

1 VIRGINIA ACTS OF ASSEMBLY — CHAPTER

2 *An Act to amend the Code of Virginia by adding a section numbered 2.2-4350.1, relating to payment by*
3 *the Commonwealth and its agencies for goods and services; debts.*

4 [H 1790]

5 Approved

6 **Be it enacted by the General Assembly of Virginia:**7 **1. That the Code of Virginia is amended by adding a section numbered 2.2-4350.1 as follows:**8 **§ 2.2-4350.1. Prohibition on payment without an appropriation; prohibition on IOUs.**

9 A. As used in this section, "IOU" means a document issued by a governmental entity or
10 representative (i) that acknowledges a debt but that does not specify all repayment terms, such as the
11 repayment date, and (ii) when moneys are not available to pay a current debt.

12 B. 1. Notwithstanding any other provision of law, unless the General Assembly has appropriated
13 funds to pay for a good or service or to make payment on a debt, no state department, agency, or other
14 state entity nor any state official, officer, employee, or agent shall (i) attempt to pay for the good or
15 service or attempt to make payment on the debt; (ii) issue any document or paper that guarantees
16 payment, or purports to pay, for the good or service or guarantees payment, or purports to make
17 payment, on the debt; or (iii) in any other way attempt to pay, guarantee payment, or purport to pay for
18 the same.

19 2. The prohibition on payment under subdivision 1 shall not apply (i) to payments required by
20 federal law or (ii) if funds are lawfully available.

21 C. In addition, in no case shall any (i) state department, agency, or other state entity or (ii) state
22 official, officer, or employee in performing the duties of his position furnish an IOU in exchange for any
23 good or service, as a means to pay for any good or service, or in lieu of a payment on a debt.

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