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HOUSE BILL NO. 1357

Offered January 9, 2008

Prefiled January 9, 2008

A BILL to amend and reenact § 2.2-1829 of the Code of Virginia and to amend the Code of Virginia by adding in Chapter 18 of Title 2.2 an article numbered 6, consisting of a section numbered 2.2-1844, relating to the Department of the Treasury; "Virginia Taxpayer Surplus Relief Fund."

Patron—Cline

Referred to Committee on Finance

Be it enacted by the General Assembly of Virginia:

1. That § 2.2-1829 of the Code of Virginia is amended and reenacted and that the Code of Virginia is amended by adding in Chapter 18 of Title 2.2 an article numbered 6, consisting of a section numbered 2.2-1844, as follows:

§ 2.2-1829. Reports of Auditor of Public Accounts; Fund deposits and withdrawals.

A. On or before December 1 of each year, the Auditor of Public Accounts shall report to the General Assembly the certified tax revenues collected in the most recently ended fiscal year. The Auditor shall, at the same time, (i) provide his report on the 10 percent limitation and the amount that could be paid into the Fund and (ii) the amount necessary for deposit for the next fiscal year into the Fund in order to satisfy the mandatory deposit requirement of Article X, Section 8 of the Constitution of Virginia. The Governor shall include any such amount in his budget bill submitted to the General Assembly pursuant to § 2.2-1509. A schedule of deposits may be provided for in the Appropriation Act.

B. If the report of the Auditor of Public Accounts, pursuant to subsection A, indicates that the annual percentage increase in the certified tax revenues collected in the most recently ended fiscal year is eight percent or greater than the certified tax revenues collected for the immediately preceding fiscal year and that such annual percentage increase in the certified tax revenues for the most recently ended fiscal year is also equal to or greater than 1.5 times the average annual percentage increase in the certified tax revenues collected in the six fiscal years immediately preceding the most recently ended fiscal year, the Governor shall include in his budget recommendations, submitted to the General Assembly in the subsequent session pursuant to § 2.2-1509, an additional amount for deposit to the Fund in excess of any mandatory deposit to the Fund required by Article X, Section 8 of the Constitution of Virginia. Such additional amount shall be equal to at least 25 percent of the product of the certified tax revenues collected in the most recently ended fiscal year multiplied by the difference between the annual percentage increase in the certified tax revenues collected for the most recently ended fiscal year and the average annual percentage increase in the certified tax revenues collected in the six fiscal years immediately preceding the most recently ended fiscal year. Any such additional deposits to the Fund shall be included in the Governor's budget recommendations submitted to the General Assembly in the subsequent session pursuant to § 2.2-1509 only if the estimate of general fund revenues prepared in accordance with § 2.2-1503 for the fiscal year in which the deposit is to be made is at least five percent greater than the actual general fund revenues for the immediately preceding fiscal year.

C. The State Comptroller shall draw such warrants as appropriated and the State Treasurer shall deposit such warrants into the Fund. No amounts shall be withdrawn from the Fund except pursuant to appropriations made by the General Assembly in accordance with § 2.2-1830. However, if any amounts accrue, such as through interest or dividends, to the credit of the Fund in excess of the 10 percent limitation calculated by the Auditor of Public Accounts, any excess shall be paid into the general fund pursuant to Article X, Section 8 of the Constitution of Virginia *and deposited in a special nonreverting fund known as the "Virginia Taxpayer Surplus Relief Fund" established pursuant to § 2.2-1844.*

D. For the purposes of the Comptroller's preliminary and final annual reports as required by § 2.2-813, all balances remaining in the Fund on June 30 of each fiscal year shall be considered to be a portion of the fund balance of the general fund of the state treasury.

Article 6.**Virginia Taxpayer Surplus Relief Fund.**

§ 2.2-1844. Virginia Taxpayer Surplus Relief Fund established.

There is hereby created in the state treasury a special nonreverting fund to be known as the Virginia Taxpayer Surplus Relief Fund, hereafter referred to as "the Fund." The Fund shall be established on the books of the Comptroller. Such funds as are specified in subsection C of § 2.2-1829 shall be paid into the state treasury and credited to the Fund. Interest earned on moneys in the Fund shall remain in the Fund and be credited to it. Any moneys remaining in the Fund, including interest thereon, at the end of

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59 *each fiscal year shall not revert to the general fund but shall remain in the Fund. Moneys in the Fund*
60 *shall be used exclusively for tax relief for the taxpayers of Virginia and used by the next session of the*
61 *General Assembly to provide tax relief. Expenditures and disbursements from the Fund shall be made by*
62 *the State Treasurer on warrants issued by the Comptroller upon written request signed by the Treasurer.*