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HOUSE BILL NO. 642

Offered January 19, 1996

A BILL to amend and reenact § 2.1-394.1 of the Code of Virginia and to amend the Code of Virginia by adding in Title 2.1 a chapter numbered 27.1, consisting of sections numbered 2.1-406.1 and 2.1-406.2, relating to funding for certain educational and cultural entities.

Patrons—Thomas, Bennett, Cranwell, Guest, Heilig, Melvin, Moss, Shuler, Van Landingham, Van Yahres and Woodrum; Senators: Edwards and Trumbo

Referred to Committee on General Laws

Be it enacted by the General Assembly of Virginia:

1. That § 2.1-394.1 of the Code of Virginia is amended and reenacted and that the Code of Virginia is amended by adding in Title 2.1 a chapter numbered 27.1, consisting of sections numbered 2.1-406.1 and 2.1-406.2, as follows:

§ 2.1-394.1. Estimates by nonstate agencies of amounts needed.

A. Except as provided in §§ 2.1-406.1, 2.1-406.2 and 10.1-812 through 10.1-814, no state funds shall be appropriated or expended for, or to, nonstate agencies unless:

1. A request for state aid is filed by the organization with the Department of Planning and Budget, as required by § 2.1-394.

2. Such nonstate agency shall certify to the satisfaction of the Department that matching funds are available in cash from local or private sources in an amount at least equal to the amount of the request. These matching funds must be concurrent with the purpose for which state funds are requested. Contributions received and spent prior to the state grant shall not be considered in satisfying the requirements of this subdivision.

3. Such nonstate agency shall provide documentation of its tax exempt status under applicable provisions of the United States Internal Revenue Code.

B. Except as provided in §§ 23-38.11 through 23-38.18, no state funds shall be appropriated to, or expended for, a private institution of higher education or religious organization.

C. Requests for the appropriation of funds for nonstate agencies shall be considered by the Governor and the General Assembly only in even-numbered years.

D. For the purposes of this section, a "nonstate agency" shall mean any public or private foundation, authority, institute, museum, corporation or similar organization which is not a unit of state government or a political subdivision of the Commonwealth as established by general law or special act. It shall not mean any such entity which receives state funds as a subgrantee of a state agency or through a state grant-in-aid program authorized by law.

CHAPTER 27.1.**FUNDING FOR CERTAIN EDUCATIONAL AND CULTURAL ENTITIES.**

§ 2.1-406.1. Virginia Educational and Cultural Entities Fund established.

From such funds as may be appropriated for this purpose and from such gifts, donations, grants, bequests, and other funds as may be received, there is hereby established a special fund in the state treasury to be known as the Virginia Educational and Cultural Entities Fund, hereinafter referred to as the Fund, to be administered by the Department of Planning and Budget at the direction of the General Assembly. There shall be deposited annually in the Fund ten percent of the Commonwealth's annual interest income earnings credited to the general fund, as determined by the State Comptroller. The Fund shall be established on the books of the State Comptroller. Interest earned on the Fund shall be credited to the Fund. Any money remaining in the Fund at the end of the biennium shall not revert to the general fund but shall remain in the Fund. Disbursement of moneys from the Fund shall be made by the State Comptroller at the written request of the Director of the Department of Planning and Budget.

§ 2.1-406.2. Disbursement of funds for certain nonstate educational and cultural entities.

A. At the direction of the Director, the Comptroller of the Commonwealth shall draw annual warrants upon the State Treasurer from the Fund any sums that may be provided in the general appropriation act, in favor of the treasurers of the educational and cultural entities as provided in subsections B and C of this section. Such sums shall be expended by these entities for general operating expenses, special projects, and reserve funds. All such educational and cultural entities, through their proper officers, shall after July 1 of each year submit to the Director a certified statement that the sums appropriated from the Fund to the association or organization in the preceding fiscal year were or will be expended for general operating expenses, special projects, and reserve funds. Any educational or cultural entity failing to comply with any of the requirements of this section shall be prohibited from

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60 receiving moneys allocated under this section for all subsequent fiscal years until such entity fully
61 complies with the requirements.

62 B. Allocation of appropriations made pursuant to this section shall be based on sums designated in
63 the appropriation act to the following entities:

- 64 1. The Chrysler Museum.
- 65 2. Western Virginia Foundation of Art and Sciences (The Center in the Square).
- 66 3. Arts Museum of Western Virginia.
- 67 4. Science Museum of Western Virginia.
- 68 5. Blue Ridge Zoological Society of Virginia.
- 69 6. William King Regional Fine Arts Center
- 70 7. Peninsula Fine Arts Center.
- 71 8 Virginia Living Museum.
- 72 9. Virginia Marine Science Museum.
- 73 10. Virginia Zoological Park.

74 C. In addition to funds that may be provided pursuant to subsection B of this section, sums from the
75 Fund may be allocated to such other educational and cultural entities and in such amounts as may be
76 designated in the appropriation act.

77 For the purposes of this article, "nonstate educational or cultural entity" means any nonstate
78 museum, foundation, zoo, performing arts organization, authority, institute, alliance, or similar
79 organization essentially educational or aesthetic in purpose which (i) has professional staff; (ii) owns,
80 utilizes, and cares for tangible objects and exhibits such objects to the public on some regular schedule
81 or, in the case of foundations, whose principal and exclusive mission is the support of nonprofit
82 exhibiting museums or cultural organizations; and (iii) is not a unit of state government or a political
83 subdivision of the Commonwealth as established by general law or special act.

84 D. Local matching funds shall not be required for grants made pursuant to this section.