

2006 SESSION

INTRODUCED

068256702

SENATE BILL NO. 715

Offered January 24, 2006

A BILL to amend and reenact § 22.1-110 of the Code of Virginia, relating to temporary loans to school boards.

Patron—Blevins

Unanimous consent to introduce

Referred to Committee on Education and Health

Be it enacted by the General Assembly of Virginia:

1. That § 22.1-110 of the Code of Virginia is amended and reenacted as follows:

§ 22.1-110. Temporary loans to school boards.

No school board shall borrow any money in any manner for any purpose without express authority of law. Any loan negotiated in violation of this section shall be void. Subject to the approval of the governing body or bodies appropriating funds to the school board, any school board is authorized to borrow money, when necessary, not to exceed in the aggregate one-half of the amount produced by the school levy for the school division for the year in which such money is so borrowed or one-half of the amount of the cash appropriation made to such school board for the preceding year or, in school divisions for which there is both a school levy and appropriation, one-half of the amount of each. Such loans shall be evidenced by notes or bonds negotiable or nonnegotiable, as the school board determines. In the case of temporary loans in anticipation of loans from the Literary Fund, such loans shall be repaid within two years of their dates. Other temporary loans shall be repaid within one year of their dates. However, loans made to purchase new school buses to replace obsolete or worn out equipment shall be repaid within not less than ~~five~~ 10 years of their dates.

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SB715