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HOUSE BILL NO. 288

Offered January 9, 2002

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A BILL to amend and reenact § 2.2-1509 of the Code of Virginia and to amend the Code of Virginia by adding sections numbered 2.2-1503.1 and 2.2-1509.1, relating to capital improvement plans and appropriations for capital projects.

 Patron—McDonnell

Referred to Committee on Finance

Be it enacted by the General Assembly of Virginia:

1. That § 2.2-1509 of the Code of Virginia is amended and reenacted, and that the Code of Virginia is amended by adding sections numbered 2.2-1503.1 and 2.2-1509.1 as follows:

§ 2.2.-1503.1. Filing of six-year capital improvement plan by Governor.

A. For purposes of this section:

"Capital outlay project" means acquisition of real property and new construction and improvements related to state-owned real property, plant, or equipment (including plans therefor). It shall include any improvements to real property leased for use by a state agency, and not owned by the state, when such improvements are financed by public funds and become state property upon the expiration of the lease. Capital outlay projects do not include projects that have been included in the Commonwealth Transportation Board's Six-Year Improvement Program.

B. On or before August 15 of the year immediately prior to the beginning of each regular session of the General Assembly held in an even-numbered year, the Governor shall submit to the members of the General Assembly a six-year capital improvement plan. The plan shall include all capital outlay projects that the Governor deems necessary for the six fiscal years immediately following the current fiscal year. The plan shall:

- 1. Identify each capital outlay project;*
- 2. Describe the scope and nature of the project;*
- 3. Provide an estimate of the total cost of each project upon payment in full;*
- 4. Detail, by fiscal year, the source or sources of funds recommended for each capital outlay project;*
- 5. Explain the specific criteria or justification that was used in determining the fiscal year in which funds were allocated to projects; and*

- 6. Include any other information as may be requested by the General Assembly.*

Any capital outlay project that requires additional funds, in excess of the latest estimate submitted to the General Assembly, shall be included in the six-year plan with an updated estimate of the total cost as provided herein.

C. The capital improvement plan shall include a list of capital outlay projects, funded all or in part by general funds, with funding from general funds in each fiscal year equal to at least two percent of the anticipated general fund revenues for the fiscal year, as such revenues are estimated in the six-year revenue plan submitted in the prior calendar year pursuant to § 2.2-1503. This amount of general funds shall be in addition to any allocation to capital outlay projects from the Central Maintenance Reserve of the appropriation act.

§ 2.2-1509. Budget bill.

A. On or before December 20 of the year immediately prior to the beginning of each regular session of the General Assembly held in an even-numbered year, the Governor also shall submit to the presiding officer of each house of the General Assembly, at the same time he submits "The Executive Budget," copies of a tentative bill for all proposed appropriations of the budget, for each year in the ensuing biennial appropriation period, which shall be known as "The Budget Bill." "The Budget Bill" shall be organized by function, primary agency, and proposed appropriation item and shall include an identification of, and authorization for, common programs and the appropriation of funds according to programs. Except as expressly provided in an appropriation act, whenever the amounts in a schedule for a single appropriation item are shown in two or more lines, the portions of the total amount shown on separate lines are for information purposes only and are not limiting. No such bill shall contain any appropriation the expenditure of which is contingent upon the receipt of revenues in excess of funds unconditionally appropriated.

B. The salary proposed for payment for the position of each cabinet secretary and administrative head of each agency and institution of the executive branch of state government shall be specified in "The Budget Bill," showing the salary ranges and levels proposed for such positions.

INTRODUCED

HB288

59 C. "The Budget Bill" shall include all proposed capital appropriations, including each capital project
60 to be financed through revenue bonds or other debt issuance, the amount of each project, and the
61 identity of the entity that will issue the debt.

62 D. Concurrently with the submission of "The Budget Bill," the Governor shall submit a tentative bill
63 involving a request for authorization of additional bonded indebtedness if its issuance is authorized by,
64 or its repayment is proposed to be made in whole or in part, from revenues or appropriations contained
65 in "The Budget Bill."

66 E. On or before December 20 of the year immediately prior to the beginning of each regular session
67 held in an odd-numbered year of the General Assembly, the Governor shall submit to the presiding
68 officer of each house printed copies of all gubernatorial amendments proposed to the general
69 appropriation act adopted in the immediately preceding even-numbered year session. In preparing the
70 amendments, the Governor may obtain estimates in the manner prescribed in §§ 2.2-1504, 2.2-1505, and
71 2.2-1506. On the same date he shall also submit a tentative bill during the second year of the
72 appropriation period, a request for authorization of additional bonded indebtedness if its issuance is
73 authorized by, or its repayment is proposed to be made in whole or in part, from revenues or
74 appropriations contained in the proposed gubernatorial amendments.

75 F. *The proposed capital appropriations or capital projects described in, or for which appropriations*
76 *are made pursuant to, this section shall be funded in "The Budget Bill" in accordance with the minimum*
77 *amount of funding and the designated sources of funding for capital outlay projects as required under*
78 *§ 2.2-1509.1.*

79 § 2.2-1509.1. *Budget bill to include appropriations for capital outlay projects.*

80 A. *For purposes of this section:*

81 *"Anticipated general fund revenues" for a fiscal year means the estimated general fund revenues for*
82 *such year as contained in the six-year revenue plan submitted in the prior calendar year pursuant to*
83 *§ 2.2-1503.*

84 *"Capital outlay project" means the same as that term is defined in § 2.2-1503.1.*

85 B. *In each budget submitted pursuant to § 2.2-1509, the Governor shall provide for the funding of*
86 *capital outlay projects, as specified herein. Such funding recommendations shall be in addition to any*
87 *appropriation for capital outlay projects from the Central Maintenance Reserve of the appropriation act.*

88 1. *When the anticipated general fund revenues for a fiscal year or years are at least five percent*
89 *greater than the anticipated general fund revenues for the preceding fiscal year, the Governor shall*
90 *include in the budget submitted pursuant to § 2.2-1509 funding from the general fund for capital outlay*
91 *projects in an amount equivalent to at least two percent of the anticipated general fund revenues for the*
92 *fiscal year or years.*

93 2. *When the anticipated general fund revenues for a fiscal year or years are at least three and*
94 *one-half percent but less than five percent greater than the anticipated general fund revenues for the*
95 *preceding fiscal year, the Governor shall submit a proposal for funding capital outlay projects from the*
96 *general fund in an amount equivalent to at least two percent of the anticipated general fund revenues*
97 *for the fiscal year or years, provided, however, that up to one-half of the proposed capital budget*
98 *amount may be funded from alternative financing mechanisms, including, but not limited to, bonded*
99 *indebtedness. The Governor shall submit such bill or bills for consideration by the General Assembly as*
100 *are necessary to implement such alternative financings. Further, the Governor shall include in the*
101 *budget submitted pursuant to § 2.2-1509 proposed appropriations from the general fund for those*
102 *capital outlay projects to be supported from the general fund.*

103 3. *When the anticipated general fund revenues for a fiscal year or years are less than three and*
104 *one-half percent greater than the anticipated general fund revenues for the preceding fiscal year, the*
105 *Governor shall submit a proposal for funding capital outlay projects from the general fund in an*
106 *amount equivalent to at least two percent of the anticipated general fund revenues for the fiscal year or*
107 *years, provided, however, that the proposed capital budget amount may be funded from alternative*
108 *financing mechanisms, including, but not limited to, bonded indebtedness. The Governor shall submit*
109 *such bill or bills for consideration by the General Assembly as are necessary to implement such*
110 *alternative financings. Further, the Governor shall include in the budget submitted pursuant to*
111 *§ 2.2-1509 proposed appropriations from the general fund for those capital outlay projects to be*
112 *supported from the general fund.*

113 C. *The capital outlay projects proposed under this section shall be consistent with those capital*
114 *outlay projects included in the corresponding fiscal year of the current six-year capital improvement*
115 *plan submitted under § 2.2-1503.1. The Governor shall provide explanations for deviations from the*
116 *plan related to changes in scope, elimination or addition of projects, and such additional information as*
117 *may be requested by the General Assembly.*