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HOUSE BILL NO. 1438**AMENDMENT IN THE NATURE OF A SUBSTITUTE**(Proposed by the Governor
on March 27, 2023)

(Patron Prior to Substitute—Delegate Anderson)

A *BILL to amend and reenact § 28.2-542 of the Code of Virginia, relating to Oyster Replenishment Fund.*

Be it enacted by the General Assembly of Virginia:

1. That § 28.2-542 of the Code of Virginia is amended and reenacted as follows:

§ 28.2-542. Oyster Replenishment Fund.

A. All oyster resource user fees collected by the Commission *and any gifts, donations, grants, bequests, and other funds received in support of oyster recycling and replenishment and all funds appropriated for such purpose* shall be deposited in the state treasury and credited to the Oyster Replenishment Fund, to be used only (i) for administration of the program ~~and~~; (ii) for oyster replenishment projects, including recycling, planting, and replanting the public oyster rocks, beds, and shoals of the Commonwealth, with seed oysters, oyster shells, or other material that will catch, support, and grow oysters and oyster populations; and (iii) to encourage donations of oyster shells for such oyster replenishment projects. These funds shall be withdrawn and expended for such purposes on the order of the Commission. Expenditures and disbursements from the Fund shall be made by the State Treasurer on warrant of the Comptroller issued on vouchers signed by persons designated by the Commission.

B. *The method of distribution of funds available for the encouragement of oyster shell donations shall be determined by the Commission. The Commission shall consider providing grants to any person who donates oyster shells to an organization exempt from taxation under § 501(c)(3) of the Internal Revenue Code that is engaged in oyster replenishment projects. Such grants may be awarded in an amount equal to \$4 per bushel of oyster shells, as described in § 28.2-526, donated during a calendar year but not to exceed an aggregate grant of \$1,500 for all such donations made by such person during such year. The aggregate amount of funds available for such encouragement of oyster shell donations for each calendar year shall be determined by the Commission, but shall not exceed \$250,000.*