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SENATE BILL NO. 1467

AMENDMENT IN THE NATURE OF A SUBSTITUTE
 (Proposed by the Senate Committee on Transportation
 on January 23, 2025)

(Patron Prior to Substitute—Senator DeSteph)

A BILL to amend and reenact §§ 5.1-2.2:3 and 33.2-1526.6 of the Code of Virginia, relating to Commonwealth Aviation Fund; allocations.

Be it enacted by the General Assembly of Virginia:

1. That §§ 5.1-2.2:3 and 33.2-1526.6 of the Code of Virginia are amended and reenacted as follows:

§ 5.1-2.2:3. Transparency and accountability in the use of Commonwealth Aviation Fund revenues.

A. By November 1 of each year, the Board shall report to the Governor and the General Assembly on the use of Commonwealth Aviation Fund revenues the previous fiscal year. The report shall include at a minimum the following:

1. The use of entitlement funds allocated pursuant to subdivision B 1 of § 33.2-1526.6 by each ~~air carrier~~ ~~airport~~ ~~commercial service~~ ~~airport sponsor~~, including the amount of funds that are unobligated;

2. The award and use of discretionary funds allocated for ~~air carrier~~ ~~commercial service~~ and ~~reliever~~ ~~regional business~~ airports pursuant to subdivision B 2 a (1) of § 33.2-1526.6 by every such airport;

3. The award and use of discretionary funds allocated for ~~general aviation~~ ~~community business and local service~~ airports pursuant to subdivision B 2 a (2) of § 33.2-1526.6 by every such airport; and

4. The award and use of discretionary funds allocated for all airports pursuant to subdivision B 2 b of § 33.2-1526.6 by every such airport.

Such report shall also include the status of ongoing projects funded in whole or in part by the Commonwealth Aviation Fund pursuant to § 33.2-1526.6.

B. Each year prior to the release of entitlement funds allocated pursuant to subdivision B 1 of § 33.2-1526.6, each ~~air carrier~~ ~~airport~~ ~~commercial service~~ ~~airport sponsor~~ shall submit a plan that outlines the planned use of such funds for the upcoming fiscal year to the Board for review and approval. The Board shall approve such plan provided that the use of funds is in accordance with Board policies. ~~An~~ ~~airport~~ A ~~commercial service~~ ~~airport sponsor~~ may modify its plan during a fiscal year by submitting a revised plan to the Board for review.

C. The Board shall have the right to withhold entitlement funds allocated pursuant to subdivision B 1 of § 33.2-1526.6 in the event that the entitlement utilization plan is not approved by the Board or the ~~airport~~ ~~commercial service~~ ~~airport sponsor~~ uses the funds in a manner that is inconsistent with the approved plan.

§ 33.2-1526.6. Commonwealth Aviation Fund.

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

B. Any new funds in excess of \$12.1 million that are available for allocation by the Virginia Aviation Board shall be allocated as follows: 40 percent to ~~air carrier~~ airports as provided in subdivision 1 and 60 percent to MWAA, up to a maximum annual amount of \$2 million. Except for adjustments due to changes in enplaned passengers, ~~no~~ ~~air carrier~~ ~~airport sponsor~~, excluding MWAA, shall receive less funds identified under subdivision 1 than it received in fiscal year 1994—1995. Six percent of the funds shall be allocated as entitlement funds to MWAA.

Of the remaining amount:

1. Forty Five percent of the funds shall be allocated as entitlement funds to ~~air carrier~~ airports that are not ~~airports owned or leased by~~ ~~commercial service~~ ~~airport sponsors other than~~ MWAA, based upon the percentage of enplanements for each airport to total enplanements at all ~~air carrier~~ ~~commercial service~~ airports that are not ~~airports~~ owned or leased by MWAA. ~~No~~ ~~air carrier~~ Of the amounts made available under this provision, no ~~commercial service~~ ~~airport sponsor~~ shall receive less than \$50,000 nor more than \$2 million per year from this provision:

a. In fiscal year 2026, more than 25 percent or less than eight percent of the funds; and

b. In fiscal year 2027 and each fiscal year thereafter, more than 25 percent of the funds or less than (i) four and one-half percent of the funds for airports with fewer than 10,000 annual enplanements or (ii) six and one-half percent of the funds for airports with 10,000 or more annual enplanements.

60 2. *Sixty* *Fifty* percent of the funds shall be allocated as follows:

61 a. For the first six months of each fiscal year, the funds shall be allocated as follows:

62 (1) Forty percent of the funds shall be allocated by the Virginia Aviation Board for ~~air carrier~~ *commercial*
63 *service and relieved* *regional business* airports on a discretionary basis, except airports owned or leased by
64 MWAA; and

65 (2) *Twenty* *Ten* percent of the funds shall be allocated by the Virginia Aviation Board for ~~general aviation~~
66 *community business and local service* airports on a discretionary basis; and

67 b. For the second six months of each fiscal year, all remaining funds shall be allocated by the Virginia
68 Aviation Board for all eligible airports on a discretionary basis, except airports owned or leased by MWAA.