

## 1 VIRGINIA ACTS OF ASSEMBLY — CHAPTER

2 *An Act to amend and reenact § 63.2-2002 of the Code of Virginia, relating to eligibility criteria for*  
3 *projects.*

4 [S 1146]

5 Approved

6 **Be it enacted by the General Assembly of Virginia:**7 **1. That § 63.2-2002 of the Code of Virginia is amended and reenacted as follows:**

8 § 63.2-2002. Proposals; regulations; tax credits authorized; amount for programs.

9 A. Any neighborhood organization may submit a proposal to the Commissioner requesting an  
10 allocation of tax credits for use by business firms making donations to the neighborhood organization.  
11 The proposal shall set forth the program to be conducted by the neighborhood organization, the  
12 impoverished people to be assisted, the estimated amount to be donated to the program and the plans for  
13 implementing the program.

14 B. The Board is hereby authorized to adopt regulations for the approval or disapproval of such  
15 proposals by neighborhood organizations and for determining the value of the donations. Such  
16 regulations shall contain a requirement that an annual audit be provided by the neighborhood  
17 organization as a prerequisite for approval. *Such regulations shall also provide that at least 50 percent*  
18 *of the persons served by the neighborhood organization are impoverished people as defined in*  
19 *§ 63.2-2000.* Such regulations shall provide for the equitable allocation of the available amount of tax  
20 credits among the approved proposals submitted by neighborhood organizations. The regulations shall  
21 also provide that at least 10 percent of the available amount of tax credits each year shall be allocated to  
22 qualified programs proposed by neighborhood organizations not receiving allocations in the preceding  
23 year; however, if the amount of tax credits for qualified programs requested by such neighborhood  
24 organizations is less than 10 percent of the available amount of tax credits, the unallocated portion of  
25 such 10 percent of the available amount of tax credits shall be allocated to qualified programs proposed  
26 by other neighborhood organizations.

27 C. If the Commissioner approves a proposal submitted by a neighborhood organization, the  
28 organization shall make the allocated tax credit amounts available to business firms making donations to  
29 the approved program. A neighborhood organization shall not assign or transfer an allocation of tax  
30 credits to another neighborhood organization without the approval of the Commissioner.

31 D. The total amount of tax credits granted for programs approved under this chapter for each fiscal  
32 year shall not exceed \$8 million; however, \$2,750,000 shall be allocated to education programs  
33 conducted by neighborhood organizations. Such allocation of tax credits to education programs shall  
34 constitute the minimum amount of tax credits to be allocated to education programs. However, if the  
35 amount of tax credits requested by neighborhood organizations for qualified education programs is less  
36 than \$2,750,000, the balance of such amount shall be allocated to other types of qualified programs. Tax  
37 credits shall not be authorized after fiscal year 2009.

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