

19105361D

SENATE BILL NO. 1093**AMENDMENT IN THE NATURE OF A SUBSTITUTE**

(Proposed by the Senate Committee on Finance
on January 31, 2019)

(Patron Prior to Substitute—Senator Ruff)

A *BILL to amend the Code of Virginia by adding a section numbered 22.1-146.1, relating to the Literary Fund; School modernization.*

Be it enacted by the General Assembly of Virginia:

1. That the Code of Virginia is amended by adding a section numbered 22.1-146.1 as follows:

§ 22.1-146.1. School modernization loan interest rate subsidy payments.

The Board of Education shall establish a program to subsidize interest payments on certain loans made by the Virginia Public School Authority, or other entity approved by the Board, to local governing bodies and school boards for the design and construction of new school buildings and facilities or the modernization and maintenance of existing school buildings and facilities as follows:

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

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