

1 VIRGINIA ACTS OF ASSEMBLY — CHAPTER

2 *An Act to amend the Code of Virginia by adding a section numbered 22.1-146.1, relating to the Literary*
3 *Fund; school modernization.*

4 [S 1093]

5 Approved

6 **Be it enacted by the General Assembly of Virginia:**7 **1. That the Code of Virginia is amended by adding a section numbered 22.1-146.1 as follows:**8 **§ 22.1-146.1. School modernization loan interest rate subsidy payments.**

9 *A. The Board of Education shall establish a program to subsidize interest payments on certain loans*
10 *made by the Virginia Public School Authority to local governing bodies and school boards for the*
11 *design and construction of new school buildings and facilities or the modernization and maintenance of*
12 *existing school buildings and facilities as follows:*

13 *1. For school divisions with a composite index of local ability-to-pay that is greater than 0.2500 but*
14 *less than 0.4000 at the time an application to the program is made, the Board may subsidize up to 50*
15 *percent of the interest due on such loan; or*

16 *2. For school divisions with a composite index of local ability-to-pay that is 0.2500 or less at the*
17 *time an application to the program is made, the Board may subsidize up to 100 percent of the interest*
18 *rate on such loan.*

19 *B. The aggregate amount of subsidies provided pursuant to this section shall not exceed the*
20 *allocation specified in the general appropriation act for each fiscal year.*

21 *C. For each loan, the annual subsidy amount shall not include both:*

22 *1. Interest or other loan-related costs related to any part of the loan that exceed \$7.5 million in loan*
23 *value; and*

24 *2. Interest on any part of the loan that exceeds the rate that the local governing body or school*
25 *board would have obtained for such loan under the provisions of §§ 22.1-146 and 22.1-150.*
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