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SENATE BILL NO. 525

Offered January 13, 2010

Prefiled January 13, 2010

A *BILL to amend and reenact §§ 2.2-2319, 10.1-1422.01, 10.1-1422.03, 58.1-1705, and 58.1-1710 of the Code of Virginia and to amend and reenact the third enactment of Chapter 616 of the Acts of Assembly of 1977, relating to dedicating revenues from the Commonwealth's soft drink excise tax and litter tax to the Cooperative Marketing Fund administered by the Virginia Tourism Authority.*

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Referred to Committee on Finance

Be it enacted by the General Assembly of Virginia:

1. That §§ 2.2-2319, 10.1-1422.01, 10.1-1422.03, 58.1-1705, and 58.1-1710 of the Code of Virginia are amended and reenacted as follows:

§ 2.2-2319. Cooperative Marketing Fund.

A. There is *hereby established on the books of the Comptroller the Cooperative Marketing Fund (Marketing Fund) for the purpose of encouraging, stimulating, and supporting the tourism segment of the economy of the Commonwealth and the direct and indirect benefits that flow from the success of such industry. The Marketing Fund shall be a special nonreverting fund. Any moneys remaining in the Fund at the end of a fiscal year shall not revert to the general fund but shall remain in the Fund. Interest earned on such moneys shall remain in the Fund and be credited to it.*

All moneys collected from the taxes imposed under §§ 58.1-1700 through 58.1-1710 and by the taxes increased by Chapter 616 of the Acts of Assembly of 1977 shall be paid into the state treasury and credited to the Marketing Fund. The Marketing Fund shall also consist of such funds appropriated to it by the general appropriation act and revenues from any other source, public or private, designated for the Marketing Fund. The first priority for moneys in the Marketing Fund shall be as a match for private funds to be used for the promotion, marketing, and advertising of the Commonwealth's tourist attractions and locations.

The Marketing Fund shall be administered by the Authority. Disbursements and expenditures of moneys from the Fund as requested by the Executive Director shall be made by check issued by the State Treasurer on warrant of the Comptroller.

To create the public-private partnership envisioned by such Marketing Fund, *moneys in the Marketing Fund shall be established out of the sums appropriated by the General Assembly be used for the purpose of matching private funds to be used for the promotion, marketing, and advertising of the Commonwealth's many tourist attractions and locations. Proposals shall be eligible for matching grant funds under this section only if they promote, benefit, market and advertise locations or destinations that are (i) solely within the territorial limits of the Commonwealth or (ii) in both the Commonwealth and any adjoining state, in which instance the matching grant funds should be used to promote locations and destinations located within the territorial limits of the Commonwealth. The funds made available in the appropriations act for the Marketing Fund shall be administered and managed by the Authority.*

B. In the event more than one person seeks to take advantage of the benefits conferred by this section and the Marketing Fund is insufficient to accommodate all such requests, the matching formula shall be adjusted, to the extent practicable, to afford each request for which there is a valid public purpose an equitable share.

C. All persons seeking to receive or qualify for such matching funds shall apply to the Authority in January of the year preceding the fiscal year for which funds are sought, and to the extent the Governor concurs in such funding request, it shall be reflected in the Governor's Budget Bill filed pursuant to § 2.2-1509 in accordance with established due dates. The application shall set forth the applicant's proposals in detail. The Authority shall develop guidelines setting forth the criteria it will weigh in considering such applications; such guidelines may indicate a preference for proposals submitted by nonprofit organizations.

D. Any moneys in the Marketing Fund not used to match private funds for the promotion, marketing, and advertising of the Commonwealth's tourist attractions and locations may be used for any other purpose consistent with the duties and powers of the Authority.

§ 10.1-1422.01. Litter Control and Recycling Fund established; use of moneys; purpose of Fund.

A. All moneys collected from the taxes imposed under §§ 58.1-1700 through 58.1-1710 and by the taxes increased by Chapter 616 of the 1977 Acts of Assembly, shall be paid into the treasury and credited to a special nonreverting fund known as the Litter Control and Recycling Fund, which is hereby

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59 established. The Fund shall be established on the books of the Comptroller. There is hereby established
60 on the books of the Comptroller a special nonreverting fund to be known as the Litter Control and
61 Recycling Fund. The Fund shall consist of such funds appropriated to it by the general appropriation
62 act and revenues from any other source, public or private, designated for the Fund. Any moneys
63 remaining in the Fund shall not revert to the general fund but shall remain in the Fund. Interest earned
64 on such moneys shall remain in the Fund and be credited to it. The Director is authorized to release
65 money from the Fund on warrants issued by the Comptroller after receiving and considering the
66 recommendations of the Advisory Board for the purposes enumerated in subsection B of this section.

67 B. Moneys from the Fund shall be expended, according to the allocation formula established in
68 subsection C of this section, for the following purposes:

69 1. Local litter prevention and recycling grants to localities that meet the criteria established in
70 § 10.1-1422.04; and

71 2. Payment to (i) the Department to process the grants authorized by this article and (ii) the actual
72 administrative costs of the Advisory Board. The Director shall assign one person in the Department to
73 serve as a contact for persons interested in the Fund.

74 C. All moneys deposited into the Fund shall be expended pursuant to the following allocation
75 formula:

76 1. Ninety-five percent for grants made to localities pursuant to subdivision B 1 of this section; and

77 2. Up to a maximum of ~~5%~~ five percent for the actual administrative expenditures authorized
78 pursuant to subdivision B 2 of this section.

79 § 10.1-1422.03. Membership, meetings, and staffing.

80 A. The Advisory Board shall consist of five persons appointed by the Governor. ~~Three members~~
81 ~~shall represent persons paying the taxes which are deposited into the Fund and shall include one~~ One
82 ~~member shall be~~ appointed from nominations submitted by recognized industry associations representing
83 retailers; one member appointed from nominations submitted by recognized industry associations
84 representing soft drink distributors; and one member appointed from nominations submitted by
85 recognized industry associations representing beer distributors. One member shall be a local litter or
86 recycling coordinator. One member shall be from the general public.

87 B. The initial terms of the members of the Advisory Board shall expire July 1, 1999, and five
88 members shall be appointed or reappointed effective July 1, 1999, for terms as follows: one member
89 shall be appointed for a term of one year; one member shall be appointed for a term of two years; one
90 member shall be appointed for a term of three years; and two members shall be appointed for terms of
91 four years unless found to violate subsection E of this section. Thereafter, all appointments shall be for
92 terms of four years except for appointments to fill vacancies, which shall be for the unexpired term.
93 They shall not receive a per diem, compensation for their service, or travel expenses.

94 C. The Advisory Board shall elect a chairman and vice-chairman annually from among its members.
95 The Advisory Board shall meet at least twice annually on such dates and at such times as they
96 determine. Three members of the Advisory Board shall constitute a quorum.

97 D. Staff support and actual associated administrative expenses of the Advisory Board shall be
98 provided by the Department from funds allocated from the Fund ~~or from funds allocated to the~~
99 ~~Department in the general appropriation act.~~

100 E. Any member who is absent from three consecutive meetings of the Advisory Board, as certified
101 by the Chairman of the Advisory Board to the Secretary of the Commonwealth, shall be dismissed as a
102 member of the Advisory Board. The replacement of any dismissed member shall be appointed pursuant
103 to subsection A of this section and meet the same membership criteria as the member who has been
104 dismissed.

105 § 58.1-1705. Disposition of proceeds.

106 All moneys collected pursuant to this article, minus the necessary expenses of the Department of
107 Taxation for the administration of this tax, as certified by the Commissioner, shall be deposited into the
108 ~~Litter Control and Recycling Fund established pursuant to § 10.1-1422.01~~ Cooperative Marketing Fund
109 ~~established pursuant to § 2.2-2319.~~

110 § 58.1-1710. Disposition of proceeds.

111 All moneys collected pursuant to this article, minus the necessary expenses of the Department of
112 Taxation for the administration of this tax, as certified by the Commissioner, shall be deposited into the
113 ~~Litter Control and Recycling Fund established pursuant to § 10.1-1422.01~~ Cooperative Marketing Fund
114 ~~established pursuant to § 2.2-2319.~~

115 2. That the third enactment of Chapter 616 of the Acts of Assembly of 1977 is amended and
116 reenacted as follows:

117 3. That the taxes imposed or increased by this Act, after deduction of the expenses incurred
118 by the Department of Taxation in collecting the same, are hereby appropriated to the Department
119 of Conservation and Economic Development to be used as provided in Chapter 19 of Title 10 of
120 the Code of Virginia In collecting the taxes imposed or increased by this Act, the Department of

121 *Taxation may deduct a reasonable amount for expenses incurred.*