

VIRGINIA ACTS OF ASSEMBLY -- 1994 SESSION

CHAPTER 689

An Act to amend and reenact §§ 22.1-146 and 22.1-148 of the Code of Virginia, relating to the Literary Fund.

[S 376]

Approved April 10, 1994

Be it enacted by the General Assembly of Virginia:

1. That §§ 22.1-146 and 22.1-148 of the Code of Virginia are amended and reenacted as follows:

§ 22.1-146. Power of Board to make loans from fund for erection, etc., of school buildings and fueling facilities for school buses.

The Board of Education is authorized to make loans or, subject to the approval of the General Assembly, loan interest rate subsidy payments from the Literary Fund to the school boards of the several school divisions making application therefor in the manner prescribed by law for the purpose of (i) erecting, altering or enlarging school buildings in such school divisions ~~and~~; (ii) for equipping school buses for alternative fuel conversions and for construction of school bus fueling facilities for supplying compressed natural gas or other alternative fuels; *and (iii) for the refinancing or redemption of negotiable notes, bonds, and other evidences of indebtedness or obligations incurred by a locality on behalf of a school division which has an application for a Literary Fund loan for an approved school project pending before the Board of Education.* For the purpose of this section, "alternative fuels" means motor fuels other than gasoline and diesel fuel.

§ 22.1-148. Restrictions upon making loans; retirement of previous loans.

A. No loan from the Literary Fund shall exceed 100% of the cost of the building, addition thereto, and site on account of which such loan is made. No loan shall be made from the Literary Fund to aid in the erection of a building or addition to cost less than \$500. Whenever a loan is made from the Literary Fund for the purpose of enlarging a building, any part of the proceeds of such loan may, in the discretion of the Board, be used to retire any previous loan or loans on such building although not matured at the time of such additional loan. No loan shall be made from the Literary Fund in any case in which the payment of same with interest would, in the judgment of the Board of Education, entail too heavy a charge upon the revenues of the county, city or town comprising the school division to which such loan is granted. The Board may refuse to make any loan from the Literary Fund to any school board which is in default in the payment of any part of the principal of any previous loan from the Literary Fund or which for the two years next preceding the loan has been more than six months in default in the payment of interest due on any loan from the Literary Fund.

B. Any school division which has an application for a Literary Fund loan for an approved school project pending before the Board of Education shall not be denied or delayed in obtaining such loan solely for the reason that ~~short-term~~ *alternative* financing had been obtained to begin or complete construction on such project.