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**HOUSE BILL NO. 2354****AMENDMENT IN THE NATURE OF A SUBSTITUTE**

(Proposed by the House Committee on Appropriations  
on February 9, 2009)

(Patron Prior to Substitute—Delegate Landes)

*A BILL to amend and reenact § 2.2-113 of the Code of Virginia, relating to the Governor; suspension of mandates.*

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

**1. That § 2.2-113 of the Code of Virginia is amended and reenacted as follows:**

§ 2.2-113. Temporary suspension of state mandates.

A. The Governor may suspend, temporarily and for a period not to exceed one year, any mandate, or portion thereof, prescribed by any unit of the executive branch of state government on a county, city, town, or other unit of local government upon a finding that it faces fiscal stress and the suspension of the mandate or portion thereof would help alleviate the fiscal hardship.

B. No application shall be made by the locality until approved by resolution of the governing body.

C. At the time of application, the following information shall be published in the Virginia Register: (i) the name of the petitioning locality, (ii) the mandate or portion thereof requested to be suspended, (iii) the impact of the suspension of the mandate on the ability of the local government to deliver services, (iv) the estimated reduction in current budget from the suspension, and (v) the time period requested for suspension. Publication in the Virginia Register shall occur at least 20 days in advance of any suspension by the Governor.

D. No later than January 1 of each year, the Governor shall submit to the General Assembly a report that identifies each petitioning locality, the mandate or portion thereof for which suspension was sought, and the response provided to the locality.

E. Nothing in this section shall apply to the Department of Education.

In making a determination of fiscal stress, the Governor may consider, but is not limited to, the following factors: any changes in anticipated revenue, income distribution of residents, revenue effort, revenue capacity, and changes in local population and employment levels.

**2. Notwithstanding the provisions of § 2.2-113 of the Code of Virginia, school divisions shall not be required to meet any mandated staffing ratio requirements for the programs funded by the Lottery Proceeds Fund for the fiscal year ending June 30, 2010. The state funds provided for these programs shall be used by localities for the stated program purposes. In addition, school divisions, for the fiscal year ending June 30, 2010, shall not be required to provide matching funds for the programs funded through the Lottery Proceeds Fund, or the Virginia Public School Authority, or for textbooks.**

**3. That the provisions of this act shall expire on June 30, 2010.**