

VIRGINIA ACTS OF ASSEMBLY -- 2019 SESSION

CHAPTER 807

An Act to amend the Code of Virginia by adding a section numbered 22.1-146.1, relating to the Literary Fund; school modernization.

[S 1093]

Approved March 25, 2019

Be it enacted by the General Assembly of Virginia:

1. That the Code of Virginia is amended by adding a section numbered 22.1-146.1 as follows:

§ 22.1-146.1. School modernization loan interest rate subsidy payments.

A. The Board of Education shall establish a program to subsidize interest payments on certain loans made by the Virginia Public School Authority to local governing bodies and school boards for the design and construction of new school buildings and facilities or the modernization and maintenance of existing school buildings and facilities as follows:

1. For school divisions with a composite index of local ability-to-pay that is greater than 0.2500 but less than 0.4000 at the time an application to the program is made, the Board may subsidize up to 50 percent of the interest due on such loan; or

2. For school divisions with a composite index of local ability-to-pay that is 0.2500 or less at the time an application to the program is made, the Board may subsidize up to 100 percent of the interest rate on such loan.

B. The aggregate amount of subsidies provided pursuant to this section shall not exceed the allocation specified in the general appropriation act for each fiscal year.

C. For each loan, the annual subsidy amount shall not include both:

1. Interest or other loan-related costs related to any part of the loan that exceed \$7.5 million in loan value; and

2. Interest on any part of the loan that exceeds the rate that the local governing body or school board would have obtained for such loan under the provisions of §§ 22.1-146 and 22.1-150.