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SENATE BILL NO. 211

Offered January 11, 2012

Prefiled January 10, 2012

A BILL to amend and reenact § 2.2-1514, as it is currently effective and as it may become effective, of the Code of Virginia, relating to assignments by the Comptroller of certain general fund balances.

Patron—Barker

Referred to Committee on Finance

Be it enacted by the General Assembly of Virginia:

1. That § 2.2-1514, as it is currently effective and as it may become effective, of the Code of Virginia is amended and reenacted as follows:

§ 2.2-1514. (Contingent expiration date - see Editor's notes) Assignment of general fund for nonrecurring expenditures.

A. As used in this section:

"The Budget Bill" means the "The Budget Bill" submitted pursuant to § 2.2-1509, including any amendments to a general appropriation act pursuant to such section.

"Nonrecurring expenditures" means the acquisition or construction of capital outlay projects as defined in § 2.2-1518, the acquisition or construction of capital improvements, the acquisition of land, the acquisition of equipment, or other expenditures of a one-time nature as specified in the general appropriation act. Such term shall not include any expenditures relating to transportation, including but not limited to transportation maintenance.

B. 1. Any general fund balance remaining at the end of each fiscal year shall first be held in reserve by the Comptroller for any required Revenue Stabilization Fund deposit pursuant to § 2.2-1829. If the Auditor of Public Accounts pursuant to § 2.2-1829 reports that a deposit is required to be made to the Revenue Stabilization Fund, then the Comptroller shall set aside from the general fund balance remaining such funds as are necessary to meet the full amount of the required deposit.

2. After the full amount to make the required Revenue Stabilization Fund deposit has been set aside, 30 percent of any remaining general fund balance shall be set aside pursuant to this subdivision if (i) at the end of the fiscal year the ratio of actuarial assets to actuarial liabilities is less than 0.80 for any of the defined benefit retirement plans established under Chapter 1 (§ 51.1-124.1 et seq.), 2 (§ 51.1-200 et seq.), 2.1 (§ 51.1-211 et seq.) or 3 (§ 51.1-300 et seq.) of Title 51.1, or (ii) for the fiscal year just ended, the contribution by the Commonwealth for certain optional retirement plans under § 51.1-126 is less than the minimum contributions set forth in subdivision F 1 of § 51.1-126, as in effect on January 1, 2011. The 30 percent of the general fund balance shall be set aside as follows: 75 percent to the Virginia Retirement System as additional contributions to the defined benefit retirement plans described in clause (i) to the extent needed in order that the ratio of actuarial assets to actuarial liabilities is at least 0.80 for all of the defined benefit retirement plans, and 25 percent to be paid as additional contributions to the optional retirement plans described in clause (ii) of employees in service in the current fiscal year in order to fund the difference between the minimum contributions set forth in subdivision F 1 of § 51.1-126, as in effect on January 1, 2011, and the actual contributions made by the Commonwealth in the fiscal year just ended.

If the full amount set aside for contributions to the defined benefit retirement plans or the optional retirement plans is not needed to meet the respective condition, any excess shall be used to meet the remaining condition in clause (i) or clause (ii), as applicable. If the full 30 percent of the remaining general fund balance set aside under this subdivision is not needed to meet the conditions in clauses (i) and (ii), any excess shall be set aside or assigned as provided in subsection C.

~~B. At the end of each fiscal year,~~ *C. After the set asides have been made pursuant to subsection B,* the Comptroller shall assign within his annual report pursuant to § 2.2-813 as follows: one-third of the remaining amount of the general fund balance that is not otherwise restricted, committed, or assigned for other usage within the general fund shall be assigned by the Comptroller for nonrecurring expenditures, and two-thirds shall be assigned for deposit into the Transportation Trust Fund. ~~No~~ *However, no* such assignment shall be made unless the full amounts required for other restrictions, commitments, or assignments including but not limited to ~~(i) the Revenue Stabilization Fund deposit pursuant to § 2.2-1829,~~ ~~(ii)~~ *(i)* the Virginia Water Quality Improvement Fund deposit pursuant to § 10.1-2128, but excluding any deposits provided under the Virginia Natural Resources Commitment Fund established under § 10.1-2128.1, ~~(iii)~~ *(ii)* capital outlay reappropriations pursuant to the general appropriation act, ~~(iv)~~ *(iii)* (a) operating expense reappropriations pursuant to the general appropriation act, and (b)

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reappropriations of unexpended appropriations to certain public institutions of higher education pursuant to § 2.2-5005, ~~(v)~~ *(iv)* pro rata rebate payments to certain public institutions of higher education pursuant to § 2.2-5005, ~~(vi)~~ *(v)* the unappropriated balance anticipated in the general appropriation act for the end of such fiscal year, and ~~(vii)~~ *(vi)* interest payments on deposits of certain public institutions of higher education pursuant to § 2.2-5005 are set aside. The Comptroller shall set aside amounts required for clauses ~~(iv)~~ *(iii)* (b), ~~(v)~~ *(iv)*, and ~~(vii)~~ *(vi)* beginning with the initial fiscal year as determined under § 2.2-5005 and for all fiscal years thereafter.

~~C. The Governor shall include in "The Budget Bill" pursuant to § 2.2-1509 recommended appropriations from the general fund or~~ *D. Each year, the Governor shall include in his budget bill submitted to the General Assembly* recommended ~~amendments to~~ *appropriations from the* general fund ~~appropriations in the general appropriation act in effect at that time an amount for nonrecurring expenditures and an amount for deposit into the Transportation Trust Fund equal to the amounts assigned by the Comptroller for such purposes~~ *for the set asides and assignments* pursuant to the provisions of ~~subsection~~ *subsections* B *and C*. Such *recommended appropriations shall conform to the amounts and prioritization set forth in subsections B and C. Any* deposit to the Transportation Trust Fund shall not preclude the appropriation of additional amounts from the general fund for transportation purposes.

§ 2.2-1514. (Contingent effective date - see Editor's notes) Assignment of general fund for nonrecurring expenditures.

A. As used in this section:

"The Budget Bill" means the "The Budget Bill" submitted pursuant to § 2.2-1509, including any amendments to a general appropriation act pursuant to such section.

"Nonrecurring expenditures" means the acquisition or construction of capital outlay projects as defined in § 2.2-1518, the acquisition or construction of capital improvements, the acquisition of land, the acquisition of equipment, or other expenditures of a one-time nature as specified in the general appropriation act.

B. 1. Any general fund balance remaining at the end of each fiscal year shall first be held in reserve by the Comptroller for any required Revenue Stabilization Fund deposit pursuant to § 2.2-1829. If the Auditor of Public Accounts pursuant to § 2.2-1829 reports that a deposit is required to be made to the Revenue Stabilization Fund, then the Comptroller shall set aside from the general fund balance remaining such funds as are necessary to meet the full amount of the required deposit.

2. After the full amount to make the required Revenue Stabilization Fund deposit has been set aside, 30 percent of any remaining general fund balance shall be set aside pursuant to this subdivision if (i) at the end of the fiscal year the ratio of actuarial assets to actuarial liabilities is less than 0.80 for any of the defined benefit retirement plans established under Chapter 1 (§ 51.1-124.1 et seq.), 2 (§ 51.1-200 et seq.), 2.1 (§ 51.1-211 et seq.) or 3 (§ 51.1-300 et seq.) of Title 51.1 or (ii) for the fiscal year just ended, the contribution by the Commonwealth for certain optional retirement plans under § 51.1-126 is less than the minimum contributions set forth in subdivision F 1 of § 51.1-126, as in effect on January 1, 2011. The 30 percent of the general fund balance shall be set aside as follows: 75 percent to the Virginia Retirement System as additional contributions to the defined benefit retirement plans described in clause (i) to the extent needed in order that the ratio of actuarial assets to actuarial liabilities is at least 0.80 for all of the defined benefit retirement plans, and 25 percent to be paid as additional contributions to the optional retirement plans described in clause (ii) of employees in service in the current fiscal year in order to fund the difference between the minimum contributions set forth in subdivision F 1 of § 51.1-126, as in effect on January 1, 2011, and the actual contributions made by the Commonwealth in the fiscal year just ended.

If the full amount set aside for contributions to the defined benefit retirement plans or the optional retirement plans is not needed to meet the respective condition, any excess shall be used to meet the remaining condition in clause (i) or clause (ii), as applicable. If the full 30 percent of the remaining general fund balance set aside under this subdivision is not needed to meet the conditions in clauses (i) and (ii), any excess shall be set aside or assigned as provided in subsection C.

~~B. At the end of each fiscal year,~~ *C. After the set asides have been made pursuant to subsection B,* the Comptroller shall assign within his annual report pursuant to § 2.2-813 an amount for nonrecurring expenditures, which shall equal the remaining amount of the general fund balance that is not otherwise restricted, committed, or assigned for other usage within the general fund. No such assignment shall be made unless the full amounts required for other restrictions, commitments, or assignments including but not limited to ~~(i) the Revenue Stabilization Fund deposit pursuant to § 2.2-1829,~~ ~~(ii)~~ *(i)* the Virginia Water Quality Improvement Fund deposit pursuant to § 10.1-2128, but excluding any deposits provided under the Virginia Natural Resources Commitment Fund established under § 10.1-2128.1, ~~(iii)~~ *(ii)* capital outlay reappropriations pursuant to the general appropriation act~~,~~ ~~(iv)~~, *(iii)* (a) operating expense reappropriations pursuant to the general appropriation act, and (b) reappropriations of unexpended appropriations to certain public institutions of higher education pursuant to § 2.2-5005~~,~~ ~~(v)~~, *(iv)* pro rata

rebate payments to certain public institutions of higher education pursuant to § 2.2-5005, ~~(vi)~~ *(v)* the unappropriated balance anticipated in the general appropriation act for the end of such fiscal year, and ~~(vii)~~ *(vi)* interest payments on deposits of certain public institutions of higher education pursuant to § 2.2-5005 are set aside. The Comptroller shall set aside amounts required for clauses ~~(iv)~~ *(iii)* (b), ~~(v)~~ *(iv)*, and ~~(vii)~~ *(vi)* beginning with the initial fiscal year as determined under § 2.2-5005 and for all fiscal years thereafter.

~~C. The Governor shall include in "The Budget Bill" pursuant to § 2.2-1509 recommended appropriations from the general fund or recommended amendments to general fund appropriations in the general appropriation act in effect at that time an amount for nonrecurring expenditures equal to the amount assigned by the Comptroller for such purpose pursuant to the provisions of subsection B of this section.~~

D. Each year, the Governor shall include in his budget bill submitted to the General Assembly recommended appropriations from the general fund for the set asides and assignments pursuant to the provisions of subsections B and C. Such recommended appropriations shall conform to the amounts and prioritization set forth in subsections B and C.

2. That the provisions of this act shall become effective beginning with any amount of general fund balance remaining at the end of the Commonwealth's fiscal year beginning July 1, 2011.

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