



VIRGINIA HOUSE
APPROPRIATIONS
COMMITTEE

CHAIRMAN LUKE E. TORIAN

February 18, 2024

COMMITTEE APPROVED
AMENDMENTS

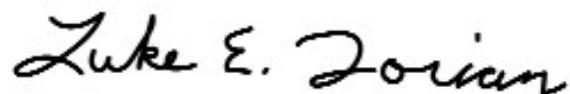
TO HOUSE BILL 29

INTRODUCTION

This document contains proposed amendments to House Bill 29, the 2022-2024 Appropriations Act. The amendments are presented in the following order: Part 1 - Operating Expenses; Part 2 - Capital Outlay; Part 3 - Miscellaneous; and Part 4 - General Provisions. For ease of review, each amendment is listed sequentially by item number. A brief explanation of the purpose of each amendment also is provided.

Increased or (decreased) appropriations are drawn to program totals which appear under columns labeled "Appropriations". Fund sources are designated in the amendments either as General Fund (GF) or Non-General Fund (NGF).

Approved changes are then entered at the appropriate sub-program level in the "Item Details" columns, when the bill is enrolled. Please contact our staff at (804) 698-1590 if you desire any information on these amendments.



Luke E. Torian
Chairman



Committee Approved Amendments to House Bill 29, as Introduced

Item 0 #1h

Revenues

Revenues

Language

Language:

Page 1, strike lines 28 through 39 and insert:

	"First Year	Second Year	Total
Unreserved Beginning Balance	\$10,684,532,497	\$10,930,591,910	\$21,615,124,407
Additions to Balance	(\$3,078,628,035)	(\$7,126,108,812 (\$6,523,924,564)	(\$10,204,736,847 (\$9,602,552,599)
Official Revenue Estimates	\$24,871,135,500	\$26,369,314,900 \$27,754,500,000	\$51,240,450,400 \$52,625,635,500
Transfers	\$714,716,804	(\$129,796,220 (\$41,210,948)	\$584,920,584 \$673,505,856
Total General Fund Resources Available for Appropriation	\$33,191,756,766	\$30,044,001,778 \$32,119,956,398	\$63,235,758,544 \$65,311,713,164

Page 1, line 44, strike "\$46,252,967, 838" and insert "\$46,257,802,335".

Page 1, line 44, strike "\$91,682,270,501" and insert "\$91,687,104,998".

Page 2, line 1, strike "\$944,668,276" and insert "\$969,668,276".

Page 2, line 1, strike "\$1,729,339,991" and insert "\$1,754,339,991".

Page 2, line 7, strike "\$49,710,024,179" and insert "\$49,739,858,676".

Page 2, line 7, strike "\$106,868,923,777" and insert "\$106,898,758,274".

Page 2, line 10, strike "\$81,707,995,277" and insert "\$81,859,815,074".

Page 2, line 10, strike "\$172,058,651,641" and insert "\$172,210,471,438".

Explanation:

(This amendment updates the resource estimates on the front page of House Bill 29 to reflect the committee's actions.)

Item 2 #1h

Legislative Department

Auditor of Public Accounts

Language

Language:

Page 4, line 4, strike "Not set out." and insert:

Committee Approved Amendments to House Bill 29, as Introduced

"Item 2	First Year FY2023	Second Year FY2024
Legislative Evaluation and Review (78300)	\$15,637,832	\$15,637,832
Financial and Compliance Audits (78301)	\$15,637,832	\$15,637,832
Fund Sources:		
General	\$13,704,429	\$13,704,429
Special	\$1,933,403	\$1,933,403

Authority: Article IV, Section 18, Constitution of Virginia; Title 30, Chapter 14, Code of Virginia.

A. Out of this appropriation shall be paid the annual salary of the Auditor of Public Accounts, \$218,491 from July 10, 2022 to June 9, 2023, \$229,416 from June 10, 2023 to December 9, 2023, and \$234,004 from December 10, 2023 to June 30, 2024.

B. On or before November 1 of each year, the Auditor of Public Accounts shall report to the General Assembly the certified tax revenues collected in the most recently ended fiscal year pursuant to § 2.2-1829, Code of Virginia. The Auditor shall, at the same time, provide his report on (i) the 15 percent limitation and the amount that could be paid into the Revenue Stabilization Fund and (ii) any amounts necessary for deposit into the Fund in order to satisfy the mandatory deposit requirement of Article X, Section 8 of the Constitution of Virginia as well as the additional deposit requirement of § 2.2-1829, Code of Virginia.

C. The specifications of the Auditor of Public Accounts for the independent certified public accountants auditing localities shall include requirements for any money received by the sheriff. These requirements shall include that the independent certified public accountant must submit a letter to the Auditor of Public Accounts annually providing assurance as to whether the sheriff has maintained a proper system of internal controls and records in accordance with the Code of Virginia. This letter shall be submitted along with the locality's audit report.

D.1. Each locality establishing a utility or enacting a system of service charges to support a local stormwater management program pursuant to § 15.2-2114, Code of Virginia, shall provide to the Auditor of Public Accounts by October 1 of each year, in a format specified by the Auditor, a report as to each program funded by these fees and the expected nutrient and sediment reductions for each of these programs. For any specific stormwater outfall generating more than \$200,000 in annual fees, such report shall include identification of specific actions to remediate nutrient and sediment reduction from the specific outfall.

2. The Auditor of Public Accounts shall include in the Specifications for Audits of Counties, Cities, and Towns regulations for all local governments establishing a utility or enacting a system of service charges to support a local stormwater management program pursuant to § 15.2-2114, Code of Virginia, a requirement to ensure that each impacted local government is in compliance with the provisions of § 15.2-2114 A., Code of Virginia. Any such adjustment to the Specifications for Audits of Counties, Cities, and Towns regulations shall be exempt from the Administrative Process Act and shall be required for all audits completed after July 1, 2014.

Committee Approved Amendments to House Bill 29, as Introduced

E. The Auditor of Public Accounts' Specifications for Audits of Counties, Cities, and Towns and the Specifications for Audits of Authorities, Boards, and Commissions, for the independent certified public accountants auditing localities and local government entities, shall include requirements related to the communication of other internal control deficiencies or financial matters, commonly referred to as a management letter. These requirements shall include that any such communication issued by the independent certified public accountants related to other internal control deficiencies or other financial matters that merit the attention of management and the governing body must be made in the form of official, written communication.

F. Out of the amounts appropriated in this item, \$325,000 the first year and \$325,000 the second year from the general fund shall be available to implement compensation adjustments to address recruitment and retention. Implementation of the salary adjustments is contingent on the approval of a compensation plan by the Committee on Joint Rules

G. The Auditor of Public Accounts shall include in the annual Specifications for Audits of Counties, Cities, and Towns, and Specifications for Audits of Authorities, Boards, and Commissions, for the independent certified public accountants auditing localities and local government entities, requirements to ensure that each city and county and applicable local government entity comply with the provisions of Article 12 (§ 2.2-2365 et seq.) of Chapter 22 of Title 2.2, Code of Virginia, and any guidelines, procedures, and criteria set forth by the Opioid Abatement Authority relating to opioid abatement funds. Any such adjustment to the requirements in the Specifications for Audits of Counties, Cities, and Towns and the Specifications for Audits of Authorities, Boards, and Commissions, shall be exempt from the Administrative Process Act and shall be required for audits effective for fiscal years beginning on July 1, 2024, and thereafter.”

Explanation:

(This language only amendment directs annual audits of local expenditures to include a review of the use of any opioid settlement funds. Such review is to ensure compliance with guidelines, procedures, and criteria set forth by the Opioid Abatement Authority, and in turn, compliance with specific national agreements and Virginia court orders related to such settlements, the overarching statewide memorandum of understanding for allocation of opioid abatement monies, and the provisions of Article 12, Chapter 22 of the Code of Virginia. A companion amendment to House Bill 30 proposes the same language to require such reviews in ongoing biennia.)

	Item 6 #1h	
Legislative Department	FY22-23	FY23-24
Division of Legislative Services	\$0	\$232,191 NGF

Language:

Committee Approved Amendments to House Bill 29, as Introduced

Page 4, line 8, strike "\$9,315,530" and insert "\$9,547,721".

Page 4, line 8, strike "Not set out." and insert:

"Item 6	First Year FY2023	Second Year FY2024
Legislative Research and Analysis (78400)	\$8,738,378	\$9,315,530
Bill Drafting and Preparation (78401)	\$8,738,378	\$9,315,530
Fund Sources:		
General	\$8,718,346	\$8,968,346
Special	\$20,032	\$347,184

Authority: Title 30, Chapter 2.2, Code of Virginia.

A. Out of this appropriation shall be paid the annual salary of the Director, Division of Legislative Services, \$183,500 from July 10, 2022 to June 9, 2023, \$192,938 from June 10, 2023, to December 9, 2023, and \$196,797 from December 10, 2023 to June 30, 2024.

B. Notwithstanding the salary set out in paragraph A. of this item, the Committee on Joint Rules may establish a salary range for the Director, Division of Legislative Services.

C. The Division of Legislative Services shall continue to provide administrative support to include payroll processing, accounting, and travel expense processing at no charge to the Behavioral Health Commission, the Chesapeake Bay Commission, the Joint Commission on Health Care, the Virginia Commission on Youth, the Commission on Electric Utility Regulation, and the Virginia State Crime Commission.

D. Out of this appropriation, \$250,000 the first year from the general fund is provided to support the work of the Senate Joint Resolution 47 (2014) Joint Subcommittee to Study Mental Health Services in the Commonwealth in the 21st Century. The funding may be used to contract for expertise and assistance in its work to evaluate the community-based system of service delivery or other related topics as required by the work of the Joint Subcommittee. Any contractor hired shall evaluate the current system along with alternative delivery systems to provide the necessary information and assistance to the subcommittee in determining the most appropriate delivery system, or modifications to the current delivery system, that ensures access, quality, consistency, and accountability. Any remaining balance at year-end shall be carried forward to the subsequent fiscal year.

E.1. Out of this appropriation, \$178,400 each year from the general fund is provided to support costs associated with the Joint Subcommittee to Examine the Commonwealth's Pandemic Response, authorized by Senate Joint Resolution 10 of the 2022 General Assembly.

2. Notwithstanding any other provision of law, the Senate Joint Resolution 10 (2022 Session) Joint Subcommittee to Examine the Commonwealth's Pandemic Response shall continue conducting its study and meet as needed, provide an interim status report by the first day of the 2024 General Assembly Session, and provide a final report by September 1, 2024. Any

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remaining appropriation at year end shall be carried forward to the subsequent fiscal year to support the Joint Subcommittee.

F. Included in this item is ~~\$327,152~~ \$559,343 in the second year from dedicated special revenue to implement the recommendations of the Chesapeake Bay Restoration Fund Advisory Committee.

G. Out of this appropriation, \$250,000 the second year from the general fund is provided for the Division to procure additional expertise as necessary in its role as staff support to the Virginia Gaming Commission established by House Joint Resolution 548, 2023 Acts of Assembly. In addition to the activities directed in HJR 548, the Joint Subcommittee shall evaluate all potential options to consolidate gaming regulation and oversight in the Commonwealth and provide a detailed transition plan in support of recommendations.

Explanation:

(This amendment appropriates an additional \$232,191 in the second year in dedicated special revenue generated from sales of the "Friends of the Chesapeake Bay" license plate for the recommendations of the Chesapeake Bay Restoration Fund Advisory Committee.)

Item 35.60 #1h

Legislative Department

FY22-23

FY23-24

Language:

Page 5, after line 11, insert:

"American Revolution 250 Commission

35.60 American Revolution 250 Commission

\$0

\$0

"A. No later than June 30, 2024, the American Revolution 250 Commission (the Commission), established as a legislative commission in accordance with Chapters 655 and 656 of the 2023 Acts of Assembly, shall provide a detailed plan to the Chairs of the House Appropriations and Senate Finance and Appropriations Committees, with a copy to the Governor. The plan, at a minimum, shall include (i) an itemized budget for the activities of the Commission by major cost centers such as personnel, consultants, advertising and marketing through the anticipated Commission sunset in 2031; (ii) an estimate of all philanthropic, federal, and local matching funding expected to be available to the Commission and the intended uses of these funds; and (iii) outcome metrics for each of the planned activities of the Commission, to include calculations of estimated returns on investment."

Explanation:

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(This language amendment directs the American Revolution 250 Commission to provide a report by June 30, 2024, detailing the anticipated budget, expenditures, donations, and anticipated returns on investment for the activities of the Commission.)

Item 38 #1h

Legislative Department

Legislative Department Reversion Clearing Account

Language

Language:

Page 5, strike "Not set out.", and insert:

"Item 38	First Year FY2023	Second Year FY2024
Enactment of Laws (78200)	\$710,315	\$710,315
Undesignated Support for Enactment of Laws Services (78205)	\$710,315	\$710,315
Fund Sources:		
General	\$710,315	\$710,315

Authority: Discretionary Inclusion.

A. Transfers out of this appropriation may be made to fund unanticipated costs in the budgets of legislative agencies or other such costs approved by the Joint Rules Committee.

B. Included within this appropriation is an amount estimated at \$200,000 the first year and \$200,000 the second year from the general fund and one position for the operation of the Capitol Guides program. The allocation of these funds shall be subject to the approval of the Committee on Joint Rules. The Capitol Guides program shall be jointly administered by the Clerk of the House of Delegates and the Clerk of the Senate.

C. On or before June 30, 2024, the Committee on Joint Rules shall authorize a reversion to the general fund of ~~\$7,072,307~~ \$14,029,307 representing savings generated by legislative agencies in the second year of the 2022-2024 biennium. The total savings amount includes estimated savings within the following legislative agencies:

Legislative Agency	Estimated Savings FY 2024
101: General Assembly	\$1,200,000
107: Division of Legislative Services	\$1,200,000 \$3,912,169
109: <i>Division of Legislative Automated Systems</i>	\$500,000
110: Joint Legislative Audit and Review Commission	\$934,762

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133: Auditor of Public Accounts	\$601,464
839: Virginia Commission on Youth	\$25,000
844: Joint Commission on Health Care	\$20,000
961: Division of Capitol Police	\$3,692,545 \$6,835,912
Total	\$7,072,307 \$14,029,307

Explanation:

(This amendment adds language to authorize an additional transfer in the second year of \$6,957,000 in general fund balances from legislative branch agencies.)

	Item 113 #1h	
Commerce and Trade	FY22-23	FY23-24
Economic Development Incentive Payments	\$0	(\$630,000) GF

Language:

Page 20, line 6, strike "\$412,113,433" and insert "\$411,483,433".
 Page 21, line 15, strike "2,869,000" and insert "2,239,000".

Explanation:

(This amendment adjusts grant payments from the Virginia Economic Development Incentive Grant to align the most up to date information from the Virginia Economic Development Partnership Authority.)

	Item 113 #2h
Commerce and Trade	
Economic Development Incentive Payments	Language

Language:

Page 24, line 36, after "act" strike remainder of the line.
 Page 24 strike lines 37 through 39.

Explanation:

(This amendment eliminates language allowing for the purchase of land with resources from the Virginia Business Ready Sites Acquisition Fund, which overrides the Code that requires the

Committee Approved Amendments to House Bill 29, as Introduced

MEI Commission to review all such purchases.)

Item 114 #1h

Commerce and Trade

Department of Housing and Community Development

Language

Language:

Set out Item 114.

Page 24, after line 53, insert:

"Q. Fifty percent of any proceeds generated by Virginia's sale of allowances in the Regional Greenhouse Gas Initiative auctions, including the auction held on December 6, 2023, excluding any funds directly appropriated by the General Assembly in any appropriations act from the Low-Income Energy Efficiency Program Fund (02017) and that are not otherwise already appropriated, shall be appropriated to the Department of Housing and Community Development for the Housing Innovations in Energy Efficiency program."

Explanation:

(This amendment requires the appropriation of at least 50 percent of any proceeds generated by the sale of allowance in the Regional Greenhouse Gas Initiative (RGGI) to the Innovations in Energy Efficiency Program. Balances in this RGGI funded program are estimated at \$127.0 million.)

Item 124 #1h

Commerce and Trade

Fort Monroe Authority

Language

Language:

Page 25, after line 42, insert:

"C. Out of this appropriation, \$2,500,000 the second year from the general fund is provided for the construction of a permanent monument to commemorate the 400-year anniversary of the First Landing of Africans at Point Comfort in Fort Monroe."

Explanation:

(This amendment sets out \$2.5 million provided in House Bill 29, as introduced for the Fort Monroe Authority to finish a permanent monument to commemorate the 400-year anniversary of the First Landing of Africans at Point Comfort in Fort Monroe. In fiscal year 2022, the General Assembly appropriated \$6.0 million for the project.)

Committee Approved Amendments to House Bill 29, as Introduced

Item 137 #1h

Education

Direct Aid to Public Education

Language

Language:

Page 45, line 37, strike "\$100,000,000" and insert "\$20,000,000".

Page 85, line 11, strike "\$100,000,000" and insert "\$20,000,000".

Page 85, strike lines 33 and 34, and insert:

"g. On or before June 30, 2024, the Director, Department of Planning and Budget, shall unallot any unused balances from the Fund, at an amount estimated at \$80,000,000 in the second year."

Explanation:

(This amendment captures \$80.0 million from the college partnership laboratory school fund, maintaining \$20.0 million in the fund, and permitting the funds to carry forward in the fund into the 2024-26 biennium. The \$20.0 million balance provides sufficient funds for the nine existing planning grants, four potential startup grants, and sufficient funding for about 1,235 lab school student slots each year. This estimate is based on \$11,500 per pupil in state funds and recognizes the proposals that have been authorized by the General Assembly.)

Item 137 #2h

Education

Direct Aid to Public Education

FY22-23

\$0

FY23-24

(\$10,229,704)

GF

Language:

Page 43, line 42, strike "\$9,043,644,838" and insert "\$9,033,415,134".

Page 145, line 10, strike "\$115,356,585" and insert "\$105,126,881".

Page 166, line 49, strike "\$115,356,585" and insert "\$105,126,881".

Explanation:

(This amendment captures \$10.2 million the second year from the general fund from the undistributed balance in the Virginia Preschool Initiative program after updating final participation.)

Item 137 #3h

Education

Direct Aid to Public Education

FY22-23

\$0

\$0

FY23-24

(\$25,000,000)

\$25,000,000

GF

NGF

Committee Approved Amendments to House Bill 29, as Introduced

Language:

Explanation:

(This amendment increases the Lottery Proceeds Forecast by \$25.0 million, creating general fund savings of a like amount.)

Item 229 #1h

Education: Higher Education

FY22-23

FY23-24

Virginia State University

\$0

\$4,200,000 GF

Language:

Page 90, line 15, strike "\$103,542,356" and insert "\$107,742,356".

Explanation:

(This amendment provides one-time funding for costs associated with hosting one of the presidential debates.)

Item 244 #1h

Education: Other Education

Virginia Commission for the Arts

Language

Language:

Page 91, line 42, strike "Not set out." and insert:

"Authority: Title 2.2, Chapter 25, Article 4, Code of Virginia.

A. In the allocation of grants to arts organizations, the Commission shall give preference to the performing arts.

B. It is the objective of the Commonwealth to fund the Virginia Commission for the Arts at an amount that equals one dollar for each resident of Virginia.

C. *Out of this appropriation, \$920,500 the second year from the general fund is designated to the town of Abingdon for the renovation of the State Theatre of Virginia.*"

Explanation:

(This technical amendment specifies that the existing appropriation of \$920,500 the second year from the general fund to support the State Theatre renovation is designated to the town of Abingdon. This amendment will permit the Virginia Commission for the Arts to disburse the funding appropriated in Chapter 1, 2023 Special Session I.)

Committee Approved Amendments to House Bill 29, as Introduced

Item 274 #1h

Finance	FY22-23	FY23-24	
Department of Taxation	\$0	\$546,530	GF
	0.00	3.00	FTE

Language:

Page 93, line 20, strike "\$64,590,357" and insert "\$65,136,887".

Explanation:

(This amendment provides \$546,530 the second year from the general fund and three positions for administrative costs incurred by the Department of Taxation in support of legislation passed by the 2023 General Assembly related to the Bank Franchise Tax. A companion amendment to House Bill 30 provides ongoing dollars and positions to effectuate the purposes of the law change. The full item will be set out upon enrollment of House Bill 30.)

Item 274 #2h

Finance	FY22-23	FY23-24	
Department of Taxation	\$0	\$381,150	GF
	0.00	2.00	FTE

Language:

Page 93, line 20, strike "\$64,590,357" and insert "\$64,971,507".

Explanation:

(This amendment provides \$381,150 the second year from the general fund and two positions to support costs for the Department of Taxation to implement the provisions of House Bill 590. A companion amendment to House Bill 30 provides funding to enact these provisions in the next biennium. The full item will be set out upon enrollment of House Bill 30.)

Item 304 #1h

Health and Human Resources

Department of Medical Assistance Services

Language

Language:

Page 113, line 33, after "T.", insert "1."

Page 113, after line 39, insert:

"2. Liable third-party payers are barred from refusing payment for an item or service solely on the basis that such item or service did not receive prior authorization under the third-party

Committee Approved Amendments to House Bill 29, as Introduced

payer's rules."

Explanation:

(This amendment adds language to align Medicaid policy and rules with new federal rules regarding third party payments that will go into effect on July 1, 2024. Third party payments currently come from a number of sources, including child support orders requiring a custodial or non-custodial parent to enroll a child in a health insurance plan.)

	Item 307 #1h	
Health and Human Resources	FY22-23	FY23-24
Department of Medical Assistance Services	\$0	\$2,849,486 NGF

Language:

Page 137, line 17, strike "\$47,421,627" and insert "\$50,271,113".

Explanation:

(This amendment adds \$2.8 million to adjust the nongeneral fund appropriation for the Department of Medical Assistance Services for administrative contracts use to serve the Medicaid expansion population. This amendment shall be enrolled in Item 307, Chapter 1, 2023 Special Session 1, during enrolling of House Bill 29.)

	Item 308 #1h	
Health and Human Resources	FY22-23	FY23-24
Department of Medical Assistance Services	\$0	\$1,710,820 NGF

Language:

Page 137, line 18, strike "\$288,261,699" and insert "\$289,972,519".

Explanation:

(This amendment adds \$2.8 million to adjust the nongeneral fund appropriation for the Department of Medical Assistance Services for administrative contracts used to serve the

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Medicaid expansion population. This amendment shall be enrolled in Item 308, Chapter 1, 2023 Special Session 1, during enrolling of House Bill 29.)

Item 340 #1h

Health and Human Resources

Department of Social Services

Language

Language:

Page 150, line 20, after "million.", strike the remainder of the line and insert:

"Ongoing administrative costs borne by Virginia Department of Social Services, local department of social services, and the Department of Housing and Community Development shall be submitted annually with each respective utility's administrative costs and program costs to the State Corporation Commission, per PUR-2020-00109 and PUR-2020-00117, and be reimbursed from the Percentage of Income Payment Fund per § 56-585.6."

Page 150, strike lines 21 and 22.

Explanation:

(This amendment clarifies that nongeneral funds from the Percentage of Income Payment Program (PIPP) Fund shall be used to reimburse local departments of social services, DSS, and DHCD for the administration of PIPP, consistent with § 56-585.6 of the Code of Virginia.)

Item 344 #1h

Health and Human Resources

Department of Social Services

Language

Language:

Page 155, line 47, strike "\$3,000,000" and insert "\$4,000,000".

Explanation:

(This amendment captures \$4.0 million in balances the second year in the Auxiliary Grant program within the Department of Social Services.)

Item 374 #1h

Natural and Historic Resources

Department of Conservation and Recreation

Language

Language:

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Page 173, after line 51, insert:

"Y. Forty-five percent of any proceeds generated by Virginia's sale of allowances in the Regional Greenhouse Gas Initiative auctions, including the auction held on December 6, 2023, that are not otherwise already appropriated, shall be appropriated by the Department of Conservation and Recreation for the Community Flood Preparedness Fund."

Explanation:

(This amendment directs 45 percent of any proceeds generated by the December 6, 2023 RGGI be appropriated for the Community Flood Preparedness Fund.)

Item 381 #1h

Natural and Historic Resources

Department of Environmental Quality

Language

Language:

Page 174, set out Item 381.

Page 174, after line 15, insert:

"C. Three percent of any proceeds generated by Virginia's sale of allowances in the Regional Greenhouse Gas Initiative auctions, including the auction held on December 6, 2023, that are not otherwise already appropriated, shall be appropriated to the Department of Environmental Quality to cover reasonable administrative expenses of Virginia's participation in the Regional Greenhouse Gas Initiative and to carry out statewide climate change planning and mitigation activities."

Explanation:

(This amendment directs three percent of the December 6, 2023 RGGI auction proceeds be provided to the Department of Environmental Quality to support its RGGI-related administrative expenses.)

Item 483 #1h

Central Appropriations

Central Appropriations

Language

Language:

Page 192, line 2, strike "Not Set Out" and insert:

"AA.1 The base salary of the following employees shall be increased by three percent on June 10, 2024:

a. Full-time and other classified employees of the Executive Department subject to the Virginia

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Personnel Act;

b. Full-time employees of the Executive Department not subject to the Virginia Personnel Act, except officials elected by popular vote;

c. Any official whose salary is listed in § 4-6.01 of this act, subject to the ranges specified in the agency head salary levels in § 4-6.01 c;

d. Full-time staff of the Governor's Office, the Lieutenant Governor's Office, the Attorney General's Office, Cabinet Secretaries' Offices, including the Deputy Secretaries, the Virginia Liaison Office, and the Secretary of the Commonwealth's Office;

e. Heads of agencies in the Legislative Department;

f. Full-time employees in the Legislative Department, other than officials elected by popular vote;

g. Legislative Assistants as provided for in Item 1 of this act;

h. Judges and Justices in the Judicial Department;

i. Heads of agencies in the Judicial Department;

j. Full-time employees in the Judicial Department;

k. Commissioners of the State Corporation Commission and the Virginia Workers' Compensation Commission, the Chief Executive Officer of the Virginia College Savings Plan, and the Directors of the Virginia Lottery, and the Virginia Retirement System.

l. Full-time employees of the State Corporation Commission, the Virginia College Savings Plan, the Virginia Lottery, Virginia Workers' Compensation Commission, and the Virginia Retirement System.

2.a. Employees in the Executive Department subject to the Virginia Personnel Act shall receive the salary increases authorized in this paragraph only if they attained at least a rating of "Contributor" on their latest performance evaluation.

b. Salary increases authorized in this paragraph for employees in the Judicial and Legislative Departments, employees of Independent agencies, and employees of the Executive Department not subject to the Virginia Personnel Act shall be consistent with the provisions of this paragraph, as determined by the appointing or governing authority. However, notwithstanding anything herein to the contrary, the governing authorities of those state institutions of higher education with employees not subject to the Virginia Personnel Act may implement salary increases for such employees that may vary based on performance and other employment-related factors. The appointing or governing authority shall certify to the Department of Human Resource Management that employees receiving the awards are performing at levels at least comparable to the eligible employees as set out in subparagraph 2.a. of this paragraph.

3. The Department of Human Resource Management shall increase the minimum and maximum salary for each band within the Commonwealth's Classified Compensation Plan by three percent

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on June 10, 2024. No salary increase shall be granted to any employee as a result of this action. The department shall develop policies and procedures to be used in instances when employees fall below the entry level for a job classification due to poor performance. Movement through the revised pay band shall be based on employee performance.

4. The following agency heads, at their discretion, may utilize agency funds or the funds provided pursuant to this paragraph to implement the provisions of new or existing performance-based pay plans:

- a. The heads of agencies in the Legislative and Judicial Departments;
- b. The Commissioners of the State Corporation Commission and the Virginia Workers' Compensation Commission;
- c. The Attorney General;
- d. The Director of the Virginia Retirement System;
- e. The Director of the Virginia Lottery;
- f. The Director of the University of Virginia Medical Center;
- g. The Chief Executive Officer of the Virginia College Savings Plan; and
- h. The Executive Director of the Virginia Port Authority. and
- i. The Chief Executive Officer of the Virginia Alcoholic Beverage Control Authority.

5. The base rates of pay, and related employee benefits, for wage employees may be increased by up to three percent no earlier than June 10, 2024. The cost of such increases for wage employees shall be borne by existing funds appropriated to each agency.

6. The governing authorities of the state institutions of higher education may provide a salary adjustment based on performance and other employment-related factors, as long as the increases do not exceed the three percent increase on average for faculty and university staff."

Explanation:

(This amendment includes language authorizing a three percent salary adjustment for state employees effective June 10, 2024. The raise would become effective beginning with the July 1, 2024 payroll and a companion amendment in House Bill 30 provides the funding to support the salary increase. Item 483, this item, was not set out in House Bill 29 as introduced. The legislative intent is to set out the entire item in enrolling.)

Item 486 #1h

Central Appropriations

Central Appropriations

Language

Committee Approved Amendments to House Bill 29, as Introduced

Language:

Page 193, after line 26, insert:

"4) \$6,000,000 in the second year to the Virginia Tourism Authority (320) to support accelerating inbound visitor demand through a paid media advertising campaign."

Page 198, line 33, strike "\$5,000,000" and insert "\$2,000,000".

Explanation:

(This amendment provides \$6.0 million in repurposed American Rescue Plan Act Funds to the Virginia Tourism Authority for a marketing campaign to increase inbound visitor demand. It redirects \$3.0 million in unspent federal American Rescue Plan Act funds (ARPA) for the Earn to Learn Nursing Acceleration program in the Virginia Department of Health and allows the program to retain \$2.0 million in ARPA funding, which the Department of Health should be able to deploy by the December 31 deadline. There is also a companion amendment in Item 486.10 which redirects \$3.0 million in unspent ARPA funds for the Department of Social Services to conduct redetermination efforts to the Virginia Tourism Authority's marketing campaign.)

Item 486 #2h

Central Appropriations

Central Appropriations

Language

Language:

Page 194, after line 31, insert:

"13) American Rescue Plan Act of 2021 (ARPA) funds authorized in paragraphs A.2.f. 12) a) and b), Item 486 of Chapter 1, 2023 Acts of Assembly, Special Session I, and paragraph B.2.k.4), Item 479.20 of Chapter 1, 2021 Acts of Assembly, Special Session II, which have been authorized by the Department of Environmental Quality prior to January 1, 2024, to individual facilities listed in the Enhanced Nutrient Removal Certainty Program under § 62.1-44.19:14, Code of Virginia, may be used to reimburse such facilities for costs incurred for nutrient removal and other wastewater treatment facility improvements approved by the Department of Environmental Quality as within the allowed scope of wastewater infrastructure projects under ARPA and applicable federal implementing regulations."

Explanation:

(This amendment provides flexibility in the use of ARPA funds previously provided for wastewater treatment facility improvements approved by the Department of Environmental Quality.)

Item 486.10 #1h

Central Appropriations

Central Appropriations

Language

Language:

Page 202, line 42, strike "Not set out." and insert:

"1. Notwithstanding the provisions of Item 486 of this act, the funding provided pursuant to paragraph A.2.1.1) of Item 486 shall be reallocated in the following manner:

2. \$28,057,684 in the first year to the Department of Medical Assistance Services (602) to procure a one-time vendor to assist in the redetermination of Medicaid enrollees over the twelve months following the end of the federal continuous Medicaid coverage requirement.

3. ~~\$10,000,000~~ \$7,000,000 in the first year to the Department of Social Services (765) to cover the one-time cost of supporting local departments of social services staff with efforts to perform benefit program redeterminations and appeals work in the ~~twelve~~ *seventeen* months following the end of the federal continuous Medicaid coverage requirement.

4. All funds allocated in paragraphs 2 and 3 shall only be used to support one-time eligibility redetermination efforts necessary to meet federal post public health emergency (unwinding) requirements. Prior to the transfer of any funds, impacted agencies shall provide the Department of Planning and Budget and Task Force on Eligibility Redetermination with an accounting of all agency unwinding activities and how any transferred funds will supplement those efforts."

Explanation:

(This amendment redirects \$3.0 million in unspent federal American Rescue Plan Act funds (ARPA) for DSS redetermination efforts and extends the amount of time the Department has to spend these funds from twelve to seventeen months following the end of the federal continuous Medicaid coverage requirement. There is a companion amendment in Item 486 for the Virginia Tourism Authority to receive these funds for a marketing campaign to increase inbound visitor demand.)

Item 487.50 #1h

Central Appropriations

Central Appropriations

Language

Language:

Page 203, unstrike lines 15 and 16.

Page 203, strike line 17.

Explanation:

(This amendment removes proposed actions to the change the administrative oversight for the

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Advanced Manufacturing Talent Investment Program and Fund from the Virginia Economic Development Partnership Authority to the Secretary of Labor. This allows the remaining current appropriation for the Advanced Manufacturing Talent Investment Program and Fund project to be distributed to projects based on eligibility. There is a current process and plan in place to distribute the remaining balance to projects to help meet the hiring needs of manufacturers in Hampton Roads and Southwest Virginia.)

Item 494 #1h

Independent Agencies

Virginia Lottery

Language

Language:

Page 206, line 7, strike "Not set out.", and insert:

"Item 494	First Year - FY2023	Second Year - FY2024
State Lottery Operations (81100)	\$186,725,080	\$191,510,004
Regulation and Law Enforcement (81105)	\$26,098,336	\$26,383,260
Gaming Operations (81106)	\$151,695,994	\$156,195,994
Administrative Services (81107)	\$8,930,750	\$8,930,750
Fund Sources:		
Enterprise	\$164,190,767	\$168,690,767
Dedicated Special Revenue	\$22,534,313	\$22,819,237

Authority: Title 58.1, Chapter 40 and Chapter 41, Code of Virginia.

A. Out of the amounts for Virginia Lottery Operations shall be paid:

1. Reimbursement for compensation and reasonable expenses of the members of the Virginia Lottery Board in the performance of their duties, as provided in § 2.2-2813, Code of Virginia.
2. The total costs for the operation and administration of the state lottery, pursuant to § 58.1-4022, Code of Virginia.
3. The costs of informing the public of the purposes of the Lottery Proceeds Fund, established pursuant to Article X, Section 7-A, Constitution of Virginia.

B. Expenses related to the regulation and oversight of Casino Gaming shall be paid from the combination of licensing and related fees collected under Title 58.1, Chapter 41, Code of Virginia.

C. Expenses related to the regulation and oversight of Sports Betting shall be paid from a combination of ongoing licensing and fees related to the activities described in Title 58.1, Chapter 40, Code of Virginia.

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D. Notwithstanding the provisions of § 4-3.02 of this act, the Secretary of Finance may authorize an interest-free treasury loan for the Virginia Lottery to fund start-up costs associated with the implementation of Casino Gaming and Sports Betting activities as enacted by the 2020 General Assembly of Virginia. The Secretary of Finance may extend the repayment plan for any such interest-free treasury loan for a period of longer than twelve months.

E. Notwithstanding the provisions of § 58.1-4030 and § 58.1-4037, Code of Virginia, a permit holder, through the first 12 months of sports betting activity, may exclude from adjusted gross revenue the value of allowable bonuses or promotions provided to bettors as an incentive to place or as a result of their having placed Internet sports betting wagers. After the first 12 months of sports betting activity, a permit holder is prohibited from excluding from adjusted gross revenue any bonuses or promotions provided to bettors as an incentive to place or as a result of their having placed Internet sports betting wagers. The provisions of this paragraph begin the first month a permit holder collects wagers related to sports betting, as defined in § 58.1-4030, Code of Virginia.

F. Notwithstanding § 58.1-4123, Code of Virginia, for any eligible host city that has not passed a referendum on casino gaming prior to July 1, 2022, the department shall not grant any initial license to operate a gaming operation unless a referendum is held on or after November 1, 2023 on the question of whether casino gaming shall be permitted in such city and is approved by the voters of such city.

G. Prior to June 30, 2024, The Department shall renew the authorization to conduct casino gaming on a temporary basis pursuant to § 58.1-4110 for another six months beyond the second year of operation, provided a portion of the temporary gaming facility will be incorporated as a part of the permanent gaming facility, the preferred casino gaming operator has met the \$300 million minimum capital investment pursuant to subsection B of § 58.1-4108, and the Department determines that the preferred casino gaming operator has made a good faith effort to comply with the approved construction schedule."

Explanation:

(This language amendment directs the Virginia Lottery to renew qualifying authorizations to conduct casino gaming on a temporary basis for six months beyond the second year of operation, provided the operator complies with stipulated provisions.)

Item 498 #1h

Independent Agencies	FY22-23	FY23-24	
Virginia Retirement System	\$0	\$42,000	NGF

Language:

Page 206, line 11, strike "\$19,645,202" and insert "\$19,687,202".

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Explanation:

(This amendment provides \$42,000 from the nongeneral fund for the VRS to reflect the administrative impact pursuant to the passage of House Bill 675 which permits the Board of Visitors of the Virginia School for the Deaf and the Blind to re-establish a campus police department. Item 498 was not set out in the budget as introduced. It is the intent of the General Assembly that the item will be set out when enrolling the final budget.)

	Item C-1 #1h		
Administration	FY22-23	FY23-24	
Department of General Services	\$0	(\$10,000,000)	GF

Language:

Page 214, line 47, strike "\$0" and insert "(\$10,000,000)".

Page 214, line 47, strike "Not set out.", and insert:

"Item C-1	First Year - FY2023	Second Year - FY2024
New Construction: Construct new state office building and parking deck (18528)	\$10,820,000	\$0
Fund Sources:		
General	\$10,820,000	\$0

~~A. The funding provided in this item is intended for the costs associated with demolition and site preparation and/or greening of the space for the project authorized by this item. Notwithstanding the project scope set forth for project 194-18528 as originally authorized in Chapter 552, 2021 Acts of Assembly, Special Session I, and as subsequently amended in Chapter 1, 2022 Acts of Assembly, Special Session I, and Chapter 1, 2023 Acts of Assembly, Special Session I, the scope of this project shall now be limited to only the demolition of the existing structure on the site and subsequent greening of the space post conclusion of demolition activities.~~

B. The Director, Department of Planning and Budget, shall transfer to the general fund an amount estimated at \$10,000,000 in general fund project balances that were originally designated to support planning efforts not otherwise connected to the project demolition and site greening."

Explanation:

(This amendment returns \$10.0 million in the second year to the general fund as a result of amending an authorized project scope to now include only the demolition of the existing structure and preparation of the resulting site as green space.)

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Item C-2.90 #1h

Administration	FY22-23	FY23-24	
Department of General Services	\$0	\$3,000,000	GF

Language:

Page 215, after line 3, insert:

"C-2.90 Planning: New State Agency Building	\$0	\$3,000,000
Fund Sources: General	\$0	\$3,000,000 "

A. There is hereby appropriated \$3,000,000 the second year from the general fund to initiate planning on a capital project for a state agency building at 1401 East Broad Street. The project scope shall direct planning efforts to result in the most expedient and effective utilization of the property as a new state employee office building, with occupational priority given to state employees currently assigned to the Monroe Building. DGS shall provide a report by November 1, 2024, to the Chairs of the House Appropriations Committee and Senate Finance and Appropriations Committee detailing the following: (i) steps necessary to transfer the property and existing facility from the Virginia Department of Transportation (VDOT) to the Department of General Services, effective upon VDOT vacating the property, (ii) timeline and cost estimates for options to renovate existing or demolish and construct a new facility, (iii) consideration of current Monroe Tenant space needs in accordance with general industry-acceptable space standards, and (iv) timeline and cost estimates to ensure the safety of ongoing tenant occupation of the Monroe Building."

Explanation:

(This amendment provides \$3.0 million the second year from the general fund for the Department of General Services (DGS) to initiate planning on a capital project that utilizes the soon-to-be vacated Virginia Department of Transportation (VDOT) headquarters annex building as the future site of a new state employee office building. Language directs DGS to provide a report by November 1, 2024, detailing steps necessary to progress effectively and efficiently on the use of the site for a state employee facility with priority for occupation by Monroe Building tenants.)

Item C-18.50 #1h

Education

University of Mary Washington	Language
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Language:

Page 216, line 13, strike "Not set out.", and insert:

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"A. Out of this appropriation, \$15,000,000 is authorized for the acquisition of a multi-use building adjacent to the University of Mary Washington, *which is following the process established under § 2.2-1149, Code of Virginia*. Any funds not needed for the acquisition are authorized for use by the institution for *multi-use building* facility space build-out, *repairs, and maintenance*. *This multi-use building contains portions leased to private entities and the University of Mary Washington may continue to lease portions of the multi-use building to private entities.*"

Explanation:

(This language amendment makes clarifications regarding a previously-authorized capital acquisition for the University of Mary Washington. The full table for this item will be set-out upon enrolling.)

	Item C-28.40 #1h	
Education	FY22-23	FY23-24
Virginia State University	\$0	\$10,000,000 GF

Language:

Page 217, after line 1, insert:

"C-28.40 Improvements: Improve South Entrance and Campus Security (18735)	\$0	\$10,000,000
Fund Sources: General	\$0	\$10,000,000 "

"Out of this appropriation, \$10,000,000 the second year is provided to make improvements to the Virginia State University South entrance and to make campus security and safety improvements including the acquisition and demolition of property, and sidewalk and fencing improvements."

Explanation:

(This amendment provides \$10.0 million the second year from the general fund in support of a capital project to enhance campus security at Virginia State University. In addition to improving the overall campus security for students, faculty, staff, and visitors, this project will also support preparation activities for the University's hosting of a Presidential Debate in October 2024. A companion amendment to House Bill 30 provides additional funds for this same project.)

	Item 3-1.01 #1h	
Transfers		

Committee Approved Amendments to House Bill 29, as Introduced

Interfund Transfers

Language

Language:

Page 227, line 45, strike the second "\$500,000" and insert "\$2,334,659".

Explanation:

(This amendment transfers excess amounts in the Regulatory, Consumer Advocacy, Litigation, and Enforcement Revolving Trust Fund to the general fund in the second year.)

Item 3-1.01 #2h

Transfers

Interfund Transfers

Language

Language:

Page 223, line 6, strike "\$174,069,911" and insert "\$169,169,911".

Explanation:

(This amendment reduces the assumed transfer of Alcoholic Beverage Control Authority net profits by \$4.9 million in the second year.)

Item 3-5.14 #1h

Adjustments and Modifications to Tax Collections

Sunset Dates for Income Tax Credits and Sales and Use Tax Exemptions

Language

Language:

Page 233, line 15, after "Virginia." insert:

"This requirement shall not apply to § 58.1-439.30 authorizing awards of Virginia housing opportunity tax credits through December 31, 2025."

Explanation:

(This amendment ensures the Virginia Housing Opportunity Tax Credit will expire at the end of 2025, consistent with the provisions in the Code of Virginia establishing the program.)

Item 4-5.12 #1h

Language

Language:

Committee Approved Amendments to House Bill 29, as Introduced

Page 272, after line 5, insert:

"§ 4-5.12 REGIONAL GREENHOUSE GAS INITIATIVE PARTICIPATION

As a condition on all appropriations in this act and notwithstanding any other provision of this act, or any other law, no expenditures from general, special, or other nongeneral fund sources from any appropriation by the General Assembly shall be used to take any action that impedes or otherwise interferes with Virginia's rejoining of the Regional Greenhouse Gas Initiative or continued participation therein. As a further condition on all appropriations in this act and notwithstanding any other provision of this act, or any other law, any state agency or authority with responsibilities identified in Code § 10.1-1330 must immediately take all actions necessary to rejoin the Regional Greenhouse Gas Initiative and continue participating therein, and any auction proceeds received from allowance sales are hereby appropriated for the purposes set forth in Code § 10.1-1330(C). Such required actions include, but are not limited to, repealing the final regulation titled 9VAC5-140, Regulation for Emissions Trading Programs published in the Virginia Register on July 31, 2023, reissuing the final regulation titled 9VAC5-140, Regulation for Emissions Trading Programs published in the Virginia Register on August 3, 2020, selling the allowances generated by the reissued regulatory program through auctions run by the Regional Greenhouse Gas Initiative, distributing auction proceeds in accordance with Code § 10.1-1330(C) and appropriations included herein, and providing annual reporting in accordance with Code § 10.1-1330(D). Any regulatory action necessary to effectuate the requirements of this provision is hereby exempted from the provisions of the Administrative Process Act (§ 2.2-4000 et seq.); the Department of Environmental Quality must complete such regulatory action without further action by the Air Pollution Control Board and the reissued regulatory program must take effect no later than 90 days from the effective date of this act."

Explanation:

(This amendment requires the Commonwealth to rejoin the Regional Greenhouse Gas Initiative (RGGI) and directs the appropriate agencies to take the necessary actions to rejoin RGGI.)

Item 4-14 #1h

Effective Date

Language

Language:

- Page 326, strike lines 20 through 47.
- Page 327, strike lines 1 through 53.
- Page 328, strike lines 1 through 46.
- Page 329, strike lines 1 through 46.
- Page 330, strike lines 1 through 44.
- Page 331, strike lines 1 through 49.
- Page 332, strike lines 1 through 48.

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Page 333, strike lines 1 through 15, and insert:

"27. That the Code of Virginia is amended by adding in Title 15.2 a chapter numbered 58.1, consisting of sections numbered 15.2-5824 through 15.2-5843, and by adding in Title 30 a chapter numbered 67, consisting of a section numbered 30-430, as follows:

CHAPTER 58.1.VIRGINIA SPORTS AND ENTERTAINMENT AUTHORITY.

§ 15.2-5824. Definitions.

As used in this chapter, unless the context requires a different meaning:

"Affiliate" means any person that is owned entirely or in part by a company or is an affiliate, assignee, employee, or agent of a company or is otherwise selected by a company to exercise any rights or undertake any obligations of the company that may be granted or established pursuant to this chapter.

"Authority" means the Virginia Sports and Entertainment Authority established in this chapter.

"District boundaries" means a 70-acre contiguous area located in the City that is bounded by U.S. Route 1 to the west, Four Mile Run stream to the north, the Potomac Yard station and Metrorail track to the east, and East Glebe Road to the south.

"Campus" means the land owned by the Authority and buildings, facilities, and other development on land owned by the Authority from which revenues will be generated for the Authority. "Campus" includes (i) a professional sports arena; (ii) a performance venue; (iii) a public plaza located between the arena and the performance venue; (iv) retail, food, and beverage developments, whether fixed or mobile; (v) office building development that includes facilities for company headquarters and operations; (vi) facilities for practices and training of one or more professional sports teams; (vii) facilities for broadcast production; (viii) onsite underground parking of at least 2,500 parking spaces; and (ix) related on-site infrastructure necessary or desirable for all such elements of the campus.

"Campus naming rights" means all revenues received by any person for the right to name any land, buildings, facilities, or other developments that are part of the campus, other than the professional sports arena. "Campus naming rights" shall not include revenues from the right to name the professional sports arena.

"City" means the City of Alexandria.

"Company" means a sports and entertainment company that owns one or more professional sports teams and has entered into a lease with the Authority pursuant to § 15.2-5830.

"Department" means the Department of Taxation.

"District" means the campus and all other land, buildings, facilities, and other development from which revenues will be generated for the Authority. "District" includes (i) hotel developments, including a conference center; (ii) retail, food, and beverage developments, whether fixed or mobile; (iii) office buildings and residential buildings; (iv) parks and other public open spaces; and (v) related on-site infrastructure necessary or desirable for all such

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elements for the district. "District" includes only land, buildings, facilities, and other development located within the district boundaries.

"District corporate income tax revenues" means corporate income tax revenues as estimated by the Tax Commissioner under Article 10 (§ 58.1-400 et seq.) of Chapter 3 of Title 58.1 from the company or any professional sports team or any affiliates thereof based on income generated in the district and including revenues generated in connection with the development and construction of the district. The Tax Commissioner shall calculate such revenues by multiplying the tax payment of any corporation as required under Chapter 3 of Title 58.1 generating income as described herein by the ratio of their gross revenues from the activities as described herein to gross revenues from all activities in Virginia.

"District local tax revenues" means (i) all local sales and use tax revenues from taxes levied pursuant to §§ 58.1-605 and 58.1-606 generated by transactions taking place upon the premises of the district; (ii) transient occupancy taxes levied pursuant to Chapter 38 (§ 58.1-3800 et seq.) of Title 58.1 generated by transactions taking place upon the premises of the district; (iii) ticket tax revenues; (iv) license taxes pursuant to Chapter 37 (§ 58.1-3740 et seq.) of Title 58.1 from businesses located in the district; and (v) real and personal property taxes pursuant to Chapters 32 (§ 58.1-3200 et seq.) and 35 (§ 58.1-3500 et seq.) of Title 58.1 from property located in the district.

"District pass-through entity tax revenues" means income tax revenues as estimated by the Tax Commissioner according to the provisions of Article 9 (§ 58.1-390.1 et seq.) of Chapter 3 of Title 58.1 from any pass-through entity, as defined in § 58.1-390.1, generated from the company or any professional sports team or any affiliates thereof based on income generated in the district, including revenues generated in connection with the development and construction of the district.

"District personal income tax revenues" means personal income tax revenues as estimated by the Tax Commissioner from individuals under Article 2 (§ 58.1-320 et seq.) of Chapter 3 of Title 58.1 based on salaries, wages, and other income generated through employment or the conduct of a trade or business in the district. The Tax Commissioner shall calculate such revenues by multiplying such income described by the average effective tax rate calculated by the Department for the prior taxable year.

"District sales tax revenues" means tax collections under the Virginia Retail Sales and Use Tax Act (§ 58.1-600 et seq.), as limited herein, and as may be amended, generated by construction and transactions taking place within the district. For purposes of this chapter, "district sales tax revenues" shall not include (i) the one percent of the state sales and use tax revenue distributed among the counties and cities of the Commonwealth pursuant to subsection D of § 58.1-638 on the basis of school-age population; (ii) any sales and use tax revenues distributed pursuant to subsection F of § 58.1-638; (iii) the local sales and use tax imposed under §§ 58.1-605 and 58.1-606, which shall be remitted to the Authority under the provisions of subsection B of § 15.2-5835; and (iv) the local sales and use tax imposed under §§ 58.1-605.1 and 58.1-606.1 and used for the construction or renovation of schools.

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"Eligible expenses" means the reasonable expenses necessary for the Authority to carry out responsibilities set forth under this chapter.

"Excess funds" means any moneys available to the Authority in the Fund after the accounts set forth in subsection B of § 15.2-5833 have been sufficiently funded.

"Fund" means the Virginia Sports and Entertainment Authority Financing Fund established in this chapter.

"Major parties" means the company and its affiliates, the Authority, the City, and the Oversight Commission.

"Oversight Commission" means the Sports and Entertainment Authority Oversight Commission established by § 30-430.

"Person" means the same as that term is defined in § 1-230, except that "person" does not include the Commonwealth or any of its political subdivisions or any agency or instrumentality thereof.

"Professional sports arena" means a state of the art sports and entertainment facility capable of hosting the home games of a professional sports team.

"Professional sports team" means a National Basketball Association team or National Hockey League team.

"Sufficiently funded" means that the accounts established pursuant to subsection B of § 15.2-5833 have adequate funds to meet the needs of the Authority to honor its debt service obligations and contractual commitments and to maintain the district, campus, and professional sports arena. Whether the accounts are sufficiently funded shall be determined based on criteria adopted by the Authority in consultation with the Oversight Commission, as well as the terms set forth in bond and other financing documents entered into by the Authority.

"Ticket tax revenues" means the tax revenues received by the City from the imposition of an admissions tax at the rate of no less than 10 percent pursuant to Chapter 38 (§ 58.1-3800 et seq.) of Title 58.1 on admission to events taking place upon the premises of the district.

"Transaction documents" means any memorandum of understanding, lease agreement, development agreement, operating agreement, bond financing document, debt schedules, or any other long-form documents deemed necessary or desirable by one or more of the major parties to document the terms relating to the development of the district.

§ 15.2-5825. Virginia Sports and Entertainment Authority established.

There is hereby established a body corporate and politic known as the Virginia Sports and Entertainment Authority. The Authority is a political subdivision of the Commonwealth. It shall be the principal duty of the Authority to ensure the construction and operational and financial viability of the district, to meet the debt service obligations for bonds issued pursuant to this chapter, and to ensure compliance with all terms and conditions of contracts, memoranda of

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understanding, and other agreements entered into regarding the district.

§ 15.2-5826. Membership; chairman; terms.

A. The Authority shall consist of 15 members. Five members shall be appointed by the Governor, three nonlegislative citizen members shall be appointed by the Speaker of the House of Delegates, two nonlegislative citizen members shall be appointed by the Senate Committee on Rules, three members shall be appointed by the governing body of the City, one member shall be appointed by Arlington County, and one member shall be appointed by the company. The members of the Authority annually shall elect a chairman and a vice-chairman from their membership; the vice-chairman shall perform the duties of the chairman in the chairman's absence. The appointments of the members by the Governor pursuant to this section shall be confirmed in accordance with § 2.2-107.

B. The members appointed by the Governor, the Speaker of the House of Delegates, the Senate Committee on Rules, Arlington County, and the City shall have significant private-sector business experience in one or more of the following industries: public-private partnerships, sports or entertainment, retail or hospitality, commercial construction or development, or financial services.

C. After the initial staggering of terms, members shall serve a term of four years. No member shall be eligible to serve for more than two successive terms.

D. At the end of a term, a member shall continue to serve until a successor is appointed and qualifies. A member who is appointed after a term has begun shall serve for the remainder of the term and shall be eligible to be reappointed for a full term at the expiration of such term. Upon the end of the term of a member, or upon the resignation or removal of a member, the original appointing authority shall appoint a member to the Authority. The Governor may remove a member for cause in accordance with § 2.2-108. The members of the Authority shall receive no compensation for their services, but a member may be reimbursed by the Authority for reasonable expenses actually incurred in the performance of the duties of that office.

§ 15.2-5827. Quorum; actions of Authority; meetings.

The Authority shall meet at least quarterly. Eight members of the Authority shall constitute a quorum for the purpose of conducting business. To be effective, any action of the Authority shall require the affirmative vote of a majority of the quorum present. No vacancy on the Authority shall impair the right of a quorum to exercise all rights and perform all the duties of the Authority. The Authority shall determine the times and places of its regular meetings. Special meetings of the Authority shall be held when requested by two or more members of the Authority. Any such request for a special meeting shall be in writing, and the request shall specify the time and place of the meeting and the matters to be considered at the meeting. Notice of any special meeting shall be provided to members of the Authority no later than five business days prior to such meeting. No matter not specified in the notice shall be considered at such special meeting unless all the members of the Authority are present.

§ 15.2-5828. Executive Director appointment; duties.

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A. The Authority shall select an Executive Director who shall report to, but not be a member of, the Authority. The Executive Director shall have at least 10 years of experience as the head of a government agency, quasi-governmental entity, or sports and entertainment authority similar to the Authority created by this chapter. The Executive Director shall serve as the ex officio secretary of the Authority and shall administer, manage, and direct the Authority's affairs and activities in accordance with the policies adopted by and under the direction and control of the Authority.

B. In addition to any other duties set forth in this chapter, the Executive Director shall:

- 1. Attend all meetings and keep minutes of all proceedings;*
- 2. Approve all accounts for salaries and allowable expenses of the Authority and its independent contractors and approve all expenses incidental to the operation of the Authority;*
- 3. Annually prepare and present a budget for approval by the Authority. Throughout the year, the Executive Director shall monitor the Authority's fiscal performance relative to the budget and regularly deliver financial reports to the Authority regarding such performance;*
- 4. Ensure proper execution of contracts, memoranda of understanding, and other such agreements and commitments of the Authority; and*
- 5. Perform any other duty that the Authority requires for carrying out the provisions of this chapter.*

C. Until sufficient funds are generated by the entitlement to tax revenues under § 15.2-5835, the salary of the Executive Director and any staff or other personnel employed by the Authority shall only be paid from funds from the Commonwealth's Development Opportunity Fund established by § 2.2-115 or any other funds made available by the appropriation act.

§ 15.2-5829. Powers.

A. In addition to the powers set forth elsewhere in this chapter, the Authority may:

- 1. Adopt and alter an official seal;*
- 2. Sue and be sued in its own name;*
- 3. Adopt bylaws, rules, and regulations to carry out the provisions of this chapter;*
- 4. Maintain an office on the campus. Until such office space is constructed, the Authority shall maintain an office at such place as the Authority may designate;*
- 5. Employ, either as regular employees or independent contractors, consultants, accountants, attorneys, financial experts, agents, managers and other professional personnel, and any other personnel as may be necessary in the judgment of the Authority to carry out its responsibilities as outlined in this chapter, and fix their compensation;*
- 6. Proceed with any undertaking and enter into any contracts or agreements with the Commonwealth or any political subdivision thereof or any person as the Authority deems*

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necessary or desirable to carry out the provisions of this chapter related to development of the district and campus;

7. Review the Authority's responsibilities under contracts, memoranda of understanding, and other similar agreements, and delegate appropriate authority to the Executive Director to ensure that the provisions of such agreements are being efficiently, effectively, and prudently executed by the Executive Director and other staff;

8. Acquire, hold, lease, use, encumber, transfer, or dispose of real and personal property within the district boundaries, including a lease of its property or any interest therein, whatever the condition thereof, whether or not constructed or acquired, that is owned by the Authority to the company or its affiliates or the City to carry out the provisions of this chapter, provided that any lease shall comply with § 15.2-5830;

9. Enter into an agreement to lease land to the City for the City to develop, operate, and own the performance venue;

10. Design, construct, reconstruct, improve, operate, and maintain the district and campus and any of its component buildings and facilities or delegate the rights to the same;

11. Fix, charge, and collect rates, fees, and charges for the use of, or the benefit derived from, the facilities provided, owned, operated, or financed by the Authority. Such rates, fees, and charges may be charged to and collected by such persons and in such manner as the Authority may determine from (i) any person using the facilities and (ii) the owners, tenants, or customers of the real estate and improvements that are served by, or benefit from the use of, any such facilities, in such manner as shall be authorized by the Authority in connection with the provision of such facilities or may delegate the rights to the same;

12. Issue bonds under this chapter;

13. Borrow money;

14. Receive and accept from any source, private or public, contributions, gifts, or grants of money or property; and

15. Do all things necessary or convenient to carry out the powers granted by this chapter.

B. In no event shall the Authority:

1. Enter into any agreement pursuant to the provisions of this chapter for the development, acquisition, or lease of more than one professional sports arena, campus, or district; and

2. Sell or otherwise dispose of any real or personal property located on the campus, except as expressly authorized by an act of the General Assembly enacted after the effective date of this section.

§ 15.2-5830. Acquisition of property; facility development and lease agreement.

A. The Authority may acquire or otherwise use in its own name, by gift or purchase, any real or personal property, or interests in property, located within the district boundaries and that are

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necessary or convenient to construct or operate the district and campus.

B. In any jurisdiction where planning, zoning, and development regulations may apply, the Authority shall comply with and is subject to those regulations to the same extent as a private commercial or industrial enterprise.

C. The Authority shall negotiate and enter into a lease agreement for all or a portion of the buildings and facilities located on the campus if the Authority finds that a company has committed to locate or relocate to the campus and that such company and its affiliates have demonstrated to the satisfaction of the Authority that the company and its affiliates have the experience and financial resources to be able to successfully develop and operate the campus. Such lease agreement shall lease to (i) the company and its affiliates the professional sports arena, public plaza, company headquarters and operations facilities, practice and training facilities, and broadcast production facilities and (ii) the City land to develop, operate, and own the performance venue;

D. Any lease agreement for the campus entered into by the Authority with a company or its affiliates shall:

- 1. Provide for the payment of rent to the Authority, which shall be deposited into the Fund;*
- 2. Provide for the payment of revenues, if any, generated by the company related to on-site underground parking on the campus to the Authority, which shall be deposited into the Fund;*
- 3. Provide 100 percent of any campus naming rights revenues to the Authority, which shall be deposited into the Fund;*
- 4. Grant the company and its affiliates operational control of the professional sports arena, public plaza, company headquarters and operations facilities, practice and training facilities, and broadcast production facilities;*
- 5. Permit the Authority to allow the City to develop, operate, and own the performance venue;*
- 6. Establish standards consistent with subsection F concerning the operation and maintenance of, and capital reinvestment in, the campus throughout the term of the lease agreement that are necessary to support the Authority's financial obligations;*
- 7. Have a term of no less than the term of the bonds sold pursuant to § 15.2-5831 for the construction and development of the campus;*
- 8. Provide that, if the company, its affiliates, or any professional sports team owned by the company relocates before the expiration date of any lease entered into, the company will pay any outstanding principal, any outstanding interest, and any other financing costs of all bonds issued under this chapter;*
- 9. Provide for the distribution of campus assets and ongoing revenues from the campus at the end of the lease term. Such distribution shall provide ownership of the professional sports arena to the Authority;*

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10. Require that in operating the professional sports arena, the company and its affiliates shall promote Virginia tourism, products made by Virginia-based companies, and Virginia cuisine;

11. Provide for at least three intercollegiate sporting events to take place at the professional sports arena per year, involving at least one Virginia-based or Washington, D.C.-based intercollegiate team in each game;

12. Require the company and its affiliates to procure and carry insurance coverage customarily carried by operators of facilities similar to the professional sports arena and any other area of the district. The cost of such insurance shall be borne by the company and its affiliates;

13. Require the Authority to procure and carry insurance coverage customarily carried by lessors of facilities similar to the professional sports arena and any other area of the district. Such insurance coverage shall, to the extent possible, limit the liability of the Authority for damages occurring within the district boundaries. The cost of such insurance shall be borne by the Authority;

14. Require the company or its affiliates to pay the costs of all utilities at facilities leased by the company or its affiliates; and

15. Contain such other terms and conditions as deemed necessary and appropriate by the Authority and agreed to by the company that further the purpose of the Authority related to the financing of the campus.

E. Any development agreement for the facility entered into by the Authority with the company or its affiliates shall require the location, design, fit, and finish of the facility to be consistent with professional sports facilities approved for construction by the professional sports team's league. Such development agreement shall:

1. Identify the location of the professional sports arena and the boundaries of the campus;

2. Set forth the sources of financing to pay the costs of the development and construction of the professional sports arena and the campus, and may specify a minimum principal amount of bonds to be issued by the Authority to finance the facility pursuant to § 15.2-5832;

3. Require the company to provide periodic progress reports to the Authority and the Oversight Commission on the status of the development and construction of the district, campus, and professional sports arena; and

4. Contain such other terms as deemed necessary and appropriate by the Authority and agreed to by the company and its affiliates that further the purposes of the Authority related to the financing of the facility.

F. The lease agreement entered into pursuant to this section shall provide the following obligations for operations and maintenance expenditures and capital expenditures on the campus:

1. The Authority shall, to the extent practicable, deposit no less than \$12 million per year in the

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Operations and Maintenance and Capital Expenditures Account established by subdivision 8 of § 15.2-5833, to be applied to capital expenditures and operations and maintenance expenses in the campus.

2. The Company may request reimbursements from the funds set aside under subdivision 1 of up to \$7 million per year, plus two percent annually beginning with the year after the year in which the professional sports arena holds its first ticketed event. If less than the maximum amount of reimbursements allowed by this subdivision are provided to the company in any year, such surplus amount may be carried over by the company. The company shall submit a separate request for each project for which it requests reimbursement.

3. All requests for expenditures for operations and maintenance and capital expenditures shall be subject to approval by the Authority.

4. All expenses that (i) are not approved by the Authority under subdivision 3; (ii) exceed the annual reimbursement levels under subdivision 2, including any amounts carried over; or (iii) exceed the amounts of funds in the Operations and Maintenance and Capital Expenditures Account established by subdivision 8 of § 15.2-5833 shall be at the cost of the company.

5. The City shall be responsible for 100 percent of costs for operations and maintenance and capital expenditures at the performance venue.

§ 15.2-5831. Bond issues.

A. The Authority may at any time, and from time to time, issue bonds to carry out any of the purposes of this chapter. As used in this chapter, "bonds" includes notes of any kind, interim certificates, refunding bonds, and any other evidence of obligation.

B. The bonds of any issue shall be payable solely from the property or receipts of the Authority, or other security specifically pledged by the Authority to the payment thereof, including:

1. Taxes, fees, charges, lease payments, or other revenues payable to the Authority, including amounts transferred from the Fund;

2. Payments by financial institutions, insurance companies, or others pursuant to letters or lines of credit, policies of insurance, or purchase agreements;

3. Investment earnings from funds or accounts maintained pursuant to a bond resolution or trust agreement; and

4. Proceeds of refunding bonds.

C. Bonds shall be authorized by resolution of the Authority and may be secured by a trust agreement by and between the Authority and a corporate trustee or trustees, which may be any trust company or bank having the powers of a trust company within or outside the Commonwealth. The bonds shall:

1. Be issued at, above, or below par value, for cash or other valuable consideration, and mature at a time or times, whether as serial bonds or as term bonds or both, not exceeding 40 years

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from their respective dates of issue;

- 2. Bear interest at the fixed or variable rate or rates determined by the method provided in the resolution or trust agreement;*
- 3. Be payable at a time or times, in the denominations and form, and carry the registration and privileges as to conversion and for the replacement of mutilated, lost, or destroyed bonds as the resolution or trust agreement may provide;*
- 4. Be payable in lawful money of the United States at a designated place;*
- 5. Be subject to the terms of purchase, payment, redemption, refunding, or refinancing that the resolution or trust agreement provides;*
- 6. Be executed by the manual or facsimile signatures of the officers of the Authority designated by the Authority. Such signatures shall be valid at delivery even for one who has ceased to hold office; and*
- 7. Be sold in the manner and upon the terms determined by the Authority, including private negotiated sale.*

D. Any resolution or trust agreement may contain provisions that shall be a part of the contract with the holders of the bonds as to:

- 1. Pledging, assigning, or directing the use, investment, or disposition of receipts of the Authority or proceeds or benefits of any contract and conveying or otherwise securing any property rights;*
- 2. The setting aside of loan funding deposits, debt service reserves, capitalized interest accounts, cost of issuance accounts, and sinking funds, and the regulation, investment, and disposition thereof;*
- 3. Limitations on the purpose to which the proceeds of sale of any issue of bonds may be applied and restrictions to investments of such proceeds or revenues available to pay debt service;*
- 4. Limitations on the issuance of additional bonds and the terms upon which additional bonds may be issued and secured and may rank on a parity with, or be subordinate or superior to, other bonds;*
- 5. The refunding or refinancing of outstanding bonds;*
- 6. The procedure, if any, by which the terms of any contract with bondholders may be altered or amended and the amount of bonds the holders of which must consent thereto, and the manner in which consent shall be given;*
- 7. Defining the acts or omissions that shall constitute a default in the duties of the Authority to bondholders and providing the rights or remedies of such holders in the event of a default that may include provisions restricting individual rights of action by bondholders;*

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8. Providing for guarantees, pledges of property, letters of credit, or other security, or insurance for the benefit of bondholders; and

9. Any other matter relating to the bonds which the Authority determines appropriate.

E. No member of the Authority nor any person executing the bonds on behalf of the Authority shall be liable personally for the bonds or subject to any personal liability by reason of the issuance of the bonds.

F. The Authority may enter into agreements with agents, banks, insurers, or others for the purpose of enhancing the marketability of, or as security for, its bonds.

G. A pledge by the Authority of revenues as security for an issue of bonds shall be valid and binding from the time the pledge is made. The revenues pledged shall immediately be subject to the lien of the pledge without any physical delivery or further act, and the lien of any pledge shall be valid and binding against any person having any claim of any kind in tort, contract, or otherwise against the Authority, irrespective of whether the person has notice. No resolution, trust agreement or financing statement, continuation statement, or other instrument adopted or entered into by the Authority need be filed or recorded in any public record other than the records of the Authority in order to perfect the lien against third persons, regardless of any contrary provision of public general or public local law.

H. Except to the extent restricted by an applicable resolution or trust agreement, any holder of bonds issued under this chapter or a trustee acting under a trust agreement entered into under this chapter, may, by any suitable form of legal proceedings, protect and enforce any rights granted under the laws of Virginia or by any applicable resolution or trust agreement.

I. The Authority may issue bonds to refund any of its bonds then outstanding, including the payment of any redemption premium and any interest accrued or to accrue to the earliest or any subsequent date of redemption, purchase, or maturity of the bonds. Refunding bonds may be issued for the public purposes of realizing savings in the effective costs of debt service, directly or through a debt restructuring, for alleviating impending or actual default and may be issued in one or more series in an amount in excess of that of the bonds to be refunded.

J. The company shall agree, as part of any development and lease agreement entered into pursuant to § 15.2-5830, that the company and its affiliates will not be relocated and that the company will operate on the campus until any bonds issued hereunder to finance and refinance the campus are redeemed or defeased.

§ 15.2-5832. Investments in bonds.

Any financial institution, any investment company, any insurance company or association, and any personal representative, guardian, trustee, or other fiduciary may legally invest any moneys belonging to it or within its control in any bonds issued by the Authority.

§ 15.2-5833. Virginia Sports and Entertainment Authority Financing Fund; use.

A. There is hereby created in the state treasury a special nonreverting fund for the Authority to

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be known as the Virginia Sports and Entertainment Authority Financing Fund. The Fund shall be established on the books of the Comptroller. All revenues to which the Authority is entitled pursuant to § 15.2-5835, all revenues and moneys pledged by the local governing body of the City to be directed to the Fund, all revenues and moneys generated by a lease agreement entered into pursuant to § 15.2-5830, a contribution made by the company or its affiliates toward the development of the campus, any other moneys that may be appropriated by the General Assembly, and any moneys that may be received for the credit of the Fund from any other source shall be paid into the state treasury and credited to the Fund by the Comptroller as soon as practicable following their receipt. 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.

B. The amounts dedicated to the Fund pursuant to subsection A shall be distributed to the Authority as soon as practicable for use in accordance with this chapter. The Authority shall establish and deposit revenues into each of the accounts described in subdivisions 1 through 8 and ensure that such accounts are sufficiently funded. The amounts deposited in such accounts shall be in amounts determined by the Authority in the following priority order:

- 1. Revenue Account;*
- 2. Senior Debt Service Account;*
- 3. Senior Debt Service Reserve Account;*
- 4. Subordinate Debt Service Account;*
- 5. Subordinate Debt Service Reserve Account;*
- 6. Lease Debt Service Account;*
- 7. Lease Debt Service Reserve Account; and*
- 8. Operations and Maintenance and Capital Expenditure Account.*

C. To the extent deemed appropriate by the Authority, the receipts of the Fund shall be pledged to and transferred for the payment of debt service on Authority bonds and all reasonable charges and expenses related to Authority borrowing and the management of Authority obligations.

D. In addition to the accounts required by subsection B, the Authority shall also establish a Distribution Account. If, in the opinion of the Authority, all accounts listed in subdivisions B 1 through 8 are sufficiently funded, the Authority shall distribute any excess funds back to the Commonwealth and the City, on a quarterly basis as described in subsection E.

E. Excess funds distributed back to the Commonwealth and the City from the Distribution Account described in subsection D shall be distributed as follows:

- 1. If the revenues available for distribution equal or exceed the amount of tax revenues pledged by the Commonwealth and by the City for the previous quarter, (i) the Commonwealth and City*

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shall each receive an amount equal to its respective amount of tax revenues pledged and (ii) after the distribution provided by clause (i), the Commonwealth and City shall each receive 50 percent of any remaining revenues.

2. If the revenues available for distribution are less than the amount of tax revenues pledged by the Commonwealth and by the City for the previous quarter, the Commonwealth and the City shall each receive a percentage of the total revenues available for distribution based on the proportion of tax revenues paid into the Authority from each source of funds pledged by the Commonwealth and the City to the Authority for the previous quarter.

F. Revenues received by the Commonwealth pursuant to subsection E shall be distributed as follows:

1. One hundred percent of such funds shall be deposited in the Commonwealth Transportation Fund until an amount has been deposited in such fund equal to the total amount expended by the Commonwealth from all sources for transportation improvements related to the district.

2. After the requirements of subdivision 1 have been met, 50 percent of such revenues shall be deposited in the general fund and 50 percent of such revenues shall be deposited in the Housing Trust Fund established by § 36-142.

§ 15.2-5834. Additional duties; report.

A. In addition to the duties set forth elsewhere in this chapter, the Authority shall:

1. Keep records as are consistent with sound business practices and accounting records using generally accepted accounting practices;

2. Secure an annual external audit of the books of the Authority and its transactions by a nationally recognized auditing firm with sufficient skills and experience to conduct a thorough audit of the Authority. The results of such audit shall be submitted no later than August 1 each year to the Governor and the Oversight Commission;

3. Be subject to audit and examination at any reasonable time of its accounts and transactions by the Auditor of Public Accounts; and

4. Submit a detailed annual report no later than December 1 each year of its activities and financial standing to the Governor and the Oversight Commission.

B. In addition to the report required by subdivision A 4, the Authority shall:

1. No later than June 15 of each year, provide to the members of the Oversight Commission, the Secretary of Commerce and Trade, and the Director of the Department of Planning and Budget, a report of its operating plan for the forthcoming year.

2. No later than August 1 of each year, submit to the entities described in subdivision 1 a detailed expenditure report and a listing of the salaries and bonuses for all authority employees for the most recently concluded fiscal year.

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3. Prepare the reports required by subdivisions 1 and 2 in the format approved by the Director of the Department of Planning and Budget, and shall also include the following:

a. All planned and actual revenue and expenditures along with funding sources, including a detailed breakdown of state revenues by tax source, local revenues by tax source, parking revenues, campus naming rights revenues, and other sources;

b. Total investments made in the development of the campus, broken out by type of investment activity; and

c. Cash balances by funding source, including a detailed breakdown of state revenues by tax source, parking revenues, campus naming rights revenues, and other sources, and balances in the accounts established by § 15.2-5833.

4. Require the Executive director to also report quarterly to Authority, the members of the Oversight Commission, the Secretary of Commerce and Trade, and the Director of the Department of Planning and Budget, in a format approved by the Authority, the following:

a. The quarterly financial performance, determined by comparing the budgeted and actual revenues and expenditures to planned revenues and expenditures for the fiscal year;

b. Total investments made in the development of the campus, broken out by type of investment activity; and

c. Cash balances by funding source, including a detailed breakdown of state revenues by tax source, parking revenues, campus naming rights revenues, and other sources, and balances in the accounts established by § 15.2-5833.

Such report shall be submitted no later than 30 days after the conclusion of each quarter.

§ 15.2-5835. Entitlement to certain tax revenues.

A. 1. The Authority shall be entitled, subject to appropriation and to the limitations of this chapter, to all district sales tax revenues. Revenues received under this subsection shall be applied to debt service on the Authority's bonds. The State Comptroller shall remit such district sales tax revenues to the Fund on a monthly basis, subject to such reasonable processing delays as may be required by the Department. Notwithstanding the foregoing, the State Comptroller shall make such remittances to the Fund, as provided herein, notwithstanding any provisions to the contrary in the Virginia Retail Sales and Use Tax Act (§ 58.1-600 et seq.). Such entitlement shall continue as necessary until the expiration of the entitlement as provided in this chapter.

2. The Authority shall be entitled, subject to appropriation and to the limitations of this chapter, to all district personal income tax revenues, district corporate income tax revenues, and district pass-through entity tax revenues. Such revenues shall be applied to payment of debt service on the Authority's bonds. The State Comptroller shall remit all such district tax revenue to the Fund on a quarterly basis, except for pass-through entity tax revenues which shall be remitted to the Fund on a yearly basis, subject to such reasonable processing delays as may be required by the Department. Such entitlement shall continue as necessary until the expiration of the

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entitlement as provided in this chapter.

B. 1. The local governing body of the City shall agree, as a condition of hosting the district, to provide, by resolution or ordinance, the tax entitlement required by subdivision 2.

2. The resolution or ordinance described in subdivision 1 shall direct that:

a. All district local tax revenues shall be remitted by the City to the Authority, including the tax revenues described in subdivision b;

b. The City shall impose an admissions tax at the rate of no less than 10 percent pursuant to Chapter 38 (§ 58.1-3800 et seq.) of Title 58.1 on transactions taking place upon the premises of the campus; and

c. The City shall continue to provide the tax entitlement described in this subsection for the duration of any lease agreement entered into pursuant to subsection C of § 15.2-5830.

3. The remittances described in this subsection shall be for the same period and under the same conditions as remittances to the Authority paid in accordance with subsection A, mutatis mutandis.

C. In the event that any remittances described in subsection B have not been made by the City to the Authority, the Governor shall direct the Comptroller to withhold all further payment to the City of all funds, or of any part of such funds, appropriated and payable by the Commonwealth to the City for any and all purposes until the unpaid sum is obtained.

D. The entitlement to tax revenues provided by subsections A and B shall expire upon the earliest of (i) the date on which all bonds issued pursuant to § 15.2-5831 have been repaid or (ii) the date on which the lease agreement entered into pursuant to subsection C of § 15.2-5830 expires.

§ 15.2-5836. Administration by Department of Taxation.

A. The Authority shall provide the Department with the name and contact information for a central point of contact at the Authority, who shall provide the following information to the Department:

1. A list of names and social security numbers or federal employer identification numbers for the companies, professional sports teams, and affiliates generating district corporate income tax, district pass-through entity tax, or district personal income tax revenues, including employee withholding remitted to the Department pursuant to Article 16 (§ 58.1-460 et seq.) of Chapter 3 of Title 58.1 generated in the district and subject to the entitlement set forth in this section.

2. A list of names and social security numbers or federal employer identification numbers for all (i) dealers generating sales and use tax revenues generated by construction and transactions taking place in the district and (ii) contractors purchasing or leasing items used in construction of the district.

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3. Updated information pursuant to subdivisions 1 and 2 on a monthly basis.

B. The Authority shall provide in any memoranda of understanding entered into with any company, professional sports team, affiliate, or dealer that enters into a lease agreement for all or a portion of the building and facilities located in the district and any other agreements entered into regarding the district that the company, professional sports team, affiliate, or dealer shall be subject to the requirements of subsection C.

C. Every company, professional sports team, affiliate, and dealer doing business in the district shall file tax returns and make tax payments required pursuant to Chapter 6 (§ 58.1-600 et seq.) and Articles 9 (§ 58.1-390.1 et seq.), 10 (§ 58.1-400 et seq.), and 16 (§ 58.1-460 et seq.) of Chapter 3 of Title 58.1 using an electronic medium in a format prescribed by the Tax Commissioner. In addition, every company, professional sports team, affiliate, dealer, and contractor doing business in the district shall provide the following information to the Department:

1. Every dealer that collects district sales tax revenues shall provide information regarding tax collections generated from construction or transactions taking place in the district on the returns filed pursuant to § 58.1-615 as prescribed by the Tax Commissioner.

2. Every contractor shall report and remit use tax on the purchase and lease of items used in construction in the district as prescribed by the Tax Commissioner.

3. Every company, professional sports team, and affiliate that generates district corporate income tax revenues shall separately report estimated payments for corporate income taxes generated from the district and shall provide annually to the Department information regarding gross revenues generated from activities on the district and gross revenues from all activities in Virginia.

4. Every company, professional sports team, and affiliate that generates district pass-through entity tax revenues shall provide annually to the Department information regarding income in the district, including revenues generated in connection with the development and construction of the district.

5. Every company, professional sports team, and affiliate that pays salaries and wages to employees in the district shall register for a separate withholding account and shall remit the wages and salaries withheld from employees for activities performed on the campus separately from all income taxes withheld by such employer.

6. Every company, professional sports team, and affiliate that makes payments to an independent contractor attributable to construction or transactions in the district shall provide information regarding such payments to the Department by January 31 in a format prescribed by the Tax Commissioner.

7. Notwithstanding any provision of § 58.1-3 to the contrary, the Tax Commissioner shall be authorized to disclose taxpayer information regarding transactions, real or personal property, income, or business of any person to the Authority as may be necessary for the administration

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of the tax entitlements authorized by this chapter.

§ 15.2-5837. Cooperation between the Authority and other political subdivisions.

The Authority may enter into agreements with any other political subdivision of the Commonwealth for joint or cooperative action in accordance with § 15.2-1300.

§ 15.2-5838. Tort liability.

No pecuniary liability of any kind shall be imposed on the Commonwealth or on any other political subdivision of the Commonwealth because of any act, agreement, contract, tort, malfeasance, or nonfeasance by or on the part of the Authority, its independent contractors, or its agents.

§ 15.2-5839. Tort claims.

For purposes of the Virginia Tort Claims Act (§ 8.01-195.1 et seq.), the Authority is an "agency" within the meaning of § 8.01-195.2 and each of its members and agents is an "employee" within the meaning of such section.

§ 15.2-5840. Policy statement.

It is hereby found, determined, and declared that the construction and development of the district will result in substantial economic development in the Commonwealth and is in all respects for the benefit of the people of the Commonwealth and is a public purpose and that the Authority will be performing an essential government function in the exercise of the powers conferred by this chapter.

§ 15.2-5841. Audits and reports.

A. The Auditor of Public Accounts of the Commonwealth and his legally authorized representatives are hereby authorized and empowered from time to time to examine the accounts and books of the Authority, including its receipts, disbursements, contracts, leases, investments, and any other matters relating to its finances, operation, and affairs.

B. The Tax Commissioner shall report to the Oversight Commission and the Chairmen of the Senate Committee on Finance and Appropriations, the House Committee on Appropriations, and the House Committee on Finance, before July 1 of each year, the amount of the entitlement pursuant to § 15.2-5835.

C. The governing body of the City shall report to the Oversight Commission and the Chairmen of the Senate Committee on Finance and Appropriations, the House Committee on Appropriations, and the House Committee on Finance, before July 1 of each year, the amount of the entitlement pursuant to § 15.2-5835.

§ 15.2-5842. Prohibited use of funds.

No funds of the Authority may be used to pay fees or expenses of lobbyists required to register under § 2.2-422.

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§ 15.2-5843. Exemption of Authority from personnel and procurement statutes.

The provisions of the Virginia Personnel Act (§ 2.2-2900 et seq.) and the Virginia Public Procurement Act (§ 2.2-4300 et seq.) shall not apply to the Authority in the exercise of any power conferred under this chapter.

CHAPTER 67.SPORTS AND ENTERTAINMENT AUTHORITY OVERSIGHT COMMISSION.

§ 30-430. Sports and Entertainment Authority Oversight Commission; membership; terms; compensation and expenses; definition.

A. The Sports and Entertainment Authority Oversight Commission (the Commission) is established as an advisory commission in the legislative branch of state government. The purpose of the Commission shall be to review financing and management of the facilities encompassed by the Virginia Sports and Entertainment Authority pursuant (the Authority) to Chapter 58.1 (§ 15.2-5824 et seq.) of Title 15.2. Such review shall include oversight of bonds issued by the Authority; the use of proceeds from such bonds; management of the campus and professional sports arena by the Authority, as those terms are defined in § 15.2-5824; and the distribution of revenues from the Distribution Account described in § 15.2-5833. The Authority shall provide quarterly updates to the Commission regarding the issuance of debt, payment of debt service, development of the campus and professional sports arena, and generation of revenues by the Authority, and any information on any other matters requested by the Commission. The Authority shall provide to the Commission, upon the request of the chairman, any transaction documents or other relevant documents involving the major parties, as that term is defined in § 15.2-5284, within five business days of such request.

B. The Commission shall consist of 14 members as follows: the 12 voting members of the MEI Project Approval Commission, the Speaker of the House of Delegates, and the President Pro Tempore of the Senate.

C. Members shall serve terms coincident with their terms of office. Vacancies for unexpired terms shall be filled in the same manner as the original appointments.

D. The members of the Commission shall elect a chairman and vice-chairman annually. A majority of the voting members of the Commission shall constitute a quorum. The meetings of the Commission shall be held at the call of the chairman or whenever the majority of the members so request.

E. Legislative members of the Commission shall receive such compensation as provided in § 30-19.12.

F. Administrative staff support shall be provided by the staffs of the House Committee on Appropriations, the Senate Committee on Finance and Appropriations, and the Division of Legislative Services.

28. That the initial appointment of members of the Virginia Sports and Entertainment Authority established by the twenty-seventh enactment of this act shall be staggered as

follows: (i) two of the members appointed by the Governor, one of the members appointed by the Speaker of the House of Delegates, one of the members appointed by the Senate Committee on Rules, one of the members appointed by the governing body of the City of Alexandria, and the member appointed by the company shall be appointed for a term of four years; (ii) one of the members appointed by the Governor, one of the members appointed by the Speaker of the House of Delegates, one of the members appointed by the Senate Committee on Rules, and one of the members appointed by the governing body of the City of Alexandria shall be appointed for a term of three years; (iii) one of the members appointed by the Governor, one of the members appointed by the Speaker of the House of Delegates, and one of the members appointed by the governing body of the City of Alexandria shall be appointed for a term of two years; and (iv) one of the members appointed by the Governor and the member appointed by Arlington County shall be appointed for a term of one year. Members appointed to an initial term of less than four years shall be eligible to be reappointed for two full four-year terms.

29. That the provisions of the twenty-seventh enactment of this act shall expire if the Virginia Sports and Entertainment Authority established under § 15.2-5825 of the Code of Virginia, as created by the twenty-seventh enactment of this act, has not entered into a lease agreement pursuant to subsection D of § 15.2-5830 of the Code of Virginia, as created by the twenty-seventh enactment of this act, and a development agreement pursuant to subsection E of § 15.2-5830 of the Code of Virginia, as created by the twenty-seventh enactment of this act, before January 1, 2026.

30. That the provisions of the twenty-seventh enactment of this act shall expire if the City of Alexandria does not enact the tax entitlement described in subsection B of § 15.2-5835 of the Code of Virginia, as created by the twenty-seventh enactment of this act, before January 1, 2026.

31. That no bonds, as defined by § 15.2-5831 of the Code of Virginia, as created by the twenty-seventh enactment of this act, shall be issued by the Virginia Sports and Entertainment Authority (the Authority) established by § 15.2-5825 of the Code of Virginia, as created by the twenty-seventh enactment of this act, for the development of the district, as defined by § 15.2-5824 of the Code of Virginia, as created by the twenty-seventh enactment of this act, prior to (i) the enactment by the City of Alexandria (the City) of the tax entitlement described in subsection B of § 15.2-5835 of the Code of Virginia, as created by the twenty-seventh enactment of this act; (ii) execution of a lease agreement and development agreement as described in § 15.2-5830 of the Code of Virginia, as created by the twenty-seventh enactment of this act; (iii) a cash contribution by the company, as defined by § 15.2-5824 of the Code of Virginia, as created by the twenty-seventh enactment of this act, to the Authority toward the development of the district and professional sports arena, as those terms defined in § 15.2-5824 of the Code of Virginia, as created by the twenty-seventh enactment of this act ; and (iv) execution of a memorandum of understanding between the company and its affiliates, the Authority, and the City that describes the duties of all parties related to the development of the district.

32. That any bonds, as that term is defined in § 15.2-5831 of the Code of Virginia, as created by twenty-seventh enactment of this act , issued pursuant to § 15.2-5831 of the Code of Virginia, as created by the twenty-seventh enactment of this act, shall be subject to review by the Treasury Board established by Article 8 (§ 2.2-2415 et seq. of the Code of Virginia) of Chapter 24 of Title 2.2.

33. That the fourteenth enactment of Chapter 766 of the Acts of Assembly of 2013 is amended and reenacted as follows:

14. That the provisions of this act that generate additional revenue through state taxes or fees for transportation (i) throughout the Commonwealth and in Planning District 8 and Planning District 23 or (ii) in any other Planning District that becomes subject to the state taxes or fees imposed solely in Planning Districts pursuant to this act shall expire on December 31 of any year in which the General Assembly appropriates any of such additional revenues for any non-transportation-related purpose or transfers any of such additional revenues that are to be deposited into the Commonwealth Transportation Fund or any subfund thereof pursuant to general law for a non-transportation-related purpose. In the event a local government of any county or city wherein the additional taxes and fees are levied appropriates or allocates any of such additional revenues to a non-transportation purpose, such locality shall not be the direct beneficiary of any of the revenues generated by the taxes or fees in the year immediately succeeding the year in which revenues were appropriated or allocated to a non-transportation purpose. *Notwithstanding the foregoing, the provisions of this enactment shall not apply to the use of revenues generated by this act to provide funding to an authority created for the purpose of building a professional sports arena in Planning District 8 on or after July 1, 2024.*

34. That the tenth enactment of Chapters 1230 and 1275 of the Acts of Assembly of 2020 are amended and reenacted as follows:

That the provisions of this act generating additional state revenue for transportation shall expire on December 31 of any year in which the General Assembly appropriates or transfers any of such additional revenues for any non-transportation-related purposes. *Notwithstanding the foregoing, the provisions of this enactment shall not apply to the use of revenues generated by this act to provide funding to an authority created for the purpose of building a professional sports arena in Planning District 8 on or after July 1, 2024.*

35. That the provisions of the twenty-seventh, twenty-eighth, twenty-ninth, thirtieth, thirtieth-first, thirtieth-second, thirtieth-third, and thirtieth-fourth enactment of this act shall not become effective unless reenacted by the 2025 Session of the General Assembly."

Page 333, line 20, strike "and".

Page 333, line 20, after "twenty-eighth" insert "twenty-ninth, thirtieth, thirtieth-first, thirtieth-second, thirtieth-third, thirtieth-fourth, and thirtieth-fifth."

Committee Approved Amendments to House Bill 29, as Introduced

Explanation:

(This amendment creates the Virginia Sports and Entertainment Authority.)
