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HOUSE BILL NO. 1767**AMENDMENT IN THE NATURE OF A SUBSTITUTE**(Proposed by the Joint Conference Committee
on February 23, 2013)

(Patron Prior to Substitute—Delegate Watson)

A *BILL to amend the Code of Virginia by adding in Article 3 of Chapter 16 of Title 23 a section numbered 23-231.1:1, relating to Machinery and Equipment Donation Grant Program.*

Be it enacted by the General Assembly of Virginia:

1. That the Code of Virginia is amended by adding in Article 3 of Chapter 16 of Title 23 a section numbered 23-231.1:1 as follows:

§ 23-231.1:1. Machinery and Equipment Donation Grant Program established.

A. As used in this section, unless the context requires a different meaning:

"Chancellor" means the Chancellor of the System.

"Machinery and equipment" means engines, machines, motors, mechanical devices, laboratory trainers, computers, printers, tools, parts, and similar machinery and equipment as set forth in guidelines developed by the System. "Machinery and equipment" includes specialized software required for the operation of machinery and equipment qualified for a grant pursuant to this section.

"Vocational school" means any entity that offers career or technical education administered by the Department of Education pursuant to § 22.1-227. "Vocational school" does not include instructional programs that are intended solely for recreation, enjoyment, or personal interest, or as a hobby, or courses or programs of instruction that prepare individuals to teach such pursuits.

B. From such funds as may be appropriated by the General Assembly and any gifts, grants, or donations from public or private sources, there is hereby created in the state treasury a special nonreverting fund to be known as the Machinery and Equipment Donation Grant Fund, hereafter referred to as "the Fund." The Fund shall be established on the books of the Comptroller. Interest earned on moneys in the Fund shall remain in the Fund and be credited to it. Any moneys remaining in the Fund, including interest thereon, at the end of each fiscal year shall not revert to the general fund but shall remain in the Fund. Moneys in the Fund shall be used solely for the purposes of awarding grants for qualified donations of machinery and equipment to comprehensive community colleges and vocational schools. Expenditures and disbursements from the Fund shall be made by the State Treasurer on warrants issued by the Comptroller upon written request signed by the Chancellor.

C. 1. A business that donates new machinery and equipment in good working condition, purchased within the 12 months prior to the donation, to a comprehensive community college or vocational school shall be eligible to apply to the System for a grant from the Fund. Such grant shall be in an amount equal to 20 percent of the purchase price of the machinery or equipment, not to exceed an aggregate grant of \$5,000 for all such donations during a calendar year.

2. In order to be eligible for a grant, the application shall include a written certification made by the donee comprehensive community college or vocational school that identifies the donee comprehensive community college or vocational school, the business donating the machinery or equipment, the date of the donation, and the number of units of each item of machinery and equipment donated. The certification shall also include a statement by the donee comprehensive community college or vocational school that the machinery and equipment was needed and can be utilized by the comprehensive community college or vocational school for teaching or training students, and that such machinery and equipment will be principally used in Virginia in teaching or training students.

3. Grants shall be issued in the order that each completed application is received. In the event that the amount of eligible grants requested in a fiscal year exceeds the funds available in the Fund, such grants shall be paid in the next fiscal year in which funds are available.

4. In consultation with the Department of Education and the State Council of Higher Education for Virginia, the System shall maintain and update as necessary on its website a list of vocational schools to which donations of machinery and equipment may qualify for a grant under this section. The System, in consultation with the State Council of Higher Education for Virginia, shall also develop guidelines setting forth the general requirements for qualifying for and applying for a grant under this section, including a description of the types of machinery and tools eligible for a grant pursuant to this section. Such guidelines shall be exempt from the Administrative Process Act (§ 2.2-4000 et seq.).

2. That the provisions of this act shall not become effective unless an appropriation effectuating the purposes of this act is included in a general appropriation act passed during the 2013 Regular Session of the General Assembly, which becomes law.

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