

1998 SPECIAL SESSION I

SENATE SUBSTITUTE

987191629

SENATE BILL NO. 4005  
FLOOR AMENDMENT IN THE NATURE OF A SUBSTITUTE  
(Proposed by Senator Chichester  
on April 14, 1998)

(Patron Prior to Substitute—Senator Walker)

A BILL to amend and reenact §§ 2.1-155, 22.1-175.1, 22.1-175.2, 22.1-175.3, 46.2-208, 46.2-623, and 58.1-3912 of the Code of Virginia and to amend the Code of Virginia by adding a section numbered 15.2-1636.20, by adding in Chapter 11.1 of Title 22.1 a section numbered 22.1-175.4, by adding in Title 58.1 a chapter numbered 35.1, consisting of sections numbered 58.1-3523 through 58.1-3536, and by adding a section numbered 58.1-3916.01, relating to funding for tangible personal property tax relief and public school construction; Personal Property Tax Relief Act of 1998; establishment of Commission on State Funding of Public School Construction; study of public school construction issues.

Be it enacted by the General Assembly of Virginia:

1. That §§ 2.1-155, 22.1-175.1, 22.1-175.2, 22.1-175.3, 46.2-208, 46.2-623, and 58.1-3912 of the Code of Virginia are amended and reenacted and that the Code of Virginia is amended by adding a section numbered 15.2-1636.20, by adding in Chapter 11.1 of Title 22.1 a section numbered 22.1-175.4, by adding in Title 58.1 a chapter numbered 35.1, consisting of sections numbered 58.1-3523 through 58.1-3536, and by adding a section numbered 58.1-3916.01, as follows:

§ 2.1-155. Duties and powers generally.

The Auditor of Public Accounts shall audit all the accounts of every state department, officer, board, commission, institution or other agency in any manner handling state funds. In the performance of such duties and the exercise of such powers he may employ the services of certified public accountants, provided the cost thereof shall not exceed such sums as may be available out of the appropriation provided by law for the conduct of his office. As part of his normal oversight responsibilities, the Auditor of Public Accounts shall incorporate into his audit procedures and processes a review process to ensure that the Commonwealth's payments for qualifying vehicles, as defined in § 58.1-3523, are consistent with the provisions of §§ 58.1-3525 and 58.1-3526. The Auditor of Public Accounts shall report to the Governor and the Chairmen of the Senate Finance Committee, the House Appropriations Committee, and the House Finance Committee annually any material failure by a locality or the Commonwealth to comply with the provisions of Chapter 35.1 (§ 58.1-3523 et seq.) of Title 58.1.

If the Auditor of Public Accounts shall at any time discover any unauthorized, illegal, irregular, or unsafe handling or expenditure of state funds, or if at any time it shall come to his knowledge that any unauthorized, illegal, or unsafe handling or expenditure of state funds is contemplated but not consummated, in either case he shall forthwith lay the facts before the Governor, the Joint Legislative Audit and Review Commission and the Comptroller.

In compliance with the provisions of the federal Single Audit Act of 1984, Public Law 98-502, the Joint Legislative Audit and Review Commission may authorize the Auditor of Public Accounts to biennially audit the accounts pertaining to federal funds received by state departments, officers, boards, commissions, institutions or other agencies.

§ 15.2-1636.20. Payments to localities under the Personal Property Tax Relief Act of 1998.

Localities shall be reimbursed for the administrative costs associated with the implementation of Chapter 35.1 (§ 58.1-3523 et seq.) of Title 58.1. The Compensation Board shall approve and reimburse such costs that it deems fair and reasonable. The manner of submitting and preparing estimates for such costs and for reimbursements shall be as directed by the Compensation Board.

§ 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 school construction, additions, and infrastructure, site acquisition for public school buildings and facilities, and renovations, including the costs of retrofitting or enlarging public school buildings; further, if a school division has completed any such projects during the previous ten years, the grants may be used for debt service payments or a portion thereof. 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 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 disbursed to

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60 any eligible school division that has been awarded is eligible for financial assistance pursuant to the  
61 provisions of this chapter.

62 B. The Department of the Treasury State Treasurer shall administer and manage the Virginia Public  
63 School Construction Grants Fund, subject to the authority of the Board of Education to provide for its  
64 disbursement. The Fund shall be disbursed to award grants as determined by eligibility and needs  
65 criteria established by the Board provided in § 22.1-175.4. The amount of each grant awarded to a  
66 qualifying school division in any fiscal year shall not exceed 100 percent of the cost of school division's  
67 aggregate annual expenditures for school construction, additions, or infrastructure, site acquisition for  
68 public school buildings or facilities, renovations, including the costs of retrofitting or enlarging  
69 public school buildings, and debt service payments on such school projects which have been completed  
70 during the last ten years.

71 § 22.1-175.3. Board to issue guidelines.

72 The Board shall issue guidelines governing for the administration of the Program as it may deem  
73 necessary and appropriate. The guidelines shall include, but shall not be limited to, provisions which  
74 address the following: approval by the local governing body of the construction, addition, or site  
75 acquisition for which grant moneys are sought and of, the application for a grant from the Fund;  
76 eligibility criteria for school divisions demonstrating need based on local ability to pay for public school  
77 construction; eligibility criteria for school divisions demonstrating need based on population growth rates  
78 and the availability and pledge of local matching funds; and procedures for determining priority for  
79 awarding grants to qualifying school divisions, and implementation of the procedure for disbursing  
80 grants to school divisions as provided in § 22.1-175.4.

81 § 22.1-175.4. Apportionment and distribution of grants.

82 A. All funds appropriated for financial assistance for the purposes of this chapter during fiscal years  
83 1998-1999 and 1999-2000 pursuant to Item 554 of the 1998-2000 Appropriation Act shall be  
84 apportioned and distributed among the school divisions of the Commonwealth as follows: (i) there shall  
85 be apportioned and distributed equally to every school division grants in the sum of \$200,000 each and  
86 (ii) the balance of all available funds shall be apportioned and distributed to each school division on a  
87 pro rata basis according to the school division's average daily membership adjusted by the locality's  
88 composite index of ability to pay as set forth in the general appropriation act.

89 B. All funds appropriated for financial assistance for the purposes of this chapter for subsequent  
90 fiscal years shall be apportioned and distributed among the school divisions of the Commonwealth in  
91 accordance with eligibility and needs criteria to be established by the 2000 Session of the General  
92 Assembly. In developing such eligibility and needs criteria, the 2000 Session of the General Assembly  
93 shall consider the recommendations of the Commission on State Funding of Public School Construction.

94 § 46.2-208. Records of Department; when open for inspection; release of privileged information.

95 A. All records in the office of the Department containing the specific classes of information outlined  
96 below shall be considered privileged records:

- 97 1. Personal information, including all data defined as "personal information" in § 2.1-379;
- 98 2. Driver information, including all data that relates to driver's license status and driver activity; and
- 99 3. Vehicle information, including all descriptive vehicle data and title, registration, and vehicle  
100 activity data.

101 B. The Commissioner shall release such information only under the following conditions:

102 1. Notwithstanding other provisions of this section, medical data included in personal data shall be  
103 released only to a physician as provided in § 46.2-322.

104 2. Insurance data may be released as specified in §§ 46.2-372, 46.2-380, and 46.2-706.

105 3. Notwithstanding other provisions of this section, information disclosed or furnished shall be  
106 assessed a fee as specified in § 46.2-214.

107 4. When the person requesting the information is (i) the subject of the information, (ii) the parent or  
108 guardian of the subject of the information, (iii) the authorized representative of the subject of the  
109 information, or (iv) the owner of the vehicle that is the subject of the information, the Commissioner  
110 shall provide him with the requested information and a complete explanation of it. Requests for such  
111 information need not be made in writing or in person and may be made orally or by telephone, provided  
112 that the Department is satisfied that there is adequate verification of the requester's identity. When so  
113 requested in writing by (i) the subject of the information, (ii) the parent or guardian of the subject of the  
114 information, (iii) the authorized representative of the subject of the information, or (iv) the owner of the  
115 vehicle that is the subject of the information, the Commissioner shall verify and, if necessary, correct the  
116 personal information provided and furnish driver and vehicle information in the form of an abstract of  
117 the record.

118 5. On the written request of any insurance carrier, surety, or representative of an insurance carrier or  
119 surety, the Commissioner shall furnish such insurance carrier, surety, or representative an abstract of the  
120 record of any person subject to the provisions of this title. The abstract shall include any record of any  
121 conviction of a violation of any provision of any statute or ordinance relating to the operation or

122 ownership of a motor vehicle or of any injury or damage in which he was involved and a report of  
123 which is required by § 46.2-372. No such report of any conviction or accident shall be made after sixty  
124 months from the date of the conviction or accident unless the Commissioner or court used the  
125 conviction or accident as a reason for the suspension or revocation of a driver's license or driving  
126 privilege, in which case the revocation or suspension and any conviction or accident pertaining thereto  
127 shall not be reported after sixty months from the date that the driver's license or driving privilege has  
128 been reinstated. This abstract shall not be admissible in evidence in any court proceedings.

129 6. On the written request of any business organization or its agent, in the conduct of its business, the  
130 Commissioner shall compare personal information supplied by the business organization or agent with  
131 that contained in the Department's records and, when the information supplied by the business  
132 organization or agent is different from that contained in the Department's records, provide the business  
133 organization or agent with correct information as contained in the Department's records. Personal  
134 information provided under this subdivision shall be used solely for the purpose of pursuing remedies  
135 which require locating an individual.

136 7. The Commissioner shall provide vehicle information to any business organization or agent on such  
137 business' or agent's written request. Disclosures made under this subdivision shall not include any  
138 personal information and shall not be subject to the limitations contained in subdivision 6 of this  
139 subsection.

140 8. On the written request of any motor vehicle rental or leasing company or its designated agent, the  
141 Commissioner shall (i) compare personal information supplied by the company or agent with that  
142 contained in the Department's records and, when the information supplied by the company or agent is  
143 different from that contained in the Department's records, provide the company or agent with correct  
144 information as contained in the Department's records and (ii) provide the company or agent with driver  
145 information in the form of an abstract of any person subject to the provisions of this title. Such abstract  
146 shall include any record of any conviction of a violation of any provision of any statute or ordinance  
147 relating to the operation or ownership of a motor vehicle or of any injury or damage in which the  
148 subject of the abstract was involved and a report of which is required by § 46.2-372. No such abstract  
149 shall include any record of any conviction or accident more than sixty months after the date of such  
150 conviction or accident unless the Commissioner or court used the conviction or accident as a reason for  
151 the suspension or revocation of a driver's license or driving privilege, in which case the revocation or  
152 suspension and any conviction or accident pertaining thereto shall cease to be included in such abstract  
153 after sixty months from the date on which the driver's license or driving privilege was reinstated. No  
154 abstract released under this subdivision shall be admissible in evidence in any court proceedings.

155 9. On the request of any federal, state, or local governmental entity, law-enforcement officer, attorney  
156 for the Commonwealth, ~~or~~ court, *or the authorized agent of any of the foregoing*, the Commissioner  
157 shall (i) compare personal information supplied by the governmental entity, officer, attorney for the  
158 Commonwealth, ~~or~~ court, *or the authorized agent of any of the foregoing*, with that contained in the  
159 Department's records and, when the information supplied by the governmental entity, officer, attorney  
160 for the Commonwealth, ~~or~~ court, *or the authorized agent of any of the foregoing*, is different from that  
161 contained in the Department's records, provide the governmental entity, officer, attorney for the  
162 Commonwealth, ~~or~~ court, *or the authorized agent of any of the foregoing*, with correct information as  
163 contained in the Department's records and (ii) provide driver and vehicle information in the form of an  
164 abstract of the record showing all convictions, accidents, driver's license suspensions or revocations, and  
165 other appropriate information as the governmental entity, officer, attorney for the Commonwealth, ~~or~~  
166 court, *or the authorized agent of any of the foregoing*, may require in order to carry out its official  
167 functions.

168 10. On request of the driver licensing authority in any other state or foreign country, the  
169 Commissioner shall provide whatever classes of information the requesting authority shall require in  
170 order to carry out its official functions.

171 11. On the written request of any employer, prospective employer, or authorized agent of either, and  
172 with the written consent of the individual concerned, the Commissioner shall (i) compare personal  
173 information supplied by the employer, prospective employer, or agent with that contained in the  
174 Department's records and, when the information supplied by the employer, prospective employer, or  
175 agent is different from that contained in the Department's records, provide the employer, prospective  
176 employer, or agent with correct information as contained in the Department's records and (ii) provide the  
177 employer, prospective employer, or agent with driver information in the form of an abstract of an  
178 individual's record showing all convictions, accidents, driver's license suspensions or revocations, and  
179 any type of driver's license that the individual currently possesses, provided that the individual's position  
180 or the position that the individual is being considered for involves the operation of a motor vehicle.

181 12. On the written request of any member of or applicant for membership in a volunteer fire  
182 company or volunteer rescue squad, the Commissioner shall (i) compare personal information supplied

183 by the volunteer fire company or volunteer rescue squad with that contained in the Department's records  
184 and, when the information supplied by the volunteer fire company or volunteer rescue squad is different  
185 from that contained in the Department's records, provide the volunteer fire company or volunteer rescue  
186 squad with correct information as contained in the Department's records and (ii) provide driver  
187 information in the form of an abstract of the member's or applicant's record showing all convictions,  
188 accidents, license suspensions or revocations, and any type of driver's license that the individual  
189 currently possesses. Such abstract shall be provided free of charge if the request is accompanied by  
190 appropriate written evidence that the person is a member of or applicant for membership in a volunteer  
191 fire company or volunteer rescue squad and the abstract is needed by a volunteer fire company or  
192 volunteer rescue squad to establish the qualifications of the member or applicant to operate equipment  
193 owned by the volunteer fire company or volunteer rescue squad.

194 13. On the written request of any person who has applied to be a volunteer with a Virginia affiliate  
195 of Big Brothers/Big Sisters of America, the Commissioner shall (i) compare personal information  
196 supplied by a Virginia affiliate of Big Brothers/Big Sisters of America with that contained in the  
197 Department's records and, when the information supplied by a Virginia affiliate of Big Brothers/Big  
198 Sisters of America is different from that contained in the Department's records, provide the Virginia  
199 affiliate of Big Brothers/Big Sisters of America with correct information as contained in the  
200 Department's records and (ii) provide driver information in the form of an abstract of the applicant's  
201 record showing all convictions, accidents, license suspensions or revocations, and any type of driver's  
202 license that the individual currently possesses. Such abstract shall be provided free of charge if the  
203 request is accompanied by appropriate written evidence that the person has applied to be a volunteer  
204 with a Virginia affiliate of Big Brothers/Big Sisters of America.

205 14. On the written request of any person who has applied to be a volunteer with a court-appointed  
206 special advocate program pursuant to § 9-173.8, the Commissioner shall provide an abstract of the  
207 applicant's record showing all convictions, accidents, license suspensions or revocations, and any type of  
208 driver's license that the individual currently possesses. Such abstract shall be provided free of charge if  
209 the request is accompanied by appropriate written evidence that the person has applied to be a volunteer  
210 with a court-appointed special advocate program pursuant to § 9-173.8.

211 15. Upon the request of any employer, prospective employer, or authorized representative of either,  
212 the Commissioner shall (i) compare personal information supplied by the employer, prospective  
213 employer, or agent with that contained in the Department's records and, when the information supplied  
214 by the employer, prospective employer, or agent is different from that contained in the Department's  
215 records, provide the employer, prospective employer, or agent with correct information as contained in  
216 the Department's records and (ii) provide driver information in the form of an abstract of the driving  
217 record of any individual who has been issued a commercial driver's license, provided that the  
218 individual's position or the position that the individual is being considered for involves the operation of  
219 a commercial motor vehicle. Such abstract shall show all convictions, accidents, license suspensions,  
220 revocations, or disqualifications, and any type of driver's license that the individual currently possesses.

221 16. Upon the receipt of a completed application and payment of applicable processing fees, the  
222 Commissioner may enter into an agreement with any governmental authority or business to exchange  
223 information specified in this section by electronic or other means.

224 17. Upon the request of an attorney representing a person in a motor vehicle accident, the  
225 Commissioner shall provide vehicle information, including the owner's name and address, to the  
226 attorney.

227 18. Upon the request, in the course of business, of any authorized representative of an insurance  
228 company or of any not-for-profit entity organized to prevent and detect insurance fraud, the  
229 Commissioner shall provide all vehicle information, including the owner's name and address, descriptive  
230 data and title, registration, and vehicle activity data to such person.

231 19. Upon the request of an officer authorized to issue criminal warrants, for the purpose of issuing a  
232 warrant for arrest for unlawful disposal of trash or refuse in violation of § 33.1-346, the Commissioner  
233 shall provide vehicle information, including the owner's name and address.

234 20. Upon written request of the compliance agent of a private security services business, as defined  
235 in § 9-183.1, which is licensed by the Department of Criminal Justice Services, the Commissioner shall  
236 provide the name and address of the owner of the vehicle under procedures determined by the  
237 Commissioner.

238 C. Whenever the Commissioner issues an order to suspend or revoke the driver's license or driving  
239 privilege of any individual, he may notify the National Driver Register Service operated by the United  
240 States Department of Transportation and any similar national driver information system and provide  
241 whatever classes of information the authority may require.

242 D. Accident reports may be inspected under the provisions of §§ 46.2-379 and 46.2-380.

243 E. Whenever the Commissioner takes any licensing action pursuant to the provisions of the Virginia  
244 Commercial Driver's License Act (§ 46.2-341.1 et seq.), he may provide information to the Commercial

245 Driver License Information System, or any similar national commercial driver information system,  
246 regarding such action.

247 F. In addition to the foregoing provisions of this section, vehicle information may also be inspected  
248 under the provisions of §§ 43-33, 43-34, 46.2-633, and 46.2-1200.1 through 46.2-1237.

249 G. The Department may promulgate regulations to govern the means by which personal, vehicle, and  
250 driver information is requested and disseminated.

251 H. Driving records of any person accused of an offense involving the operation of a motor vehicle  
252 shall be provided by the Commissioner upon request to any person acting as counsel for the accused. If  
253 such counsel is from the public defender's office or has been appointed by the court, such records shall  
254 be provided free of charge.

255 § 46.2-623. Statements in application.

256 A. Every application for a certificate of title shall contain (i) a statement of the applicant's title and  
257 of all liens or encumbrances on the vehicle and the names and addresses of all persons having any  
258 interest in the vehicle and the nature of every interest in the vehicle. ~~The application shall also contain;~~  
259 (ii) the Social Security number, if any, of the owner and, if the application is in the name of an  
260 employer for a business vehicle, the employer's identification number assigned by the United States  
261 Internal Revenue Service.

262 ~~Every application for a certificate of title shall contain;~~ and (iii) a brief description of the vehicle to  
263 be registered, including the name of the maker, the vehicle identification or serial number and, when  
264 registering a new vehicle, the date of sale by the manufacturer or dealer to the person first operating the  
265 vehicle.

266 B. *Not later than July 15, 1998, the lessor of a qualifying vehicle, as defined in § 58.1-3523, shall*  
267 *send a report to the Department for each such qualifying vehicle it was leasing as of July 1, 1998, and*  
268 *has leased between January 1, 1998, and June 30, 1998, containing (i) the name and address of the*  
269 *lessee as it appears in the lease contract; (ii) the social security number of the lessee; and (iii) the*  
270 *registration number of the vehicle as described under Article 1 (§ 46.2-600 et seq.) of Chapter 6 of Title*  
271 *46.2.*

272 C. *Beginning with August 1998, such lessor shall send a monthly report to the Department, by the*  
273 *fifteenth day of the month or such later day as may be prescribed in the guidelines promulgated under*  
274 *§ 58.1-3532, listing any changes, additions or deletions to the information provided under subsection B*  
275 *as of the last day of the preceding month.*

276 D. The application shall contain ~~whatever~~ such additional information as may be required by the  
277 Department.

#### 278 CHAPTER 35.1.

#### 279 PERSONAL PROPERTY TAX RELIEF ACT OF 1998.

280 § 58.1-3523. Definitions.

281 *As used in this chapter:*

282 *"Commissioner" means the Commissioner of the Department of Motor Vehicles.*

283 *"Commissioner of the revenue" means the same as that set forth in § 58.1-3100. For purposes of this*  
284 *chapter, in a county or city which does not have an elected commissioner of the revenue, "*  
285 *commissioner of the revenue" means the officer who is primarily responsible for assessing motor*  
286 *vehicles for the purposes of tangible personal property taxation.*

287 *"Department" means the Department of Motor Vehicles.*

288 *"Effective tax rate" means the tax rate imposed by a locality on tangible personal property on the*  
289 *applicable class of tangible personal property multiplied by the assessment ratio.*

290 *"Leased" means leased by a natural person as lessee and used for nonbusiness purposes.*

291 *"Percentage level" means the percentage of the reimbursable amount to be reimbursed or paid by*  
292 *the Commonwealth.*

293 *"Privately owned" means owned by a natural person and used for nonbusiness purposes.*

294 *"Qualifying vehicle" means any passenger car, motorcycle, and pickup or panel truck, as those terms*  
295 *are defined in § 46.2-100, that is determined by the commissioner of the revenue of the county or city in*  
296 *which the vehicle has situs as provided by § 58.1-3511 to be (i) privately owned or (ii) leased pursuant*  
297 *to a contract requiring the lessee to pay the tangible personal property tax on such vehicle. In*  
298 *determining whether a vehicle is a qualifying vehicle, the commissioner of revenue may rely on the*  
299 *registration of such vehicle with the Department pursuant to Chapter 6 (§ 46.2-600 et seq.) of Title*  
300 *46.2.*

301 *"Reimbursable amount" means the value of a qualifying vehicle, up to the first \$20,000 of value,*  
302 *multiplied by the effective tax rate in effect in the locality on August 1, 1997.*

303 *"Tangible personal property tax" means the tax levied pursuant to Article 1 (§ 58.1-3500 et seq.) of*  
304 *Chapter 35 of Title 58.1.*

305 *"Treasurer" means the same as that set forth in § 58.1-3123, when used herein with respect to a*

306 county or city. When used herein with respect to a town, "treasurer" means the officer who is primarily  
 307 responsible for the billing and collection of tangible personal property taxes levied upon motor vehicles  
 308 by such town, and means the treasurer of the county or counties in which such town is located if such  
 309 functions are performed for the town by the county treasurer or treasurers.

310 "Used for nonbusiness purposes" means the preponderance of use is for other than business  
 311 purposes. The preponderance of use for other than business purposes shall be deemed not to be satisfied  
 312 if: (i) the motor vehicle is expensed on the taxpayer's federal income tax return pursuant to Internal  
 313 Revenue Code § 179; (ii) more than fifty percent of the basis for depreciation of the motor vehicle is  
 314 depreciated for federal income tax purposes; or (iii) the allowable expense of total annual mileage in  
 315 excess of fifty percent is deductible for federal income tax purposes or reimbursed pursuant to an  
 316 arrangement between an employer and employee.

317 "Value" means the fair market value determined by the method prescribed in § 58.1-3503 and used  
 318 by the locality as of August 1, 1997, in valuing the qualifying vehicle.

319 § 58.1-3524. Reimbursement of tangible personal property taxes; deduction on tangible personal  
 320 property tax bills.

321 A. For tax year 1998, the Commonwealth shall directly reimburse taxpayers, for tangible personal  
 322 property tax levies paid on any qualifying vehicle, a percentage of the reimbursable amount determined  
 323 pursuant to subdivision B 1, as provided in § 58.1-3525. For tax year 1999 and tax years thereafter, the  
 324 Commonwealth shall pay to treasurers a percentage of the reimbursable amount determined pursuant to  
 325 subdivisions B 2 through B 5 on any qualifying vehicle, as provided in § 58.1-3526.

326 B. Subject to the conditions of subsections C and D, the amount of the reimbursement to taxpayers  
 327 for tax year 1998 and the amount of the payments to treasurers for tax years after 1998 shall be 100  
 328 percent for qualifying vehicles with a value of one thousand dollars or less and for each qualifying  
 329 vehicle with a value of more than one thousand dollars shall be as follows:

	Percentage Level
330	
331	
332 1. For any tax year beginning in	12.5 percent of the reimbursable
333 calendar year 1998	amount for each qualifying vehicle
334 2. For any tax year beginning in	27.5 percent of the reimbursable
335 calendar year 1999	amount for each qualifying vehicle
336 3. For any tax year beginning in	47.5 percent of the reimbursable
337 calendar year 2000	amount for each qualifying vehicle
338 4. For any tax year beginning in	70 percent of the reimbursable
339 calendar year 2001	amount for each qualifying vehicle
340 5. For any tax year beginning in	100 percent of the reimbursable
341 calendar year 2002 and tax	amount for each qualifying vehicle
342 years thereafter	
343	
344	

345 C. Notwithstanding the schedule set forth in subsection B, the percentage level for each qualifying  
 346 vehicle to be paid by the Commonwealth for a tax year shall not be increased at the beginning of any  
 347 calendar year above the percentage level paid by the Commonwealth in the preceding tax year if:

348 1. Actual general fund revenues for a fiscal year, including transfers, are less than the projected  
 349 general fund revenues, as reported in the general appropriation act in effect at that time, by one-half of  
 350 one percent or more of the amount of actual general fund revenues for such fiscal year;

351 2. The general fund revenue forecast provided by the Governor in December pursuant to § 2.1-393  
 352 indicates that general fund revenues, excluding transfers, for any fiscal year will be less than five  
 353 percent greater than general fund revenues for the immediately preceding fiscal year; or

354 3. The general fund revenue forecast provided by the Governor in December pursuant to § 2.1-393  
 355 indicates that total general fund revenues available for appropriation, including transfers, for either of  
 356 the fiscal years covered by the general appropriation act in effect at that time will be less than the  
 357 general fund appropriations for such fiscal year or years.

358 D. If the percentage level remains the same for consecutive tax years, the percentage level to be used  
 359 in the following tax year shall remain the same unless none of the conditions described in subsection C  
 360 has occurred, in which event the amount to be paid by the Commonwealth for the immediately following  
 361 tax year shall be equal to the next highest percentage amount listed in subsection B.

362 E. An amount equal to the percentage of the reimbursable amount as determined under subdivisions  
 363 B 2 through B 5 shall appear as a deduction on the tangible personal property tax bill for qualifying  
 364 vehicles, as provided by subsection E of § 58.1-3912.

365 1. In the event the General Assembly changes the percentage of the reimbursable amount as

366 described under subsection B for the current tax year and a locality has already printed its tangible  
 367 personal property tax bills for qualifying vehicles for the year that the percentage is changed, the  
 368 following procedures shall apply:

369 a. If the percentage of the reimbursable amount is decreased for the current tax year and the  
 370 taxpayer has paid the assessment, the locality may (i) levy an additional amount for the amount of the  
 371 difference between the percentage of the reimbursable amount for the tax year reflected on the original  
 372 assessment and the percentage of the reimbursable amount for the tax year as modified by the General  
 373 Assembly in the current year or (ii) carry forward the additional levy and include it on the subsequent  
 374 tax bill, provided such levy is not subject to penalty and interest.

375 b. If the percentage of the reimbursable amount is increased for the current tax year and the  
 376 taxpayer has paid the assessment, the locality shall issue a refund to the taxpayer for the amount of the  
 377 difference between the percentage of the reimbursable amount for the tax year reflected on the original  
 378 assessment and the percentage of the reimbursable amount for the tax year as modified by the General  
 379 Assembly in the current tax year. Such refunds shall be issued by the treasurer no later than thirty days  
 380 after receipt of the payment from the Commonwealth pursuant to § 58.1-3526.

381 2. In the event the General Assembly changes the percentage of the reimbursable amount as  
 382 described under subsection B before a locality has printed its tangible personal property tax bills for  
 383 qualifying vehicles, the following procedures shall apply:

384 a. If the percentage of the reimbursable amount is decreased for the current tax year, the locality  
 385 may adjust each taxpayer's tangible personal property tax bill to reflect the changes made by the  
 386 General Assembly to the percentage of the reimbursable amount.

387 b. If the percentage of the reimbursable amount is increased for the current tax year, the locality  
 388 shall adjust each taxpayer's tangible personal property tax bill to reflect the changes made by the  
 389 General Assembly to the percentage of the reimbursable amount.

390 § 58.1-3525. Reimbursement to taxpayers for tax year 1998 levies.

391 A. For tax year 1998 tangible personal property tax levies paid on qualifying vehicles, the  
 392 Commonwealth shall reimburse to the taxpayer the amount specified in subdivision B 1 of § 58.1-3524.  
 393 If such amount is less than one dollar, the Commonwealth shall not make a reimbursement to the  
 394 taxpayer.

395 B. Reimbursements shall be made according to the following schedule:

396 1. The reimbursement relating to tax year 1998 levies paid by taxpayers between January 1, 1998,  
 397 and June 30, 1998, shall be sent to taxpayers by United States mail on or before November 15, 1998.

398 a. On or before July 31, 1998, the commissioner of revenue shall certify the value of each qualifying  
 399 vehicle to the treasurer of the locality. No further certification shall be required if the commissioner of  
 400 revenue has, within the certified property book provided to the treasurer pursuant to § 58.1-3118,  
 401 identified each qualifying vehicle and its value, as defined in this chapter.

402 b. On or before August 31, 1998, the treasurer shall certify to the Department, in the manner  
 403 prescribed by the Department, the amount as determined under subdivision B 1 of § 58.1-3524 to be  
 404 reimbursed to each taxpayer.

405 c. On or before September 30, 1998, after a review of the certifications submitted by the treasurers,  
 406 the Commissioner shall certify the amount to be reimbursed to each taxpayer and shall make a written  
 407 request to the Comptroller for payment.

408 2. The reimbursement relating to tax year 1998 levies paid by taxpayers between July 1, 1998, and  
 409 December 31, 1998, shall be sent to taxpayers by United States mail on or before May 15, 1999.

410 a. On or before January 31, 1999, the commissioner of revenue shall certify the value of each  
 411 qualifying vehicle to the treasurer of the locality. No further certification shall be required if the  
 412 commissioner of revenue has, within the certified property book provided to the treasurer pursuant to  
 413 § 58.1-3118, identified each qualifying vehicle and its value, as defined in this chapter.

414 b. On or before February 28, 1999, the treasurer shall certify to the Department, in the manner  
 415 prescribed by the Department, the amount as determined under subdivision B 1 of § 58.1-3524 to be  
 416 reimbursed to each taxpayer.

417 c. On or before March 31, 1999, after a review of the certifications submitted by the treasurers, the  
 418 Commissioner shall certify the amount to be reimbursed to each taxpayer and shall make a written  
 419 request to the Comptroller for payment.

420 3. The reimbursement relating to tax year 1998 levies paid by taxpayers after December 31, 1998,  
 421 shall be sent by United States mail to taxpayers within 100 days of payment.

422 a. Within thirty days of receipt of payment, the treasurer shall certify to the Department, in the  
 423 manner prescribed by the Department, the amount as determined under subdivision B 1 of § 58.1-3524  
 424 to be reimbursed to each taxpayer.

425 b. After a review of the certifications submitted by the treasurers and within thirty days of receipt of  
 426 a treasurer's certification, the Commissioner shall certify the amount to be reimbursed to each taxpayer

427 and shall make a written request to the Comptroller for payment.

428 4. In each instance, the treasurer shall also include the commissioner of revenue's certification along  
429 with any certification he is required to send to the Department.

430 C. If (i) the situs for the assessment and taxation of a qualifying vehicle, as determined pursuant to  
431 § 58.1-3511, changes in tax year 1998 and (ii) the county, city, or town in which the qualifying vehicle  
432 first had situs in tax year 1998 levied a tangible personal property tax on such vehicle for all twelve  
433 months of tax year 1998, the reimbursement under this section shall be made only for tangible personal  
434 property taxes paid to such county, city, or town.

435 D. Payments to taxpayers under this section shall be made by the State Treasurer on warrants issued  
436 by the Comptroller.

437 E. The reimbursement provided under this section for a qualifying vehicle which is leased shall be  
438 paid directly to the lessee of such vehicle.

439 § 58.1-3526. Payment to treasurers for tax year 1999 and thereafter.

440 A. For tax year 1999 and tax years thereafter, the Commonwealth shall pay to treasurers the amount  
441 specified in subdivisions B 2 through B 5 of § 58.1-3524 for each qualifying vehicle, if the conditions of  
442 this section are satisfied.

443 B. As provided by subsection E of § 58.1-3912, the treasurer shall include such amount as a  
444 deduction on the face of tangible personal property tax bills for qualifying vehicles and shall clearly  
445 designate such deduction as an amount to be paid by the Commonwealth. In addition to tangible  
446 personal property taxes levied on property other than qualifying vehicles, the taxpayer shall pay to the  
447 treasurer any payment due for the difference between tangible personal property taxes levied on a  
448 qualifying vehicle and such deduction. Within the certified personal property tax book provided to the  
449 treasurer pursuant to § 58.1-3118, the commissioner of the revenue shall identify each qualifying vehicle  
450 and its value, as defined in this chapter.

451 C. Except as provided by subsection B of § 58.1-3528, upon full payment of the tangible personal  
452 property tax levied on a qualifying vehicle, less the amount of the deduction, as described in subsection  
453 B of this section, the treasurer shall make a request to the Commonwealth for payment of the amount  
454 equal to the amount specified in subdivisions B 2 through B 5 of § 58.1-3524 for the qualifying vehicle.  
455 Such request shall include a summary of the information appearing on the related tangible personal  
456 property tax bill. The summary information to be included in the request and the form of such request  
457 shall be prescribed by the Comptroller. Upon receipt of such information, the Comptroller shall issue  
458 the proper warrant for payment by the State Treasurer. If the Comptroller determines that a treasurer is  
459 unable to provide the summary information, he shall issue a warrant for payment to such treasurer in  
460 an amount equal to the estimate made by the Department under § 58.1-3529. Provided that the request  
461 for payment is received by the deadlines established and in the format prescribed by the Comptroller, he  
462 shall issue the warrant for payment no later than two business days after the receipt of the request from  
463 the treasurer.

464 D. 1. If a taxpayer is required to make a payment for the difference between the tangible personal  
465 property tax levied on a qualifying vehicle and the deduction as described in subsection B, the amount  
466 as determined under subdivisions B 2 through B 5 of § 58.1-3524 for such qualifying vehicle shall be  
467 paid by the Commonwealth to the treasurer at such times as are consistent with the treasurer's receipt  
468 of tangible personal property tax payments on qualifying vehicles as of January 1, 1998.

469 2. Except as provided in subdivision D 3, if a taxpayer is not required to return to the treasurer any  
470 payment of tangible personal property tax for a qualifying vehicle, the amount as determined under  
471 subdivisions B 2 through B 5 of § 58.1-3524 for such qualifying vehicle shall be paid by the  
472 Commonwealth to the treasurer over a four-week period. There shall be one equal payment in each  
473 week. The first payment shall be made four weeks prior to the county, city, or town's due date for  
474 tangible personal property taxes on qualifying vehicles as of January 1, 1998. However, the Comptroller  
475 shall not issue a warrant for payment unless he has received the certification described in  
476 § 58.1-3916.01.

477 3. If (i) a taxpayer is not required to return to the treasurer any payment of tangible personal  
478 property tax for a qualifying vehicle and (ii) the tangible personal property tax levy on such vehicle has  
479 been made as authorized under § 58.1-3516, the amount as determined under subdivisions B 2 through  
480 B 5 of § 58.1-3524 for such qualifying vehicle shall be paid by the Commonwealth to the treasurer at  
481 such times as are consistent with the treasurer's receipt of tangible personal property tax payments on  
482 qualifying vehicles as of January 1, 1998.

483 E. In addition to the summary information described in subsection C, the treasurer shall provide any  
484 additional information related to qualifying vehicles to the Department. Such additional information  
485 shall be prescribed in the guidelines promulgated under § 58.1-3532.

486 § 58.1-3527. Reconciliation of amounts paid to counties, cities, and towns.

487 For tax years 1999 and tax years thereafter, the Department and each treasurer shall reconcile the  
488 amount paid by the Commonwealth to such treasurer. The Department may use the information



489 described in subsections C and E of § 58.1-3526 and any other source or data it deems appropriate in  
 490 making such a reconciliation. If the Department determines that the correct amount has not been paid  
 491 to such treasurer, the Department shall (i) for any underpayments, make a written request to the  
 492 Comptroller to make a payment for any underpayment; or (ii) for any overpayment, direct the  
 493 Comptroller to reduce the respective county, city, or town's next payment or payments, in the current or  
 494 succeeding years, under § 58.1-3526 accordingly. The guidelines promulgated under § 58.1-3532 shall  
 495 establish procedures for such reconciliations.

496 § 58.1-3528. Interest; Commonwealth to make payments when taxes paid in full.

497 A. Payments to taxpayers and treasurers under this chapter shall not include interest.

498 B. The Commonwealth shall not make the reimbursement to a taxpayer, as provided under  
 499 § 58.1-3525, unless the tangible personal property taxes for the related qualifying vehicle have been  
 500 paid in full.

501 C. The Commonwealth shall not make the reimbursement to a treasurer, as provided under  
 502 subsection C of § 58.1-3526, unless the tangible personal property taxes for the related qualifying  
 503 vehicle, if in excess of five dollars, have been paid in full.

504 D. Notwithstanding the provisions of subsections B and C of this section, if a county, city, or town  
 505 has entered into an agreement with a taxpayer under which such taxpayer is allowed to satisfy the  
 506 tangible personal property tax liability on a qualifying vehicle in installment payments, due to financial  
 507 hardship, the Commonwealth shall pay the respective amount specified in subdivisions B 2 through B 5  
 508 of § 58.1-3524 for such vehicle to the treasurer if the taxpayer has paid at least fifty percent of such  
 509 tangible personal property tax liability.

510 § 58.1-3529. Estimate of payments to be made by the Commonwealth.

511 On November 1 of each year, the Department shall estimate the amount to be paid by the  
 512 Commonwealth under this chapter for the upcoming tax year and shall provide a report to the Governor  
 513 of the same. Upon the request of the Comptroller, the Department shall also make an estimate of the  
 514 amount to be paid by the Commonwealth in any tax year to an individual county, city, or town and  
 515 shall report the estimated amount to the Comptroller.

516 § 58.1-3530. Payments to taxpayers subject to Setoff Debt Collection Act.

517 Any amount to be reimbursed to a taxpayer for tax year 1998 levies paid on qualifying vehicles  
 518 pursuant to § 58.1-3525 shall be subject to the Setoff Debt Collection Act (§ 58.1-520 et seq.).

519 § 58.1-3531. Full payment of tangible personal property tax on qualifying vehicles not made.

520 Beginning in tax year 1999, notwithstanding any other provision of law, general and special,  
 521 including the provisions of the charter of any county, city or town:

522 1. If a taxpayer fails to make the payment described in subsection B of § 58.1-3526 by its due date  
 523 or fails to comply with the filing requirements for qualifying vehicles under §§ 58.1-3518 and  
 524 58.1-3518.1, no interest may be imposed on any amount to be paid by the Commonwealth as determined  
 525 under subdivisions B 2 through B 5 of § 58.1-3524. In calculating penalties to be imposed on the  
 526 taxpayer for failure to make the payment described in subsection B of § 58.1-3526 by its due date or for  
 527 failure of the taxpayer to comply with the filing requirements for qualifying vehicles under §§ 58.1-3518  
 528 and 58.1-3518.1, the treasurer may take into consideration the full amount of the tangible personal  
 529 property tax levied including any amount to be paid by the Commonwealth as determined under  
 530 subdivisions B 2 through B 5 of § 58.1-3524 and any other relevant information.

531 2. If a taxpayer (i) fails to comply with the filing requirements for a qualifying vehicle under  
 532 §§ 58.1-3518 and 58.1-3518.1 and (ii) is not required to return to the treasurer any payment of tangible  
 533 personal property tax for such vehicle, no new or replacement local motor vehicle license for such  
 534 vehicle, as described in Article 11 (§ 46.2-750 et seq.) of Chapter 6 of Title 46.2 shall be issued until  
 535 the taxpayer complies with such filing requirements.

536 § 58.1-3532. Department to promulgate guidelines.

537 The Department shall promulgate guidelines for the use of local governments in administering the  
 538 provisions of this chapter. In preparing such guidelines, the Department shall not be subject to the  
 539 provisions of the Administrative Process Act (§ 9-6.14:1 et seq.) for guidelines promulgated on or before  
 540 July 1, 2001, but shall cooperate with and seek the counsel of local officials and interested groups. Such  
 541 guidelines shall be available for distribution to local governments on July 1, 1998. Thereafter, the  
 542 guidelines shall be updated annually.

543 § 58.1-3533. Personal Property Tax Relief Fund.

544 A. There is hereby created on the books of the Comptroller in the Department of the Treasury a  
 545 special nonreverting fund which shall be known as the Personal Property Tax Relief Fund. The Fund  
 546 shall consist of such funds as may be appropriated by the General Assembly from time to time. These  
 547 funds shall be used exclusively for the payments to taxpayers and treasurers described in this chapter.

548 B. The Commissioner shall annually, on or before November 1, make and deliver to the Governor  
 549 and the Secretary of Finance a certificate stating the sum necessary to fund the payments to taxpayers

550 *and treasurers described in this chapter.*

551 *C. In the event the funds appropriated to the Fund are insufficient, or projected to be insufficient, to*  
552 *make payments to taxpayers or treasurers in the first year of a biennium, the Governor is authorized to*  
553 *transfer moneys from the second year to the first year to effect the payment.*

554 *In the event the funds appropriated to the Fund are insufficient, or projected to be insufficient, to*  
555 *make payments to treasurers in the second year of a biennium, the Governor is hereby directed to*  
556 *submit to the presiding officer of each house of the General Assembly, at its next regularly scheduled*  
557 *session, printed copies of a budget including the sum, if any, required to restore the Fund to a level*  
558 *sufficient to make payments to treasurers for the purpose set forth in this chapter.*

559 *§ 58.1-3534. Department to furnish information to commissioners of revenue.*

560 *The Department shall provide to the commissioners of revenue such data or information it has*  
561 *available which is needed for the commissioners of revenue to comply with the provisions of this*  
562 *chapter. Such data or information shall be made available in a manner which will allow for compliance*  
563 *with the provisions of this chapter.*

564 *§ 58.1-3535. Commissioner of the revenue to furnish information to the treasurer.*

565 *The commissioner of the revenue shall timely provide to the treasurer such data or information as*  
566 *may be required for the treasurer to comply with the provisions of this chapter.*

567 *§ 58.1-3536. Limitation on payments to treasurers.*

568 *A. The Governor shall not submit any budget bill pursuant to subsection A of § 2.1-399 or any*  
569 *amendments to a general appropriation act pursuant to subsection B of § 2.1-399 for fiscal year*  
570 *2000-2001 or any fiscal year thereafter that propose the appropriation of an amount that exceeds a*  
571 *total of eight and one-half percent of the amount of total general fund revenues available for*  
572 *appropriation for payments in any fiscal year to treasurers pursuant to § 58.1-3526.*

573 *B. If a general fund revenue forecast provided by the Governor in December of any year pursuant to*  
574 *§ 2.1-393 indicates that the appropriation of funds for payments to treasurers at the level stated in the*  
575 *Commissioner's certificate made pursuant to subsection B of § 58.1-3533 would exceed such eight and*  
576 *one-half percent limitation, then the percentage amount determined under subsection B of § 58.1-3524*  
577 *shall be reduced to a percentage of the reimbursable amount of each qualifying vehicle, to be*  
578 *determined by the Department, that would require the amount to be paid by the Commonwealth to*  
579 *treasurers for payments to treasurers to not exceed such eight and one-half percent limitation. Upon*  
580 *determining such reduced percentage, the Department shall notify treasurers of the reduced percentage.*

581 *C. For any tax year corresponding to the fiscal year for which the percentage of payment is reduced*  
582 *as provided in subsection B, the Commonwealth shall pay to treasurers the reduced percentage of the*  
583 *reimbursable amount of each qualifying vehicle, if the conditions of subsections B through E of*  
584 *§ 58.1-3526 are satisfied.*

585 *D. Treasurers shall include the product obtained by multiplying the reduced percentage by the*  
586 *reimbursable amount for the qualifying vehicle as a deduction on tangible personal property tax bills*  
587 *for such tax year. However, if the percentage for the current tax year is reduced after a locality has*  
588 *mailed its tangible personal property tax bills for qualifying vehicles for such tax year, the locality may*  
589 *issue an additional assessment for the amount of the difference between the percentage amount for the*  
590 *tax year reflected on the original assessment and the reduced amount of the deduction. If the percentage*  
591 *for the current tax year is reduced before a locality has mailed its tangible personal property tax bills*  
592 *for qualifying vehicles for such tax year, the locality may adjust each taxpayer's tangible personal*  
593 *property tax bill to reflect the reduced amount of the deduction.*

594 *§ 58.1-3912. Treasurers to mail certain bills to taxpayers; penalties.*

595 *A. The treasurer of every city and county shall, as soon as reasonably possible in each year, but not*  
596 *later than fourteen days prior to the due date of the taxes, send or cause to be sent by United States*  
597 *mail to each taxpayer assessed with taxes and levies for that year amounting to five dollars or more as*  
598 *shown by an assessment book in such treasurer's office, a bill or bills setting forth the amounts due. The*  
599 *treasurer may employ the services of a mailing service or other vendor for fulfilling the requirements of*  
600 *this section. The failure of any such treasurer to comply with this section shall be a Class 4*  
601 *misdemeanor. Such treasurer shall be deemed in compliance with this section as to any taxes due on*  
602 *real estate if, upon certification by the obligee of any note or other evidence of debt secured by a*  
603 *mortgage or deed of trust on such real estate that an agreement has been made with the obligor in*  
604 *writing within the mortgage or deed of trust instrument that such arrangements be made, he mails the*  
605 *bill for such taxes to the obligee thereof. Upon nonpayment of taxes by either the obligee or obligor, a*  
606 *past-due tax bill will be sent to the taxpayer. No governing body shall publish the name of a taxpayer in*  
607 *connection with a tax debt for which a bill was not sent, without first sending a notice of deficiency to*  
608 *his last known address at least two weeks before such publication.*

609 *B. The governing body of any county, city or town may attach to or mail with all real estate and*  
610 *tangible personal property tax bills, prepared for taxpayers in such locality, information indicating how*  
611 *the tax rate charged upon such property and revenue derived therefrom is apportioned among the various*

612 services and governmental functions provided by the locality.

613 C. Notwithstanding the provisions of subsection A of this section, in any county which has  
614 the urban county executive form of government, and in any county contiguous thereto which has  
615 adopted the county executive form of government, tangible personal property tax bills shall be mailed  
616 not later than thirty days prior to the due date of such taxes.

617 D. Notwithstanding the provisions of subsection A of this section, any county and town, the  
618 governing bodies of which mutually agree, shall be allowed to send, to each taxpayer assessed with  
619 taxes, by United States mail no later than fourteen days prior to the due date of the taxes, a single real  
620 property tax bill and a single tangible personal property tax bill.

621 E. Beginning with tax year 1999, in addition to all other information currently appearing on tangible  
622 personal property tax bills, each such bill shall state on its face (i) whether the vehicle is a qualifying  
623 vehicle as defined in § 58.1-3523; (ii) a deduction for the amount to be paid by the Commonwealth as  
624 determined by § 58.1-3524; (iii) the vehicle's registration number pursuant to § 46.2-604; (iv) the  
625 amount of tangible personal property tax levied on the vehicle; and (v) if the locality prorates personal  
626 property tax pursuant to § 58.1-3516, the number of months for which a bill is being sent.

627 F. Beginning with tax year 1999 and through the end of tax year 2002, the treasurer shall include a  
628 statement, prepared by the Department, with or as part of the tangible personal property tax bills for  
629 such qualifying vehicles. The statement shall explain how the deduction for the percentage of the  
630 reimbursable amount was calculated, how the deduction shall be calculated in future years, and the  
631 taxpayer's liability for tangible personal property taxes on qualifying vehicles.

632 § 58.1-3916.01. Billing and due dates for personal property tax on qualifying vehicles.

633 Notwithstanding any changes a county, city, or town may adopt regarding its billing date or due  
634 date for tangible personal property tax or any proration ordinance which may be adopted pursuant to  
635 § 58.1-3516 or § 58.1-3516.1, payment by the Commonwealth for qualifying vehicles as defined in  
636 § 58.1- 3523 to any county, city, or town shall be made in accordance with the provisions of  
637 § 58.1-3526 at such times as are consistent with each locality's billing date or due date in effect on  
638 January 1, 1998, for tangible personal property tax. The treasurer shall certify such billing dates and  
639 due dates in effect on January 1, 1998, to the Comptroller by January 1, 1999.

640 **2. §1. That the Commission on State Funding of Public School Construction is hereby established.**  
641 **The Commission shall be composed of thirteen members, which shall include seven legislative**  
642 **members and six nonlegislative citizen members as follows: three members of the Senate, to be**  
643 **appointed by the Senate Committee on Privileges and Elections; four members of the House of**  
644 **Delegates, to be appointed by the Speaker; one citizen member to be appointed by the Senate**  
645 **Committee on Privileges and Elections upon the recommendation of the Virginia School Boards**  
646 **Association; one citizen member to be appointed by the Senate Committee on Privileges and Elections**  
647 **upon the recommendation of the Virginia Municipal League; one citizen member to be appointed by**  
648 **the Speaker upon the recommendation of the Virginia Association of School Superintendents; one**  
649 **citizen member to be appointed by the Speaker upon the recommendation of the Virginia Association**  
650 **of Counties; and two citizens, who may or may not be employees of the Commonwealth, to be**  
651 **appointed by the Governor.**

652 § 2. The Commission shall recommend to the General Assembly (i) a statewide method for assessing  
653 and quantifying the public school construction and renovation needs of local governments and (ii)  
654 specific eligibility and needs criteria to govern the disbursement and apportionment of funds to local  
655 school divisions under the Virginia Public School Construction Grants Program. The eligibility and  
656 needs criteria shall include, but need not be limited to, provisions which address the following: (i)  
657 factors to be applied to all localities to measure actual need; (ii) factors to be applied to all localities  
658 to measure local effort to meet actual need; (iii) factors to be applied to all localities to measure local  
659 ability to pay for actual need; (iv) factors to be applied to all localities to recognize local innovations  
660 and activities to improve the quality of and options for education, including, but not limited to, efforts to  
661 reduce class sizes; (v) appropriate combinations of funding resources for the eligible projects, including  
662 grant funds, local funds, Literary Fund loans, and bonds or other funding through the Virginia Public  
663 School Authority, and moneys obtained from any other public or private funding sources; (vi)  
664 restrictions on the use of grant funds, if any; (vii) requirements for the availability and pledge of local  
665 matching funds; and (viii) procedures for determining priority for awarding grants to qualifying school  
666 divisions.

667 § 3. The Senate Committee on Finance, the House Committee on Appropriations, and the Division of  
668 Legislative Services shall provide staff support for the Commission. All agencies of the Commonwealth  
669 shall provide assistance to the Commission, upon request.

670 § 4. The Commission shall complete its work in time to submit its findings and recommendations to  
671 the Governor and the 2000 Session of the General Assembly.

672 **3. That, notwithstanding any other provision of law to the contrary, the provisions of this act**

**673 relating to the Virginia Public School Construction Grants Program shall be deemed to constitute**  
**674 the plan for school construction funding contained in the 1998-2000 Appropriation Act.**