

012891824

HOUSE BILL NO. 2695

Offered January 17, 2001

A BILL to amend the Code of Virginia by adding in Chapter 14 of Title 2.1 an article numbered 2.1:1, consisting of sections numbered 2.1-191.4:01 through 2.1-191.4:05, and by adding a section numbered 30-19.1:9, relating to procedures governing state expenditures; creation of Virginia Investment Account.

Patron—Marshall

Referred to Committee on Rules

Be it enacted by the General Assembly of Virginia:

1. That the Code of Virginia is amended by adding in Chapter 14 of Title 2.1 an article numbered 2.1:1, consisting of sections numbered 2.1-191.4:01 through 2.1-191.4:05, and by adding a section numbered 30-19.1:9 as follows:

*Article 2.1:1.**Virginia Investment Act of 2001.**§ 2.1-191.4:01. Definitions.**As used in this article:**"Account" means the Virginia Investment Account established by this article.**"Cost of living" means the Consumer Price Index (all items) for the United States, or any comparable index, as computed by the federal Bureau of Labor Statistics for a twelve-month period.**"Expenditures" means the total amount of appropriations by the Commonwealth except:**1. Appropriations-funded moneys received from the federal government;**2. Principal and interest on bonded indebtedness;**3. Appropriations funded by unemployment and disability insurance funds;**4. Appropriations funded by user charges to the extent that such charges do not exceed the cost of the goods or services and that the purchase of such goods or services is discretionary;**5. Appropriations funded from permanent endowments, trust funds, or pension funds;**6. Proceeds of gifts or bequests made for purposes specified by the donor; and**7. Moneys appropriated for tax relief.**"Personal income" means the total income received by residents of the Commonwealth from all sources, including transfer payments as defined and officially reported by the federal Department of Commerce for a twelve-month period.**"Population" means the number of people residing in the Commonwealth, excluding members of the armed forces stationed overseas, as determined by the federal Bureau of the Census.**§ 2.1-191.4:02. Expenditure limitation in Governor's budget.*

The Governor shall not submit any budget bill pursuant to subsection A of § 2.1-399 or any amendments to a general appropriation act pursuant to subsection B of § 2.1-399 that increases state expenditures above the amount of state expenditures for the prior fiscal year by a percentage that is greater than the total of the rates of increase in cost of living and population growth over the most recently ended fiscal year; however, in no event shall such percentage of increase in expenditures exceed the average percentage change in the Commonwealth's per capita personal income over the prior three fiscal years.

§ 2.1-191.4:03. Virginia Investment Account established; deposits; withdrawals.

A. There is hereby established in the state treasury a special nonreverting fund to be known as the Virginia Investment Account. The Account shall be established on the books of the Comptroller. Any moneys remaining in the Account, including interest thereon, at the end of each fiscal year shall not revert to the general fund but shall remain in the Account.

B. Any excess of the Commonwealth's revenues over expenditures, collected and measured at the end of a fiscal year, as certified by the Auditor of Public Accounts under § 2.1-191.2, net of any deposits required to be made to the Revenue Stabilization Fund and the Water Quality Improvement Fund, shall be deposited in the Account.

C. The Governor shall include an appropriation for the amount required by subsection B to be deposited into the Account in his budget bill, or amendments proposed to the general appropriation act, submitted to the General Assembly pursuant to § 2.1-399. The State Comptroller shall draw such warrants as are appropriated, and the Treasurer of Virginia shall deposit such warrants into the Account. Such required amount shall be deposited into the Account on the first day of the fiscal year.

D. No amounts shall be withdrawn from the Account except in pursuance of appropriations made by

INTRODUCED

HB2695

59 the General Assembly. Moneys shall be appropriated from the Account only for (i) capital expenditures
60 on transportation projects, (ii) deposits into the Conservation and Recreation Fund pursuant to
61 § 10.1-1020, (iii) public school construction and renovation projects, (iv) capital projects at public
62 institutions of higher education, (v) payments reducing the Commonwealth's bonded indebtedness, (vi)
63 tax relief, (vii) environmental quality programs or (viii) non-recurring research and development grants
64 relating to economic development activities, which may be conducted at public institutions of higher
65 education.

66 § 2.1-191.4:04. Mandated and shifted costs.

67 The Commonwealth shall not impose upon any county, city, town or other political subdivision of the
68 Commonwealth any part of the total costs of new programs or services, or increases in existing
69 programs or services, unless a specific appropriation is made sufficient to pay the political subdivision
70 for that purpose. The proportion of all state revenue paid to all political subdivisions of the
71 Commonwealth collectively shall not be reduced below that proportion in effect on July 1, 2000. If costs
72 are transferred from one unit of government to another unit of government, either by legislative or
73 judicial action, the limitation imposed by § 2.1-191.4:02 shall be adjusted and transferred accordingly
74 so that total costs are not increased as a result of such transfer.

75 § 2.1-191.4:05. Severability.

76 If any expenditure category or revenue source shall be adjudged to be exempt from this article by a
77 court of competent jurisdiction, the process of computing the expenditure limitation shall be adjusted
78 accordingly and the other provisions shall remain in full force and effect.

79 § 30-19.1:9. General appropriation bills.

80 A. Except as provided in subsection B, no committee of either the House of Delegates or the Senate
81 shall report to its respective body any bill for the general appropriation of the revenues of the
82 Commonwealth, or any amendments thereto, that would increase state expenditures above the amount of
83 state expenditures for the prior fiscal year by a percentage that is greater than the total of the rates of
84 increase in cost of living and population growth over the most recently ended fiscal year; however, in
85 no event shall such percentage of increase in expenditures exceed the average percentage change in the
86 Commonwealth's per capita personal income over the prior three fiscal years. For purposes of this
87 section the terms: (i) "cost of living," (ii) "expenditures," (iii) "personal income," and (iv) "population"
88 shall be defined as those terms are defined in § 2.1-191.4:01.

89 B. If a committee's bill, as described in subsection A, contains an appropriation for an item or
90 program for which there was no appropriation in the immediately preceding fiscal year, then the
91 committee's bill may increase state expenditures above the amount set forth in subsection A by an
92 amount equal to or less than the total appropriations for all such items or programs; provided,
93 however, that if the bill does increase state expenditures above the amount set forth in subsection A,
94 then, upon the objection of any member, the committee's bill shall not be considered.