

989755300

## HOUSE BILL NO. 1130

## FLOOR AMENDMENT IN THE NATURE OF A SUBSTITUTE

(Proposed by Delegates Jackson and Rhodes  
on February 16, 1998)

(Patron Prior to Substitute—Delegate Jackson)

A *BILL to amend and reenact §§ 22.1-175.1, 22.1-175.2, 22.1-175.3, 58.1-4020 and 58.1-4022 of the Code of Virginia and to amend the Code of Virginia by adding in Chapter 11.1 of Title 22.1 a section numbered 22.1-175.4, relating to funds for school projects.*

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

**1. That §§ 22.1-175.1, 22.1-175.2, 22.1-175.3, 58.1-4020 and 58.1-4022 of the Code of Virginia are amended and reenacted and that the Code of Virginia is amended by adding in Chapter 11.1 of Title 22.1 a section numbered 22.1-175.4 as follows:**

§ 22.1-175.1. Virginia Public School Construction Grants Program established.

The Virginia Public School Construction Grants Program is hereby established to provide grants to eligible school divisions for construction, additions, *renovation, infrastructure, including debt service payments, or a portion thereof incurred within the immediately preceding five years for such purposes* and site acquisition for public school buildings and facilities. The Program shall be administered by the Board of Education.

§ 22.1-175.2. Virginia Public School Construction Grants Fund created.

A. From such funds as may be appropriated for this purpose and from such gifts, donations, grants, bequests, and other funds as may be received on its behalf, there is hereby created in the Department of the Treasury a special nonreverting *trust* fund known as the Virginia Public School Construction Grants Fund. The Fund shall be established on the books of the Comptroller, and any moneys remaining in such Fund at the end of the biennium shall not revert to the general fund but shall remain in the Fund. Interest earned on such funds shall remain in the Fund and be credited to it. Funds may be paid to any eligible school division that has been awarded financial assistance pursuant to the provisions of this chapter.

B. The Department of the Treasury shall administer and manage the Virginia Public School Construction Fund, subject to the authority of the Board of Education to provide for its disbursement. The Fund shall be disbursed to award grants as determined by eligibility and needs criteria established by the Board. The amount of each grant awarded to a qualifying school division shall not exceed ~~400~~ *fifty percent of the cost of construction, additions, renovation, infrastructure, including debt service payments, or a portion thereof incurred within the immediately preceding five years for such purposes* or site acquisition for public school buildings or facilities.

§ 22.1-175.3. Board to issue guidelines.

The Board shall issue guidelines governing the Program as it may deem necessary and appropriate. The guidelines shall include, but shall not be limited to, provisions which address the following: approval by the local governing body of the construction, addition, *renovation, infrastructure, debt service* or site acquisition for which grant moneys are sought and of the application for a grant from the Fund; eligibility criteria for school divisions demonstrating need based on local ability to pay for public school construction; eligibility criteria for school divisions demonstrating need based on population growth rates and the availability and pledge of local matching funds; and procedures for determining priority for awarding grants to qualifying school divisions.

§ 22.1-175.4 *Matching grants.*

*The local school boards of the several school divisions may make written application to the Department for a matching grant. The application shall contain such information as required by the Department.*

§ 58.1-4022. State Lottery Fund.

A. All moneys received from the sale of lottery tickets or shares, less payment for prizes and compensation of agents as authorized by regulation and any other revenues received under this chapter, shall be placed in a special fund known as the "State Lottery Fund." Notwithstanding any other provisions of law, interest earned from moneys in the State Lottery Fund shall accrue to the benefit of such Fund.

B. The total costs for the operation and administration of the lottery shall be funded from the State Lottery Fund and shall be in such amount as provided in the general appropriation act. Appropriations to the Department during any fiscal year beginning on and after July 1, 1989, exclusive of agent compensation, shall at no time exceed ten percent of the total annual estimated gross revenues to be generated from lottery sales. However, should it be anticipated at any time by the Director that such operational and administrative costs for a fiscal year will exceed the limitation provided herein, the

60 Director shall immediately report such information to the Board, the Governor and the Chairmen of  
61 Senate Finance and House Appropriations Committees. From the moneys in the Fund, the Comptroller  
62 shall establish a special reserve fund in such amount as shall be provided by regulation of the  
63 Department for (i) operation of the lottery, (ii) use if the game's pay-out liabilities exceed its cash on  
64 hand, or (iii) enhancement of the prize pool with income derived from lending securities held for  
65 payment of prize installments, which lending of securities shall be conducted in accordance with lending  
66 programs approved by the Department of the Treasury.

67 C. Any start-up sums appropriated from the general fund of the Commonwealth necessary to  
68 commence operation of a state lottery shall be repaid within the first twelve months of initial lottery  
69 sales.

70 D. Appropriation of lottery revenues shall be made only upon actual and audited collections as  
71 transferred to the general fund and shall in no event be predicated upon an estimation of such revenues.  
72 No later than ten days after receipt of the audit report required by § 58.1-4023, the Comptroller shall  
73 transfer to the general fund, less the special reserve fund, the audited balances of the State Lottery Fund.  
74 ~~In addition to such other funds as may be appropriated, 100 percent of the~~ *The lottery revenues*  
75 *transferred to the general fund shall be appropriated entirely and solely for the purpose of public*  
76 *education in the Commonwealth, which purposes shall include, but not be limited to, those programs*  
77 *specified in § 22.1-199.1; however, for each of the fiscal years 1999 and 2000 up to fifteen percent*  
78 *(15%) of the lottery revenues transferred to the general fund as provided for in this section shall be*  
79 *deposited in the Virginia Public School Construction Grant Fund as provided for in § 22.1-175.1. In the*  
80 *fiscal year 2001 up to twenty-five percent (25%) of the lottery revenues transferred to the general fund*  
81 *as provided for in this section shall be deposited in the Virginia Public School Construction Grant*  
82 *Fund. In fiscal year 2002 up to fifty percent (50%) of the lottery revenues transferred to the general*  
83 *fund as provided for in this section shall be deposited in the Virginia Public School Construction Grant*  
84 *Fund. In fiscal year 2003 up to seventy-five percent (75%) of the lottery revenues transferred to the*  
85 *general fund as provided for in this section shall be deposited in the Virginia Public School*  
86 *Construction Grant Fund. In fiscal year 2004 and thereafter up to one hundred percent (100%) of the*  
87 *lottery revenues transferred to the general fund as provided for in this section shall be deposited in the*  
88 *Virginia Public School Construction Grant Fund.*

89 E. As a function of the administration of this chapter, funds may be expended for the purposes of  
90 reasonably informing the public concerning (i) the facts embraced in the subjects contained in  
91 subdivisions 1 through 7 of subsection A of § 58.1-4007 and (ii) the fact that the net proceeds are paid  
92 into the general fund of the Commonwealth; but no funds shall be expended for the primary purpose of  
93 inducing persons to participate in the lottery.

94 § 58.1-4020. Unclaimed prizes.

95 A. Unclaimed prizes for a winning ticket or share shall be retained by the Director for the person  
96 entitled thereto for 180 days after the drawing in which the prize was won in the case of a drawing  
97 prize and for 180 days after the announced end of the lottery game in the case of a prize determined in  
98 any manner other than by means of a drawing. If no claim is made for the prize within the 180 days,  
99 the Director shall deem such prize forfeited by the person entitled to claim such winnings.

100 B. All prizes deemed forfeited pursuant to subsection A shall be paid into the ~~Literary~~ *Virginia*  
101 *Public School Construction Grants* Fund. The Director may develop procedures, to be approved by the  
102 Auditor of Public Accounts, for estimating the cumulative total of such unclaimed prizes in any lottery  
103 game in lieu of specifically identifying unclaimed prizes where such specific identification would not be  
104 cost effective. The Director, within sixty days after the end of each 180-day retention period, shall report  
105 the total value of prizes forfeited at the end of such period to the Comptroller, who shall promptly  
106 transfer the total of such prizes to the ~~Literary~~ *Virginia Public School Construction Grants* Fund. The  
107 total value of prizes forfeited during the fiscal year shall be audited by the Auditor of Public Accounts  
108 in accordance with § 58.1-4023. In the case of a prize payable over time on one or more winning  
109 tickets, if one or more winning tickets is not claimed within the 180-day redemption period, the  
110 Department shall transfer the then current monetary value of such portion of the prize remaining  
111 unclaimed to the ~~Literary~~ *Virginia Public School Construction Grants* Fund in accordance with  
112 procedures approved by the State Treasurer. "Current monetary value" shall be determined by the net  
113 proceeds from the sale of that portion of jackpot securities allocated to the unclaimed winner plus the  
114 amount of the initial cash payment.

115 C. Subsection B of this section shall not apply to prizes of twenty-five dollars or less resulting from  
116 any lottery game other than a lottery game in which a drawing determined the prize. The Board shall  
117 adopt regulations for the disposition of all such unclaimed prizes of twenty-five dollars or less not  
118 resulting from a drawing. Such disposition shall be directed in whole or in part to either the State  
119 Lottery Fund or to other forms of compensation to licensed sales agents.

120 D. For purposes of this section, "prize" refers to a cash prize. In the case of a prize payable over  
121 time and not as a lump sum payment, "prize" means the present cash value of the prize, not the value

122 paid over time.

123 E. In accordance with the provisions of the Soldiers' and Sailors' Civil Relief Act of 1940 (50 App.  
124 U.S.C.A. § 525), any person whose unclaimed prize was deemed forfeited pursuant to subsection A  
125 while he was in active military service may claim such forfeited prize by presenting his winning ticket  
126 to the Director no later than 180 days after his discharge from active military service. Within thirty days  
127 of such presentation, the Director shall verify the claim and report the verification to the Comptroller.  
128 The Comptroller shall promptly pay the verified claim first from funds available in the Unclaimed  
129 Property Trust Fund in § 3-2.00 of the general appropriations act; if such funds are insufficient, then,  
130 from any undesignated, unreserved year-end balance of the general fund. All verified claims shall be  
131 paid in accordance with the Board's rules and regulations then in effect regarding the manner of  
132 payment of prizes to the holders of winning tickets or shares.