

## 1 VIRGINIA ACTS OF ASSEMBLY — CHAPTER

2 *An Act to amend and reenact §§ 2.1-1.5, 2.1-20.1:02, and 23-9.4 of the Code of Virginia and to amend*  
3 *the Code of Virginia by adding in Title 23 a chapter numbered 22, consisting of sections numbered*  
4 *23-277 through 23-286, and by adding in Article 3.1 of Chapter 1 of Title 51.1 a section numbered*  
5 *51.1-124.36, relating to property received by the Commonwealth and certain political subdivisions*  
6 *pursuant to the conversion of a mutual insurance company to a stock corporation.*

[S 1047]

Approved

9 **Be it enacted by the General Assembly of Virginia:**

10 **1. That §§ 2.1-1.5, 2.1-20.1:02, and 23-9.4 of the Code of Virginia are amended and reenacted and**  
11 **that the Code of Virginia is amended by adding in Title 23 a chapter numbered 22, consisting of**  
12 **sections numbered 23-277 through 23-286, and by adding in Article 3.1 of Chapter 1 of Title 51.1**  
13 **a section numbered 51.1-124.36 as follows:**

14 § 2.1-1.5. Entities not subject to standard nomenclature.

15 The following entities are not subject to the provisions of § 2.1-1.2 due to the unique characteristics  
16 or the enabling legislation of the entities:

17 **Authorities**

18 Assistive Technology Loan Fund Authority.  
19 Medical College of Virginia Hospitals Authority.  
20 Richmond Eye and Ear Hospital Authority.  
21 Small Business Financing Authority.  
22 State Education Assistance Authority.  
23 Virginia Agriculture Development Authority.  
24 Virginia College Building Authority.  
25 Virginia Economic Development Partnership.  
26 Virginia Education Loan Authority.  
27 Virginia Housing Development Authority.  
28 Virginia Information Providers Network Authority.  
29 Virginia Innovative Technology Authority.  
30 Virginia Port Authority.  
31 Virginia Public Building Authority.  
32 Virginia Public School Authority.  
33 Virginia Resources Authority.  
34 Virginia Student Assistance Authorities.

35 **Boards**

36 Board of Commissioners, Virginia Agriculture Development Authority.  
37 Board of Commissioners, Virginia Port Authority.  
38 Board of Directors, Assistive Technology Loan Fund Authority.  
39 Board of Directors, Medical College of Virginia Hospitals Authority.  
40 Board of Directors, Richmond Eye and Ear Hospital Authority.  
41 Board of Directors, Small Business Financing Authority.  
42 Board of Directors, Virginia Economic Development Partnership.  
43 Board of Directors, Virginia Student Assistance Authorities.  
44 Board of Directors, Virginia Innovative Technology Authority.  
45 Board of Directors, Virginia Resources Authority.  
46 Board of Regents, Gunston Hall Plantation.  
47 Board of Regents, James Monroe Memorial Law Office and Library.  
48 Board of Trustees, Family and Children's Trust Fund.  
49 Board of Trustees, Frontier Culture Museum of Virginia.  
50 Board of Trustees, Jamestown-Yorktown Foundation.  
51 Board of Trustees, Miller School of Albemarle.  
52 Board of Trustees, Rural Virginia Development Foundation.  
53 Board of Trustees, The Science Museum of Virginia.  
54 Board of Trustees, Virginia Museum of Fine Arts.  
55 Board of Trustees, Virginia Museum of Natural History.  
56 Board of Trustees, Virginia Outdoor Foundation.

57	Board of the Virginia Higher Education Tuition Trust Fund.
58	Board of Visitors, Christopher Newport University.
59	Board of Visitors, The College of William and Mary in Virginia.
60	Board of Visitors, George Mason University.
61	Board of Visitors, Gunston Hall Plantation.
62	Board of Visitors, James Madison University.
63	Board of Visitors, Longwood College.
64	Board of Visitors, Mary Washington College.
65	Board of Visitors to Mount Vernon.
66	Board of Visitors, Norfolk State University.
67	Board of Visitors, Old Dominion University.
68	Board of Visitors, Radford University.
69	Board of Visitors, University of Virginia.
70	Board of Visitors, Virginia Commonwealth University.
71	Board of Visitors, Virginia Military Institute.
72	Board of Visitors, Virginia Polytechnic Institute and State University.
73	Board of Visitors, Virginia State University.
74	<i>Commonwealth Health Research Board.</i>
75	Governing Board, Virginia College Building Authority.
76	Governing Board, Virginia Public School Authority.
77	Library Board, The Library of Virginia.
78	Motor Vehicle Dealer Board.
79	State Board for Community Colleges, Virginia Community College System.
80	Virginia-Israel Advisory Board.
81	Center
82	A.L. Philpott Manufacturing Research Center.
83	Commissions
84	Alexandria Historical Restoration and Preservation Commission.
85	Charitable Gaming Commission.
86	Chesapeake Bay Bridge and Tunnel Commission.
87	Hampton Roads Sanitation District Commission.
88	Districts
89	Chesapeake Bay Bridge and Tunnel District.
90	Hampton Roads Sanitation District.
91	Educational Institutions
92	Christopher Newport University.
93	College of William and Mary in Virginia.
94	Frontier Culture Museum of Virginia.
95	George Mason University.
96	James Madison University.
97	Jamestown-Yorktown Foundation.
98	Longwood College.
99	Mary Washington College.
100	Miller School of Albemarle.
101	Norfolk State University.
102	Old Dominion University.
103	Radford University.
104	The Science Museum of Virginia.
105	University of Virginia.
106	Virginia Commonwealth University.
107	Virginia Community College System.
108	Virginia Military Institute.
109	Virginia Museum of Fine Arts.
110	Virginia Polytechnic Institute and State University.
111	The Library of Virginia.
112	Virginia State University.
113	Foundations
114	Chippokes Plantation Farm Foundation.
115	Rural Virginia Development Foundation.
116	Virginia Conservation and Recreation Foundation.
117	Virginia Historic Preservation Foundation.

Virginia Outdoor Foundation.

Museum

Virginia Museum of Natural History.

Plantation

Gunston Hall Plantation.

System

Virginia Retirement System.

§ 2.1-20.1:02. Health insurance program for employees of local governments, local officers, teachers, etc.; definitions.

A. The Department of Personnel and Training shall establish a plan or plans subject to the approval of the Governor, for providing health insurance coverage for employees of local governments, local officers, teachers, and retirees, and the dependents of such employees, officers, teachers and retirees. The plan or plans shall be rated separately from the plan established pursuant to § 2.1-20.1 to provide health and related insurance coverage for state employees. Participation in such insurance plan or plans shall be (i) voluntary, (ii) approved by the participant's respective governing body, or by the local school board in the case of teachers, and (iii) subject to regulations promulgated by the Department.

B. The plan established by the Department shall satisfy the requirements of the Virginia Public Procurement Act, Chapter 7 (§ 11-35 et seq.) of Title 11, shall consist of a flexible benefits structure which permits the creation of multiple plans of benefits and may provide for separate rating groups based upon criteria established by the Department. The Department shall promulgate regulations regarding the establishment of such a plan or plans, including, but not limited to, requirements for eligibility, participation, access and egress, mandatory employer contributions and financial reserves, and the administration of the plan or plans. The Department may engage the services of other professional advisors and vendors as necessary for the prudent administration of the plan or plans. The assets of the plan or plans, together with all appropriations, premiums and other payments, shall be deposited in the employee health insurance fund, from which payments for claims, premiums, cost containment programs and administrative expenses shall be withdrawn from time to time. The assets of the fund shall be held for the sole benefit of the employee health insurance fund. The fund shall be held in the state treasury. Any interest on unused balances in the fund shall revert back to the credit of the fund. The State Treasurer shall charge reasonable fees to recover the actual costs of investing the assets of the plan or plans.

In establishing the participation requirements, the Department may provide that those employees, officers, and teachers without access to employer-sponsored health care coverage may participate in the plan. It shall collect all premiums directly from the employers of such employees, officers, and teachers.

C. In the administration of the plan or plans, the Department shall take into consideration the recommendations made by an advisory committee. Such advisory committee shall be composed of at least five members to be appointed by the Governor, with at least one member representing each of the following groups: local governments, local officers, local school boards, teachers, and retirees. Committee members shall be reimbursed for the expenses incurred by them as members of the committee but shall not be otherwise compensated for their services. The terms of service for the advisory committee members shall be established by the Department.

D. In the event that the financial reserves of the plan fall to an unacceptably low level as determined by the Department, it shall have the authority to secure from the State Treasurer a loan sufficient to raise the reserve level to one which is considered adequate. The State Treasurer is hereby authorized to make such a loan, to be repaid on such terms and conditions as established by him.

E. For the purposes of this section, the following terms shall have the meanings indicated:

"Employees of local governments" shall include all officers and employees of the governing body of any county, city or town, and the directing or governing body of any political entity, subdivision, branch or unit of the Commonwealth or of any commission or public authority or body corporate created by or under an act of the General Assembly specifying the power or powers, privileges or authority capable of exercise by the commission or public authority or body corporate, as distinguished from §§ 15.1-20, 15.1-21, or similar statutes, provided that the officers and employees of a social services department, welfare board, mental health, mental retardation and substance abuse services board, or library board of a county, city, or town shall be deemed to be employees of local government.

"Local officer" means the treasurer, registrar, commissioner of the revenue, attorney for the Commonwealth, clerk of a circuit court, sheriff, or constable of any county or city or deputies or employees of any of the preceding local officers.

"Teacher" means any employee of a county, city, or other local public school board.

F. Any stock and cash distributed to the Commonwealth pursuant to the conversion of Blue Cross and Blue Shield of Virginia, doing business as Trigon Blue Cross Blue Shield, from a mutual insurance company to a stock corporation known as Trigon Healthcare, Inc., that is directly attributable to the

health insurance plan or plans established for employees of local governments, local officers, teachers, and retirees, and the dependents of such employees, officers, teachers and retirees, pursuant to subsection A (hereinafter referred to as the "local choice plan distribution") shall be deposited in the state treasury to the credit of the employee health insurance fund to be used as provided in this subsection. Such distribution shall not include any cash paid by Blue Cross and Blue Shield of Virginia or its successor to the Commonwealth in connection with such conversion which was assumed as general fund revenue in Chapter 912 of the 1996 Acts of Assembly. All other stock and cash received by the Commonwealth pursuant to such conversion of Blue Cross and Blue Shield of Virginia to a stock corporation shall be allocated as provided in subsection B of § 23-284.

The State Treasurer shall sell any stock received pursuant to the local choice plan distribution as soon as practicable following its receipt, subject to any lockup period or other restriction on its sale, and the proceeds therefrom shall be deposited in the state treasury to the credit of the employee health insurance fund. Notwithstanding any other provision of law to the contrary, the State Treasurer shall not be liable for any losses incurred from the sale or distribution of such stock.

The Department of Personnel and Training shall use any stock, or the proceeds therefrom, and cash received pursuant to the local choice plan distribution to reduce premiums payable by employers participating in a plan or plans established pursuant to subsection A. In setting health insurance premiums for such plan or plans, the Director of the Department of Personnel and Training shall allocate the value of such stock, or proceeds therefrom, and cash among each participating employer. Such allocation shall be based on the proportionate amounts of premiums previously paid by each participating employer. If a participating employer withdraws from such plan or plans before all of the value allocated to it has been used for the benefit of the participating employer, the remaining value shall be transferred to such participating employer upon his withdrawal.

#### § 23-9.4. Employment of director and other personnel.

A. The Council shall employ and appoint a director who shall be the chief executive officer of the Council, and such personnel as may be required to assist it in the exercise and performance of its powers and duties.

B. The director shall serve as executive secretary of the Commonwealth Health Research Board. The director and other personnel are authorized to perform all duties imposed on them pursuant to Chapter 22 (§ 23-277 et seq.) of this title.

### CHAPTER 22.

#### COMMONWEALTH HEALTH RESEARCH FUND.

#### § 23-277. Definitions.

As used in this chapter, unless the context clearly indicates otherwise:

"Board" means the Commonwealth Health Research Board.

"Council" means the State Council of Higher Education for Virginia.

"Fund" means the Commonwealth Health Research Fund.

#### § 23-278. Commonwealth Health Research Board created.

A. There is hereby created, as an independent body, the Commonwealth Health Research Board. The purpose of the Board shall be to provide financial support, in the form of grants, donations, or other assistance, for research efforts that have the potential of maximizing human health benefits for the citizens of the Commonwealth. Research efforts eligible for support by the Board shall include traditional medical and biomedical research relating to the causes and cures of diseases as well as research related to health services and the delivery of health care.

B. The Board shall be composed of seven members. The Governor shall appoint three members of the Board who shall be confirmed by the affirmative vote of a majority of those voting in each house of the General Assembly. The Joint Rules Committee shall appoint the other four members of the Board who shall be confirmed by the affirmative vote of a majority of those voting in each house of the General Assembly. The initial members shall be appointed for terms of office as follows: one of the members appointed by the Governor shall be appointed for a term of one year; one of the members appointed by the Joint Rules Committee shall be appointed for a term of two years; one of the members appointed by the Governor and one of the members appointed by the Joint Rules Committee shall be appointed for terms of three years; one of the members appointed by the Joint Rules Committee shall be appointed for a term of four years; and one of the members appointed by the Governor and one of the members appointed by the Joint Rules Committee shall be appointed for terms of five years. Appointments thereafter shall be for terms of five years. Vacancies in the membership of the Board shall be filled by appointment of the entity initially making the appointment for the unexpired portion of the term. No member shall be eligible to serve for more than two successive five-year terms; however, after the expiration of a term of four years or less, or after the expiration of the remainder of a term to which he was appointed to fill a vacancy, two additional terms may be served by such member if appointed thereto. Immediately after such appointment, the members shall enter upon the performance of

their duties.

C. The members shall have substantial experience or expertise, personal or professional, in at least one of the following areas: medicine, medical or scientific research, public policy, government, business, or education. No member shall be an incumbent elected official, state official or employee, or member of the governing board of a state agency or institution. Members of the Board need not be residents of the Commonwealth.

D. The members shall elect annually a chairman and vice-chairman from among its members. The chairman, or in his absence, the vice-chairman, shall preside at all meetings of the Board. A majority of the members of the Board serving at any one time shall constitute a quorum for the transaction of business. The Board shall meet annually or more frequently at the call of the chairman.

E. Members of the Board shall receive compensation for their services at the rate provided in § 2.1-20.3 and shall receive reimbursement for actual expenses incurred in the performance of their duties on behalf of the Board. Such compensation and expenses shall be paid from the Fund.

§ 23-279. Duties of the Board.

The Board shall perform the following duties:

1. Establish specific criteria and procedures governing its decisions to support research efforts consistent with its purposes, including, but not limited to, (i) encouraging collaborative research efforts among two or more institutions or organizations, (ii) giving priority to those research efforts where Board support can be leveraged to foster contributions from federal agencies or other entities, and (iii) supporting both new research efforts and the expansion or continuation of existing research efforts;

2. Establish requirements for the submission of research proposals, including, but not limited to, (i) a clear statement of the problem or opportunity to be addressed; (ii) the specific objectives; (iii) a description of how the results will maximize human health benefits for the citizens of the Commonwealth; (iv) a budget for the research effort including other anticipated sources of financial assistance; and (v) the time frame for the conduct of the research;

3. Evaluate the proposals in accordance with the criteria established by the Board and the provisions of this chapter; and

4. Evaluate the implementation and results of all research efforts receiving support from the Board.

§ 23-280. Conditions and restrictions on financial assistance.

A. The Board shall provide financial support only to research efforts that satisfy the following conditions:

1. The research shall be conducted by state institutions of higher education, agencies of the Commonwealth, or nonprofit organizations exempt from income taxation pursuant to § 501 (c) (3) of the Internal Revenue Code and located in the Commonwealth;

2. The institution, agency, or organization shall provide a cash amount for the support provided by the Board in such percentage of the Board's support as the Board deems appropriate;

3. Support provided by the Board shall not be used by the recipient to finance capital improvements or renovations, indirect costs incurred by the institution, agency, or organization in its administration of the financial support, or for any other purpose proscribed by the Board; and

4. Recipients of support provided by the Board shall agree to provide the Board with such information regarding the implementation of the research effort, and to allow monitoring and review of the research effort, as may be required by the Board to ensure compliance with the terms by which the support is provided.

B. Any support provided by the Board shall be used by the recipient only for personal services, contractual services, material, supplies, and equipment directly related to the approved research effort.

§ 23-281. Powers of the Board.

In order to carry out its purpose, the Board shall have the power to:

1. Make grants or other expenditures or disbursements from the Fund to provide support for research efforts approved by the Board in accordance with the purposes of this chapter; however, the Board shall not be obligated to make annual or other periodic disbursements or expenditures;

2. Contract for the services of consultants to review research proposals and to assist in the evaluation of the research efforts funded by the Board;

3. Accept, hold, administer, and solicit gifts, grants, bequests, contributions or other assistance from federal agencies, the Commonwealth, or any other public or private source to carry out the purposes of this chapter;

4. Enter into any agreement or contract relating to the acceptance or use of any grant, assistance or support provided by or to the Board, or otherwise in furtherance of the purposes of this chapter; and

5. Perform any lawful acts necessary or appropriate to carry out the purposes of the Board.

§ 23-282. Executive secretary; staffing; location.

The director of the Council shall serve as executive secretary to the Board and shall be responsible for the performance of such duties that the Board may direct. The director and other personnel of the

Council shall provide such administrative services as the Board shall request. The actual expenses incurred by such persons in the performance of such administrative duties on behalf of the Board, which shall not include the value of any services, rent, or overhead expenses, shall be paid from the Fund. The office of the Board shall be housed at the offices of the Council. The Board shall not be authorized to employ any personnel.

§ 23-283. Cooperation with other agencies.

All agencies of the Commonwealth shall cooperate with the Board and, upon request, assist the Board in the performance of its duties and responsibilities.

§ 23-284. Commonwealth Health Research Fund established; administration.

A. There is hereby created in the State Treasury a special, nonreverting revolving fund to be known as the Commonwealth Health Research Fund. The Fund shall be established on the books of the State Comptroller.

B. The Fund shall consist of all stock and cash distributed to the Commonwealth as a policyholder pursuant to the conversion of Blue Cross and Blue Shield of Virginia, doing business as Trigon Blue Cross Blue Shield, from a mutual insurance company to a Virginia stock corporation known as Trigon Healthcare, Inc., exclusive of (i) any such stock and cash distributed to the Commonwealth that is directly attributable to the health insurance plan or plans established for employees of local governments, local officers, teachers, and retirees, and the dependents of such employees, officers, teachers and retirees, as provided in subsection F of § 2.1-20.1:02, and (ii) cash paid by Blue Cross and Blue Shield of Virginia or its successor to the Commonwealth in connection with such conversion, which was assumed as general fund revenue in Chapter 912 of the 1996 Acts of Assembly. The Fund shall also consist of any moneys appropriated from the general fund, grants and donations received by the Board, and other moneys received by the State Treasurer and designated for deposit in the Fund. Interest and other income earned on the Fund shall be credited to the Fund. Any moneys remaining in the Fund, including interest and other income thereon, at the end of each fiscal year shall not revert to the general fund but shall remain in the Fund.

C. Notwithstanding any other provision of law, the moneys and other property comprising the Fund shall be invested, reinvested and managed by the Board of the Virginia Retirement System as provided in § 51.1-124.36. The State Treasurer shall not be held liable for losses suffered by the Virginia Retirement System on investments made under the authority of this section.

D. The Fund shall be expended solely for the purpose of supporting research efforts approved by the Board and any other purpose permitted by this chapter.

E. Not more than an amount equal to ninety percent of the annual income, including but not limited to interest, dividends, realized gains, fees, and other earnings, from the investment, reinvestment and management of the Fund, net of any administrative fee assessed pursuant to subsection E of § 51.1-124.36, shall be expended in such year for any purpose permitted by this chapter. The Board shall not be required to expend such amount in any year.

F. The disbursement of moneys from the Fund shall be made by the State Comptroller at the written request of the Board.

§ 23-285. Forms of accounts and records; audit of same.

A. The accounts and records of the Board showing the receipt and disbursement of funds from whatever source derived shall be in such form as the Auditor of Public Accounts prescribes.

B. The accounts and records of the Board shall be subject to an annual audit by the Auditor of Public Accounts or his legal representative.

§ 23-286. Reports to the Governor and General Assembly.

The Board shall submit a report annually to the Governor and the General Assembly. The report shall include information regarding research efforts supported by the Board and expenditures from the Fund.

§ 51.1-124.36. Investment of assets of the Commonwealth Health Research Fund.

A. In addition to such other powers as shall be vested in the Board, the Board shall have the full power to invest, reinvest, and manage the assets of the Commonwealth Health Research Fund. The Board shall maintain a separate accounting for the assets of the Commonwealth Health Research Fund.

B. The Board shall invest the assets of the Commonwealth Health Research Fund with the care, skill, prudence, and diligence under the circumstances then prevailing that a prudent person acting in a like capacity and familiar with such matters would use in the conduct of an enterprise of a like character and with like aims. The Board shall also diversify such investments so as to minimize the risk of large losses unless under the circumstances it is clearly prudent not to do so.

C. No officer, director, or member of the Board or of any advisory committee of the Retirement System or any of its tax exempt subsidiary corporations whose actions are within the standard of care in subsection B above shall be held personally liable for losses suffered by the Retirement System on investments made under the authority of this section.

D. The provisions of §§ 51.1-124.32, 51.1-124.33, and 51.1-124.34 shall apply to the Board's activities with respect to funds in the Commonwealth Health Research Fund.

E. The Board may assess the Commonwealth Health Research Board a reasonable administrative fee for its services.

**2. That the Commonwealth Health Research Board, the State Council on Higher Education for Virginia, the Board of the Virginia Retirement System, the State Treasurer, and the Department of Accounts shall enter into a memorandum of understanding establishing procedures governing the management, administration, and disbursement of moneys in the Commonwealth Health Research Fund, and other financial activities related to the implementation of this act, by September 1, 1997.**

**3. § 1. The governing body of each locality that receives cash, shares of stock, or both, as a result of the conversion of Blue Cross and Blue Shield of Virginia, doing business as Trigon Blue Cross Blue Shield (hereafter referred to as "Trigon"), from a mutual insurance company to a stock corporation known as Trigon Healthcare, Inc., by reason of its school division's status as a present or former group policyholder of Trigon shall, by appropriate ordinance or resolution, authorize the treasurer of such locality to create two separate funds upon the books of the locality, as hereinafter described. Upon the enactment or adoption of such ordinance or resolution, the treasurer of the locality shall place all such stock, including any proceeds derived from the sale or other conveyance of any such stock, and cash, into these separate funds. The stock or proceeds and cash shall be divided equally between the two separate funds set forth in subsections A and B of this section; however, (i) the local governing body may place a greater proportion or all of the stock or proceeds and cash in the fund described in subsection A, with the consent of the school board and (ii) if on or before January 1, 1997, a school board has requested and the local governing body has approved the allocation of the proceeds from the sale of its stock for a school construction or renovation project, the remainder of such proceeds shall be used to create a fund to offset health insurance premium increases incurred by the present and future employees of the school board and governing body.**

**A. The first fund shall be known as the "County/City of \_\_\_\_\_ Schools Health Insurance Premium Fund." All principal placed into this fund, together with all income arising from or attributable to the fund, shall be used solely to offset health insurance premium expenses incurred by or on behalf of present and future employees of the school division of the locality. No disbursement from the fund may be made except upon specific appropriation by the governing body in accordance with applicable law.**

**B. The second fund, if any, shall be known as the "County/City of \_\_\_\_\_ School Construction, Renovation, Maintenance, Capital Outlay, and Debt Service Fund." All principal placed into this fund, together with all income arising from or attributable to the fund, shall be used solely for the purposes of school construction, school renovation, major school maintenance, capital outlay, and debt service in the public schools of the locality. No disbursement from this fund may be made except upon specific appropriation by the governing body in accordance with applicable law.**

**C. All stock or proceeds and cash placed into separate funds pursuant to the provisions of this act, including all income arising from or attributable to such funds, shall be deemed public funds of the locality and shall be subject to all limitations upon deposit and investment provided by general law, including without limitation the Virginia Security for Public Deposits Act (§ 2.1-359 et seq.). Income, dividends, distributions and sale proceeds accruing to the separate funds shall be retained in the funds and may be expended only in accordance with the terms of this act.**

**D. Any funds transferred by the Department of Personnel and Training to a participating employer upon its withdrawal from a plan or plans as provided in subsection F of § 2.1-20.1:02 of the Code of Virginia shall be (i) placed in the separate funds described in subsections A and B of this section if the withdrawing employer is a school board or school division or (ii) deposited in the general fund of the locality if the withdrawing employer is not a school board or school division.**

**§ 2. If (i) both the nonschool employees and the school division employees of a locality have participated in a group health insurance plan issued by Trigon and (ii) such locality receives an undivided sum of cash, undivided shares of stock, or both, as a result of the conversion of Trigon from a mutual insurance company to a stock corporation known as Trigon Healthcare, Inc., the provisions of this enactment shall apply to the cash, stock, or both, received in the same proportion that the total health insurance premiums paid by or on behalf of school division employees during the last completed fiscal year preceding the receipt of such cash, stock, or both, bears to all premiums paid by or on behalf of all of the locality's employees, both in the school division and otherwise.**

**§ 3. Nothing in this enactment shall be deemed or construed to authorize a school board or school division to receive, hold or invest funds in its own name and right, nor to expend funds in the absence of a specific appropriation by the governing body of the locality in accordance with applicable law.**

**4. That an emergency exists and this act is in force from its passage.**