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## HOUSE BILL NO. 2946

## AMENDMENT IN THE NATURE OF A SUBSTITUTE

(Proposed by the Senate Committee on General Laws and Technology  
on February 7, 2007)

(Patron Prior to Substitute—Delegate Plum)

A BILL to amend and reenact §§ 2.2-1124 and 2.2-2007 of the Code of Virginia, relating to electronics disposal and recycling.

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

**1. That §§ 2.2-1124 and 2.2-2007 of the Code of Virginia are amended and reenacted as follows:**

§ 2.2-1124. Disposition of surplus materials.

A. "Surplus materials" means personal property including, but not limited to, materials, supplies, equipment, and recyclable items, but shall not include property as defined in § 2.2-1147 that is determined to be surplus. Surplus materials shall not include finished products that a mental health or mental retardation facility sells for the benefit of its patients or residents, provided that (i) most of the supplies, equipment, or products have been donated to the facility; (ii) the patients or residents of the facility have substantially altered the supplies, equipment, or products in the course of occupational or other therapy; and (iii) the substantial alterations have resulted in a finished product.

B. The Department shall establish procedures for the disposition of surplus materials from departments, divisions, institutions, and agencies of the Commonwealth. Such procedures shall:

1. Permit surplus materials to be transferred between or sold to departments, divisions, institutions, or agencies of the Commonwealth;

2. Permit surplus materials to be sold to Virginia charitable corporations granted tax-exempt status under § 501(c)(3) of the Internal Revenue Code and operating as clinics for the indigent and uninsured that are organized for the delivery of primary health care services (i) as federally qualified health centers designated by the Health Care Financing Administration or (ii) at a reduced or sliding fee scale or without charge;

3. Permit public sales or auctions, including online public auctions, provided that the procedures provide for sale to all political subdivisions and any volunteer rescue squad or volunteer fire department established pursuant to § 15.2-955 any surplus materials prior to such public sale or auction;

4. Permit surplus motor vehicles to be sold prior to public sale or auction to local social service departments for the purpose of resale at cost to TANF recipients;

5. Permit surplus materials to be sold to Virginia charitable corporations granted tax-exempt status under § 501(c)(3) of the Internal Revenue Code and operating as children's homes;

6. Permit donations to political subdivisions of the Commonwealth under the circumstances specified in this section;

7. Permit other methods of disposal when (a) the cost of the sale will exceed the potential revenue to be derived therefrom or (b) the surplus material is not suitable for sale;

8. Permit any dog especially trained for police work to be sold at an appropriate price to the handler who last was in control of the dog, which sale shall not be deemed a violation of the State and Local Government Conflict of Interests Act (§ 2.2-3100 et seq.);

9. Permit the transfer of surplus clothing to an appropriate department, division, institution, or agency of the Commonwealth for distribution to needy individuals by and through local social services boards;

10. Encourage the recycling of paper products, beverage containers, *electronics*, and used motor oil;

11. Require the proceeds from any sale or recycling of surplus materials be promptly deposited into the state treasury in accordance with § 2.2-1802 and report the deposit to the State Comptroller;

12. Permit donations of surplus computers and related equipment to public schools in the Commonwealth and Virginia charitable corporations granted tax-exempt status under § 501(c)(3) of the Internal Revenue Code and providing services to persons with disabilities, at-risk youths, or low-income families. For the purposes of this subdivision, "at-risk youths" means school-age children approved eligible to receive free or reduced price meals in the federally funded lunch program;

13. Permit surplus materials to be transferred or sold, prior to public sale or auction, to public television stations located in the state and other nonprofit organizations approved for the distribution of federal surplus materials; and

14. Permit a public institution of higher education to dispose of its surplus materials at the location where the surplus materials are held and to retain any proceeds from such disposal, provided that the institution meets the conditions prescribed in subsection B of § 23-38.88 and § 23-38.112 (regardless of whether or not the institution has been granted any authority under Subchapter 3 (§ 23-38.91 et seq.) of Chapter 4.10 of Title 23).

15. *Require, to the extent practicable, the recycling and disposal of computers and other information*

60 *technology assets. Additionally, for computers or information technology assets that may contain*  
61 *confidential state data or personal identifying information of citizens of the Commonwealth, the*  
62 *Department shall ensure all policies for the transfer or other disposition of computers or information*  
63 *technology assets are consistent with data and information security policies developed by the Virginia*  
64 *Information Technologies Agency.*

65 C. The Department shall dispose of surplus materials pursuant to the procedures established in  
66 subsection B or permit any department, division, institution, or agency of the Commonwealth to dispose  
67 of its surplus materials consistent with the procedures so established. No surplus materials shall be  
68 disposed of without prior consent of the head of the department, division, institution, or agency of the  
69 Commonwealth in possession of such surplus materials or the Governor.

70 D. Departments, divisions, institutions, or agencies of the Commonwealth or the Governor may  
71 donate surplus materials only under the following circumstances:

72 1. Emergencies declared in accordance with § 44-146.18:2 or 44-146.28;

73 2. As set forth in the budget bill as defined by § 2.2-1509, provided that (a) the budget bill contains  
74 a description of the surplus materials, the method by which the surplus materials shall be distributed,  
75 and the anticipated recipients, and (b) such information shall be provided by the Department to the  
76 Department of Planning and Budget in sufficient time for inclusion in the budget bill;

77 3. When the market value of the surplus materials, which shall be donated for a public purpose, is  
78 less than \$500; however, the total market value of all surplus materials so donated by any department,  
79 division, institution, or agency shall not exceed 25 percent of the revenue generated by such  
80 department's, division's, institution's, or agency's sale of surplus materials in the fiscal year, except these  
81 limits shall not apply in the case of surplus computer equipment and related items donated to Virginia  
82 public schools; or

83 4. During a local emergency, upon written request of the head of a local government or a political  
84 subdivision in the Commonwealth to the head of a department, division, institution, or agency.

85 E. On or before October 1 of each year, the Department shall prepare, and file with the Secretary of  
86 the Commonwealth, a plan that describes the expected disposition of surplus materials in the upcoming  
87 fiscal year pursuant to subdivision B 6.

88 § 2.2-2007. Powers of the CIO.

89 A. In addition to such other duties as the Board may assign, the CIO shall:

90 1. Monitor trends and advances in information technology; develop a comprehensive, statewide,  
91 four-year strategic plan for information technology to include specific projects that implement the plan;  
92 and plan for the acquisition, management, and use of information technology by state agencies. The  
93 statewide plan shall be updated annually and submitted to the Board for approval. In developing and  
94 updating the plan, the CIO shall consider the advice and recommendations of the Council on  
95 Technology Services created pursuant to § 2.2-2651.

96 2. Direct the formulation and promulgation of policies, guidelines, standards, and specifications for  
97 the purchase, development, and maintenance of information technology for state agencies, including, but  
98 not limited to, those (i) required to support state and local government exchange, acquisition, storage,  
99 use, sharing, and distribution of geographic or base map data and related technologies, (ii) concerned  
100 with the development of electronic transactions including the use of electronic signatures as provided in  
101 § 59.1-496, and (iii) necessary to support a unified approach to information technology across the  
102 totality of state government, thereby assuring that the citizens and businesses of the Commonwealth  
103 receive the greatest possible security, value, and convenience from investments made in technology.

104 3. Direct the development of policies and procedures, in consultation with the Department of  
105 Planning and Budget, that are integrated into the Commonwealth's strategic planning and performance  
106 budgeting processes, and that state agencies and public institutions of higher education shall follow in  
107 developing information technology plans and technology-related budget requests. Such policies and  
108 procedures shall require consideration of the contribution of current and proposed technology  
109 expenditures to the support of agency and institution priority functional activities, as well as current and  
110 future operating expenses, and shall be utilized by all state agencies and public institutions of higher  
111 education in preparing budget requests.

112 4. Review budget requests for information technology from state agencies and public institutions of  
113 higher education and recommend budget priorities to the Information Technology Investment Board.

114 Review of such budget requests shall include, but not be limited to, all data processing or other  
115 related projects for amounts exceeding \$100,000 in which the agency or institution has entered into or  
116 plans to enter into a contract, agreement or other financing agreement or such other arrangement that  
117 requires that the Commonwealth either pay for the contract by foregoing revenue collections, or allows  
118 or assigns to another party the collection on behalf of or for the Commonwealth any fees, charges, or  
119 other assessments or revenues to pay for the project. For each project, the agency or institution, with the  
120 exception of public institutions of higher education that meet the conditions prescribed in subsection B  
121 of § 23-38.88, shall provide the CIO (i) a summary of the terms, (ii) the anticipated duration, and (iii)

the cost or charges to any user, whether a state agency or institution or other party not directly a party to the project arrangements. The description shall also include any terms or conditions that bind the Commonwealth or restrict the Commonwealth's operations and the methods of procurement employed to reach such terms.

5. Direct the development of policies and procedures for the effective management of information technology investments throughout their entire life cycles, including, but not limited to, project definition, procurement, development, implementation, operation, performance evaluation, and enhancement, or retirement. Such policies and procedures shall include, at a minimum, the periodic review by the CIO of agency and public institution of higher education information technology projects estimated to cost \$1 million or more or deemed to be mission-critical or of statewide application by the CIO. *The CIO shall provide technical guidance to the Department of General Services in the development of policies and procedures for the recycling and disposal of computers and other technology assets. Such policies and procedures shall include the expunging, in a manner as determined by the CIO, of all state confidential data and personal identifying information of citizens of the Commonwealth prior to such sale, disposal, or other transfer of computers or other technology assets.*

6. Oversee and administer the Virginia Technology Infrastructure Fund created pursuant to § 2.2-2023.

7. Periodically evaluate the feasibility of outsourcing information technology resources and services, and outsource those resources and services that are feasible and beneficial to the Commonwealth.

8. Report annually to the Governor and the Joint Commission on Technology and Science created pursuant to § 30-85 on the use and application of information technology by state agencies and public institutions of higher education to increase economic efficiency, citizen convenience, and public access to state government.

9. Direct the development of policies and procedures that require VITA to review information technology projects proposed by state agencies and institutions exceeding \$100,000, and recommend whether such projects be approved or disapproved. The CIO shall disapprove projects between \$100,000 and \$1 million that do not conform to the statewide information plan or to the individual plans of state agencies or institutions of higher education.

B. Consistent with § 2.2-2012, the CIO may enter into public-private partnership contracts to finance or implement information technology programs and projects. The CIO may issue a request for information to seek out potential private partners interested in providing programs or projects pursuant to an agreement under this subsection. The compensation for such services shall be computed with reference to and paid from the increased revenue or cost savings attributable to the successful implementation of the program or project for the period specified in the contract. The CIO shall be responsible for reviewing and approving the programs and projects and the terms of contracts for same under this subsection. The CIO shall determine annually the total amount of increased revenue or cost savings attributable to the successful implementation of a program or project under this subsection and such amount shall be deposited in the Virginia Technology Infrastructure Fund created in § 2.2-2023. The CIO is authorized to use moneys deposited in the Fund to pay private partners pursuant to the terms of contracts under this subsection. All moneys in excess of that required to be paid to private partners, as determined by the CIO, shall be reported to the Comptroller and retained in the Fund. The CIO shall prepare an annual report to the Governor and General Assembly on all contracts under this subsection, describing each information technology program or project, its progress, revenue impact, and such other information as may be relevant.