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HOUSE BILL NO. 1438

AMENDMENT IN THE NATURE OF A SUBSTITUTE

(Proposed by the Senate Committee on Agriculture, Conservation and Natural Resources
on February 13, 2023)

(Patron Prior to Substitute—Delegate Anderson)

A BILL to amend the Code of Virginia by adding a section numbered 10.1-1424.4, relating to Oyster Shell Waste Diversion Fund created.

Be it enacted by the General Assembly of Virginia:

1. That the Code of Virginia is amended by adding a section numbered 10.1-1424.4 as follows:

§ 10.1-1424.4. Oyster Shell Waste Diversion Fund.

A. There is hereby created in the state treasury a special nonreverting fund to be known as the Oyster Shell Waste Diversion Fund, referred to in this section as "the Fund." The Fund shall be established on the books of the Comptroller. All funds appropriated for such purpose and any gifts, donations, grants, bequests, and other funds received on its behalf shall be paid into the state treasury and credited to the Fund. 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 promoting the diversion of oyster shells from landfills and promoting the beneficial reuse of such shells in oyster restoration activities by means of the expenditures in subsection C. 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.

B. The Fund shall be administered by the Department, which shall be authorized to contract with an entity that is exempt from taxation pursuant to § 501(c)(3) of the Internal Revenue Code and is engaged in oyster restoration activities to manage Fund operations consistent with the purposes of the Fund.

C. Moneys from the Fund shall be expended for the following purposes:

1. Providing grants to any person who donates oyster shells for use in oyster restoration projects, including planting and replanting with seed oysters, oyster shells, or other material that will catch, support, and grow oyster populations, when such shells are donated to an entity that is exempt from taxation pursuant to § 501(c)(3) of the Internal Revenue Code and is engaged in oyster restoration activities. Such grants may be awarded in an amount equal to \$4 per bushel of oyster shells, as described in § 28.2-526, donated during a calendar year but not to exceed an aggregate grant of \$1,500 for all such donations made by any person during such year. The aggregate amount of grants available under this section for each calendar year shall be \$250,000;

2. Providing grants for the establishment, maintenance, management, and operation of oyster shell recycling collection bins;

3. Educating the public to discourage the deposition of oyster shells into landfills and to promote the beneficial reuse of oyster shells for oyster restoration activities; and

4. Paying the costs of managing the Fund activities as incurred by a nonprofit entity pursuant to subsection B.