

11103607D

HOUSE BILL NO. 1687

Offered January 12, 2011

Prefiled January 10, 2011

A *BILL to amend and reenact § 2.2-1155 of the Code of Virginia, relating to state property; leases to private entities.*

Patron—Dance

Referred to Committee on Education

Be it enacted by the General Assembly of Virginia:**1. That § 2.2-1155 of the Code of Virginia is amended and reenacted as follows:**

§ 2.2-1155. Temporary transfer of use of property between state agencies and institutions; lease to private entities.

A. Whenever any department, agency, or institution of state government possesses or has under its control property for which there is an anticipated future use, but for which there is no immediate use, the department, agency, or institution of the Commonwealth may effect, subject to the written recommendation of the Department to the Governor and the written approval by the Governor, an agreement in writing with any other department, agency, or institution of state government for the use of the property by the other department, agency, or institution during a period not to exceed fifteen years. The agreement may be extended beyond the fifteen-year period on an annual basis in accordance with the procedures prescribed in this subsection. In the event no other department, agency, or institution of state government has use for the property, the department, agency, or institution may lease the property to private individuals, firms, corporations or other entities in accordance with the procedures and subject to the term limitations prescribed in this subsection.

B. The provisions of subsection A notwithstanding, public institutions of higher education in Virginia, subject to the approval of the General Assembly meeting the conditions prescribed in subsection B of § 23-38.88, may enter into written agreements with university-related foundations, private individuals, firms, corporations, or other entities to lease property in the possession or control of the institution. Any such agreement and proposed development or use of property shall (i) be for a purpose consistent with the educational and general mission, auxiliary enterprises, and sponsored program activities of the institution, or such other purpose as the General Assembly may authorize, and (ii) comply with guidelines adopted by the Department. The term of any agreement shall be based upon, among other things, the useful life of the improvements to the property and shall not exceed fifty years; however, any agreement may be extended upon the written recommendation of the Governor and the approval of the General Assembly. Agreements with private individuals, firms, corporations, or other entities shall also be subject to guidelines adopted by the Secretary of Finance. In the event that any public institution of higher education in Virginia enters into any written agreement with a university-related foundation, private individual, firm, corporation, or other entity to lease property in the possession or control of the institution pursuant to this subsection, neither the real property that is the subject of the lease nor any improvements or personal property located on the real property that is the subject of the lease shall be subject to taxation by any local government authority pursuant to § 58.1-3203 or § 58.1-3502 or any other applicable law during the term of the lease, regardless of the ownership of the property, improvements or personal property, provided the real property, improvements or personal property shall be used for a purpose consistent with the educational and general mission, auxiliary enterprises, and sponsored program activities of the institution.

For the purposes of this section, "university-related foundation" means any foundation affiliated with an institution of higher education.

INTRODUCED

HB1687