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**HOUSE BILL NO. 2009****AMENDMENT IN THE NATURE OF A SUBSTITUTE**

(Proposed by the House Committee on Agriculture, Chesapeake and Natural Resources  
on January 23, 2019)

(Patron Prior to Substitute—Delegate Krizek)

*A BILL to amend and reenact § 10.1-1020 of the Code of Virginia, relating to Virginia Land Conservation Foundation; list of proposed projects.*

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

**1. That § 10.1-1020 of the Code of Virginia is amended and reenacted as follows:**

**§ 10.1-1020. Virginia Land Conservation Fund; purposes of Foundation.**

A. The Foundation shall establish, administer, manage, including the creation of reserves, and make expenditures and allocations from a special, nonreverting fund in the state treasury to be known as the Virginia Land Conservation Fund, hereinafter referred to as the Fund. The Foundation shall establish and administer the Fund solely for the purposes of:

1. Acquiring fee simple title or other rights, including the purchase of development rights, to interests or privileges in property for the protection or preservation of ecological, cultural or historical resources, lands for recreational purposes, state forest lands, and lands for threatened or endangered species, fish and wildlife habitat, natural areas, agricultural and forestal lands and open space; and

2. Providing grants to state agencies, including the Virginia Outdoors Foundation, and matching grants to other public bodies and holders for acquiring fee simple title or other rights, including the purchase of development rights, to interests or privileges in real property for the protection or preservation of ecological, cultural or historical resources, lands for recreational purposes, and lands for threatened or endangered species, fish and wildlife habitat, natural areas, agricultural and forestal lands and open space. The Board shall establish criteria for making grants from the Fund, including procedures for determining the amount of each grant and the required match. The criteria shall include provisions for grants to localities for purchase of development rights programs.

Interests in land acquired as provided in subdivision 1 of this subsection may be held by the Foundation or transferred to state agencies or other appropriate holders. Whenever a holder acquires any interest in land other than a fee simple interest as a result of a grant or transfer from the Foundation, such interest shall be held jointly by the holder and a public body. Whenever a holder acquires a fee simple interest in land as a result of a grant or transfer from the Foundation, a public body shall hold an open space easement in such land.

B. The Fund shall consist of general fund moneys and gifts, endowments or grants from the United States government, its agencies and instrumentalities, and funds from any other available sources, public or private. Such moneys, gifts, endowments, grants or funds from other sources may be either restricted or unrestricted. For the purposes of this chapter, "restricted funds" shall mean those funds received by the Board to which specific conditions apply; "restricted funds" shall include, but not be limited to, general obligation bond moneys and conditional gifts. "Unrestricted funds" shall mean those received by the Foundation to which no specific conditions apply; "unrestricted funds" shall include, but not be limited to, moneys appropriated to the Fund by the General Assembly to which no specific conditions are attached and unconditional gifts.

*Beginning July 1, 2019, the Foundation shall conduct a grant round each year to identify and rank projects for the subsequent fiscal year. The Foundation shall assume full funding of the grant program with unrestricted funds pursuant to the provisions of § 2.2-1509.4. On or before December 15 of each year, the chairman of the Board of Trustees shall provide copies of such project rankings to the Chairmen of the House Committee on Appropriations and the Senate Committee on Finance. At the beginning of each fiscal year, the Foundation shall finalize grant awards based on the funded level appropriated for that year, as provided in subsections C and D. Any ranked project that does not receive a proposed grant as a result of an insufficiency in appropriated funds shall be eligible to participate in a subsequent grant round.*

C. In any fiscal year in for which the Fund contains is appropriated less than \$10 million in new deposits on September 1, and after an allocation for administrative expenses has been made as provided in subsection G, the remaining unrestricted funds in the Fund shall be allocated as follows:

1. Twenty-five percent shall be transferred to the Virginia Outdoors Foundation's Open-Space Lands Preservation Trust Fund to be used as provided in § 10.1-1801.1; and

2. Seventy-five percent shall be divided equally among the following four grant uses: (i) natural area protection; (ii) open spaces and parks, including but not limited to, land for public hunting, fishing or wildlife watching; (iii) farmlands and forest preservation; and (iv) historic area preservation. Of the amount allocated as provided in this subdivision, at least one third shall be used to secure easements to

60 be held or co-held by a public body.

61 D. In any *fiscal* year ~~in~~ for which the Fund ~~contains~~ *is appropriated* \$10 million or more ~~in new~~  
62 ~~deposits on September 1~~, and after an allocation for administrative expenses has been made as provided  
63 in subsection G, the remaining unrestricted funds in the Fund shall be allocated as follows:

64 1. Twenty-five percent shall be transferred to the Virginia Outdoors Foundation's Open-Space Lands  
65 Preservation Trust Fund to be used as provided in § 10.1-1801.1; and

66 2. The remaining funds shall be divided equally among the following five grant uses: (i) natural area  
67 protection; (ii) open spaces and parks, including but not limited to, land for public hunting, fishing, or  
68 wildlife watching; (iii) farmland preservation; (iv) forestland conservation; and (v) historic area  
69 preservation.

70 E. Any moneys remaining in the Fund at the end of a biennium shall remain in the Fund, and shall  
71 not revert to the general fund. Interest earned on moneys received by the Fund other than bond proceeds  
72 shall remain in the Fund and be credited to it. Any funds transferred to the Open-Space Lands  
73 Preservation Trust Fund pursuant to this section and not disbursed or committed to a project by the end  
74 of the fiscal year in which the funds were transferred shall be returned to the Virginia Land  
75 Conservation Fund and shall be redistributed among the authorized grant uses during the next grant  
76 cycle.

77 F. A portion of the Fund, not to exceed twenty percent of the annual balance of unrestricted funds,  
78 may be used to develop properties purchased in fee simple, or through the purchase of development  
79 rights, with the assets of the Fund for public use including, but not limited to, development of trails,  
80 parking areas, infrastructure, and interpretive projects or to conduct environmental assessments or other  
81 preliminary evaluations of properties prior to the acquisition of any property interest.

82 G. Up to \$250,000 per year of the interest generated by the Fund may be used for the Foundation's  
83 administrative expenses, including, but not limited to, the expenses of the Board and its members,  
84 development of the Foundation's strategic plan, development and maintenance of an inventory of  
85 properties as provided in subdivision 1 b of § 10.1-1021, development of a needs assessment for future  
86 expenditures as provided in subdivision 1 c of § 10.1-1021, and fulfillment of reporting requirements.  
87 All such expenditures shall be subject to approval by the Board of Trustees.

88 H. The Comptroller shall maintain the restricted funds and the unrestricted funds in separate  
89 accounts.

90 I. For the purposes of this section, "public body" shall have the meaning ascribed to it in  
91 § 10.1-1700, and "holder" shall have the meaning ascribed to it in § 10.1-1009.