

1 VIRGINIA ACTS OF ASSEMBLY — CHAPTER

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

4 [S 376]

5 Approved

6 **Be it enacted by the General Assembly of Virginia:**7 **1. That §§ 22.1-146 and 22.1-148 of the Code of Virginia are amended and reenacted as follows:**8 § 22.1-146. Power of Board to make loans from fund for erection, etc., of school buildings and
9 fueling facilities for school buses.

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

20 § 22.1-148. Restrictions upon making loans; retirement of previous loans.

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

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

ENROLLED

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