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**HOUSE BILL NO. 707**

Offered January 12, 2022

Prefiled January 11, 2022

*A BILL to amend and reenact §§ 33.2-214.1, 33.2-370, 33.2-371, and 33.2-1503 of the Code of Virginia, relating to transportation funding; statewide prioritization process; resiliency.*

Patron—Keam

Committee Referral Pending

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

**1. That §§ 33.2-214.1, 33.2-370, 33.2-371, and 33.2-1503 of the Code of Virginia are amended and reenacted as follows:**

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

A. For the purposes of this section, "resiliency" means the capability of a transportation project or strategy to anticipate, prepare for, respond to, or recover from significant multihazard threats, including natural disasters, recurrent tidal flooding, permanent flooding resulting from sea level rise, and extreme weather events, with minimum damage to the health and social, environmental, and economic well-being of the community.

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

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

1. ~~The~~ For projects or strategies submitted after July 1, 2022, the prioritization process shall be based on an objective and quantifiable analysis that considers, at a minimum, the following factors relative to the *anticipated life-cycle* cost of the project or strategy: congestion mitigation, economic development, accessibility, safety, *resiliency*, and environmental quality.

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

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

4. The Commonwealth Transportation Board shall solicit input from localities, metropolitan planning organizations, transit authorities, transportation authorities, and other stakeholders in its development of the prioritization process pursuant to this section. Further, the Board shall explicitly consider input provided by an applicable metropolitan planning organization or the Northern Virginia Transportation Authority when developing the weighting of factors pursuant to subdivision 3 for a metropolitan planning area with a population over 200,000 individuals.

C. D. The prioritization process developed under subsection B C shall not apply to the following: projects or activities undertaken pursuant to § 33.2-352; projects funded by the Congestion Mitigation Air Quality funds apportioned to the state pursuant to 23 U.S.C. § 104(b)(4) and state matching funds; projects funded by the Highway Safety Improvement Program funds apportioned to the state pursuant to 23 U.S.C. § 104(b)(3) and state matching funds; projects funded by the Transportation Alternatives funds set-aside pursuant to 23 U.S.C. § 213 and state matching funds; projects funded by the revenue-sharing program pursuant to § 33.2-357; and projects funded by federal programs established by the federal government after June 30, 2014, with specific rules that restrict the types of projects that may be

59 funded, excluding restrictions on the location of projects with regard to highway functional  
60 classification. The Commonwealth Transportation Board may, at its discretion, develop a prioritization  
61 process for any of the funds covered by this subsection, subject to planning and funding requirements of  
62 federal law.

63 **§ 33.2-370. High-priority projects program.**

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

67 B. The Board shall establish a high-priority projects program and shall use funds allocated in  
68 § 33.2-358 to the program for projects and strategies that address a transportation need identified for a  
69 corridor of statewide significance or a regional network in the Statewide Transportation Plan pursuant to  
70 § 33.2-353. From funds allocated to this program, the Board shall allocate funds to the Innovation and  
71 Technology Transportation Fund, provided that the allocation shall not exceed \$25 million annually.

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

75 **§ 33.2-371. Highway construction district grant programs.**

76 A. As used in this section:

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

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

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

86 C. The Board shall solicit candidate projects and strategies from local governments for consideration  
87 in the applicable highway construction district's grant program. Candidate projects and strategies shall be  
88 screened, evaluated, and selected by the Board according to the process established pursuant to  
89 subsection B C of § 33.2-214.1 but shall be within a highway construction district and not outside such  
90 highway construction district. Candidate projects and strategies from localities within a highway  
91 construction district shall be scored against projects and strategies within the same highway construction  
92 district. Only those candidate projects and strategies submitted by a locality shall be funded.

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

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

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

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

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

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

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

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

111 **§ 33.2-1503. Eligibility and project selection.**

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

114 B. All applicants for a loan or other financial assistance must file an application with the Board,  
115 which must include all items determined by the Board in consultation with the manager to be necessary  
116 and appropriate for the Board to determine whether or not to approve the loan, including the availability  
117 of reliable repayment sources to retire the project obligation as well as creditworthiness.

118 C. Each applicant for a loan or other financial assistance must demonstrate that the project is of  
119 local, regional, or statewide significance and meets the public interest identified in subsection A B of  
120 § 33.2-214.1. Another criterion to be considered is whether or not the loan or other financial assistance

121 will enable the project to be completed at an earlier date than would otherwise be feasible. The Board  
122 shall issue guidelines for scoring projects in accordance with subsection ~~B~~ C of § 33.2-214.1 and any  
123 other criteria deemed necessary and appropriate for evaluating projects as determined by the Board in  
124 consultation with the manager and shall apply the scoring guidelines to each proposed project. Further,  
125 the Board shall promptly publish each proposed project and its score using the scoring guidelines.  
126 D. All projects for which a loan or other financial assistance is provided must meet and remain in  
127 compliance with the policies and guidelines established by the Board and the manager.

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