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HOUSE BILL NO. 1767**AMENDMENT IN THE NATURE OF A SUBSTITUTE**(Proposed by the Senate Committee on Finance
on February 12, 2013)

(Patron Prior to Substitute—Delegate Watson)

A *BILL to amend the Code of Virginia by adding in Chapter 1.1 of Title 23 a section numbered 23-9.14:3, relating to Machinery and Equipment Donation Grant Program.*

Be it enacted by the General Assembly of Virginia:

1. That the Code of Virginia is amended by adding in Chapter 1.1 of Title 23 a section numbered 23-9.14:3 as follows:

§ 23-9.14:3. Machinery and Equipment Donation Grant Program established.

A. As used in this section, unless the context requires a different meaning:

"Community college" means any community college that is part of the Virginia Community College System.

"Council" means the State Council of Higher Education for Virginia.

"Machinery and equipment" means engines, machines, motors, mechanical devices, laboratory trainers, computers, printers, tools, parts, and similar machinery and equipment as set forth in guidelines developed by the Council.

"Vocational school" means any entity offering formal instructional programs of study (i) that operates as a nonprofit corporation or organization and that is certified to operate in Virginia by the Council or (ii) that offers career or technical education administered by the Department of Education pursuant to § 22.1-227. "Vocational school" does not include instructional programs that are intended solely for recreation, enjoyment, or personal interest, or as a hobby, or courses or programs of instruction that prepare individuals to teach such pursuits.

B. From such funds as may be appropriated by the General Assembly and any gifts, grants, or donations from public or private sources, there is hereby created in the state treasury a special nonreverting fund to be known as the Machinery and Equipment Donation Grant Fund, hereafter referred to as "the Fund." The Fund shall be established on the books of the Comptroller. 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 each fiscal year shall not revert to the general fund but shall remain in the Fund. Moneys in the Fund shall be used solely for the purposes of awarding grants for qualified donations of machinery and equipment to community colleges and vocational schools. Expenditures and disbursements from the Fund shall be made by the State Treasurer on warrants issued by the Comptroller upon written request signed by the director of the Council.

C. 1. A business that donates new machinery and equipment in good working condition, purchased within the 12 months prior to the donation, to a community college or vocational school shall be eligible to apply to the Council for a grant from the Fund. Such grant shall be in an amount equal to 20 percent of the purchase price of the machinery or equipment, not to exceed an aggregate grant of \$5,000 for all such donations during a calendar year.

2. In order to be eligible for a grant, the application shall include a written certification made by the donee community college or vocational school that identifies the donee community college or vocational school, the business donating the machinery or equipment, the date of the donation, and the number of units of each item of machinery and equipment donated. The certification shall also include a statement by the donee community college or vocational school that the machinery and equipment was needed and can be utilized by the community college or vocational school for teaching or training students, and that such machinery and equipment will be principally used in Virginia in teaching or training students.

3. Grants shall be issued in the order that each completed application is received. In the event that the amount of eligible grants requested in a fiscal year exceeds the funds available in the Fund, such grants shall be paid in the next fiscal year in which funds are available.

4. The Council shall maintain and update as necessary on its website a list of machinery and equipment that qualifies for a grant under this section and a list of vocational schools to which donations of machinery and equipment may qualify for a grant under this section. The Council shall also develop guidelines setting forth the general requirements for qualifying for and applying for a grant under this section.

2. That the provisions of this act shall not become effective unless an appropriation of general funds effectuating the purposes of this act is included in a general appropriation act passed by the 2013 Session of the General Assembly, which becomes law.

SENATE SUBSTITUTE

HB1767S1