall use those rates to calculate and put into effect annual changes in each qualifying
 294 city's or town's payment under this section.

295 The payments by the Department shall be paid in equal sums in each quarter of the fiscal year, and
 296 payments shall not exceed the allocation of the Board.

297 The chief administrative officer of the city or town receiving ~~this fund~~ *these funds* shall make annual
 298 categorical reports of expenditures to the Department, in such form as the Board shall prescribe,
 299 accounting for all expenditures, certifying that none of the money received has been expended for other
 300 than maintenance, construction, or reconstruction of the streets, and reporting on their performance as

301 specified in subsection B of § 33.2-352. Such reports shall be included in the scope of the annual audit
 302 of each municipality conducted by independent certified public accountants.

303 **§ 33.2-328. Department of Transportation to install and maintain certain signs.**

304 Whenever so requested by the governing body of a county, the Department shall install a system of
 305 highway name signs on state-maintained highways at such time and upon such terms and conditions as
 306 may be mutually agreed to between the county and the Commissioner of Highways.

307 The Department shall install, using state forces or contract, the initial signing system, and the county
 308 shall be responsible for continuing maintenance of the signs. Supply of the signs by the Department,
 309 either by manufacture or purchase, and initial installation shall be paid for from ~~appropriate secondary~~
 310 ~~construction funds allocated to the county or from primary construction funds available to the~~
 311 ~~Department funds available to the Department for highway maintenance.~~

312 No highway funds shall be used by the county for the cost of maintaining the signing system.

313 **§ 33.2-331. Annual meeting with county officers; six-year plan for secondary state highways;**
 314 **certain reimbursements required.**

315 For purposes of this section, "cancellation" means complete elimination of a highway construction or
 316 improvement project from the six-year plan.

317 The governing body of each county in the secondary state highway system may, jointly with the
 318 representatives of the Department as designated by the Commissioner of Highways, prepare a six-year
 319 plan for the improvements to the secondary state highway system in that county. Each such six-year
 320 plan shall be based upon the best estimate of funds to be available to the county for expenditure in the
 321 six-year period on the secondary state highway system. Each such plan shall list the proposed
 322 improvements, together with an estimated cost of each project so listed. Following the preparation of the
 323 plan, the board of supervisors or other local governing body shall conduct a public hearing after
 324 publishing notice in a newspaper published in or having general circulation in the county once a week
 325 for two successive weeks and posting notice of the proposed hearing at the front door of the courthouse
 326 for such county 10 days before the meeting. At the public hearings, which shall be conducted jointly by
 327 the board of supervisors and the representative of the Department, the entire six-year plan shall be
 328 discussed with the citizens of the county and their views considered. Following the discussion, the local
 329 governing body, together with the representative of the Department, shall finalize and officially adopt
 330 the six-year plan, which shall then be considered the official plan of the county.

331 At least once in each calendar year, representatives of the Department in charge of the secondary
 332 state highway system in each county, or some representative of the Department designated by the
 333 Commissioner of Highways, shall meet with the governing body of each county in a regular or special
 334 meeting of the local governing body for the purpose of preparing a budget for the expenditure of
 335 improvement funds for the next fiscal year. The representative of the Department shall furnish the local
 336 governing body with an updated estimate of funds, and the board and the representative of the
 337 Department shall jointly prepare the list of projects to be carried out in that fiscal year taken from the
 338 six-year plan by order of priority and following generally the policies of the Board in regard to the
 339 statewide improvements to the secondary state highway system. Such list of priorities shall then be
 340 presented at a public hearing duly advertised in accordance with the procedure outlined in this section,
 341 and comments of citizens shall be obtained and considered. Following this public hearing, the board,
 342 with the concurrence of the representative of the Department, shall adopt, as official, a priority program
 343 for the ensuing year, and the Department shall include such listed projects in its secondary highways
 344 budget for the county for that year.

345 At least once every two years following the adoption of the original six-year plan, the governing
 346 body of each county, together with the representative of the Department, shall update the six-year plan
 347 of the county by adding to it and extending it as necessary so as to maintain it as a plan encompassing
 348 six years. Whenever additional funds for secondary highway purposes become available, the local
 349 governing body may request a revision in its six-year plan in order that such plan be amended to
 350 provide for the expenditure of the additional funds. Such additions and extensions to each six-year plan
 351 shall be prepared in the same manner and following the same procedures as outlined herein for its initial
 352 preparation. Where the local governing body and the representative of the Department fail to agree upon
 353 a priority program, the local governing body may appeal to the Commissioner of Highways. The
 354 Commissioner of Highways shall consider all proposed priorities and render a decision establishing a
 355 priority program based upon a consideration by the Commissioner of Highways of the welfare and
 356 safety of county citizens. Such decision shall be binding.

357 Nothing in this section shall preclude a local governing body, with the concurrence of the
 358 representative of the Department, from combining the public hearing required for revision of a six-year
 359 plan with the public hearing required for review of the list of priorities, provided that notice of such
 360 combined hearing is published in accordance with procedures provided in this section.

361 All such six-year plans shall consider all existing highways in the secondary state highway system,

362 including those in the towns located in the county that are maintained as a part of the secondary state
363 highway system, and shall be made a public document.

364 If any county cancels any highway construction or improvement project included in its six-year plan
365 after the location and design for the project has been approved, such county shall reimburse the
366 Department the net amount of all funds expended by the Department for planning, engineering,
367 right-of-way acquisition, demolition, relocation, and construction between the date on which project
368 development was initiated and the date of cancellation. To the extent that funds from secondary highway
369 allocations pursuant to ~~§ 33.2-364~~ have been expended to pay for a highway construction or
370 improvement project, all revenues generated from a reimbursement by the county shall be deposited into
371 that same county's secondary highway allocation. The Commissioner of Highways may waive all or any
372 portion of such reimbursement at his discretion.

373 The provisions of this section shall not apply in instances where less than 100 percent of the
374 right-of-way is available for donation for unpaved highway improvements.

375 **§ 33.2-337. Contributions to primary or secondary state highway construction by counties.**

376 Notwithstanding any other provision of law, any county having highways in the primary or
377 secondary state highway system may contribute funds annually for the construction of primary or
378 secondary highways. The funds contributed by such county shall be appropriated from the county's
379 general revenues for use by the Department on the primary or secondary state highway system within
380 such county as may be determined by the board of supervisors of such county in cooperation with the
381 Department. The funds to which any county may be entitled under the provisions of §§ § 33.2-358,
382 ~~33.2-361, and 33.2-364~~ for construction, improvement, or maintenance of primary or secondary
383 highways shall not be diminished by reason of any funds contributed for that purpose by such county or
384 by any person or entity, regardless of whether such contributions are matched by state or federal funds.

385 **§ 33.2-338. Construction and improvement of primary or secondary highways by counties.**

386 A. Notwithstanding any other provisions of this article, the governing body of any county may
387 expend general revenues or revenues derived from the sale of bonds for the purpose of constructing or
388 improving highways, including curbs, gutters, drainageways, sound barriers, sidewalks, and all other
389 features or appurtenances conducive to the public safety and convenience, that either have been or may
390 be taken into the primary or secondary state highway system. Project planning and the acquisition of
391 rights-of-way shall be under the control and at the direction of the county, subject to the approval of
392 project plans and specifications by the Department. All costs incurred by the Department in
393 administering such contracts shall be reimbursed from the county's general revenues or from revenues
394 derived from the sale of bonds or such costs may be charged against the funds that the county may be
395 entitled to under the provisions of § 33.2-358; ~~33.2-361, or 33.2-364.~~

396 B. Projects undertaken under the authority of subsection A shall not diminish the funds to which a
397 county may be entitled under the provisions of § 33.2-357; *or* 33.2-358; ~~33.2-361, or 33.2-364.~~

398 C. At the request of the county, the Department may agree to undertake the design, right-of-way
399 acquisition, or construction of projects funded by the county. In such situations, the Department and the
400 county shall enter into an agreement specifying all relevant procedures and responsibilities concerning
401 the design, right-of-way acquisition, construction, or contract administration of projects to be funded by
402 the county. The county shall reimburse the Department for all costs incurred by the Department in
403 carrying out the aforesaid activities from general revenues or revenues derived from the sale of bonds.

404 D. Notwithstanding any contrary provision of law, any county may undertake activities toward the
405 design, land acquisition, or construction of primary or secondary state highway projects that have been
406 included in the six-year plan pursuant to § 33.2-331, or in the case of a primary state highway, an
407 approved project included in the six-year improvement program of the Board. In such situations, the
408 Department and the county shall enter into an agreement specifying all relevant procedures and
409 responsibilities concerning the design, right-of-way acquisition, construction, or contract administration
410 of projects to be funded by the Department. Such activities shall be undertaken with the prior
411 concurrence of the Department, and the Department shall reimburse the county for expenses incurred in
412 carrying out these activities. Such reimbursement shall be derived from primary or secondary highway
413 funds that the county may be entitled to under the provisions of this chapter. The county may undertake
414 these activities in accordance with all applicable county procedures, provided the Commissioner of
415 Highways finds that those county procedures are substantially similar to departmental procedures and
416 specifications.

417 E. If funding for the construction of a primary or interstate project is scheduled in the Board's
418 Six-Year Improvement Program as defined in § 33.2-214, a locality may choose to advance funds to the
419 project. If such advance is offered, the Board may consider such request and agree to such advancement
420 and the subsequent reimbursement of the locality of the advance in accordance with terms agreed upon
421 by the Board or its designee and the locality.

422 F. Any county carrying out any construction project as authorized in this section may, in so doing,

423 exercise the powers granted the Commissioner of Highways under Article 1 (§ 33.2-1000 et seq.) of
 424 Chapter 10 to enter property for the purpose of making an examination and survey thereof, with a view
 425 to ascertainment of its suitability for highway purposes and any other purpose incidental thereto.

426 G. For the purposes of this section, any county without an existing franchise agreement, when
 427 administering a Department-sanctioned project under a land-use permit or transportation project
 428 agreement, shall have the same authority as the Department pertaining to the relocation of utilities.

429 H. Whenever so requested by any county, funding of any project undertaken as provided in this
 430 section may be supplemented solely by state funds in order to avoid the necessity of complying with
 431 additional federal requirements, provided a determination has been made by the Department that (i)
 432 adequate state funds are available to fully match available federal transportation funds and (ii) the
 433 Department can meet its federal obligation authority, as permitted by federal law.

434 **§ 33.2-349. Character of signs, markings, and signals.**

435 On any urban highway upon which the Board has expended funds ~~in the manner provided in~~
 436 ~~§§ 33.2-348 and 33.2-362~~, the location, form, and character of informational, regulatory, and warning
 437 signs, curb and pavement, or other markings and traffic signals installed or placed by any public
 438 authority shall be subject to the approval of the Commissioner of Highways.

439 **§ 33.2-352. Asset management practices; report.**

440 A. The Department shall develop asset management practices in the operation and maintenance of the
 441 systems of state highways. *Such practices shall include a transparent methodology for the allocation of*
 442 *funds from the Highway Maintenance and Operating Fund established pursuant to § 33.2-1530 to*
 443 *highway systems maintenance and operations programs, including the allocations among the highway*
 444 *construction districts and among the Interstate System and primary and secondary state highway*
 445 *systems.*

446 B. The Commissioner of Highways shall advise the Board on or before June 30 of even-numbered
 447 years of performance targets and outcomes that are expected to be achieved, based on the funding
 448 identified for maintenance, over the biennium beginning July 1 of that year. In addition, not later than
 449 September 30 of even-numbered years, the Commissioner of Highways shall advise the Board on the
 450 Department's accomplishments relative to the expected outcomes and budget expenditures for the
 451 biennium ending June 30 of that year and also advise the Board as to the methodology used to
 452 determine maintenance needs and the justification as to the maintenance funding by source.

453 **§ 33.2-357. Revenue-sharing funds for systems in certain localities.**

454 A. From revenues made available by the General Assembly and appropriated for the improvement,
 455 construction, reconstruction, or maintenance of the systems of state highways, the Board may make an
 456 equivalent matching allocation to any locality for designations by the governing body of up to \$10
 457 million for use by the locality to improve, construct, or reconstruct the highway systems within such
 458 locality with up to \$5 million for use by the locality to maintain the highway systems within such
 459 locality. After adopting a resolution supporting the action, the governing body of the locality may
 460 request revenue-sharing funds to improve, construct, reconstruct, or maintain a highway system located
 461 in another locality or between two or more localities or to bring subdivision streets, used as such prior
 462 to the date specified in § 33.2-335, up to standards sufficient to qualify them for inclusion in the
 463 primary or secondary state highway system. All requests for funding shall be accompanied by a
 464 prioritized listing of specified projects.

465 B. In allocating funds under this section, the Board shall give priority ~~first to allocations that will~~
 466 ~~accelerate projects in the Board's Six-Year Improvement Program or the locality's capital plan and next~~
 467 ~~to those to projects as follows: first, to projects that have previously received an allocation of funds~~
 468 ~~pursuant to this section; second, to projects that (i) meet a transportation need identified in the~~
 469 ~~Statewide Transportation Plan pursuant to § 33.2-353 or (ii) accelerate a project in a locality's capital~~
 470 ~~plan; and third, to projects that address pavement resurfacing and bridge rehabilitation projects where~~
 471 ~~the maintenance needs analysis determines that the infrastructure is below does not meet the~~
 472 ~~Department's maintenance performance targets.~~

473 C. The Department shall contract with the locality for the implementation of the project. Such
 474 contract may cover either a single project or may provide for the locality's implementation of several
 475 projects. The locality shall undertake implementation of the particular project by obtaining the necessary
 476 permits from the Department in order to ensure that the improvement is consistent with the Department's
 477 standards for such improvements. At the request of the locality, the Department may provide the locality
 478 with engineering, right-of-way acquisition, construction, or maintenance services for a project with its
 479 own forces. The locality shall provide payment to the Department for any such services. If administered
 480 by the Department, such contract shall also require that the governing body of the locality pay to the
 481 Department within 30 days the local revenue-sharing funds upon written notice by the Department of its
 482 intent to proceed. Any project having funds allocated under this program shall be initiated in such a
 483 fashion that at least a portion of such funds have been expended within one year of allocation. Any

484 revenue-sharing funds for projects not initiated after two subsequent fiscal years of allocation may be
485 reallocated at the discretion of the Board.

486 D. Total Commonwealth funds allocated by the Board under this section shall be no less than \$15
487 million and no more than \$200 million in each fiscal year, subject to appropriation for such purpose.
488 For any fiscal year in which less than the full program allocation has been allocated by the Board to
489 specific governing bodies, those localities requesting the maximum allocation under subsection A may
490 be allowed an additional allocation at the discretion of the Board.

491 E. The funds allocated by the Board under this section shall be distributed and administered in
492 accordance with the revenue-sharing program guidelines established by the Board.

493 **§ 33.2-358. Allocation of funds among highway systems.**

494 A. For the purposes of this section:

495 "Bridge reconstruction and rehabilitation" means reconstruction and rehabilitation of those bridges
496 identified by the Department as being functionally obsolete or structurally deficient.

497 "High priority projects" means those projects of regional or statewide significance identified by the
498 Board that reduce congestion, increase safety, create jobs, or increase economic development.

499 "High-tech infrastructure improvements" means those projects or programs identified by the Board
500 that reduce congestion, improve mobility, improve safety, provide up-to-date travel data, or improve
501 emergency response.

502 B. The Board shall allocate each year from all funds made available for highway purposes such
503 amount as it deems reasonable and necessary for the maintenance of roads within the Interstate System,
504 the primary state highway system, and the secondary state highway system and for city and town street
505 maintenance payments made pursuant to § 33.2-319 and payments made to counties that have withdrawn
506 or elect to withdraw from the secondary state highway system pursuant to § 33.2-366.

507 C. ~~After~~ *Until July 1, 2020, after* funds are set aside for administrative and general expenses and
508 pursuant to other provisions in this title that provide for the disposition of funds prior to allocation for
509 highway purposes, and after allocation is made pursuant to subsection B, the Board shall allocate an
510 amount determined by the Board not to exceed \$500 million in any given year as follows: (i) 25 percent
511 to bridge reconstruction and rehabilitation; (ii) 25 percent to advancing high priority projects statewide;
512 (iii) 25 percent to reconstructing deteriorated Interstate System, primary state highway system, and
513 municipality maintained primary extension pavements determined to have a Combined Condition Index
514 of less than 60; (iv) 15 percent to projects undertaken pursuant to the Public-Private Transportation Act
515 of 1995 (§ 33.2-1800 et seq.); (v) five percent to paving unpaved highways carrying more than 50
516 vehicles per day; and (vi) five percent to the Innovation and Technology Transportation Fund established
517 pursuant to § 33.2-1531 for high-tech infrastructure improvements, provided that at the discretion of the
518 Board such percentages of funds may be adjusted in any given year to meet project cash flow needs or
519 when funds cannot be expended due to legal, environmental, or other project management considerations
520 ~~and provided that such allocations shall cease beginning July 1, 2020.~~ After such allocations are made,
521 the Board may allocate each year up to 10 percent of the funds remaining for highway purposes for the
522 undertaking and financing of rail projects that in the Board's determination will result in mitigation of
523 highway congestion. After the foregoing allocations have been made, the Board shall allocate the
524 remaining funds available for highway purposes, exclusive of federal funds for the Interstate System,
525 ~~among the highway systems for construction first~~ pursuant to §§ ~~33.2-359~~ and § 33.2-360 and ~~then any~~
526 ~~funds not allocated to a project in the Six-Year Improvement Program~~ as follows:

527 1. ~~Forty percent of the remaining funds exclusive of federal-aid matching funds for the Interstate~~
528 ~~System shall be allocated to the primary state highway system, including the arterial network, and in~~
529 ~~addition, an amount shall be allocated to the primary state highway system as interstate matching funds~~
530 ~~as provided in subsection B of § 33.2-361.~~

531 2. ~~Thirty percent of the remaining funds exclusive of federal-aid matching funds for the Interstate~~
532 ~~System shall be allocated to urban highways for state aid pursuant to § 33.2-348.~~

533 3. ~~Thirty percent of the remaining funds exclusive of federal-aid matching funds for the Interstate~~
534 ~~System shall be allocated to the secondary state highway system 50 percent for the high-priority projects~~
535 ~~program established pursuant to § 33.2-370 and 50 percent for the highway construction district grant~~
536 ~~programs established pursuant to § 33.2-371.~~

537 D. *For funds allocated for fiscal years beginning on and after July 1, 2020, after funds are set aside*
538 *for administrative and general expenses and pursuant to other provisions in this title that provide for*
539 *the disposition of funds prior to allocation for highway purposes, and after allocation is made pursuant*
540 *to subsection B, the Board shall allocate all remaining funds, including funds apportioned pursuant to*
541 *23 U.S.C. § 104, as follows:*

542 1. *Forty-five percent of the remaining funds to state of good repair purposes as set forth in*
543 *§ 33.2-369;*

544 2. *Twenty-seven and one-half percent of the remaining funds to the high-priority projects program*

545 established pursuant to § 33.2-370; and

546 3. Twenty-seven and one-half percent of the remaining funds to the highway construction district
547 grant programs established pursuant to § 33.2-371.

548 E. The funds allocated in subsection C or D shall not include any federal funds and related state
549 match for federal funds with restrictions regarding the construction of general capacity expansion of
550 roadways, or federal funds not under the control of the Board. Such exclusion shall not include
551 restrictions on the location of projects to specific road classifications.

552 F. In addition, the Board, from funds appropriated for such purpose in the general appropriation act,
553 shall allocate additional funds to the Cities of Newport News, Norfolk, and Portsmouth and the County
554 of Warren in such manner and apportion such funds among such localities as the Board may determine,
555 unless otherwise provided in the general appropriation act. The localities shall use such funds to address
556 highway maintenance and repair needs created by or associated with port operations in those localities.

557 E. G. Notwithstanding the provisions of this section, the General Assembly may, through the general
558 appropriation act, permit the Governor to increase the amounts to be allocated to highway maintenance,
559 highway construction, either or both.

560 **§ 33.2-359. Unpaved secondary highway funds.**

561 A. Before funds are allocated for distribution for highway construction pursuant to subdivisions C 1,
562 2, and 3 of ~~§ 33.2-358~~, a fund shall be established for the paving of nonsurface treated secondary
563 highways that carry 50 vehicles or more per day. Such fund shall contain 5.67 percent of the total funds
564 available for highway construction under subdivisions C 1, 2, and 3 of ~~§ 33.2-358~~ Funds from the
565 highway construction district grant programs established pursuant to § 33.2-371 shall be allocated for
566 the improvement of nonsurface treated secondary highways that carry 50 or more vehicles per day.
567 Funds shall be deducted from the allocation made to each highway construction district pursuant to
568 subsection D of § 33.2-371 and such deduction shall be based on the ratio of nonsurface treated
569 secondary highways in each highway construction district that carry 50 or more vehicles per day to the
570 total number of such nonsurface treated secondary highways in the Commonwealth.

571 Total funds of the Commonwealth allocated by the Board under this section shall not exceed \$25
572 million annually.

573 B. Such funds shall be distributed to counties in the secondary state highway system based on the
574 ratio of nonsurface treated roads in each county carrying 50 vehicles or more per day to the total
575 number of such nonsurface treated roads in the Commonwealth.

576 C. The governing body of any county may have funds allocated to the county under this section
577 added to the county's secondary system construction funds allocated pursuant to ~~§ 33.2-364~~. For each
578 \$250,000 or portion thereof added to secondary construction funds under this provision, the amount of
579 the county's nonsurface treated roads used to distribute funds under this section in subsequent years shall
580 be reduced by one mile or proportional part of one mile.

581 **§ 33.2-360. Allocation of funds for interstate match.**

582 After ~~Until July 1, 2020~~, after making the allocations provided for in subsection B of § 33.2-358, but
583 before making any allocations under subdivisions C 1, 2, and 3 of ~~§ 33.2-358~~, a fund shall be
584 established for matching federal-aid interstate funds.

585 This fund shall be established annually by allocating to it all federal-aid interstate matching funds
586 needed for the year; less the total amount of highway construction district primary allocations for the
587 interstate federal-aid match allocated under subsection B of ~~§ 33.2-361~~.

588 **§ 33.2-363. Construction of U.S. Route 29 bypass.**

589 If the construction of a U.S. Route 29 bypass around any city located in any county that both (i) is
590 located outside Planning District 8 and (ii) operates under the county executive form of government is
591 not constructed because of opposition from a metropolitan planning organization, and the Federal
592 Highway Administration requires the Commonwealth to reimburse the federal government for federal
593 funds expended in connection with such project, an amount equal to the amount of such reimbursement
594 shall be deducted by the Board from primary state highway system construction funds allocated or
595 allocable to the highway construction district in which the project was located. Furthermore, in the event
596 of such nonconstruction, an amount equal to the total of all state funds expended on such project shall
597 be deducted by the Board from primary state highway system construction funds allocated or allocable
598 to the highway construction district in which the project was located.

599 **§ 33.2-365. Allocation of proceeds of Commonwealth of Virginia Transportation Capital
600 Projects Revenue Bonds.**

601 The Board shall allocate, use, and distribute the proceeds of any bonds it is authorized to issue on or
602 after July 1, 2007, pursuant to subdivision 10 of § 33.2-1701, as follows:

603 1. A minimum of 20 percent of the bond proceeds shall be used for transit capital as further
604 described in subdivision A 4 c of § 58.1-638.

605 2. A minimum of 4.3 percent of the bond proceeds shall be used for rail capital consistent with the

606 provisions of §§ 33.2-1601 and 33.2-1602.

607 3. The remaining amount of bond proceeds shall be used for paying the costs incurred or to be
 608 incurred for construction of transportation projects with such bond proceeds used or allocated as follows:
 609 (i) first, to match federal highway funds projected to be made available and allocated to highway and
 610 public transportation capital projects to the extent determined by the Board, for purposes of allowing
 611 additional state construction funds to be allocated to the primary, urban, and secondary highway systems
 612 pursuant to subdivisions 1, 2, and 3 of § 33.2-358; (ii) second, to provide any required funding to
 613 fulfill the Commonwealth's allocation of equivalent revenue sharing matching funds pursuant to
 614 § 33.2-357 to the extent determined by the Board; and (iii) third, to pay or fund the costs of statewide
 615 or regional projects throughout the Commonwealth. Costs incurred or to be incurred for construction or
 616 funding of these transportation projects shall include environmental and engineering studies;
 617 rights-of-way acquisition; improvements to all modes of transportation; acquisition, construction, and
 618 related improvements; and any financing costs or other financing expenses relating to such bonds. Such
 619 costs may include the payment of interest on such bonds for a period during construction and not
 620 exceeding one year after completion of construction of the relevant project.

621 4. The total amount of bonds authorized shall be used for purposes of applying the percentages in
 622 subdivisions 1, 2, and 3.

623 **§ 33.2-366. Funds for counties that have withdrawn or elect to withdraw from the secondary**
 624 **state highway system.**

625 Pursuant to subsection B of § 33.2-358, the Board shall make the following payments to counties that
 626 have withdrawn or elect to withdraw from the secondary state highway system under the provisions of
 627 § 11 of Chapter 415 of the Acts of Assembly of 1932 and that have not elected to return: to any county
 628 having withdrawn prior to June 30, 1985, and having an area greater than 100 square miles, an amount
 629 equal to \$12,529 per lane-mile for fiscal year 2014, and to any county having an area less than 100
 630 square miles, an amount equal to \$17,218 per lane-mile for fiscal year 2014; to any county that elects to
 631 withdraw after June 30, 1985, the Board shall establish a rate per lane-mile for the first year using (i) an
 632 amount for maintenance based on maintenance standards and unit costs used by the Department to
 633 prepare its secondary state highway system maintenance budget for the year in which the county
 634 withdraws and (ii) an amount for administration equal to five percent of the maintenance figure
 635 determined in clause (i). The payment rates shall be adjusted annually by the Board in accordance with
 636 procedures established for adjusting payments to cities and towns under § 33.2-319, and lane mileage
 637 shall be adjusted annually to include (a) streets and highways accepted for maintenance in the county
 638 system by the local governing body or (b) streets and highways constructed according to standards set
 639 forth in the county subdivision ordinance or county thoroughfare plan, and being not less than the
 640 standards set by the Department. Such counties shall, in addition, each receive for construction from
 641 funds allocated pursuant to subdivision C of § 33.2-358 an annual amount calculated in the same
 642 manner as payments for construction in the secondary state highway system are calculated *be eligible to*
 643 *receive allocations pursuant to subsection C or D of § 33.2-358.*

644 Payment of the funds shall be made in four equal sums, one in each quarter of the fiscal year, and
 645 shall be reduced in the case of each such county by the amount of federal-aid construction funds
 646 credited to each such county.

647 The chief administrative officer of such counties receiving such funds shall make annual reports of
 648 expenditures to the Board, in such form as the Board shall prescribe, accounting for all expenditures,
 649 including delineation between construction and maintenance expenditures and reporting on their
 650 performance as specified in subsection B of § 33.2-352. Such reports shall be included in the scope of
 651 the annual audit of each county conducted by independent certified public accountants.

652 **§ 33.2-369. State of good repair.**

653 A. As used in this section, "state of good repair purposes" means improvement of deficient pavement
 654 conditions and improvement of structurally deficient bridges.

655 B. The Board shall use funds allocated in § 33.2-358 and § 58.1-1741 to state of good repair
 656 purposes for reconstruction and replacement of structurally deficient state and locally owned bridges
 657 and reconstruction and rehabilitation of pavement on the Interstate System and primary state highway
 658 system determined to be deteriorated by the Board, including municipality-maintained primary
 659 extensions.

660 The Board shall allocate these funds to projects in all nine highway construction districts for state of
 661 good repair purposes based on a priority ranking system that takes into consideration (i) the number,
 662 condition, and costs of structurally deficient bridges and (ii) the mileage, condition, and costs to replace
 663 deteriorated pavements. The Board shall ensure an equitable needs-based distribution of funding among
 664 the highway construction districts, with no district receiving more than 17.5 percent or less than 5.5
 665 percent of the total funding allocated in any given year. The Board may, by a duly adopted resolution,
 666 waive the cap provided in this section for a fiscal year only when it determines that due to

667 extraordinary circumstances or needs the cap inhibits the ability of the Department to address a key
668 pavement or bridge need that has been identified.

669 C. In any year in which the Department has not met the established targets for secondary pavements
670 developed in accordance with § 33.2-232 and before making the allocations in subsection B, the Board
671 may allocate up to 20 percent of these funds to all nine highway construction districts to improve the
672 condition of secondary pavements. The Board shall ensure an equitable needs-based distribution of
673 funds among highway construction districts based on the mileage, condition, and cost to improve
674 secondary pavements.

675 **§ 33.2-370. High-priority projects program.**

676 A. As used in this section, "high-priority projects" means those projects of regional or statewide
677 significance, such as projects that reduce congestion or increase safety, accessibility, environmental
678 quality, or economic development.

679 B. The Board shall establish a high-priority projects program and shall use funds allocated in
680 § 33.2-358 to the program for projects and strategies that address a transportation need identified for a
681 corridor of statewide significance or a regional network in the Statewide Transportation Plan pursuant
682 to § 33.2-353. From funds allocated to this program, the Board shall allocate funds to the Innovation
683 and Technology Transportation Fund, provided that the allocation shall not exceed \$25 million
684 annually.

685 In selecting projects and strategies for funding under this program, the Board shall screen, evaluate,
686 and select candidate projects and strategies according to the process established pursuant to subsection
687 B of § 33.2-214.1.

688 **§ 33.2-371. Highway construction district grant programs.**

689 A. As used in this section:

690 "Land area" means the total land area of the counties within a highway construction district reduced
691 by the area of any military reservations and state or national parks or forests within its boundaries and
692 such other similar areas and facilities of five square miles in area or more, as may be determined by
693 the Board.

694 "Population" means the population according to the latest U.S. census or the latest population
695 estimates made by the Weldon Cooper Center for Public Service of the University of Virginia, whichever
696 is more recent.

697 B. The Board shall establish a grant program in each highway construction district to fund projects
698 and strategies that address a need in the Statewide Transportation Plan developed pursuant to
699 § 33.2-353.

700 C. The Board shall solicit candidate projects and strategies from local governments for consideration
701 in the applicable highway construction district's grant program. Candidate projects and strategies shall
702 be screened, evaluated, and selected by the Board according to the process established pursuant to
703 subsection B of § 33.2-214.1 but shall be within a highway construction district and not outside such
704 highway construction district. Candidate projects and strategies from localities within a highway
705 construction district shall be scored against projects and strategies within the same highway
706 construction district. Only those candidate projects and strategies submitted by a locality shall be
707 funded.

708 D. Funds allocated to this program under § 33.2-358 shall be distributed to each highway
709 construction district for that district's grant program as follows:

710 1. Thirty percent based on the ratio of the population of the cities and towns eligible to receive
711 payments pursuant to § 33.2-319 within a highway construction district to the total population of the
712 cities and towns eligible to receive payments pursuant to § 33.2-319 within the Commonwealth;

713 2. Twenty-eight percent based on the ratio of vehicle miles traveled on primary highways within the
714 highway construction district to the total vehicle miles traveled on primary highways in the
715 Commonwealth;

716 3. Twenty-four percent based on the ratio of the population of counties within a highway
717 construction district to the total population of all counties within the Commonwealth;

718 4. Ten percent based on the ratio of the number of primary lane-miles in the highway construction
719 district to the total number of primary lane-miles within the Commonwealth;

720 5. Six percent based on the ratio of the land area of counties within the highway construction district
721 to the total land area of counties within the Commonwealth; and

722 6. Two percent based on a primary need factor based on addressing the largest under-allocation to
723 highway construction districts relative to primary needs.

724 E. Projects awarded funds under a grant program established by this section may be administered by
725 the local government pursuant to § 33.2-228 or by the Department.

726 **§ 33.2-1501. Definitions.**

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

728 "Bank" means the Virginia Transportation Infrastructure Bank created in § 33.2-1502.

729 "Cost," as applied to any project financed under the provisions of this article, means the total of all
730 costs, including the costs of planning, design, right-of-way acquisition, engineering, and construction,
731 incurred by an eligible borrower or other project sponsor as reasonable and necessary for carrying out
732 all works and undertakings necessary or incident to the accomplishment of any project. "Cost" also
733 includes capitalized interest; reasonably required reserve funds; and financing, credit enhancement, and
734 issuance costs.

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

737 "Creditworthiness" means attributes such as revenue stability, debt service coverage, reserves, and
738 other factors commonly considered in assessing the strength of the security for indebtedness.

739 "Eligible borrower" means any (i) private entity; (ii) governmental entity; (iii) instrumentality,
740 corporation, or entity established by any of the foregoing pursuant to § 33.2-1505; or (iv) combination
741 of two or more of the foregoing.

742 "Finance" and any variation of the term, when used in connection with a cost or a project, includes
743 both the initial financing and any refinancing of the cost or project and any variation of such terms.
744 "*Finance*" does not include a grant.

745 "Governmental entity" means any (i) locality; (ii) local, regional, state, or federal entity;
746 transportation authority, planning district, commission, or political subdivision created by the General
747 Assembly or pursuant to the Constitution and laws of the Commonwealth; or public transportation entity
748 owned, operated, or controlled by one or more local entities; (iii) entity established by interstate
749 compact; (iv) instrumentality, corporation, or entity established by any of the foregoing pursuant to
750 § 33.2-1505; or (v) combination of two or more of the foregoing.

751 "Grant" means a transfer of moneys or property that does not impose any obligation or condition on
752 the grantee to repay any amount to the transferor other than in connection with assuring that the
753 transferred moneys or property will be spent or used in accordance with the governmental purpose of
754 the transfer. "Grant" includes direct cash payments made to pay or reimburse all or a portion of interest
755 payments made by a grantee on a debt obligation. As provided in §§ 33.2-1502 and 33.2-1503, only
756 governmental entities may receive grants of moneys or property held in or for the credit of the Bank.

757 "Loan" means an obligation subject to repayment that is provided by the Bank to an eligible
758 borrower to finance all or a part of the eligible cost of a project incurred by the eligible borrower or
759 other project sponsor. A loan may be disbursed (i) in anticipation of reimbursement (including an
760 advance or draw under a credit enhancement instrument), (ii) as direct payment of eligible costs, or (iii)
761 to redeem or defease a prior obligation incurred by the eligible borrower or other project sponsor to
762 finance the eligible costs of a project.

763 "Management agreement" means the memorandum of understanding or interagency agreement among
764 the manager, the Secretary of Finance, and the Board as authorized under subsection B of § 33.2-1502.

765 "Manager" means the Virginia Resources Authority serving as the manager, administrator, and trustee
766 of funds disbursed from the Bank in accordance with the provisions of this article and the management
767 agreement.

768 "Other financial assistance" ~~means, but is not limited to, grants,~~ *includes* capital, or debt reserves for
769 bonds or debt instrument financing, provision of letters of credit and other forms of credit enhancement,
770 and other lawful forms of financing and methods of leveraging funds that are approved by the manager.

771 "Private entity" means any private or nongovernmental entity that has executed an interim or
772 comprehensive agreement to develop and construct a transportation infrastructure project pursuant to the
773 Public-Private Transportation Act of 1995 (§ 33.2-1800 et seq.).

774 "Project" means (i) the construction, reconstruction, rehabilitation, or replacement of any interstate,
775 state highway, toll road, tunnel, local street or road, or bridge; (ii) the construction, reconstruction,
776 rehabilitation, or replacement of any (a) mass transit, (b) commuter, passenger, or freight rail, (c) port,
777 (d) airport, or (e) commercial space flight facility; or (iii) the acquisition of any rolling stock, vehicle, or
778 equipment to be used in conjunction with clause (i) or (ii).

779 "Project obligation" means any bond, note, debenture, interim certificate, grant or revenue
780 anticipation note, lease or lease-purchase or installment sales agreement, or credit enhancements issued,
781 incurred, or entered into by an eligible borrower to evidence a loan, or any financing agreements,
782 reimbursement agreements, guarantees, or other evidences of an obligation of an eligible borrower or
783 other project sponsor to pay or guarantee a loan.

784 "Project sponsor" means any private entity or governmental entity that is involved in the planning,
785 design, right-of-way acquisition, engineering, construction, maintenance, or financing of a project.

786 "Reliable repayment source" means any means by which an eligible borrower or other project
787 sponsor generates funds that are dedicated to the purpose of retiring a project obligation.

788 "Substantial project completion" means the opening of a project for vehicular or passenger traffic or

789 the handling of cargo and freight.

790 **§ 33.2-1502. Creation of the Virginia Transportation Infrastructure Bank.**

791 A. There is hereby created in the state treasury a special nonreverting, revolving loan fund, known as
 792 the Virginia Transportation Infrastructure Bank, that is a subfund of the Transportation Trust Fund,
 793 established pursuant to § 33.2-1524. The Bank shall be established on the books of the Comptroller. The
 794 Bank shall be capitalized with *(i) two-thirds of all interest, dividends, and appreciation that may accrue*
 795 *to the Transportation Trust Fund and the Highway Maintenance and Operating Fund and (ii) moneys*
 796 *appropriated by the General Assembly and credited to the Bank. Disbursements from the Bank shall be*
 797 *made by the State Treasurer on warrants issued by the Comptroller upon written request signed by the*
 798 *Commissioner of Highways or his or her designee. Payments on project obligations and interest earned*
 799 *on the moneys in the Bank shall be credited to the Bank. Any moneys remaining in the Bank, including*
 800 *interest thereon, at the end of each fiscal year shall not revert to the general fund but shall remain in the*
 801 *Bank. Notwithstanding anything to the contrary set forth in this article or in the management agreement,*
 802 *the Board will have the right to determine the projects for which loans or other financial assistance may*
 803 *be provided by the Bank. Moneys in the Bank shall be used solely for the purposes enumerated in*
 804 *subsections subsection C and D.*

805 B. The Board, the manager, and the Secretary of Finance are authorized to enter into a management
 806 agreement which may include provisions (i) setting forth the terms and conditions under which the
 807 manager will advise the Board on the financial propriety of providing particular loans or other financial
 808 assistance; (ii) setting forth the terms and conditions under which the substantive requirements of
 809 subsections C ~~through F~~, *D, and E* and § 33.2-1505 will be applied and administered; and (iii)
 810 authorizing the manager to request the Board to disburse from the moneys in the Bank the reasonable
 811 costs and expenses the manager may incur in the management and administration of the Bank and a
 812 reasonable fee to be approved by the Board for the manager's management and administrative services.

813 C. 1. Moneys deposited in the Bank shall be used for the purpose of making loans and other
 814 financial assistance to finance projects.

815 2. Each project obligation shall be payable, in whole or in part, from reliable repayment sources
 816 pledged for such purpose.

817 3. The interest rate on a project obligation shall be determined by reference to the current market
 818 rates for comparable obligations, the nature of the project and the financing structure therefor, and the
 819 creditworthiness of the eligible borrower and other project sponsors.

820 4. The repayment schedule for each project obligation shall require (i) the amortization of principal
 821 beginning within five years following the later of substantial project completion or the date of
 822 incurrence of the project obligation and (ii) a final maturity date of not more than 35 years following
 823 substantial project completion.

824 ~~D. A portion not to exceed 20 percent of the capitalization of the Bank may be used for grants to~~
 825 ~~governmental entities to finance projects.~~

826 ~~E.~~ The pledge of reliable repayment sources and other property securing any project obligation may
 827 be subordinate to the pledge securing any other senior debt obligations incurred to finance the project.

828 ~~F.~~ *E.* Notwithstanding subdivision C 4, the manager may at any time following substantial project
 829 completion defer payments on a project obligation if the project is unable to generate sufficient revenues
 830 to pay the scheduled payments.

831 ~~G.~~ *F.* No loan or other financial assistance may be provided or committed to be provided by the
 832 Bank in a manner that would cause such loan or other financial assistance to be tax-supported debt
 833 within the meaning of § 2.2-2713 or be deemed to constitute a debt of the Commonwealth or a pledge
 834 of the full faith and credit of the Commonwealth but shall be payable solely from legally available
 835 moneys held by the Bank.

836 ~~H.~~ *G.* Neither the Bank nor the manager is authorized or empowered to be or to constitute (i) a bank
 837 or trust company within the jurisdiction or under the control of the Commonwealth or an agency thereof
 838 or the Comptroller of Currency of the U.S. Treasury Department or (ii) a bank, banker, or dealer in
 839 securities within the meaning of, or subject to the provisions of, any securities, securities exchange, or
 840 securities dealers law of the United States or of the Commonwealth.

841 ~~I.~~ *H.* The Board or the manager may establish or direct the establishment of federal and state
 842 accounts or subaccounts as may be necessary to meet any applicable federal law requirements or
 843 desirable for the efficient administration of the Bank in accordance with this article.

844 **§ 33.2-1503. Eligibility and project selection.**

845 A. Any entity constituting an eligible borrower or other project sponsor is eligible to apply to the
 846 Board for project financing from the Bank.

847 B. ~~Notwithstanding subsection A, only governmental entities are eligible to apply for a grant from~~
 848 ~~the Bank.~~

849 C. ~~Any governmental entity applying for a grant must demonstrate, among other things as determined~~

850 by the manager, that the project cannot be financed on reasonable terms or would otherwise be
851 financially infeasible without the grant.

852 D. All applicants for a loan or other financial assistance (~~other than a grant~~) must file an application
853 with the Board, which must include all items determined by the Board in consultation with the manager
854 to be necessary and appropriate for the Board to determine whether or not to approve the loan, including
855 the availability of reliable repayment sources to retire the project obligation as well as creditworthiness.

856 E. C. Each applicant for a loan or other financial assistance must demonstrate that the project is of
857 local, regional, or statewide significance and that it meets the goal of generating economic benefits,
858 improving air quality, reducing congestion, or improving safety through enhancement of the state
859 transportation network ~~meets the public interest identified in subsection A of § 33.2-214.1~~. Another
860 criterion to be considered is whether or not the loan or other financial assistance will enable the project
861 to be completed at an earlier date than would otherwise be feasible. The Board shall issue guidelines for
862 scoring projects in accordance with ~~the criteria set out in this subsection~~ *subsection B of § 33.2-214.1*
863 and any other criteria deemed necessary and appropriate for evaluating projects as determined by the
864 Board in consultation with the manager and shall apply the scoring guidelines to each proposed project.
865 Further, the Board shall promptly publish each proposed project and its score using the scoring
866 guidelines.

867 F. D. All projects for which a loan or other financial assistance is provided must meet and remain in
868 compliance with the policies and guidelines established by the Board and the manager.

869 **§ 33.2-1505. Project obligations.**

870 A. Subject to the terms determined by the manager in accordance with the management agreement,
871 each loan or other financial assistance (~~which for purposes of this section shall not include grants~~) shall
872 be evidenced or guaranteed by project obligations provided to finance the costs of any project. The
873 manager may also sell any project obligations so acquired and apply the proceeds of such a sale to the
874 making of additional loans and the provision of other financial assistance for financing the cost of any
875 project or for any other corporate purpose of the Bank.

876 B. The manager may require, as a condition to provision of a loan or other financial assistance and
877 the acquisition of any project obligations, that the eligible borrower or any other project sponsor
878 covenant to perform any of the following:

879 1. Establish and collect tolls, rents, rates, fees, and other charges to produce revenue sufficient to pay
880 all or a specified portion of (i) the costs of operation, maintenance, replacement, renewal, and repairs of
881 the project; (ii) any outstanding indebtedness incurred for the purposes of the project, including the
882 principal of and premium, if any, and interest on the project obligations; and (iii) any amounts necessary
883 to create and maintain any required reserve, including any rate stabilization fund deemed necessary or
884 appropriate by the manager to offset the need, in whole or part, for future increases in tolls, rents, rates,
885 fees, or charges;

886 2. Create and maintain a special fund or funds as security for or the source of the scheduled
887 payments on the project obligations or for the operation, maintenance, repair, or replacement of the
888 project or any portions thereof or other property of the eligible borrower or any other project sponsor
889 and deposit into any fund or funds amounts sufficient to make any payments as they become due and
890 payable;

891 3. Create and maintain other special funds as required by the manager; and

892 4. Perform other acts, including the conveyance or mortgaging of real and personal property together
893 with all right, title, and interest therein to secure project obligations, or take other actions as may be
894 deemed necessary or desirable by the manager to secure payment of the project obligations and to
895 provide for remedies in the event of any default or nonpayment by the eligible borrower or any other
896 project sponsor, including any of the following:

897 a. The procurement of credit enhancements or liquidity arrangements for project obligations from any
898 source, public or private, and the payment therefor of premiums, fees, or other charges.

899 b. The combination of one or more projects, or the combination of one or more projects with one or
900 more other undertakings, facilities, or systems, for the purpose of operations and financing, and the
901 pledging of the revenues from such combined projects, undertakings, facilities, and systems to secure
902 project obligations issued in connection with such combination or any part or parts thereof.

903 c. The payment of such fees and charges in connection with the acquisition of the project obligations
904 as may be determined by the manager.

905 C. All eligible borrowers and other project sponsors, including any governmental entities, providing
906 project obligations to the Bank are authorized to perform any acts, take any action, adopt any
907 proceedings, and make and carry out any contracts with the Bank, the manager, or the Board that are
908 contemplated by this article. Such contracts need not be identical among all eligible borrowers or other
909 project sponsors, but may be structured as determined by the manager according to the needs of the
910 contracting eligible borrowers and other project sponsors and the purposes of the Bank.

911 In addition, subject to the approval of the manager, any project sponsor is authorized to establish and
 912 contract with a special purpose or limited purpose instrumentality, corporation, or other entity for the
 913 purpose of having such entity serve as the eligible borrower with respect to a particular project.

914 **§ 33.2-1510. Fund for access roads and bikeways to public recreational areas and historical**
 915 **sites; construction, maintenance, etc., of such facilities.**

916 A. The General Assembly finds and declares that there is an increasing demand by the public for
 917 more public recreational areas throughout the Commonwealth, therefore creating a need for more access
 918 to these areas. There are also many sites of historical significance to which access is needed.

919 The General Assembly hereby declares it to be in the public interest that access roads and bikeways
 920 to public recreational areas and historical sites be provided by using funds obtained from motor fuel tax
 921 collections on motor fuel used for propelling boats and ships and funds contained in the highway portion
 922 of the Transportation Trust Fund.

923 B. ~~The~~ *Prior to making allocations pursuant to subsection D of § 33.2-358, the Board shall, from*
 924 ~~funds allocated to the primary system, secondary system, or urban system,~~ set aside the sum of \$3
 925 million initially. This fund shall be expended by the Board for the construction, reconstruction,
 926 maintenance, or improvement of access roads and bikeways within localities. At the close of each
 927 succeeding fiscal year, the Board shall replenish this fund to the extent it deems necessary to carry out
 928 the purpose intended, provided the balance in the fund plus the replenishment does not exceed \$3
 929 million.

930 C. Upon the setting aside of the funds as provided in this section, the Board shall construct,
 931 reconstruct, maintain, or improve access roads and bikeways to public recreational areas and historical
 932 sites upon the following conditions:

933 1. When the Director of the Department of Conservation and Recreation has designated a public
 934 recreational area as such or when the Director of the Department of Historic Resources has determined a
 935 site or area to be historic and recommends to the Board that an access road or bikeway be provided or
 936 maintained to that area;

937 2. When the Board pursuant to the recommendation from the Director of the Department of
 938 Conservation and Recreation declares by resolution that the access road or bikeway be provided or
 939 maintained;

940 3. When the governing body of the locality in which the access road or bikeway is to be provided or
 941 maintained passes a resolution requesting the road; and

942 4. When the governing body of the locality in which the bikeway is to be provided or maintained
 943 adopts an ordinance pursuant to Article 7 (§ 15.2-2280 et seq.) of Chapter 22 of Title 15.2.

944 No access road or bikeway shall be constructed, reconstructed, maintained, or improved on privately
 945 owned property.

946 D. Any access road constructed, reconstructed, maintained, or improved pursuant to the provisions of
 947 this section shall become part of the primary state highway system, the secondary state highway system,
 948 or the road system of the locality in which it is located in the manner provided by law and shall
 949 thereafter be constructed, reconstructed, maintained, and improved as other roads or highways in such
 950 systems. Any bikeway path constructed, reconstructed, maintained, or improved pursuant to the
 951 provisions of this section that is not situated within the right-of-way limits of an access road that has
 952 become, or which is to become, part of the primary state highway system, the secondary state highway
 953 system, or the road system of the locality shall, upon completion, become part of and be regulated and
 954 maintained by the authority or agency maintaining the public recreational area or historical site. It shall
 955 be the responsibility of the authority, agency, or locality requesting that a bikeway be provided for a
 956 public recreational or historical site to provide the right-of-way needed for the construction,
 957 reconstruction, maintenance, or improvement of the bikeway if such is to be situated outside the
 958 right-of-way limits of an access road.

959 To maximize the impact of the Fund, not more than \$400,000 of recreational access funds may be
 960 allocated for each individual access road project to or within any public recreational area or historical
 961 site operated by a state agency and not more than \$250,000 of recreational access funds may be
 962 allocated for each individual access road project to or within a public recreational area or historical site
 963 operated by a locality or an authority with an additional \$100,000 if supplemented on a dollar-for-dollar
 964 basis by the locality or authority from other than highway sources. Not more than \$75,000 of
 965 recreational access funds may be allocated for each individual bikeway project to a public recreational
 966 area or historical site operated by a state agency and not more than \$60,000 of recreational access funds
 967 may be allocated for each individual bikeway project to a public recreational area or historical site
 968 operated by a locality or an authority with an additional \$15,000 if supplemented on a dollar-for-dollar
 969 basis by a locality or authority from other than highway sources.

970 The Board, with the concurrence of the Director of the Department of Conservation and Recreation,
 971 is hereby authorized to establish guidelines to carry out the provisions of this section.

972 § 33.2-1526. Commonwealth Space Flight Fund, Commonwealth Port Fund, Commonwealth
973 Airport Fund, and Commonwealth Mass Transit Fund.

974 Of the funds becoming part of the Transportation Trust Fund pursuant to subdivision 2 of
975 § 33.2-1524, an aggregate of 4.2 percent shall be set aside as the Commonwealth Port Fund as
976 established in subdivision A 2 of § 58.1-638; an aggregate of 2.4 percent shall be set aside as the
977 Commonwealth Airport Fund as established in subdivision A 3 of § 58.1-638; and an aggregate of 14.7
978 percent shall be set aside as the Commonwealth Mass Transit Fund as established in subdivision A 4 of
979 § 58.1-638. Beginning with the Commonwealth's 2012-2013 fiscal year through the Commonwealth's
980 2016-2017 fiscal year, each fiscal year from the funds becoming part of the Transportation Trust Fund
981 pursuant to subdivision 2 of § 33.2-1524 the Comptroller shall transfer \$9.5 million to the
982 Commonwealth Space Flight Fund as established in subdivision A 3a of § 58.1-638. The remaining
983 funds deposited into or held in the Transportation Trust Fund pursuant to subdivision 2 of § 33.2-1524,
984 together with funds deposited pursuant to subdivisions 1 and 4 of § 33.2-1524, shall be expended for
985 capital improvements, including construction, reconstruction, maintenance, and improvements of
986 highways according to the provisions of subsection C or D of § 33.2-358 or to secure bonds issued for
987 such purposes, as provided by the Board and the General Assembly.

988 § 33.2-1529. Toll Facilities Revolving Account.

989 A. All definitions of terms in this section shall be as set forth in the Public-Private Transportation
990 Act of 1995 (§ 33.2-1800 et seq.).

991 B. Subject to any obligations to existing bondholders, but notwithstanding §§ 2.2-1806 and 58.1-13,
992 funds deposited into the Transportation Trust Fund pursuant to subdivision 3 of § 33.2-1524 shall be
993 held in a separate subaccount to be designated the Toll Facilities Revolving Account, (the Account)
994 together with all interest, dividends, and appreciation that accrue to the Transportation Trust Fund and
995 that are not otherwise specifically directed by law or reserved by the Board in the resolution authorizing
996 issuance of bonds to finance toll facilities. In addition, any funds received from the federal government
997 or any agency or instrumentality thereof that, pursuant to federal law, may be made available, as loans
998 or otherwise, to private persons or entities for transportation purposes, hereinafter referred to as "federal
999 funds," shall be deposited in a segregated subaccount within the Account. Payments received with
1000 respect to any loan made from such segregated subaccount pursuant to subdivision D 2 shall also be
1001 deposited into such segregated subaccount in the Account.

1002 C. User fees collected in excess of the annual debt service, operations, and maintenance expenses and
1003 necessary administrative costs including any obligations to the Account and any other obligations for
1004 qualifying facilities with respect to which an agency of the Commonwealth is the responsible public
1005 entity shall be deposited and held in the Regional Toll Facilities Revolving Subaccount, (the Regional
1006 Account), together with all interest, dividends, and appreciation for use within the metropolitan planning
1007 organization region within which the facility exists. Payments received with respect to any loan made
1008 from such Regional Account pursuant to subdivision D 3 shall also be deposited into the Regional
1009 Account.

1010 D. The Board may make allocations upon such terms and subject to such conditions as the Board
1011 deems appropriate from the following funds for the following purposes:

1012 1. From any funds in the Account, exclusive of those in the Regional Account, to pay or finance all
1013 or part of the costs, including the cost of planning, operation, maintenance, and improvements, incurred
1014 in connection with the acquisition and construction of projects financed in whole or in part as toll
1015 facilities or to refinance existing toll facilities, provided that any such funds allocated from the Account
1016 for a planned or operating toll facility shall be considered as an advance of funding for which the
1017 Account shall be reimbursed;

1018 2. From funds in the segregated subaccount in the Account into which federal funds are deposited in
1019 conjunction with the Public-Private Transportation Act of 1995 (§ 33.2-1800 et seq.) and pursuant to the
1020 terms of a comprehensive agreement between a responsible public entity and a private operator as
1021 provided for in that act:

1022 a. To make a loan to such operator to pay any cost of a qualifying transportation facility, provided
1023 that (i) the operator's return on its investment is limited to a reasonable rate and (ii) such loan is limited
1024 to a reasonable term; or

1025 b. To pay the Commonwealth's or its agency's portion of costs incurred or to be incurred in
1026 accordance with a comprehensive agreement with respect to a transportation facility;

1027 3. From funds in the Regional Account:

1028 a. To pay or finance all or part of the costs, including the cost of planning, operation, maintenance,
1029 and improvements incurred in connection with the acquisition and construction of projects financed in
1030 whole or in part as toll facilities or to refinance existing toll facilities, provided that (i) allocations from
1031 the Regional Account shall be limited to projects located within the same metropolitan planning
1032 organization region as the facility that generated the excess revenue and (ii) any such funds allocated

1033 from the Regional Account for a planned or operating toll facility shall be considered as an advance of
 1034 funding for which the Regional Account shall be reimbursed; or

1035 b. To pay the Commonwealth's, its agency's, or its political subdivision's costs incurred or to be
 1036 incurred in accordance with a comprehensive agreement with respect to a transportation facility within
 1037 the same metropolitan planning organization region as the facility that generated the excess revenue; and

1038 4. From any funds in the Account or Regional Account, to pay the Board's reasonable costs and
 1039 expenses incurred in (i) the administration and management of the Account, (ii) its program of financing
 1040 or refinancing costs of toll facilities, and (iii) the making of loans and paying of costs described in
 1041 subdivisions 1 and 2.

1042 E. The Board may transfer from the Account to the Transportation Trust Fund for allocation pursuant
 1043 to ~~subsection C of § 33.2-358~~ *or the Virginia Transportation Infrastructure Bank pursuant to Article 1*
 1044 *(§ 33.2-1500 et seq.)* any interest revenues and, subject to applicable federal limitations, federal funds
 1045 not committed by the Board to the purposes provided for in subsection D.

1046 F. The provisions of this section shall be liberally construed to the end that its beneficial purposes
 1047 may be effectuated. Insofar as this provision is inconsistent with the provisions of any other general,
 1048 special, or local law, this provision shall be controlling.

1049 G. If any provision of this section or the application thereof to any person or circumstances is held
 1050 invalid by a court of competent jurisdiction, such invalidity shall not affect other provisions or
 1051 applications of this section that can be given effect without the invalid provision or application, and to
 1052 this end the provisions of this section are declared to be severable.

1053 **§ 33.2-1529.1. Transportation Partnership Opportunity Fund.**

1054 A. *There is hereby created the Transportation Partnership Opportunity Fund (the Fund) to be used*
 1055 *by the Governor to provide funds to address the transportation aspects of economic development*
 1056 *opportunities. The Fund shall consist of (i) one-third of all interest, dividends, and appreciation that*
 1057 *may accrue to the Transportation Trust Fund and the Highway Maintenance and Operating Fund and*
 1058 *(ii) any funds appropriated to it by the general appropriation act and revenue from any other source,*
 1059 *public or private. The Fund shall be established on the books of the Comptroller, and any funds*
 1060 *remaining in the Fund at the end of a biennium shall not revert to the general fund but shall remain in*
 1061 *the Fund. All interest and dividends that are earned on the Fund shall be credited to the Fund. The*
 1062 *Governor shall report to the Chairmen of the House Committees on Appropriations, Finance, and*
 1063 *Transportation and the Senate Committees on Finance and Transportation as funds are awarded in*
 1064 *accordance with this section.*

1065 B. *The Fund shall be a subfund of the Transportation Trust Fund. Provisions of this title and Title*
 1066 *58.1 relating to the allocations or disbursements of proceeds of the Commonwealth Transportation*
 1067 *Fund, the Transportation Trust Fund, or the Highway Maintenance and Operating Fund shall not apply*
 1068 *to the Fund.*

1069 C. *Funds shall be awarded from the Fund by the Governor as grants, revolving loans, or other*
 1070 *financing tools and equity contributions to an agency or political subdivision of the Commonwealth.*
 1071 *Loans shall be approved by the Governor and made in accordance with procedures established by the*
 1072 *Board and approved by the Comptroller. Loans shall be interest-free and shall be repaid to the Fund.*
 1073 *The Governor may establish the duration of any loan, but such term shall not exceed seven years. The*
 1074 *Department shall be responsible for monitoring repayment of such loans and reporting the receivables*
 1075 *to the Comptroller as required.*

1076 D. *Grants or revolving loans may be used for transportation capacity development on and off site;*
 1077 *road, rail, mass transit, or other transportation access costs beyond the funding capability of existing*
 1078 *programs; studies of transportation projects, including environmental analysis, geotechnical assessment,*
 1079 *survey, design and engineering, advance right-of-way acquisition, traffic analysis, toll sensitivity studies,*
 1080 *and financial analysis; or anything else permitted by law. Funds may be used for any transportation*
 1081 *project or any transportation facility. Any transportation infrastructure completed with moneys from the*
 1082 *Fund shall not become private property, and the results of any studies or analysis completed as a result*
 1083 *of a grant or loan from the Fund shall be property of the Commonwealth.*

1084 E. *The Board, in consultation with the Secretary of Transportation and the Secretary of Commerce*
 1085 *and Trade, shall develop guidelines and criteria that shall be used in awarding grants or making loans*
 1086 *from the Fund; however, no grant shall exceed \$5 million and no loan shall exceed \$30 million. No*
 1087 *grant or loan shall be awarded until the Governor has provided copies of the guidelines and criteria to*
 1088 *the Chairmen of the House Committees on Appropriations, Finance, and Transportation and the Senate*
 1089 *Committees on Finance and Transportation. The guidelines and criteria shall include provisions*
 1090 *including the number of jobs and amounts of investment that must be committed in the event moneys are*
 1091 *being used for an economic development project, a statement of how the studies and analysis to be*
 1092 *completed using moneys from the Fund will advance the development of a transportation facility, a*
 1093 *process for the application for and review of grant and loan requests, a timeframe for completion of any*

1094 work, the comparative benefit resulting from the development of a transportation project, assessment of
 1095 the ability of the recipient to repay any loan funds, and other criteria as necessary to support the timely
 1096 development of transportation projects. The criteria shall also include incentives to encourage matching
 1097 funds from any other local, federal, or private source.

1098 F. Within 30 days of each six-month period ending June 30 and December 31, the Governor shall
 1099 provide a report to the Chairmen of the House Committees on Appropriations, Finance, and
 1100 Transportation and the Senate Committees on Finance and Transportation that shall include the
 1101 following information: the locality in which the project is being developed, the amount of the grant or
 1102 loan made or committed from the Fund and the purpose for which it will be used, the number of jobs
 1103 created or projected to be created, and the amount of a company's investment in the Commonwealth if
 1104 the project is part of an economic development opportunity.

1105 G. The Governor shall provide grants and commitments from the Fund in an amount not to exceed
 1106 the total value of the moneys contained in the Fund. If the Governor commits funds for years beyond the
 1107 fiscal years covered under the existing appropriation act, the State Treasurer shall set aside and reserve
 1108 the funds the Governor has committed, and the funds set aside and reserved shall remain in the Fund
 1109 for those future fiscal years. No grant or loan shall be payable in the years beyond the existing
 1110 appropriation act unless the funds are currently available in the Fund.

1111 **§ 33.2-1530. Highway Maintenance and Operating Fund.**

1112 There is hereby created in the state treasury a special nonreverting fund to be known as the Highway
 1113 Maintenance and Operating Fund, referred to in this section as "the Fund." The Fund shall be
 1114 established on the books of the Comptroller. Any moneys remaining in the Fund at the end of each
 1115 fiscal year shall not revert to the general fund but shall remain in the Fund.

1116 The sources of funds for the Fund shall be paid into the state treasury and credited to the Fund and,
 1117 in addition to all funds appropriated by the General Assembly, includes the following:

- 1118 1. Revenues generated pursuant to § 33.2-213;
- 1119 2. Civil penalties collected pursuant to § 33.2-216;
- 1120 3. Civil penalties collected pursuant to § 33.2-1224;
- 1121 4. Civil penalties collected pursuant to § 33.2-1229;
- 1122 5. Permit fees as outlined in § 46.2-652.1;
- 1123 6. Revenues generated pursuant to § 46.2-702.1;
- 1124 7. Permit fees pursuant to §§ 46.2-1128, 46.2-1140.1, 46.2-1142.1, 46.2-1143, 46.2-1148, and
 1125 46.2-1149.1;
- 1126 8. Applicable portions of emissions inspection fees from on-road emissions inspectors as designated
 1127 in § 46.2-1182;
- 1128 9. Revenues from subsection G of § 58.1-638 and § 58.1-638.3;
- 1129 10. ~~Revenues from subdivision 2 of § 58.1-815.4;~~
- 1130 ~~11. Revenues generated pursuant to subsection B of § 58.1-2249;~~
- 1131 ~~12. 11. Revenues as apportioned in subsection E of § 58.1-2289;~~
- 1132 ~~13. 12. Revenues as outlined in subsection A of § 58.1-2425; and~~
- 1133 ~~14. 13. Taxes and fees pursuant to § 58.1-2701.~~

1134 **§ 33.2-1531. Innovation and Technology Transportation Fund.**

1135 There is hereby created in the state treasury a special nonreverting fund to be known as the
 1136 Innovation and Technology Transportation Fund, referred to in this section as "the Fund." The Fund
 1137 shall be established on the books of the Comptroller. The amount allocated to the Fund pursuant to
 1138 ~~subsection E of § 33.2-358 and § 33.2-370~~ and any funds as may be appropriated by the General
 1139 Assembly shall be paid into the state treasury and credited to the Fund. Interest earned on moneys in the
 1140 Fund shall remain in the Fund and be credited to it. Any moneys remaining in the Fund, including
 1141 interest thereon, at the end of each fiscal year shall not revert to the general fund but shall remain in the
 1142 Fund. Moneys in the Fund shall be used solely for the purposes of funding pilot programs and fully
 1143 developed initiatives pertaining to high-tech infrastructure improvements. Expenditures and
 1144 disbursements from the Fund shall be made by the State Treasurer on warrants issued by the
 1145 Comptroller upon written request signed by the Secretary of Transportation. "High-tech infrastructure
 1146 improvements" means those projects or programs identified by the Board that reduce congestion,
 1147 improve mobility, improve safety, provide up-to-date travel data, or improve emergency response. No
 1148 later than November 30 each year, the Commissioner of Highways shall report in writing to the
 1149 Governor and General Assembly on the use of moneys in the Fund.

1150 **§ 33.2-2400. Northern Virginia Transportation District Fund.**

1151 A. There is hereby created in the Department of the Treasury a special nonreverting fund that shall
 1152 be a part of the Transportation Trust Fund and that shall be known as the Northern Virginia
 1153 Transportation District Fund, referred to in this chapter as "the Fund," consisting of transfers pursuant to
 1154 § 58.1-816 of annual collections of the state recordation taxes attributable to the Cities of Alexandria,

1155 Fairfax, Falls Church, Manassas, and Manassas Park and the Counties of Arlington, Fairfax, Loudoun,
 1156 and Prince William; however, this dedication shall not affect the local recordation taxes under subsection
 1157 B of § 58.1-802 and § 58.1-814. The Fund shall also include any public rights-of-way use fees
 1158 appropriated by the General Assembly; any state or local revenues, including any funds distributed
 1159 pursuant to § ~~33.2-362, 33.2-364, or~~ 33.2-366, that may be deposited into the Fund pursuant to a
 1160 contract between a jurisdiction participating in the Northern Virginia Transportation District Program and
 1161 the Commonwealth Transportation Board; and any other funds as may be appropriated by the General
 1162 Assembly and designated for the Fund and all interest, dividends, and appreciation that may accrue
 1163 thereto. Any moneys remaining in the Fund at the end of a biennium shall not revert to the general
 1164 fund, but shall remain in the Fund, subject to the determination by the Commonwealth Transportation
 1165 Board that a Category 2, 3, or 4 project may be funded.

1166 B. Allocations from the Fund may be paid (i) to any authority, locality, or commission for the
 1167 purposes of paying the costs of the Northern Virginia Transportation District Program, which consists of
 1168 the following: the Fairfax County Parkway, the Route 234 Bypass, Metrorail capital improvements
 1169 attributable to Fairfax County including Metro parking expansions, Metrorail capital improvements
 1170 including the Franconia-Springfield Metrorail Station and new rail car purchases, the Route 7
 1171 improvements in Loudoun County and Fairfax County, the Route 50/Courthouse Road interchange
 1172 improvements in Arlington County, the Route 28/Route 625 interchange improvements in Loudoun
 1173 County, Metrorail capital improvements attributable to the City of Alexandria including the King Street
 1174 Metrorail Station access, Metrorail capital improvements attributable to Arlington County including
 1175 Ballston Station improvements, the Route 15 safety improvements in Loudoun County, the Route 28
 1176 parallel roads in Loudoun County, the Route 28/Sterling Boulevard interchange in Loudoun County, the
 1177 Route 1/Route 123 interchange improvements in Prince William County, the Lee Highway
 1178 improvements in the City of Fairfax, the Route 123 improvements in Fairfax County, the Telegraph
 1179 Road improvements in Fairfax County, the Route 123 Occoquan River Bridge, Gallows Road in Fairfax
 1180 County, the Route 1/Route 234 interchange improvements in Prince William County, the
 1181 Potomac-Rappahannock Transportation Commission bus replacement program, and the Dulles Corridor
 1182 Enhanced Transit program and (ii) for Category 4 projects as provided in § 2 of the act or acts
 1183 authorizing the issuance of Bonds for the Northern Virginia Transportation District Program.

1184 C. On or before July 15, 1994, \$19 million shall be transferred to the Fund. Such transfer shall be
 1185 made by the issuance of a treasury loan at no interest in the amount of \$19 million in the event such an
 1186 amount is not included for the Fund in the general appropriation act enacted by the 1994 Session of the
 1187 General Assembly. Such treasury loan shall be repaid from the Commonwealth's portion of the state
 1188 recordation tax imposed by Chapter 8 (§ 58.1-800 et seq.) of Title 58.1 designated for the Fund by this
 1189 section and § 58.1-816.

1190 **§ 58.1-638. Disposition of state sales and use tax revenue.**

1191 A. The Comptroller shall designate a specific revenue code number for all the state sales and use tax
 1192 revenue collected under the preceding sections of this chapter.

1193 1. The sales and use tax revenue generated by the one-half percent sales and use tax increase enacted
 1194 by the 1986 Special Session of the General Assembly shall be paid, in the manner hereinafter provided
 1195 in this section, to the Transportation Trust Fund as defined in § 33.2-1524. Of the funds paid to the
 1196 Transportation Trust Fund, an aggregate of 4.2 percent shall be set aside as the Commonwealth Port
 1197 Fund as provided in this section; an aggregate of 2.4 percent shall be set aside as the Commonwealth
 1198 Airport Fund as provided in this section; and an aggregate of 14.7 percent shall be set aside as the
 1199 Commonwealth Mass Transit Fund as provided in this section. The Fund's share of such net revenue
 1200 shall be computed as an estimate of the net revenue to be received into the state treasury each month,
 1201 and such estimated payment shall be adjusted for the actual net revenue received in the preceding
 1202 month. All payments shall be made to the Fund on the last day of each month.

1203 2. There is hereby created in the Department of the Treasury a special nonreverting fund which shall
 1204 be a part of the Transportation Trust Fund and which shall be known as the Commonwealth Port Fund.

1205 a. The Commonwealth Port Fund shall be established on the books of the Comptroller and the funds
 1206 remaining in such Fund at the end of a biennium shall not revert to the general fund but shall remain in
 1207 the Fund. Interest earned on such funds shall remain in the Fund and be credited to it. Funds may be
 1208 paid to any authority, locality or commission for the purposes hereinafter specified.

1209 b. The amounts allocated pursuant to this section shall be allocated by the Commonwealth
 1210 Transportation Board to the Board of Commissioners of the Virginia Port Authority to be used to
 1211 support port capital needs and the preservation of existing capital needs of all ocean, river, or tributary
 1212 ports within the Commonwealth.

1213 c. Commonwealth Port Fund revenue shall be allocated by the Board of Commissioners to the
 1214 Virginia Port Authority in order to foster and stimulate the flow of maritime commerce through the
 1215 ports of Virginia, including but not limited to the ports of Richmond, Hopewell, and Alexandria.

1216 3. There is hereby created in the Department of the Treasury a special nonreverting fund which shall
 1217 be part of the Transportation Trust Fund and which shall be known as the Commonwealth Airport Fund.
 1218 The Commonwealth Airport Fund shall be established on the books of the Comptroller and any funds
 1219 remaining in such Fund at the end of a biennium shall not revert to the general fund but shall remain in
 1220 the Fund. Interest earned on the funds shall be credited to the Fund. The funds so allocated shall be
 1221 allocated by the Commonwealth Transportation Board to the Virginia Aviation Board. The funds shall
 1222 be allocated by the Virginia Aviation Board to any Virginia airport which is owned by the
 1223 Commonwealth, a governmental subdivision thereof, or a private entity to which the public has access
 1224 for the purposes enumerated in § 5.1-2.16, or is owned or leased by the Metropolitan Washington
 1225 Airports Authority (MWAA), as follows:

1226 Any new funds in excess of \$12.1 million which are available for allocation by the Virginia Aviation
 1227 Board from the Commonwealth Transportation Fund, shall be allocated as follows: 60 percent to
 1228 MWAA, up to a maximum annual amount of \$2 million, and 40 percent to air carrier airports as
 1229 provided in subdivision A 3 a. Except for adjustments due to changes in enplaned passengers, no air
 1230 carrier airport sponsor, excluding MWAA, shall receive less funds identified under subdivision A 3 a
 1231 than it received in fiscal year 1994-1995.

1232 Of the remaining amount:

1233 a. Forty percent of the funds shall be allocated to air carrier airports, except airports owned or leased
 1234 by MWAA, based upon the percentage of enplanements for each airport to total enplanements at all air
 1235 carrier airports, except airports owned or leased by MWAA. No air carrier airport sponsor, however,
 1236 shall receive less than \$50,000 nor more than \$2 million per year from this provision.

1237 b. Forty percent of the funds shall be allocated by the Aviation Board for air carrier and reliever
 1238 airports on a discretionary basis, except airports owned or leased by MWAA.

1239 c. Twenty percent of the funds shall be allocated by the Aviation Board for general aviation airports
 1240 on a discretionary basis.

1241 3a. There is hereby created in the Department of the Treasury a special nonreverting fund that shall
 1242 be a part of the Transportation Trust Fund and that shall be known as the Commonwealth Space Flight
 1243 Fund. The Commonwealth Space Flight Fund shall be established on the books of the Comptroller and
 1244 the funds remaining in such Fund at the end of a biennium shall not revert to the general fund but shall
 1245 remain in the Fund. Interest earned on such funds shall remain in the Fund and be credited to it.

1246 a. The amounts allocated to the Commonwealth Space Flight Fund pursuant to § 33.2-1526 shall be
 1247 allocated by the Commonwealth Transportation Board to the Board of Directors of the Virginia
 1248 Commercial Space Flight Authority to be used to support the capital needs, maintenance, and operating
 1249 costs of any and all facilities owned and operated by the Virginia Commercial Space Flight Authority.

1250 b. Commonwealth Space Flight Fund revenue shall be allocated by the Board of Directors to the
 1251 Virginia Commercial Space Flight Authority in order to foster and stimulate the growth of the
 1252 commercial space flight industry in Virginia.

1253 4. There is hereby created in the Department of the Treasury a special nonreverting fund which shall
 1254 be a part of the Transportation Trust Fund and which shall be known as the Commonwealth Mass
 1255 Transit Fund.

1256 a. The Commonwealth Mass Transit Fund shall be established on the books of the Comptroller and
 1257 any funds remaining in such Fund at the end of the biennium shall not revert to the general fund but
 1258 shall remain in the Fund. Interest earned on such funds shall be credited to the Fund. *If funds in*
 1259 *subdivision 4 b (1) (c) or 4 b (2) (d) are allocated to the construction of a new fixed rail project, such*
 1260 *project shall be evaluated according to the process established pursuant to subsection B of § 33.2-214.1.*
 1261 Funds may be paid to any local governing body, transportation district commission, or public service
 1262 corporation for the purposes hereinafter specified.

1263 b. The amounts allocated pursuant to this section shall be used to support the operating, capital, and
 1264 administrative costs of public transportation at a state share determined by the Commonwealth
 1265 Transportation Board, and these amounts may be used to support the capital project costs of public
 1266 transportation and ridesharing equipment, facilities, and associated costs at a state share determined by
 1267 the Commonwealth Transportation Board. Capital costs may include debt service payments on local or
 1268 agency transit bonds. In making these determinations, the Commonwealth Transportation Board shall
 1269 confer with the Director of the Department of Rail and Public Transportation. In development of the
 1270 Director's recommendation and subsequent allocation of funds by the Commonwealth Transportation
 1271 Board, the Director of the Department of Rail and Public Transportation and the Commonwealth
 1272 Transportation Board shall adhere to the following:

1273 (1) For the distribution of revenues from the Commonwealth Mass Transit Fund, of those revenues
 1274 generated in 2014 and thereafter, the first \$160 million in revenues or the maximum available revenues
 1275 if less than \$160 million shall be distributed by the Commonwealth Transportation Board as follows:

1276 (a) Funds for special programs, which shall include ridesharing, transportation demand management

1277 programs, experimental transit, public transportation promotion, operation studies, and technical
1278 assistance, shall not exceed 3 percent of the funds pursuant to this section and may be allocated to any
1279 local governing body, planning district commission, transportation district commission, or public transit
1280 corporation, or may be used directly by the Department of Rail and Public Transportation for the
1281 following purposes and aid of public transportation services:

1282 (i) To finance a program administered by the Department of Rail and Public Transportation designed
1283 to promote the use of public transportation and ridesharing throughout Virginia.

1284 (ii) To finance up to 80 percent of the cost of the development and implementation of projects where
1285 the purpose of such project is to enhance the provision and use of public transportation services.

1286 (b) At least 72 percent of the funds shall be distributed to each transit property in the same
1287 proportion as its operating expenses bear to the total statewide operating expenses and shall be spent for
1288 the purposes specified in subdivision 4 b.

1289 (c) Twenty-five percent of the funds shall be allocated and distributed utilizing a tiered approach
1290 evaluated by the Transit Service Delivery Advisory Committee along with the Director of the
1291 Department of Rail and Public Transportation and established by the Commonwealth Transportation
1292 Board for capital purposes based on asset need and anticipated state participation level and revenues.
1293 The tier distribution measures may be evaluated by the Transit Service Delivery Advisory Committee
1294 along with the Director of the Department of Rail and Public Transportation every three years and, if
1295 redefined by the Board, shall be published at least one year in advance of being applied. Funds allocated
1296 for debt service payments will be included in the tier that applies to the capital asset that is leveraged.

1297 (d) Transfer of funds from funding categories in subdivisions 4 b (1)(a) and 4 b (1)(c) to 4 b (1)(b)
1298 shall be considered by the Commonwealth Transportation Board in times of statewide economic distress
1299 or statewide special need.

1300 (2) The Commonwealth Transportation Board shall allocate the remaining revenues after the
1301 application of the provisions set forth in subdivision 4 b (1) generated for the Commonwealth Mass
1302 Transit Fund for 2014 and succeeding years as follows:

1303 (a) Funds pursuant to this section shall be distributed among operating, capital, and special projects
1304 in order to respond to the needs of the transit community.

1305 (b) Of the funds pursuant to this section, at least 72 percent shall be allocated to support operating
1306 costs of transit providers and distributed by the Commonwealth Transportation Board based on service
1307 delivery factors, based on effectiveness and efficiency, as established by the Commonwealth
1308 Transportation Board. These measures and their relative weight shall be evaluated every three years and,
1309 if redefined by the Commonwealth Transportation Board, shall be published and made available for
1310 public comment at least one year in advance of being applied. In developing the service delivery factors,
1311 the Commonwealth Transportation Board shall create for the Department of Rail and Public
1312 Transportation a Transit Service Delivery Advisory Committee, consisting of two members appointed by
1313 the Virginia Transit Association, one member appointed by the Community Transportation Association
1314 of Virginia, one member appointed by the Virginia Municipal League, one member appointed by the
1315 Virginia Association of Counties, and three members appointed by the Director of the Department of
1316 Rail and Public Transportation, to advise the Department of Rail and Public Transportation in the
1317 development of a distribution process for the funds allocated pursuant to this subdivision 4 b (2)(b) and
1318 how transit systems can incorporate these metrics in their transit development plans. The Transit Service
1319 Delivery Advisory Committee shall elect a Chair. The Department of Rail and Public Transportation
1320 shall provide administrative support to the committee. Effective July 1, 2013, the Transit Service
1321 Delivery Advisory Committee shall meet at least annually and consult with interested stakeholders and
1322 hold at least one public hearing and report its findings to the Director of the Department of Rail and
1323 Public Transportation. Prior to the Commonwealth Transportation Board approving the service delivery
1324 factors, the Director of the Department of Rail and Public Transportation along with the Chair of the
1325 Transit Service Delivery Advisory Committee shall brief the Senate Committee on Finance, the House
1326 Appropriations Committee, and the Senate and House Committees on Transportation on the findings of
1327 the Transit Service Delivery Advisory Committee and the Department's recommendation. Before
1328 redefining any component of the service delivery factors, the Commonwealth Transportation Board shall
1329 consult with the Director of the Department of Rail and Public Transportation, Transit Service Delivery
1330 Advisory Committee, and interested stakeholders and provide for a 45-day public comment period. Prior
1331 to approval of any amendment to the service delivery measures, the Board shall notify the
1332 aforementioned committees of the pending amendment to the service delivery factors and its content.

1333 (c) Funds for special programs, which shall include ridesharing, transportation demand management
1334 programs, experimental transit, public transportation promotion, operation studies, and technical
1335 assistance, shall not exceed 3 percent of the funds pursuant to this section and may be allocated to any
1336 local governing body, planning district commission, transportation district commission, or public transit
1337 corporation, or may be used directly by the Department of Rail and Public Transportation for the

1338 following purposes and aid of public transportation services:

1339 (i) To finance a program administered by the Department of Rail and Public Transportation designed
1340 to promote the use of public transportation and ridesharing throughout Virginia.

1341 (ii) To finance up to 80 percent of the cost of the development and implementation of projects where
1342 the purpose of such project is to enhance the provision and use of public transportation services.

1343 (d) Of the funds pursuant to this section, 25 percent shall be allocated and distributed utilizing a
1344 tiered approach evaluated by the Transit Service Delivery Advisory Committee along with the Director
1345 of Rail and Public Transportation and established by the Commonwealth Transportation Board for
1346 capital purposes based on asset need and anticipated state participation level and revenues. The tier
1347 distribution measures may be evaluated by the Transit Service Delivery Advisory Committee along with
1348 the Director of Rail and Public Transportation every three years and, if redefined by the Board, shall be
1349 published at least one year in advance of being applied. Funds allocated for debt service payments shall
1350 be included in the tier that applies to the capital asset that is leveraged.

1351 (e) Transfer of funds from funding categories in subdivisions 4 b (2)(c) and 4 b (2)(d) to 4 b (2)(b)
1352 shall be considered by the Commonwealth Transportation Board in times of statewide economic distress
1353 or statewide special need.

1354 (f) The Department of Rail and Public Transportation may reserve a balance of up to five percent of
1355 the Commonwealth Mass Transit Fund revenues under this subsection in order to assure better stability
1356 in providing operating and capital funding to transit entities from year to year.

1357 (3) The Commonwealth Mass Transit Fund shall not be allocated without requiring a local match
1358 from the recipient.

1359 c. There is hereby created in the Department of the Treasury a special nonreverting fund known as
1360 the Commonwealth Transit Capital Fund. The Commonwealth Transit Capital Fund shall be part of the
1361 Commonwealth Mass Transit Fund. The Commonwealth Transit Capital Fund subaccount shall be
1362 established on the books of the Comptroller and consist of such moneys as are appropriated to it by the
1363 General Assembly and of all donations, gifts, bequests, grants, endowments, and other moneys given,
1364 bequeathed, granted, or otherwise made available to the Commonwealth Transit Capital Fund. Any funds
1365 remaining in the Commonwealth Transit Capital Fund at the end of the biennium shall not revert to the
1366 general fund, but shall remain in the Commonwealth Transit Capital Fund. Interest earned on funds
1367 within the Commonwealth Transit Capital Fund shall remain in and be credited to the Commonwealth
1368 Transit Capital Fund. Proceeds of the Commonwealth Transit Capital Fund may be paid to any political
1369 subdivision, another public entity created by an act of the General Assembly, or a private entity as
1370 defined in § 33.2-1800 and for purposes as enumerated in subdivision 7 of § 33.2-1701 or expended by
1371 the Department of Rail and Public Transportation for the purposes specified in this subdivision.
1372 Revenues of the Commonwealth Transit Capital Fund shall be used to support capital expenditures
1373 involving the establishment, improvement, or expansion of public transportation services through specific
1374 projects approved by the Commonwealth Transportation Board. *If revenues of the Commonwealth*
1375 *Transit Capital Fund are allocated to the construction of a new fixed rail project, such project shall be*
1376 *evaluated according to the process established pursuant to subsection B of § 33.2-214.1.* The
1377 Commonwealth Transit Capital Fund shall not be allocated without requiring a local match from the
1378 recipient.

1379 d. The Commonwealth Transportation Board may allocate up to three and one-half percent of the
1380 funds set aside for the Commonwealth Mass Transit Fund to support costs of project development,
1381 project administration, and project compliance incurred by the Department of Rail and Public
1382 Transportation in implementing rail, public transportation, and congestion management grants and
1383 programs.

1384 5. Funds for Metro shall be paid by the Northern Virginia Transportation Commission (NVTC) to the
1385 Washington Metropolitan Area Transit Authority (WMATA) and be a credit to the Counties of
1386 Arlington and Fairfax and the Cities of Alexandria, Falls Church, and Fairfax in the following manner:

1387 a. Local obligations for debt service for WMATA rail transit bonds apportioned to each locality
1388 using WMATA's capital formula shall be paid first by NVTC. NVTC shall use 95 percent state aid for
1389 these payments.

1390 b. The remaining funds shall be apportioned to reflect WMATA's allocation formulas by using the
1391 related WMATA-allocated subsidies and relative shares of local transit subsidies. Capital costs shall
1392 include 20 percent of annual local bus capital expenses. Hold harmless protections and obligations for
1393 NVTC's jurisdictions agreed to by NVTC on November 5, 1998, shall remain in effect.

1394 Appropriations from the Commonwealth Mass Transit Fund are intended to provide a stable and
1395 reliable source of revenue as defined by Public Law 96-184.

1396 6. Notwithstanding any other provision of law, funds allocated to Metro may be disbursed by the
1397 Department of Rail and Public Transportation directly to Metro or to any other transportation entity that
1398 has an agreement to provide funding to Metro.

1399 B. The sales and use tax revenue generated by a one percent sales and use tax shall be distributed
1400 among the counties and cities of the Commonwealth in the manner provided in subsections C and D.

1401 C. The localities' share of the net revenue distributable under this section among the counties and
1402 cities shall be apportioned by the Comptroller and distributed among them by warrants of the
1403 Comptroller drawn on the Treasurer of Virginia as soon as practicable after the close of each month
1404 during which the net revenue was received into the state treasury. The distribution of the localities' share
1405 of such net revenue shall be computed with respect to the net revenue received into the state treasury
1406 during each month, and such distribution shall be made as soon as practicable after the close of each
1407 such month.

1408 D. The net revenue so distributable among the counties and cities shall be apportioned and
1409 distributed upon the basis of the latest yearly estimate of the population of cities and counties ages five
1410 to 19, provided by the Weldon Cooper Center for Public Service of the University of Virginia. Such
1411 population estimate produced by the Weldon Cooper Center for Public Service of the University of
1412 Virginia shall account for persons who are domiciled in orphanages or charitable institutions or who are
1413 dependents living on any federal military or naval reservation or other federal property within the school
1414 division in which the institutions or federal military or naval reservation or other federal property is
1415 located. Such population estimate produced by the Weldon Cooper Center for Public Service of the
1416 University of Virginia shall account for members of the military services who are under 20 years of age
1417 within the school division in which the parents or guardians of such persons legally reside. Such
1418 population estimate produced by the Weldon Cooper Center for Public Service of the University of
1419 Virginia shall account for individuals receiving services in state hospitals, state training centers, or
1420 mental health facilities, persons who are confined in state or federal correctional institutions, or persons
1421 who attend the Virginia School for the Deaf and the Blind within the school division in which the
1422 parents or guardians of such persons legally reside. Such population estimate produced by the Weldon
1423 Cooper Center for Public Service of the University of Virginia shall account for persons who attend
1424 institutions of higher education within the school division in which the student's parents or guardians
1425 legally reside. To such estimate, the Department of Education shall add the population of students with
1426 disabilities, ages two through four and 20 through 21, as provided to the Department of Education by
1427 school divisions. The revenue so apportionable and distributable is hereby appropriated to the several
1428 counties and cities for maintenance, operation, capital outlays, debt and interest payments, or other
1429 expenses incurred in the operation of the public schools, which shall be considered as funds raised from
1430 local resources. In any county, however, wherein is situated any incorporated town constituting a school
1431 division, the county treasurer shall pay into the town treasury for maintenance, operation, capital outlays,
1432 debt and interest payments, or other expenses incurred in the operation of the public schools, the proper
1433 proportionate amount received by him in the ratio that the school population of such town bears to the
1434 school population of the entire county. If the school population of any city or of any town constituting a
1435 school division is increased by the annexation of territory since the last estimate of school population
1436 provided by the Weldon Cooper Center for Public Service, such increase shall, for the purposes of this
1437 section, be added to the school population of such city or town as shown by the last such estimate and a
1438 proper reduction made in the school population of the county or counties from which the annexed
1439 territory was acquired.

1440 E. Beginning July 1, 2000, of the remaining sales and use tax revenue, the revenue generated by a
1441 two percent sales and use tax, up to an annual amount of \$13 million, collected from the sales of
1442 hunting equipment, auxiliary hunting equipment, fishing equipment, auxiliary fishing equipment,
1443 wildlife-watching equipment, and auxiliary wildlife-watching equipment in Virginia, as estimated by the
1444 most recent U.S. Department of the Interior, Fish and Wildlife Service and U.S. Department of
1445 Commerce, Bureau of the Census National Survey of Fishing, Hunting, and Wildlife-Associated
1446 Recreation, shall be paid into the Game Protection Fund established under § 29.1-101 and shall be used,
1447 in part, to defray the cost of law enforcement. Not later than 30 days after the close of each quarter, the
1448 Comptroller shall transfer to the Game Protection Fund the appropriate amount of collections to be
1449 dedicated to such Fund. At any time that the balance in the Capital Improvement Fund, established
1450 under § 29.1-101.01, is equal to or in excess of \$35 million, any portion of sales and use tax revenues
1451 that would have been transferred to the Game Protection Fund, established under § 29.1-101, in excess
1452 of the net operating expenses of the Board, after deduction of other amounts which accrue to the Board
1453 and are set aside for the Game Protection Fund, shall remain in the general fund until such time as the
1454 balance in the Capital Improvement Fund is less than \$35 million.

1455 F. 1. Of the net revenue generated from the one-half percent increase in the rate of the state sales
1456 and use tax effective August 1, 2004, pursuant to enactments of the 2004 Special Session I of the
1457 General Assembly, the Comptroller shall transfer from the general fund of the state treasury to the
1458 Public Education Standards of Quality/Local Real Estate Property Tax Relief Fund established under
1459 § 58.1-638.1 an amount equivalent to one-half of the net revenue generated from such one-half percent

1460 increase as provided in this subdivision. The transfers to the Public Education Standards of
1461 Quality/Local Real Estate Property Tax Relief Fund under this subdivision shall be for one-half of the
1462 net revenue generated (and collected in the succeeding month) from such one-half percent increase for
1463 the month of August 2004 and for each month thereafter.

1464 2. Beginning July 1, 2013, of the remaining sales and use tax revenue, an amount equal to the
1465 revenue generated by a 0.125 percent sales and use tax shall be distributed to the Public Education
1466 Standards of Quality/Local Real Estate Property Tax Relief Fund established under § 58.1-638.1, and be
1467 used for the state's share of Standards of Quality basic aid payments.

1468 3. For the purposes of the Comptroller making the required transfers under subdivision 1 and 2, the
1469 Tax Commissioner shall make a written certification to the Comptroller no later than the twenty-fifth of
1470 each month certifying the sales and use tax revenues generated in the preceding month. Within three
1471 calendar days of receiving such certification, the Comptroller shall make the required transfers to the
1472 Public Education Standards of Quality/Local Real Estate Property Tax Relief Fund.

1473 G. (Contingent expiration date) Beginning July 1, 2013, of the remaining sales and use tax revenue,
1474 an amount equal to the following percentages of the revenue generated by a one-half percent sales and
1475 use tax, such as that paid to the Transportation Trust Fund as provided in subdivision A 1, shall be paid
1476 to the Highway Maintenance and Operating Fund established pursuant to § 33.2-1530:

- 1477 1. For fiscal year 2014, an amount equal to 10 percent;
- 1478 2. For fiscal year 2015, an amount equal to 20 percent;
- 1479 3. For fiscal year 2016, an amount equal to 30 percent; and
- 1480 4. For fiscal year 2017 and thereafter, an amount equal to 35 percent.

1481 The Highway Maintenance and Operating Fund's share of the net revenue distributable under this
1482 subsection shall be computed as an estimate of the net revenue to be received into the state treasury
1483 each month, and such estimated payment shall be adjusted for the actual net revenue received in the
1484 preceding month. All payments shall be made to the Fund on the last day of each month.

1485 H. (Contingent expiration date) 1. The additional revenue generated by increases in the state sales
1486 and use tax from Planning District 8 pursuant to §§ 58.1-603.1, 58.1-604.01, 58.1-604.1, and 58.1-614
1487 shall be deposited by the Comptroller in the fund established under § 33.2-2509.

1488 2. The additional revenue generated by increases in the state sales and use tax from Planning District
1489 23 pursuant to §§ 58.1-603.1, 58.1-604.01, 58.1-604.1, and 58.1-614 shall be deposited by the
1490 Comptroller in the fund established under § 33.2-2600.

1491 3. The additional revenue generated by increases in the state sales and use tax in any other Planning
1492 District pursuant to §§ 58.1-603.1, 58.1-604.01, 58.1-604.1, and 58.1-614 shall be deposited into special
1493 funds that shall be established by appropriate legislation.

1494 4. The net revenues distributable under this subsection shall be computed as an estimate of the net
1495 revenue to be received by the state treasury each month, and such estimated payment shall be adjusted
1496 for the actual net revenue received in the preceding month. All payments shall be made to the
1497 appropriate funds on the last day of each month.

1498 I. If errors are made in any distribution, or adjustments are otherwise necessary, the errors shall be
1499 corrected and adjustments made in the distribution for the next quarter or for subsequent quarters.

1500 J. The term "net revenue," as used in this section, means the gross revenue received into the general
1501 fund or the Transportation Trust Fund of the state treasury under the preceding sections of this chapter,
1502 less refunds to taxpayers.

1503 **§ 58.1-815.4. (Contingent expiration) Distribution of recordation tax for certain**
1504 **transportation-related purposes.**

1505 ~~Effective July 1, 2008, of~~ *Of* the state recordation taxes imposed pursuant to §§ 58.1-801 and
1506 58.1-803, the revenues collected each fiscal year from \$0.03 of the total tax imposed under each section
1507 shall be deposited by the Comptroller as follows:

1508 1. The revenues collected from \$0.02 of the total tax shall be deposited into the Commonwealth
1509 Mass Transit Fund pursuant to subdivision A 4 b (1) (b) of § 58.1-638; and

1510 2. The revenues collected from \$0.01 of the total tax shall be deposited into the ~~Highway~~
1511 ~~Maintenance and Operating Fund established pursuant to § 33.2-1530~~ *Commonwealth Transit Capital*
1512 *Fund established pursuant to subdivision A 4 c of § 58.1-638.*

1513 **§ 58.1-1741. Disposition of revenues.**

1514 A. After the direct costs of administering this article are recovered by the Department of Taxation,
1515 the remaining revenues collected hereunder by the Tax Commissioner shall be forthwith paid into the
1516 state treasury. Except as otherwise provided in this section, these funds shall constitute special funds
1517 within the Commonwealth Transportation Fund. Any balances remaining in these funds at the end of the
1518 year shall be available for use in subsequent years for the purposes set forth in this article, and any
1519 interest income on such funds shall accrue to these funds. The revenue so derived, after refunds have
1520 been deducted, is hereby allocated for the construction, reconstruction, and maintenance of highways and

1521 the regulation of traffic thereon and for no other purpose. However, (i) all funds collected from the
 1522 additional tax imposed by subdivision A 2 of § 58.1-1736 on the rental of daily rental vehicles shall be
 1523 distributed quarterly to the county, city, or town wherein such vehicle was delivered to the rentee; (ii)
 1524 except as provided in clause (iii) of this sentence, an amount equivalent to the net additional revenues
 1525 from the motor vehicle rental tax generated by enactments of the 1986 Special Session of the Virginia
 1526 General Assembly which amended §§ 46.2-694, 46.2-697, and by §§ 58.1-1735, 58.1-1736 and this
 1527 section, shall be distributed to and paid into the Transportation Trust Fund established pursuant to
 1528 § 33.2-1524, a special fund within the Commonwealth Transportation Fund, and are hereby appropriated
 1529 to the Commonwealth Transportation Board for transportation needs; (iii) all moneys collected from the
 1530 tax on the gross proceeds from the rental in Virginia of any motor vehicle pursuant to subdivision A 1
 1531 of § 58.1-1736 at the tax rate in effect on December 31, 1986, shall be paid by the Tax Commissioner
 1532 into the state treasury and *two-thirds of which* shall be paid into the Rail Enhancement Fund established
 1533 by § 33.2-1601 *and one-third of which shall be deposited into the Transportation Trust Fund established*
 1534 *pursuant to § 33.2-1524 and set aside for state of good repair purposes pursuant to § 33.2-369*; and (iv)
 1535 all additional revenues resulting from the fee imposed under subdivision A 3 of § 58.1-1736 shall be
 1536 used to pay the debt service on the bonds issued by the Virginia Public Building Authority for the
 1537 Statewide Agencies Radio System (STARS) for the Department of State Police pursuant to the authority
 1538 granted by the 2004 Session of the General Assembly.

1539 B. As provided in subsection A of § 58.1-638, of the funds becoming part of the Transportation
 1540 Trust Fund pursuant to clause (ii) of subsection A of this section, an aggregate of 4.2 percent shall be
 1541 set aside as the Commonwealth Port Fund; an aggregate of 2.4 percent shall be set aside as the
 1542 Commonwealth Airport Fund; and an aggregate of 14.7 percent shall be set aside as the Commonwealth
 1543 Mass Transit Fund.

1544 **§ 58.1-2289. Disposition of tax revenue generally.**

1545 A. Unless otherwise provided in this section, all taxes and fees, including civil penalties, collected by
 1546 the Commissioner pursuant to this chapter, less a reasonable amount to be allocated for refunds, shall be
 1547 promptly paid into the state treasury and shall constitute special funds within the Commonwealth
 1548 Transportation Fund. Any balances remaining in these funds at the end of the year shall be available for
 1549 use in subsequent years for the purposes set forth in this chapter, and any interest income on such funds
 1550 shall accrue to these funds.

1551 The Governor is hereby authorized to transfer out of such fund an amount necessary for the
 1552 inspection of gasoline and motor grease measuring and distributing equipment, and for the inspection
 1553 and analysis of gasoline for purity.

1554 B. The tax collected on each gallon of aviation fuel sold and delivered or used in this
 1555 Commonwealth, less refunds, shall be paid into a special fund of the state treasury. Proceeds of this
 1556 special fund within the Commonwealth Transportation Fund shall be disbursed upon order of the
 1557 Department of Aviation, on warrants of the Comptroller, to defray the cost of the administration of the
 1558 laws of this Commonwealth relating to aviation, for the construction, maintenance and improvement of
 1559 airports and landing fields to which the public now has or which it is proposed shall have access, and
 1560 for the promotion of aviation in the interest of operators and the public generally.

1561 C. One-half cent of the tax collected on each gallon of fuel on which a refund has been paid for
 1562 gasoline, gasohol, diesel fuel, blended fuel, or alternative fuel, for fuel consumed in tractors and
 1563 unlicensed equipment used for agricultural purposes shall be paid into a special fund of the state
 1564 treasury, known as the Virginia Agricultural Foundation Fund, to be disbursed to make certain refunds
 1565 and defray the costs of the research and educational phases of the agricultural program, including
 1566 supplemental salary payments to certain employees at Virginia Polytechnic Institute and State University,
 1567 the Department of Agriculture and Consumer Services and the Virginia Truck and Ornamentals Research
 1568 Station, including reasonable expenses of the Virginia Agricultural Council.

1569 D. One and one-half cents of the tax collected on each gallon of fuel used to propel a commercial
 1570 watercraft upon which a refund has been paid shall be paid to the credit of the Game Protection Fund of
 1571 the state treasury to be made available to the Board of Game and Inland Fisheries until expended for the
 1572 purposes provided generally in subsection C of § 29.1-701, including acquisition, construction,
 1573 improvement and maintenance of public boating access areas on the public waters of this
 1574 Commonwealth and for other activities and purposes of direct benefit and interest to the boating public
 1575 and for no other purpose. However, one and one-half cents per gallon on fuel used by commercial
 1576 fishing, oystering, clamming, and crabbing boats shall be paid to the Department of Transportation to be
 1577 used for the construction, repair, improvement and maintenance of the public docks of this
 1578 Commonwealth used by said commercial watercraft. Any expenditures for the acquisition, construction,
 1579 improvement and maintenance of the public docks shall be made according to a plan developed by the
 1580 Virginia Marine Resources Commission.

1581 From the tax collected pursuant to the provisions of this chapter from the sales of gasoline used for

1582 the propelling of watercraft, after deduction for lawful refunds, there shall be paid into the state treasury
 1583 for use by the Marine Resources Commission, the Virginia Soil and Water Conservation Board, the
 1584 State Water Control Board, and the Commonwealth Transportation Board to (i) improve the public
 1585 docks as specified in this section, (ii) improve commercial and sports fisheries in Virginia's tidal waters,
 1586 (iii) make environmental improvements including, without limitation, fisheries management and habitat
 1587 enhancement in the Chesapeake and its tributaries, and (iv) further the purposes set forth in § 33.2-1510,
 1588 a sum as established by the General Assembly.

1589 E. Of the remaining revenues deposited into the Commonwealth Transportation Fund pursuant to this
 1590 chapter less refunds authorized by this chapter: (i) 80 percent shall be deposited into the Highway
 1591 Maintenance and Operating Fund established pursuant to § 33.2-1530, (ii) ~~15~~ 11.3 percent shall be
 1592 deposited into the Transportation Trust Fund established pursuant to § 33.2-1524, (iii) four percent shall
 1593 be deposited into the Priority Transportation Fund, ~~and~~ (iv) *3.11 percent shall be deposited into the*
 1594 *Commonwealth Transit Capital Fund established pursuant to subdivision A 4 c of § 58.1-638*, (v) one
 1595 percent shall be transferred to a special fund within the Commonwealth Transportation Fund in the state
 1596 treasury, to be used to meet the necessary expenses of the Department of Motor Vehicles, (vi) *0.35 of*
 1597 *one percent shall be deposited into the Commonwealth Mass Transit Fund established pursuant to*
 1598 *subdivision A 4 of § 58.1-638 and allocated to subdivision A 4 b (1) (b), and (vii) 0.24 of one percent*
 1599 *shall be deposited into the Commonwealth Mass Transit Fund established pursuant to subdivision A 4 of*
 1600 *§ 58.1-638 and allocated to subdivision A 4 b (1) (a).*

1601 2. That the Commonwealth Transportation Board shall develop the priority ranking system
 1602 pursuant to § 33.2-369 as added by this act by July 1, 2016.

1603 3. That the provisions of this act amending §§ 33.2-200, 33.2-1530, 58.1-815.4, 58.1-1741, and
 1604 58.1-2289 of the Code of Virginia shall become effective on July 1, 2016.

1605 4. That the provisions of this act amending § 33.2-1510 shall become effective on July 1, 2020.

1606 5. That §§ 33.2-361, 33.2-362, and 33.2-364 of the Code of Virginia are repealed.

1607 6. That § 33.2-348 of the Code of Virginia is repealed effective July 1, 2016.

1608 7. That the repeal of §§ 33.2-348, 33.2-361, 33.2-362, and 33.2-364 of the Code of Virginia shall not
 1609 affect the expenditure of funds that are allocated pursuant to those sections by July 1, 2016.

1610 8. That the provisions of this act amending §§ 33.2-214 and 33.2-214.1 of the Code of Virginia
 1611 shall not affect the expenditure of funds that are allocated by July 1, 2016.

1612 9. That Article 2 (§ 33.2-1508) of Chapter 15 of Title 33.2 of the Code of Virginia is repealed and
 1613 that such repeal shall not affect the validity, enforceability, or legality of any loan agreement or
 1614 other contract, or any right established or accrued under such loan agreement or contract, that
 1615 existed prior to such repeal.

1616 10. That prior to January 1, 2018, the Department of Rail and Public Transportation is authorized
 1617 to enter into an agreement with a private entity pursuant to the Public-Private Transportation Act
 1618 of 1995 (§ 33.2-1800 et seq. of the Code of Virginia) to improve passenger rail service within the
 1619 Commonwealth wherein the private entity finances the improvements in return for annual
 1620 payments from funds allocated by the Commonwealth Transportation Board pursuant to
 1621 §§ 33.2-1601 and 33.2-1603 of the Code of Virginia for a period not to exceed 20 years, provided
 1622 that such annual payments shall be apportioned by the Commonwealth Transportation Board
 1623 between the Intercity Passenger Rail Operating and Capital Fund and the Rail Enhancement Fund
 1624 on the basis of the annual revenues of and proportional benefit incurred to each fund.

1625 11. That the Commonwealth Transportation Board shall develop no later than December 1, 2015,
 1626 a legislative proposal to revise the public benefit requirements of the Rail Enhancement Fund
 1627 established pursuant to § 33.2-1601 of the Code of Virginia.

1628 12. That the provisions of this act amending §§ 33.2-1530, 58.1-815.4, 58.1-1741, and 58.1-2289 of
 1629 the Code of Virginia shall expire if the Commonwealth collects sales and use tax from remote
 1630 retailers on sales made into the Commonwealth pursuant to legislation enacted by the federal
 1631 government that grants states that meet minimum simplification requirements specified in such
 1632 legislation the authority to compel remote retailers to collect sales and use tax on sales made into
 1633 the respective state.

2015 General Assembly Session – Summary of Transportation Related Bills

| Bill | Summary | Introduced By: | Status |
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| HB 1355 | Use of photo-monitoring systems to enforce traffic light signals; appeals. Provides that an operator of a motor vehicle found in violation of an ordinance created to enforce photo-monitoring systems for traffic lights has a right to appeal to the circuit court in a civil proceeding. The bill also reduces from \$50 to \$20 the amount of the matter in controversy above which an appeal of right exists in a civil case. | David I. Ramadan | 03/27/15 Governor: Approved by Governor-Chapter 714 (effective 7/1/15) |
| HB 1402 | Highway maintenance payments. Provides that cities and towns that receive highway maintenance payments from the Commonwealth based on moving-lane-miles of highway will not have such payments reduced if moving-lane-miles of highway are converted to two-way bicycle travel lanes. | G. Manoli Loupassi | 04/15/15 Governor: Acts of Assembly Chapter text (CHAP0722) |
| HB 1407 | Allocation of funds for state secondary highways. Allocates 10 percent of state revenues allocated to state secondary highways for use in reconstructing deteriorated state secondary highway pavements. The bill reduces from 25 to 20 percent the share of such revenues currently allocated to advancing high priority projects statewide and reduces from 15 to 10 percent the share of such revenues currently allocated to projects undertaken pursuant to the Public-Private Transportation Act of 1995. | L. Scott Lingamfelter | 02/11/15 House: Left in Transportation |
| HB 1501 | Highway maintenance payments to cities and towns. Bases highway maintenance payments to cities and towns on lane-miles of highways. Under current law, such payments are based on moving-lane-miles available to peak-hour traffic. | Betsy B. Carr | 02/11/15 House: Left in Transportation |
| HB 1502 | Highway maintenance payments to certain cities. Provides for highway maintenance payments to cities for paved trails that accommodate all modes of nonmotorized transportation, at a rate of 50 percent of the per-mile rate established for highway maintenance payments for collector roads and local streets. | Betsy B. Carr | 02/11/15 House: Left in Transportation |
| HB 1510 | Hampton Roads Transportation Accountability Commission. Provides that population estimates used by the Hampton Roads Transportation Accountability Commission in making its decisions shall be those projections made by the Weldon Cooper Center for Public Service of the University of Virginia. Current law provides for use of the most recent decennial census in determining such population estimates until the fifth year following each census and then using adjusted projections made by the Center. | Jeion A. Ward | 03/17/15 Governor: Approved by Governor-Chapter 232 (effective 7/1/15) 03/17/15 Governor: Acts of Assembly Chapter text (CHAP0232) |
| HB 1644 | Commonwealth Transportation Board membership; align with congressional districts. Provides that the nonlegislative citizen members of the Commonwealth Transportation Board shall be chosen from Virginia's congressional districts instead of from the highway construction districts and retains the five at-large members. As a result, the overall membership of the Board would increase by two. | Ronald A. Villanueva | 02/11/15 House: Left in Transportation |
| HB 1760 | Hampton Roads Transportation Accountability Commission; local representation. Allows the chief elected officer of each locality within Planning District 23 to have a representative from the same governing body serve on the Hampton Roads Transportation Accountability Commission. | Matthew James | 02/11/15 House: Left in Transportation |
| HB 1886 | Public-Private Transportation Act; finding of public interest. Establishes the requirements for a finding of public interest, requires such a finding prior to an initiation of procurement, and establishes the Transportation Public-Private Partnership Steering Committee to determine whether a proposal for the operation and development of a transportation facility serves a public purpose. The bill also requires certification of the finding prior to the execution of a comprehensive agreement and requires the public-private partnership guidelines to incorporate the finding. The bill also requires VDOT to establish (i) a process for identifying high-risk projects and (ii) procurement processes and guidelines for such projects to ensure that the public interest is protected. | S. Chris Jones | 03/26/15 Governor: Approved by Governor-Chapter 612 (effective 7/1/15) |

2015 General Assembly Session – Summary of Transportation Related Bills

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| <p>HB 1887</p> | <p>Transportation funding; formula, reporting, and allocations. Removes the Executive Director of the Virginia Port Authority from the Commonwealth Transportation Board (CTB) and makes the members of the CTB subject to removal by the Governor for malfeasance, misfeasance, incompetence, misconduct, neglect of duty, absenteeism, conflicts of interest, failure to carry out the policies of the Commonwealth, or refusal to carry out a lawful directive of the Governor. Both provisions would become effective July 1, 2017.</p> <p>The bill updates the annual report of the Commissioner of Highways made to the Governor and the General Assembly and adds that such report be submitted to the Joint Legislative Audit and Review Commission and the CTB. The report must include the condition of existing transportation assets; the methodology used to determine maintenance and state of good repair needs; performance targets and outcomes; a listing of prioritized pavement and bridge projects based on the priority ranking system; VDOT strategies for improving the safety, security, and operations of highways; and a review of the VDOT's collaboration with the private sector in delivering services.</p> <p>The bill adds to transportation funding considerations the state of good repair purposes along with asset management practices and maintenance and requires the CTB to develop a priority ranking system for structurally deficient bridges and deteriorated pavements.</p> <p>The bill establishes the high-priority projects program and the highway construction district grant program and replaces the \$500 million annual allocation made by the CTB and the 40-30-30 allocation formula to the primary, secondary, and urban highways with a new 40-30-30 allocation of funds to state of good repair purposes, high-priority projects, and highway construction district grants.</p> <p>The bill also reallocates the interest, dividends, and appreciation that currently accrue to the Transportation Trust Fund and Highway Maintenance and Operating Fund: two-thirds of such current accruals to the Virginia Transportation Infrastructure Bank and one-third of such accruals to the Transportation Partnership Opportunity Fund. The bill also removes the definition of "grant" from the Virginia Transportation Infrastructure Bank and excludes grants from other financing, thereby removing the ability of a governmental entity to apply for a grant. The bill also allows the CTB to make transfers from the Toll Facilities Revolving Account to the Virginia Transportation Infrastructure Bank.</p> <p>Further, the bill authorizes the Department of Rail and Public Transportation to enter into agreements not to exceed 20 years under the Public-Private Transportation Act to improve passenger rail service with private entities that finance improvements in return for annual payments.</p> | <p>S. Chris Jones</p> | <p>02/25/15 House: Senate substitute agreed to by House 15105334D-S2 (94-Y 1-N) 02/25/15 House: VOTE: ADOPTION (94-Y 1-N) 03/10/15 House: Enrolled Bill communicated to Governor on 3/10/15 03/10/15 Governor: Governor's Action Deadline Midnight, Sunday, March 29, 2015 03/27/15 Governor: Approved by Governor-Chapter 684 (effective - see bill)</p> |
| <p>HB 2296</p> | <p>Tolling authority. Requires approval by the General Assembly before the imposition or collection of tolls or user fees on any interstate, primary, or secondary highway, on any project undertaken pursuant to the PPTA, or by the HRTAC, NVTA, or RMTA.</p> | <p>Johnny S. Joannou</p> | <p>02/11/15 House: Left in Transportation</p> |
| <p>HB 2297</p> | <p>Powers and duties of public-private partnerships and the Hampton Roads Transportation Accountability Commission. Requires approval of the General Assembly prior to the imposition or collection of any tolls or user fees on a project undertaken pursuant to the Public-Private Transportation Act of 1995 or by the Hampton Roads Transportation Accountability Commission.</p> | <p>Johnny S. Joannou</p> | <p>02/11/15 House: Left in Transportation</p> |
| <p>HJ 502</p> | <p>Constitutional amendment (first resolution); Transportation Funds. Requires the General Assembly to maintain permanent and separate Transportation Funds to include the Commonwealth Transportation Fund, Transportation Trust Fund, Highway Maintenance and Operating Fund, Priority Transportation Fund, and other funds established by general law for transportation. All revenues dedicated to Transportation Funds on January 1, 2016, by general law, other than a general appropriation law, shall be deposited to the</p> | <p>Hyland F. "Buddy" Fowler, Jr.</p> | <p>02/10/15 House: Left in Privileges and Elections</p> |

2015 General Assembly Session – Summary of Transportation Related Bills

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| | Transportation Funds. The General Assembly by general law, other than a general appropriation law, may alter the revenues dedicated to the Funds. The amendment limits the use of Fund moneys to transportation and related purposes. The General Assembly may borrow from the Funds for other purposes only by a vote of two-thirds plus one of the members voting in each house, and the loan must be repaid with reasonable interest within three years. No moneys designated for deposit into funds other than Transportation Funds shall be used for any transportation-related purpose except for making certain debt service payments on transportation-related bonds and notes. | | |
| HJ 576 | Constitutional amendment first resolution); Transportation Funds. Requires the General Assembly to maintain permanent and separate Transportation Funds to include the Commonwealth Transportation Fund, Transportation Trust Fund, Highway Maintenance and Operating Fund, and other funds established by general law for transportation. All revenues dedicated to Transportation Funds on January 1, 2016, by general law, other than a general appropriation law, shall be deposited to the Transportation Funds, unless the General Assembly by general law, other than a general appropriation law, alters the revenues dedicated to the Funds. The amendment limits the use of Fund moneys to transportation and related purposes. The amendment specifies that the General Assembly shall not borrow from the Funds for any other purpose. | James M. LeMunyon | 02/10/15 House: Left in Privileges and Elections |
| HJ 581 | Study; Joint Legislative Audit and Review Commission to study alternative taxes and fees for highway funding in the Commonwealth; report. Directs JLARC to study the adequacy of taxes and fees currently dedicated to highway funding and the feasibility of alternative revenue sources, including but not limited to road usage charges based on vehicle miles traveled, other flat fees, increased use of tolls, and charges on motor vehicle parts and fluids that must be replaced as vehicle miles traveled increase, such as tires and motor oil. | Scott A. Surovell | 02/10/15 House: Left in Rules |
| HJ 599 | Study; JLARC; highway construction allocations; report. Directs the Joint Legislative Audit and Review Commission to study the reasonableness, appropriateness, and equity of highway construction allocations in the Commonwealth. | Vivian E. Watts | 02/10/15 House: Left in Rules |
| HJ 601 | Study; JLARC; equity of funding for transportation programs; report. Directs the Joint Legislative Audit and Review Commission to study the adequacy and equity of funding for transportation programs in the Commonwealth. | Ronald A. Villanueva | 02/10/15 House: Left in Rules |
| HJ 629 | Hampton Roads Transportation Planning Organization; signage. Encourages the Hampton Roads Transportation Planning Organization to allocate funds to enhance interstate signage in the City of Hampton to increase awareness of landmarks and points of interest. | Gordon C. Helsel, Jr | 02/03/15 House: Stricken from docket by Transportation by voice vote |
| SJ 217 | Constitutional amendment (first resolution); Transportation Funds. Requires the General Assembly to maintain permanent and separate Transportation Funds to include the Commonwealth Transportation Fund, Transportation Trust Fund, Highway Maintenance and Operating Fund, and other funds established by general law for transportation. All revenues dedicated to Transportation Funds on January 1, 2016, by general law, other than a general appropriation law, shall be deposited to the Transportation Funds, unless the General Assembly by general law, other than a general appropriation law, alters the revenues dedicated to the Funds. The amendment limits the use of Fund moneys to transportation and related purposes. The amendment specifies that the General Assembly may borrow from the Funds for other purposes only by a vote of two-thirds plus one of the members voting in each house and that the loan must be repaid with reasonable interest | Richard H. Black | 01/26/15 Senate: Rejected by Senate (17-Y 22-N) |

2015 General Assembly Session – Summary of Transportation Related Bills

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| | within four years. | | |
| SJ 219 | Constitutional amendment (first resolution); Transportation Funds. Requires the General Assembly to maintain permanent and separate Transportation Funds to include the Commonwealth Transportation Fund, Transportation Trust Fund, Highway Maintenance and Operating Fund, and other funds established by general law for transportation. All revenues dedicated to Transportation Funds on January 1, 2016, by general law, other than a general appropriation law, shall be deposited to the Transportation Funds, unless the General Assembly by general law, other than a general appropriation law, alters the revenues dedicated to the Funds. The amendment limits the use of Fund moneys to transportation and related purposes. The amendment specifies that the General Assembly may borrow from the Funds for other purposes only by a vote of two-thirds plus one of the members voting in each house and that the loan must be repaid with reasonable interest within four years. | John A. Cosgrove | 01/20/15 Senate: Incorporated by Privileges and Elections (SJ217-Black) (15-Y 0-N) |
| SB 743 | Hampton Roads Transportation Accountability Commission; local representation. Allows the chief elected officer of each locality within Planning District 23 to have a representative from the same governing body serve on the Hampton Roads Transportation Accountability Commission. | L. Louise Lucas | 02/11/15 Senate: Left in Rules |
| SB 847 | Interstate Transportation Compact. Creates the Interstate Transportation Compact to develop and plan interstate transportation projects, advocate for federal and other funding resources for such projects, and facilitate plans and programs for such projects between the signatory states. The bill establishes the Interstate Transportation Compact Commission, which shall include a five-member delegation from Virginia, meet at least twice annually, and annually report on its activities to the Governor and the legislature of each signatory state. Such compact shall not become effective until enacted by at least one other signatory state. | William M. Stanley, Jr. | 03/17/15 Governor: Approved by Governor-Chapter 243 (effective - see bill) 03/17/15 Governor: Acts of Assembly Chapter text (CHAP0243) |
| SB 1392 | Planning district commissions; composition; regional partners. Authorizes planning district commissions to grant representation to regionally significant partner institutions or entities that are not local governments. | Thomas A. Garrett | 02/03/15 Senate: Stricken at request of Patron in Local Government (13-Y 0-N) |
| SB 1443 | Comprehensive plan; sea-level rise. Provides that any locality included in the Hampton Roads Planning District Commission shall incorporate into the next scheduled and all subsequent reviews of its comprehensive plan strategies to combat projected sea-level rise and recurrent flooding. Such review shall be coordinated with the other localities in the Hampton Roads Planning District Commission. The Department of Conservation and Recreation, the Marine Resources Commission, and the Virginia Institute of Marine Science shall provide technical assistance to any such locality upon request. | John C. Miller | 03/16/15 Governor: Approved by Governor-Chapter 186 (effective 7/1/15) 03/16/15 Governor: Acts of Assembly Chapter text (CHAP0186) |
| SB 1459 | Hampton Roads Transportation Accountability Commission. Requires the members of the Hampton Roads Transportation Accountability Commission to allow for five minutes of public comment before each vote. | Jeffrey L. Waters Frank W. Wagner | 02/25/15 House: Referred to Committee on Transportation 02/27/15 House: Left in Transportation |