2022 Session

Budget Bill - HB29 (Introduced)

Item 4-14

§ 4-14.00 EFFECTIVE DATE

This act is effective on its passage as provided in § 1-214, Code of Virginia.

ADDITIONAL ENACTMENTS

3. That the authority and responsibilities of the Secretary of Technology included in the Code of Virginia shall be executed by the Secretary of Administration and the Secretary of Commerce and Trade pursuant to Item 66 and Item 111 of this act. Any authority or responsibilities of the Secretary of Technology not referenced in Item 66 and Item 111 of this act shall be executed by either the Secretary of Administration or the Secretary of Commerce and Trade as determined by the Governor.

4. That any authority or responsibilities of the Innovation and Entrepreneurship Investment Authority and the Center for Innovative Technology not referenced in Item 135 of this Act shall be executed by the Virginia Innovation Partnership Authority and the non-profit entity established in legislation to be considered by the 2020 General Assembly.

5. That § 16.1-69.48:2 of the Code of Virginia is amended and reenacted as follows:

§ 16.1-69.48:2. Fees for services of district court judges and clerks and magistrates in civil cases.

Fees in civil cases for services performed by the judges or clerks of general district courts or magistrates in the event any such services are performed by magistrates in civil cases shall be as provided in this section, and, unless otherwise provided, shall be included in the taxed costs and shall not be refundable, except in case of error or as herein provided.

For all court and magistrate services in each distress, detinue, interrogatory summons, unlawful detainer, civil warrant, notice of motion, garnishment, attachment issued, or other civil proceeding, the fee shall be $36. No such fee shall be collected (i) in any tax case instituted by any county, city or town or (ii) in any case instituted by a school board for collection of overdue book rental fees. Of the fees collected under this section, $10 of each such fee collected shall be apportioned to the Courts Technology Fund established under § 17.1-132.

The judge or clerk shall collect the foregoing fee at the time of issuing process. Any magistrate or other issuing officer shall collect the foregoing fee at the time of issuing process, and shall remit the entire fee promptly to the court to which such process is returnable, or to its clerk. When no service of process is had on a defendant named in any civil process other than a notice of motion for judgment, such process may be reissued once by the court or clerk at the court's direction by changing the return day of such process, for which service by the court or clerk there shall be no charge; however, reissuance of such process shall be within three months after the original return day.

The clerk of any district court may charge a fee for making a copy of any paper of record to go out of his office

which is not otherwise specifically provided for. The amount of this fee shall be set in the discretion of the clerk but shall not exceed $1 for the first two pages and $.50 for each page thereafter.

The fees prescribed in this section shall be the only fees charged in civil cases for services performed by such judges and clerks, and when the services referred to herein are performed by magistrates such fees shall be the only fees charged by such magistrates for the prescribed services.

6. a. In anticipation of the collection of taxes and revenues of the Commonwealth, for fiscal years 2021 and 2022, the Treasury Board is hereby authorized, by and with the consent of the Governor, to sell and issue, pursuant to Article X, Section 9 (a)(2) of the Constitution of Virginia, as the case may be, at one time or from time to time, tax and revenue anticipation notes ("9(a)(2) Notes") of the Commonwealth, including 9(a)(2) Notes issued as commercial paper. The proceeds of such 9(a)(2) Notes, excluding amounts needed to fund issuance costs, reserve funds, and other financing expenses, shall be used exclusively for the purpose of providing funds, together with any other available funds, to help manage the cash flow impact of actual or potential reductions of tax and other revenues or increases in expenses related to or resulting from the COVID-19 pandemic, and including the payment of operating expenses incurred or to be incurred in anticipation of the collection of taxes and revenues by the Commonwealth.

b. In addition, in anticipation of the collection of taxes and revenues of the Commonwealth, and its counties, cities and towns, for fiscal years 2021 and 2022, the Treasury Board is hereby authorized, by and with the consent of the Governor, to sell and issue, pursuant to Article X, Section 9 (d) of the Constitution of Virginia, as the case may be, at one time or from time to time, tax and revenue anticipation notes of the Commonwealth ("9(d) Notes" and together with the 9(a)(2) Notes authorized in the foregoing paragraph, "Notes")), including 9(d) Notes issued as commercial paper. The proceeds of such 9(d) Notes, excluding amounts needed to fund issuance costs, reserve funds, and other financing expenses, shall be used exclusively for the purpose of providing funds, together with any other available funds, to help manage the cash flow impact of actual or potential reductions of tax and other revenues or increases in expenses related to or resulting from the COVID-19 pandemic, and including the payment of operating expenses incurred or to be incurred in anticipation of the collection of taxes and revenues by the Commonwealth and its counties, cities and towns, and to purchase or acquire similar notes issued by, or otherwise to assist, cities, counties and towns of the Commonwealth for such purpose. The Governor is authorized to select the counties, cities and towns to participate in the undertakings authorized hereunder and direct the distribution of 9(d) Note proceeds to the particular counties, cities and town, and shall, after consultation with all interested parties, develop a guidance document governing eligibility and priority criteria.

c. The Treasury Board is authorized to issue Notes hereunder in an aggregate principal amount not exceeding $500,000,000 for the benefit of the Commonwealth and in an aggregate principal amount not exceeding $250,000,000 for the benefit of counties, cities and towns, plus in either case amounts needed to fund issuance costs, reserve funds, capitalized interest, and other financing expenses.

d. 9(a)(2) Notes shall mature at such time or times within twelve months from their date or dates, and 9(d) Notes shall mature at such time or times not exceeding two years from their date or dates.

e. The full faith and credit of the Commonwealth shall be pledged to any 9(a)(2) Notes issued under the provisions of this Item. 9(d) Notes issued under the provisions of this item shall not be deemed to constitute a debt of the Commonwealth of Virginia or a pledge of the full faith and credit of the Commonwealth, but such obligations shall be payable solely, subject to appropriation by the General Assembly, from amounts appropriated from time to time by the General Assembly and from amounts paid by counties, cities and towns that issue bonds, notes or obligations with respect to this Item. There is hereby appropriated a sum sufficient to the Treasury Board for the purpose of paying the debt service on the Notes.

f. The Virginia Resources Authority is authorized to purchase and acquire through proceeds of 9(d) Notes bonds, notes or obligations of counties, cities and towns of the Commonwealth issued for the purposes authorized hereunder and establish the interest rates and repayment terms of such bonds, notes or obligations in accordance with a memorandum of agreement with the Treasury Board and the Authority shall recover its reasonable costs and expenses for doing so from the proceeds of such Notes and for its role in the administration and management of such proceeds.

g. Each county, city, and town is hereby authorized to issue bonds, notes or obligations for the purposes set forth in paragraph (b) above. The authority of any county, city, and town to contract and to issue bonds, notes or obligations pursuant to such authorization is in addition to any existing authority to contract and issue bonds, notes or obligations, anything in the laws of the Commonwealth, including any local charter, to the contrary notwithstanding. The provisions of Virginia Code § 15.2-2659 and § 62.1-216.1 shall apply, mutatis mutandis, with respect to any bond, note or obligation issued by a county, city or town hereunder.

h. The proceeds, including any premium, of the Notes shall be deposited in a special account in the state treasury and, together with the investment income thereon, shall be disbursed by the State Treasurer from time to time for paying all or any part of the expenses or undertakings as set forth in paragraphs (a) and (b) above. The Notes shall be dated and may be made redeemable before their maturity or maturities at such price or prices or within such price parameters, all as may be determined by the Treasury Board, by and with the consent of the Governor, and shall be in such form, shall bear interest at such rate or rates, either at fixed rates or at rates established by formula or other method, and may contain such other provisions, all as determined by the Treasury Board or, when authorized by the Treasury Board, the State Treasurer. The principal of and premium, if any, and the interest on Notes shall be payable in lawful money of the United States of America. Notes may be certificated or uncertificated as determined by the Treasury Board. The Treasury Board may contract for services of such registrars, transfer agents, or other authenticating agents as it deems appropriate to maintain a record of the persons entitled to the Notes. Notes issued in certificated form may be issued under a system of book entry for recording the ownership and transfer of ownership of rights to receive payments on the Notes. The Treasury Board shall fix the authorized denomination or denominations of the Notes and the place or places of payment of certificated Notes, which may be at the Office of the State Treasurer or at any bank or trust company within or without the Commonwealth. The Treasury Board may sell Notes in such manner, by competitive bidding, negotiated sale, or private placement with private lenders or governmental agencies, and for such price or within such price parameters as it may determine, by and with the consent of the Governor, to be in the best interest of the Commonwealth. In the discretion of the Treasury Board, Notes may be issued at one time or from time to time. Certificated Notes shall be signed on behalf of the Commonwealth by the Governor and by the State Treasurer, or shall bear their facsimile signatures, and shall bear the lesser seal of the Commonwealth or a facsimile thereof. If the Notes bear the facsimile signature of the State Treasurer, they shall be signed by such administrative assistant as the State Treasurer shall determine or by such registrar or paying agent as may be designated to sign them by the Treasury Board. If any officer whose signature or facsimile signature appears on any Notes ceases to be such officer before delivery, such signature or facsimile signature shall nevertheless be valid and sufficient for all purposes the same as if such officer had remained in office until such delivery, and any Note may bear the facsimile signature of, or may be signed by, such persons as at the actual time of execution are the proper officers to sign such Note, although at the date of such Note, such persons may not have been such officers.

i. The Treasury Board is authorized to create debt service and sinking funds for the payments of the principal of, premium, if any, and interest on the Notes and other funds or reserves desirable or required by any purchaser. Pending the application of the proceeds of the Notes to the purpose for which they have been authorized and the application of funds set aside for the purpose to the payment of Notes, they may be invested by the State Treasurer in securities that are legal investments under the laws of the

Commonwealth for public funds and sinking funds, as the case may be. Whenever the State Treasurer receives interest from the investment of the proceeds of Notes, such interest shall become a part of the principal of the Notes and shall be used in the same manner as required for principal of the Notes.

7.a. Notwithstanding any other provision of law, upon the declaration by the Governor of a state of emergency pursuant to § 44-146.17, Code of Virginia, in response to a communicable disease of public health threat as defined in § 44-146.16, Code of Virginia, electric companies subject to regulation of the State Corporation Commission (“Commission"), natural gas suppliers subject to the regulation of the Commission, electric and gas municipal utilities, and water suppliers and wastewater service providers, subject to the regulation of Commission or constituting a municipal utility ("utilities") are prohibited from disconnecting service to residential customers for non-payment of bills or fees until the Governor determines that the economic and public health conditions have improved such that the prohibition does not need to be in place, or until at least 60 days after such declared state of emergency ends, whichever is sooner. "Municipal utility" means a utility providing electric, gas, or water or wastewater service that is owned or operated by a city, county, town, authority, or other political subdivision of the Commonwealth. The utilities shall notify all customers who are at least 30 days in arrears of this utility disconnection moratorium, which may be by bill insert or bill notice.

b. No more than 60 days after the enactment of this act, the utilities shall notify all customers who are at least 30 days in arrears of the COVID-19 Relief Repayment Plan (Repayment Plan), which may be by bill insert or bill notice, such notice shall include eligibility, billing information, applicable financial assistance resources, and contact information where customers may file an initial complaint on Repayment Plan related disputes. All utilities within 60 days after the enactment of this act must offer customers a Repayment Plan for past due accounts while the universal prohibition on service disconnections is in effect that includes, at minimum, the following provisions:

1. The Repayment Plan shall not require any new deposits, down payments, fees, late fees, interest charges, or penalties, nor shall such plan accrue any fees, interest, or penalties, including prepayment penalties;

2. The Repayment Plan shall amortize the repayment of a customer's utility debt over a minimum period of 6 months and up to 24 months for each utility. The utility will work with the customer to establish a Repayment Plan that meets the requirements of this clause 7.b. and that the customer determines is sustainable and affordable for them. A customer may satisfy the Repayment Plan in part or in full at any time; and

3. The utilities shall not apply eligibility criteria, such as installment plan history. However, the utilities may require the customer to attest to the utility or to a third party chosen by the utility that the customer has experienced a financial hardship resulting directly or indirectly from the public health emergency or that they have experienced a hardship to pay during the public health emergency.

4. If a utility reports to a consumer reporting agency or debt collector regarding a consumer who is on a Repayment Plan, the utility shall report the account as “current" in accordance with the Public Law 116-136: Coronavirus Aid, Relief, and Economic Security Act. If the provisions of Public Law 116-136: Coronavirus Aid, Relief, and Economic Security Act expire prior to the end of the universal moratorium established in clause 7.a., the utility may only resume reporting any default on the Repayment Plan at the end of the universal moratorium established in clause 7.a.

5. However, no utility that has received an order exempting it from the provisions of this clause 7.a. shall disconnect from service a customer who is making timely payments under the Repayment Plan at the time of the order and until such time as a customer ceases to make timely payments under the Repayment Plan. A utility that has received an order exempting it from the provisions of this clause 7.a. shall attempt to

establish a Repayment Plan with its customers prior to any disconnection of service.

c. Nothing herein shall limit or prevent the utilities or the residential customers from applying or seeking debt relief or mitigation from any available resource, from entering into another payment plan offered by the utility, or from renegotiating the terms of the Repayment Plan.

d. In accordance with the provisions of Item 479.10, paragraph B.5. of this act, utilities shall use any funding allocated from the federal Coronavirus Relief Funds of the Coronavirus Aid, Relief, and Economic Security (CARES) Act (P.L. 116-136) to provide direct subsidy payments on behalf of customers whose accounts are over 30 days in arrears, provided such use meets eligibility requirements pursuant to United States Department of the Treasury guidance. In applying these funds to customer accounts, utilities shall prioritize providing financial assistance to customers who are over 60 days in arrears prior to using the funds to assist customers with accounts 31 to 60 days in arrears. To the extent possible, utilities shall use available funding to cover one-hundred percent of the customer's arrearage.

In addition to the funds provided in Item 479.10, paragraph B.2. of this act, where applicable, utilities must accept financial assistance from other utility assistance programs funded with federal Coronavirus Relief Funds from the Coronavirus Aid, Relief, and Economic Security (CARES) Act (P.L. 116-136) for customers who are at least 30 days in arrears. To the extent possible, utilities must direct customers in writing to these resources when establishing a Repayment Plan.

e. Notwithstanding anything to the contrary in this clause 7 or any other provision of law, if a utility subject to regulation of the Commission has accounts receivable arrearages for Virginia customers that exceed 2% of an investor-owned electric utility's, or 1% of any other utility's, annual Virginia jurisdictional operating revenues, then the utility may obtain relief from the moratorium established in clause 7.a. by filing an informational letter notice with the clerk of the Commission, stating such facts to demonstrate the exceedance and contemporaneously tendering associated workpapers to the staff of the Commission. The Commission staff shall verify the information as filed by the utility and shall file a verification letter with the Clerk of the Commission. The Commission, upon receipt of a favorable verification letter, shall issue a final order within five days. Upon issuance of an order, a utility shall thereafter be exempt from the moratorium provisions of this clause 7.a.

f. Notwithstanding anything to the contrary in this clause 7 or any other provision of law, if a utility subject to this clause 7 but not subject to regulation of the Commission has accounts receivable arrearages that exceed 1% of the utility's annual operating revenues, then the utility may obtain relief from the moratorium established in clause 7.a. if (i) the utility provides a written analysis stating such facts to demonstrate the exceedance to staff of the governing body, (ii) the utility contemporaneously makes available for public inspection associated workpapers verifying such facts to staff of the governing body, and (iii) the governing body verifies the exceedance, provides public notice, takes public comment on, and votes to approve that the exceedance is accurate in an open public meeting. In the event of an affirmative vote of the utility's governing body, the utility shall thereafter be exempt from the moratorium provisions of this clause 7.a.

g. The Commission shall allow for the timely recovery of bad debt obligations, reasonable late payment fees suspended, and prudently incurred implementation costs resulting from a Repayment Plan for electric, gas, water, or wastewater utilities, including through a rate adjustment clause or through base rates, however, the Commission shall exclude from recovery all costs associated with any jurisdictional customer balances forgiven by a Phase II utility pursuant to paragraph j. below. The Commission may apply any applicable earnings test in the Commission rules governing utility rate applications and annual informational filings when assessing the recovery of such costs. The Commission shall also require the utilities subject to regulation by the Commission to submit information on the status of customer accounts, including (a) the number and value of outstanding aged account balances, categorized by

customer type; (b) the number and value of associated collections from customers, categorized by customer type; (c) the number and value of associated additions to aged accounts receivable balances, categorized by customer type; (d) the number and value of aged accounts receivable balances, net of collections and additions; (e) the number, total value, and average debt of accounts that are participating in the Repayment Plan, or another repayment plan as set forth by the utility; (f) the number of accounts removed from the Repayment Plan, or another repayment plan as set forth by the utility, categorized by reason; (g) the amount of and average debt still remaining for customer accounts removed from the Repayment Plan or another repayment plan as set forth by the utility; (h) the carrying costs of the debt for accounts participating in a repayment plan and any associated administrative costs incurred; (i) the number, total value, and average debt of customer accounts receiving direct assistance by the funds provided in Item 479.10, paragraph B.2. of this act, categorized by days in arrears and customer account type; (j) the cumulative level of customer arrearages by locality; and (k) any cost recorded as regular asset authorized by that certain order of the Commission in Case Number PUR-2020-00074. The Commission shall provide the Chairs of the House Committees on Labor and Commerce and Appropriations, the Senate Committees on Commerce and Labor and Finance and Appropriations, and the Secretary of Commerce and Trade an aggregated anonymized report by utility containing such compiled information by December 31, 2020, within 90 days of the expiration of the universal prohibition established in clause 7.a., and annually, on or before December 31st, thereafter for the following two years. The report due on December 31, 2020 shall cover the period from March 16, 2020 through December 15, 2020. The report due within 90 days of the end of the universal prohibition established in clause 7.a. shall cover the period from December 16, 2020 to the end of the universal prohibition established in clause 7.a. Annual reports shall cover the period from the end of the universal prohibition established in clause 7.a. to December 16th of the year the report is due.

h. Utilities not subject to regulation by the Commission shall submit information on the status of customer accounts to the Commission on Local Government managed by the Department of Housing and Community Development, including (a) the number and value of accounts that are at least 30 days in arrears; (b) the number and value of accounts that are at least 60 days in arrears; (c) the number, total value, and average debt of accounts that are participating in the Repayment Plan, or another repayment plan as set forth by the utility; (d) the number of accounts removed from the Repayment Plan, or another repayment plan as set forth by the utility, categorized by reason; (e) the amount of and average debt still remaining for accounts removed from the Repayment Plan or another repayment plan as set forth by the utility; (f) the carrying costs of the debt for accounts participating in a repayment plan and any associated administrative costs incurred; (g) the number, total value, and average debt of accounts offset by the funds provided in Item 479.10, paragraph B.2. of this act and local programs using Coronavirus Relief Funds, categorized by days in arrears, customer account type, and Coronavirus Relief Fund type; and, (h) the cumulative level of customer arrearages by locality. The Commission on Local Government shall provide the Chairs of the House Committees on Labor and Commerce and Appropriations, the Senate Committees on Commerce and Labor and Finance and Appropriations, and the Secretary of Commerce and Trade an aggregated anonymized report by utility containing such compiled information by December 31, 2020, within 90 days of the expiration of the universal prohibition established in clause 7.a., and annually, on or before December 31st, thereafter for the following two years. The report due on December 31, 2020 shall cover the period from March 16, 2020 through December 15, 2020. The report due within 90 days of the end of the universal prohibition established in clause 7.a. shall cover the period from December 16, 2020 to the end of the universal prohibition established in clause 7.a. Annual reports shall cover the period from the end of the universal prohibition established in clause 7.a. to December 16th of the year the report is due.

i. The reports required in paragraphs g. and h. of this clause 7 are not eligible for deferral or delay as permitted under Item 4-8.01, a.4.a. of this act.

j. Within 60 days after the enactment of this act, a Phase II Utility shall forgive all such utility's

jurisdictional customer balances more than 30 days in arrears as of September 30, 2020.

1. In the utility's 2021 triennial review, any forgiven amounts shall be excluded from the utility's cost of service for purposes of determining any test period earnings and determining any future rates of the utility. In determining any customer bill credits, in the utility's 2021 triennial review, the Commission shall first offset any forgiven amounts against the total earnings for the 2017 through 2020 test periods that are determined to be above the utility's authorized earnings band. Such offset shall be made prior to any offset to customer bill credits by customer credit reinvestment offsets.

2. Each Phase II Utility shall, no later than December 31, 2020, submit a report to the Governor, the Chairs of the House Committees on Labor and Commerce and Appropriations, and the Senate Committees on Commerce and Labor and Finance and Appropriations, and the Chair of the Commission on Electric Utility Regulation, detailing all actions by it pursuant to this act to forgive customer balances.

k. In addition to the relief provided pursuant to clause 7.j., within 60 days after the enactment of this act, a Phase II Utility shall forgive all such utility's jurisdictional customer balances more than 30 days in arrears as of December 31, 2020.

1. In the utility's 2021 triennial review, the provisions of clause 7.k. shall be excluded from the utility's cost of service for purposes of determining any test period earnings and determining any future rates of the utility. In determining any customer bill credits, in the utility's 2021 triennial review, the Commission shall first offset any amounts pursuant to clause 7.k. against the total earnings for the 2017 through 2020 test periods that are determined to be above the utility's authorized earnings band. Such offset shall be made prior to any offset to customer bill credits by customer credit reinvestment offsets.

2. Each Phase II Utility shall, no later than November 1, 2021, submit a report to the Governor, the Chairs of the House Committees on Labor and Commerce and Appropriations, and the Senate Committees on Commerce and Labor and Finance and Appropriations, and the Chair of the Commission on Electric Utility Regulation, detailing all actions by it pursuant to this act to forgive customer balances.

8.a. Notwithstanding any other provision of law, upon the declaration by the Governor of a state of emergency pursuant to § 44-146.17 of the Code of Virginia in response to a communicable disease of public health threat as defined in § 44-146.16 of the Code of Virginia, no landlord shall terminate a residential tenancy, or take any action to obtain possession of a dwelling unit, for non-payment of rent through December 31, 2020, unless such eligible tenant refuses to apply for Virginia Rent Relief Program (formerly Virginia Rent and Mortgage Relief Program) assistance and refuses to cooperate with the landlord in applying for rental assistance through the Virginia Rent Relief Program (formerly Virginia Rent and Mortgage Relief Program). Such landlords and tenants must also comply with the following:

1. For an owner who owns more than four rental dwelling units or more than a 10 percent interest in more than four rental dwelling units, whether individually or through a business entity, in the Commonwealth, if rent is unpaid when due, the landlord shall serve upon the tenant, pursuant to § 55.1-1202, a written notice informing the tenant of the total amount due and owed. The written notice shall also inform the tenant that if the tenant provides to the landlord a signed statement certifying that the tenant has experienced additional expenses or a loss of income due to the declared state of emergency, the tenant may, but is not required to, enter into a payment plan under which the tenant shall be required to pay the total amount due and owed in equal monthly installments over a period of the lesser of six months or the time remaining under the rental agreement. The total amount due and owed under a payment plan shall not include any late fees, and no late fees shall be assessed during any time period in which a tenant is making timely payments under a payment plan. If the tenant fails to pay in full, enter into a written payment plan with the landlord, or pay any installment required by the plan, the landlord may not terminate the tenancy nor take any action to obtain possession of the dwelling unit until the provisions of

subsection 8.b. are effectuated on January 1, 2021. However, during the time the provisions of this subsection 8.a. are in effect, the landlord may proceed to obtain possession of the premises as provided in § 55.1-1251 in the event that the tenant refuses to apply for Virginia Rent Relief Program (formerly Virginia Rent and Mortgage Relief Program) assistance and refuses to cooperate with the landlord in applying for rental assistance through the Virginia Rent Relief Program (formerly Virginia Rent and Mortgage Relief Program), as described in subsection 8.a.2. below. Nothing in this subsection shall preclude a tenant from availing himself of any other rights or remedies available to him under the law, nor shall the tenant's eligibility to participate or participation in any rent relief program offered by a nonprofit organization or under the provisions of any federal, state, or local law, regulation, or action prohibit the tenant from taking advantage of the provisions of this subsection.

2. If rent is unpaid when due, or if a payment under the terms of a payment plan is unpaid when due, the landlord shall serve upon the tenant, pursuant to § 55.1-1202, a written notice informing the tenant of the Virginia Rent Relief Program (formerly Virginia Rent and Mortgage Relief Program) and information on how to reach 2-1-1 Virginia to determine any additional federal, state, and local rent relief programs. The written notice shall also inform the tenant that the owner, landlord, or owner's licensed agent will apply for rental assistance with the Virginia Rent Relief Program (formerly Virginia Rent and Mortgage Relief Program) on behalf of the tenant, or the landlord will cooperate with the tenant's application for rental assistance with the Virginia Rent Relief Program (formerly Virginia Rent and Mortgage Relief Program), or with another federal, state, or local rent relief program, by providing required documentation for such application, including the W-9 IRS form and any supporting affidavit. If the tenant refuses to apply for Virginia Rent Relief Program (formerly Virginia Rent and Mortgage Relief Program) assistance and refuses to cooperate with the landlord in applying for rental assistance through the Virginia Rent Relief Program (formerly Virginia Rent and Mortgage Relief Program), the landlord may may proceed to obtain possession of the premises as provided in § 55.1-1251 for non-payment of rent, during such time the provisions of 8.a. are in effect. Before January 1, 2021, a landlord may not terminate a tenancy nor take action to obtain possession of a dwelling unit based solely on failure to receive written approval from the Virginia Rent Relief Program (formerly Virginia Rent and Mortgage Relief Program) or any other federal, state, or local rent relief program. After the provisions of subsection 8.b. are effectuated on January 1, 2021, the landlord may terminate the tenancy or take action to obtain possession of the dwelling unit based on failure to receive written approval from the Virginia Rent Relief Program (formerly Virginia Rent and Mortgage Relief Program) or any other federal, state, or local rent relief program, but only in compliance with the applicable provisions of subsection 8.b.3. For any application by the owner, landlord, owner's licensed agent, or the tenant to the Virginia Rent Relief Program (formerly Virginia Rent and Mortgage Relief Program) or any other federal, state, or local rent relief program, the administrator of the Virginia Rent Relief Program (formerly Virginia Rent and Mortgage Relief Program) or the administrator of any other federal, state, or local rent relief program shall work diligently to process such application within fourteen days of submission of such application.

b. Beginning January 1, 2021, notwithstanding any other provision of law, upon the declaration by the Governor of a state of emergency pursuant to § 44-146.17 of the Code of Virginia in response to a communicable disease of public health threat as defined in § 44-146.16 of the Code of Virginia, no landlord shall terminate a residential tenancy, or take any action to obtain possession of a dwelling unit, for non-payment of rent due to lost income or additional expenses resulting from the declared state of emergency until such time the declared state of emergency ends, except as follows:

1. For an owner who owns four or fewer rental dwelling units in the Commonwealth, if rent is unpaid when due and the tenant fails to pay rent within fourteen days after written notice is served on him, pursuant to § 55.1-1202, notifying the tenant of his nonpayment and of the landlord's intention to obtain possession of the premises if the rent is not paid within the fourteen-day period, the landlord may proceed to obtain possession of the premises as provided in § 55.1-1251, provided that the landlord also complies with subsection 3. below.

2. For an owner who owns more than four rental dwelling units or more than a 10 percent interest in more than four rental dwelling units, whether individually or through a business entity, in the Commonwealth, if rent is unpaid when due, the landlord shall serve upon the tenant, pursuant to § 55.1-1202, a written notice informing the tenant of the total amount due and owed. The written notice shall also inform the tenant that if the tenant provides to the landlord a signed statement certifying that the tenant has experienced additional expenses or a loss of income due to the declared state of emergency, the tenant may, but is not required to, enter into a payment plan under which the tenant shall be required to pay the total amount due and owed in equal monthly installments over a period of the lesser of six months or the time remaining under the rental agreement. The total amount due and owed under a payment plan shall not include any late fees, and no late fees shall be assessed during any time period in which a tenant is making timely payments under a payment plan. The written notice shall also inform the tenant that if the tenant fails to either pay the total amount due and owed or enter into the payment plan offered, or an alternative payment arrangement acceptable to the landlord, within fourteen days of receiving the written notice from the landlord, the landlord may proceed to obtain possession of the premises as provided in § 55.1-1251. If the tenant fails to pay in full or enter into a written payment plan with the landlord within fourteen days of when the notice is served on him, the landlord may proceed to obtain possession of the premises as provided in § 55.1-1251, provided that the landlord also complies with subsection 3. below. If the tenant enters into a payment plan and, after the plan becomes effective, fails to pay any installment required by the plan within fourteen days of its due date, the landlord may proceed to obtain possession of the premises as provided in § 55.1-1251, provided that he has sent the tenant a new notice, pursuant to § 55.1-1202, advising the tenant of the landlord's intention to obtain possession of the premises unless the tenant pays the total amount due and owed as stated on the notice within fourteen days of receipt and provided that the landlord complies with subsection 3. below. The option of entering into a payment plan or alternative payment arrangement pursuant to this subdivision may only be utilized once during the time period of the rental agreement. Nothing in this subsection shall preclude a tenant from availing himself of any other rights or remedies available to him under the law, nor shall the tenant's eligibility to participate or participation in any rent relief program offered by a nonprofit organization or under the provisions of any federal, state, or local law, regulation, or action prohibit the tenant from taking advantage of the provisions of this subsection.

3. If rent is unpaid when due, or if a payment under the terms of a payment plan is unpaid when due, the landlord shall, pursuant to § 55.1-1202, Code of Virginia, serve a written notice on the tenant that informs the tenant of the Virginia Rent Relief Program (formerly Virginia Rent and Mortgage Relief Program) and provides the website address and statewide telephone number for that program. The written notice shall also provide information on how to reach 2-1-1 Virginia to determine whether there are any other available federal, state and local rent relief programs. The written notice shall also inform the tenant that the owner, landlord, or owner's licensed agent shall apply for rental assistance on the tenant's behalf within 14 days of serving the notice on the tenant, unless the tenant pays in full, enters into a payment plan or informs the landlord that they have already applied for rental assistance. The landlord shall apply for rental assistance on behalf of the tenant no later than 14 days after serving the written notice on the tenant, unless they receive the full amount owed by the tenant or confirmation from the tenant that the tenant has applied for rental assistance before the 14th day, or they have entered into a payment plan with the tenant. If the tenant has applied for rental assistance, the landlord shall cooperate with the tenant's application, by providing all information and documentation required to complete the application, including but not limited to the W-9 IRS form and any supporting affidavits. In an initial application, if the landlord or the tenant does not receive written approval from the Virginia Rent Relief Program (formerly Virginia Rent and Mortgage Relief Program) or any other federal, state, or local rent relief program within forty-five days of when the application for assistance is made by the tenant or the landlord, the landlord may proceed to obtain possession of the premise as provided in § 55.1-1251. For any subsequent application, if the landlord or tenant does not receive written approval from the Virginia Rent Relief Program (formerly Virginia Rent and Mortgage Relief Program) or any other federal, state, or local

rent relief program within fourteen days of submission of the subsequent application, the landlord may proceed to obtain possession of the premises as provided in § 55.1-1251. If a tenant who has not paid in full or entered into a payment plan with the landlord within 14 days after the written notice is served refuses to apply for rental assistance and also refuses to cooperate with the landlord in providing information and documentation required to complete the application made by the landlord, or if such tenant is determined ineligible for rental assistance, or there are no longer funds available through any federal, state or local rental assistance program, the landlord may take action to obtain possession of the tenant's dwelling unit as provided in § 55.1-1251, Code of Virginia.

c. If a landlord reports to a consumer reporting agency or debt collector regarding a tenant who is participating in the repayment plan or receiving assistance from a federal, state, or local rent relief program, the landlord shall report the account as "current" in accordance with the Public Law 116-136: Coronavirus Aid, Relief, and Economic Security Act.

d. If a tenant is complying with a written payment plan with the landlord or has resolved any non-payment of rent, the landlord cannot take any action to obtain possession of a dwelling unit for non-payment of rent.

e. Nothing in this section relieves either the landlord or the tenant from their obligations to maintain the dwelling as those obligations are set forth in Article 2 and Article 3 of Chapter 12 of Title 55.1.

f. Nothing in this section shall void any judgment for possession validly obtained by a landlord prior to November 18, 2020; however, a landlord shall not initiate, maintain, or advance any legal process to obtain possession of a dwelling unit for non-payment of the rent unless the landlord complies with the provisions of this Section 8.

9. That §§ 8.01-3, 24.2-306, 24.2-309.2, 30-263, 30-264, and 30-265 of the Code of Virginia are amended and reenacted and that the Code of Virginia is amended by adding in Title 30 a chapter numbered 62 consisting of sections numbered 30-391 through 30-400 as follows:

§ 8.01-3. Supreme Court may prescribe rules; effective date and availability; indexed, and annotated; effect of subsequent enactments of General Assembly.

A. The Supreme Court, subject to §§ 17.1-503 and 16.1-69.32, may, from time to time, prescribe the forms of writs and make general regulations for the practice in all courts of the Commonwealth; and may prepare a system of rules of practice and a system of pleading and the forms of process and may prepare rules of evidence to be used in all such courts. This section shall be liberally construed so as to eliminate unnecessary delays and expenses.

B. The Supreme Court, subject to § 30-399, shall enact rules and procedures as may be necessary for implementing the requirements of Article II, Section 6-A of the Constitution of Virginia, empowering the Supreme Court to establish congressional or state legislative districts as provided for in that section.

C. New rules and amendments to rules shall not become effective until 60 days from adoption by the Supreme Court, and shall be made available to all courts, members of the bar, and the public.

D. The Virginia Code Commission shall publish and cause to be properly indexed and annotated the rules adopted by the Supreme Court, and all amendments thereof by the Court, and all changes made therein pursuant to subsection E.

E. The General Assembly may, from time to time, by the enactment of a general law, modify or annul any rules adopted or amended pursuant to this section. In the case of any variance between a rule and an enactment of the General Assembly such variance shall be construed so as to give effect to such enactment.

F. Any amendment or addition to the rules of evidence shall be adopted by the Supreme Court on or before November 15 of any year and shall become effective on July 1 of the following year unless the General Assembly modifies or annuls any such amendment or addition by enactment of a general law. Notwithstanding the foregoing, the Supreme Court, at any time, may amend the rules to conform with any enactment of the General Assembly and correct unmistakable printer's errors, misspellings, unmistakable errors to statutory cross-references, and other unmistakable errors in the rules of evidence.

G. When any rule contained in the rules of evidence is derived from one or more sections of the Code of Virginia, the Supreme Court shall include a citation to such section or sections in the title of the rule.

§ 24.2-306. Changes not to be enacted within 60 days of general election; notice requirements.

A. No change in any local election district, precinct, or polling place shall be enacted within 60 days next preceding any general election. Notice shall be published prior to enactment in a newspaper having general circulation in the election district or precinct once a week for two successive weeks. The published notice shall state where descriptions and maps of proposed boundary and polling place changes may be inspected.

B. Notice of any adopted change in any election district, town, precinct, or polling place other than in the location of the office of the general registrar shall be mailed to all registered voters whose election district, town, precinct, or polling place is changed at least 15 days prior to the next general, special, or primary election in which the voters will be voting in the changed election district, town, precinct, or polling place. Notice of a change in the location of the office of the general registrar shall be given by posting on the official website of the county or city, by posting at not less than 10 public places, or by publication once in a newspaper of general circulation in the county or city within not more than 21 days in advance of the change or within seven days following the change.

C. Each county, city, and town shall comply with the applicable requirements of law, including §§ 24.2-304.3 and 30-395, and send copies of enacted changes, including a Geographic Information System (GIS) map showing the new boundaries of the districts or precincts, to the local electoral board, the Department, and the Division of Legislative Services. Any county, city, or town that does not have GIS capabilities may request the Department of Elections to create on its behalf a GIS map showing the boundaries of the new districts or precincts, and the Department of Elections shall create such a map.

§ 24.2-309.2. Election precincts; prohibiting precinct changes for specified period of time.

No county, city, or town shall create, divide, abolish, or consolidate any precincts, or otherwise change the boundaries of any precinct, effective during the period from February 1, 2019, to May 15, 2021, except as (i) provided by law upon a change in the boundaries of the county, city, or town, (ii) the result of a court order, (iii) the result of a change in the form of government, or (iv) the result of an increase or decrease in the number of local election districts other than at-large districts. Any ordinance required to comply with the requirements of § 24.2-307 shall be adopted on or before February 1, 2019.

If a change in the boundaries of a precinct is required pursuant to clause (i), (ii), (iii), or (iv), the county, city, or town shall comply with the applicable requirements of law, including §§ 24.2-304.3 and 30-395, and send copies of the ordered or enacted changes to the State Board of Elections and the Division of Legislative Services.

This section shall not prohibit any county, city, or town from adopting an ordinance revising precinct boundaries after January 1, 2021. However, no revisions in precinct boundaries shall be implemented in the conduct of elections prior to May 15, 2021.

§ 30-263. Joint Reapportionment Committee; membership; terms; quorum; compensation and expenses.

A. The Joint Reapportionment Committee (the Joint Committee) is established in the legislative branch of state government. The Joint Committee shall consist of five members of the Committee on Privileges and Elections of the House of Delegates and three members of the Committee on Privileges and Elections of the Senate appointed by the respective chairmen of the two committees. Members shall serve terms coincident with their terms of office.

B. The Joint Committee shall elect a chairman and vice-chairman from among its membership. A majority of the members of the Joint Committee shall constitute a quorum. The meetings of the Joint Committee shall be held at the call of the chairman or whenever the majority of the members so request.

C. The Joint Committee shall supervise activities required for the tabulation of population for the census and for the timely reception of precinct population data for reapportionment.

D. Members shall receive such compensation as provided in § 30-19.12 and shall be reimbursed for all reasonable and necessary expenses incurred in the performance of their duties as provided in §§ 2.2-2813 and 2.2-2825. Funding for the costs of compensation and expenses of the members shall be provided by the Office of the Clerk of the House of Delegates and the Office of Clerk of the Senate for their respective members.

§ 30-264. Staff to Joint Reapportionment Committee.

The Division of Legislative Services shall serve as staff to the Joint Reapportionment Committee.

§ 30-265. Reapportionment of congressional and state legislative districts; United States Census population counts.

For the purposes of redrawing the boundaries of the congressional, state Senate, and House of Delegates districts after the United States Census for the year 2020 and every 10 years thereafter, the Virginia Redistricting Commission established pursuant to Chapter 62 of Title 30 shall use the population data provided by the United States Bureau of the Census, as adjusted by the Division of Legislative Services pursuant to § 24.2-314. The census data used for this apportionment purpose shall not include any population figure which is not allocated to specific census blocks within the Commonwealth, even though that population may have been included in the apportionment population figures of the Commonwealth for the purpose of allocating United States House of Representatives seats among the states.

CHAPTER 62.

VIRGINIA REDISTRICTING COMMISSION.

§ 30-391. Virginia Redistricting Commission.

A. The Virginia Redistricting Commission is established in the legislative branch of state government. It shall be convened in the year 2020 and every 10 years thereafter for the purpose of establishing districts for the United States House of Representatives and for the Senate and the House of Delegates of the General Assembly.

B. As used in this chapter:

"Census data" means the population data received from the United States Bureau of the Census pursuant to P.L. 94-171.

"Commission" means the Virginia Redistricting Commission established pursuant to this chapter.

"Committee" means the Redistricting Commission Selection Committee established pursuant to § 30-393.

"Partisan public office" means (i) an elective or appointive office in the executive or legislative branch or in an independent establishment of the federal government; (ii) an elective office in the executive or legislative branch of the government of the Commonwealth, or an office that is filled by appointment and is exempt from the Virginia Personnel Act (§ 2.2-2900 et seq.); or (iii) an office of a county, city, or other political subdivision of the Commonwealth that is filled by an election process involving nomination and election of candidates on a partisan basis.

"Political party office" means an elective office in the national or state organization of a political party, as defined in § 24.2-101.

§ 30-392. Membership; terms; vacancies; chairman; quorum; compensation and expenses.

A. The Virginia Redistricting Commission shall consist of 16 commissioners that include eight legislative commissioners and eight citizen commissioners as follows: two commissioners shall be members of the Senate of Virginia, representing the political party having the highest number of members in the Senate and appointed by the President pro tempore of the Senate; two commissioners shall be members of the Senate, representing the political party having the next highest number of members in the Senate and appointed by the leader of that political party; two commissioners shall be members of the House of Delegates, representing the political party having the highest number of members in the House of Delegates and appointed by the Speaker of the House of Delegates; two commissioners shall be members of the House of Delegates, representing the political party having the next highest number of members in the House of Delegates and appointed by the leader of that political party; and eight citizen commissioners who shall be selected by the Redistricting Commission Selection Committee pursuant to § 30-394. No appointing authority shall appoint himself to serve as a legislative commissioner or a citizen commissioner.

B. Legislative commissioners selected to serve as commissioners of the Commission shall be appointed by the respective authorities no later than December 1 of the year ending in zero and shall continue to serve until their successors are appointed. In making its appointments, the appointing authorities shall endeavor to have their appointees reflect the racial, ethnic, geographic, and gender diversity of the Commonwealth. Appointments to fill vacancies, other than by expiration of a term, shall be for the unexpired terms. Vacancies shall be filled in the same manner as the original appointment, such that the proper partisan balance of the Commission is maintained.

C. Citizen commissioners selected to serve as commissioners of the Virginia Redistricting Commission shall be selected by the Redistricting Commission Selection Committee as provided in § 30-394. In making its selections, the Committee shall ensure the citizen commissioners are, as a whole, representative of the racial, ethnic, geographic, and gender diversity of the Commonwealth. Citizen commissioners shall be appointed no later than January 15 of the year ending in one and shall continue to serve until their successors are appointed. Appointments to fill vacancies, other than by expiration of a term, shall be for the unexpired terms. Vacancies shall be filled by the Commission selecting a replacement from the list submitted pursuant to subsection E of § 30-394 from which the commissioner being replaced was selected and shall require an affirmative vote of a majority of the commissioners, including at least one commissioner representing or affiliated with each political party.

D. Legislative commissioners shall receive such compensation as provided in § 30-19.12, and citizen commissioners shall receive such compensation as provided in § 2.2-2813 for their services. All members shall be reimbursed for all reasonable and necessary expenses incurred in the performance of their duties as provided in §§ 2.2-2813 and 2.2-2825. All such compensation and expense payments shall come from existing appropriations to the Commission.

E. By February 1 of the year ending in one, the Commission shall hold a public meeting at which it shall select a chairman from its membership. The chairman shall be a citizen commissioner and shall be responsible for coordinating the work of the Commission. A majority of the commissioners appointed, which majority shall include a majority of the legislative commissioners and a majority of the citizen commissioners, shall constitute a

quorum.

F. All meetings and records of the Commission shall be subject to the Virginia Freedom of Information Act (§ 2.2-3700 et seq.), except as provided in subsection E of § 30-394. All records and documents of the Commission, or any individual or group performing delegated functions of or advising the Commission, related to the Commission's work, including internal communications and communications from outside parties, shall be considered public information.

G. Commissioners, staff of the Commission, and any other advisor or consultant to the Commission shall not communicate with any person outside the Commission about matters related to reapportionment or redistricting outside of a public meeting or hearing. Written public comments submitted to the Commission, staff of the Commission, or any other advisor or consultant to the Commission shall not be a violation of this subsection.

H. In the event the Commission hires a lawyer or law firm, the Commission as an entity shall be considered the client of the lawyer or the law firm. No individual commissioner or group of commissioners shall be considered to be the client of the lawyer or the law firm.

I. Notwithstanding paragraph G. above or any other provision of law, the Chairs of the Virginia Redistricting Commission shall keep the Senate President Pro Tempore, the Senate Minority Leader, the Speaker of the House of Delegates, the House Minority Leader, and the Governor informed about the timing of availability of United States Bureau of the Census data as it relates to the tabulation of the population for reapportionment purposes pursuant to P.L. 94-171, and options for redistricting and its impact on elections for the House of Delegates.

§ 30-393. Redistricting Commission Selection Committee; chairman; quorum; compensation and expenses.

A. There shall be a Redistricting Commission Selection Committee established for the purpose of selecting the citizen commissioners of the Virginia Redistricting Commission. This committee shall consist of five retired judges of the circuit courts of Virginia.

B. By November 15 of the year ending in zero, the Chief Justice of the Supreme Court of Virginia shall certify to the Speaker of the House of Delegates, the leader in the House of Delegates of the political party having the next highest number of members in the House of Delegates, the President pro tempore of the Senate of Virginia, and the leader in the Senate of Virginia of the political party having the next highest number of members in the Senate of Virginia a list of at least 10 retired judges of the circuit courts of Virginia who are willing to serve on the Committee, and no retired judge who is a parent, spouse, child, sibling, parent-in-law, child-in-law, or sibling-in-law of, or a cohabitating member of a household with, a member of the Congress of the United States or of the General Assembly shall be included in such list. In compiling this list, the Chief Justice shall give consideration to the racial, ethnic, geographic, and gender diversity of the Commonwealth. These members shall each select a judge from the list and shall promptly, but not later than November 20, communicate their selection to the Chief Justice, who shall immediately notify the four judges selected. In making their selections, the members shall give consideration to the racial, ethnic, geographic, and gender diversity of the Commonwealth. Within three days of being notified of their selection, the four judges shall select, by a majority vote, a judge from the list prescribed herein to serve as the fifth member of the Committee, who shall serve as the chairman of the Committee.

A majority of the Committee members, which majority shall include the chairman, shall constitute a quorum.

The judges of the Committee shall serve until their successors are appointed. If a judge cannot, for any reason, complete his term, the remaining judges shall select a replacement from the list prescribed herein.

C. Members of the Committee shall receive compensation for their services and shall be allowed all reasonable and necessary expenses incurred in the performance of their duties as provided in §§ 2.2- 2813 and 2.2-2825. The compensation and expenses of members and all other necessary expenses of the Committee shall be provided from

existing appropriations to the Commission.

D. All meetings and records of the Committee shall be subject to the Virginia Freedom of Information Act (§ 2.2-3700 et seq.), except as provided in subsection E of § 30-394.

E. Notwithstanding the provisions of § 1-210 regarding the computation of time, if an act required by this section is to be performed on a Saturday, Sunday, or legal holiday, or any day or part of a day on which the government office where the act to be performed is closed, the act required shall be performed on the first business day immediately preceding the Saturday, Sunday, or legal holiday, or day on which the government office is closed.

F. Notwithstanding paragraph C. above, or any other provision of law, the daily compensation and reimbursement for reasonable and necessary expenses for legislative and non-legislative members of the Virginia Redistricting Commission for attendance at an official meeting shall be set at the same amounts provided for legislative members in paragraphs B.4.d. and B.5. of Item 1 of the this act.

§ 30-394. Citizen commissioners; application process; qualifications; selection.

A. Within three days following the selection of the fifth member of the Committee, the Committee shall adopt an application and process by which residents of the Commonwealth may apply to serve on the Commission as citizen commissioners. The Division of Legislative Services shall assist the Committee in the development of the application and process.

The application for service on the Commission shall require applicants to provide personal contact information and information regarding the applicant's race, ethnicity, gender, age, date of birth, education, and household income. The application shall require an applicant to disclose, for the period of three years immediately preceding the application period, the applicant's (i) voter registration status; (ii) preferred political party affiliation, if any, and any political party primary elections in which he has voted; (iii) history of any partisan public offices or political party offices held or sought; (iv) employment history, including any current or prior employment with the Congress of the United States or one of its members, the General Assembly or one of its members, any political party, or any campaign for a partisan public office, including a volunteer position; and (v) relevant leadership experience or involvements with professional, social, political, volunteer, and community organizations and causes.

The application shall require an applicant to disclose information regarding the partisan activities and employment history of the applicant's parent, spouse, child, sibling, parent-in-law, child-in-law, or sibling-in-law, or any person with whom the applicant is a cohabitating member of a household, for the period of three years immediately preceding the application period.

The Committee may require applicants to submit three letters of recommendation from individuals or organizations.

The application process shall provide for both paper and electronic or online applications. The Committee shall cause to be advertised throughout the Commonwealth information about the Commission and how interested persons may apply.

B. To be eligible for service on the Commission, a person shall have been a resident of the Commonwealth and a registered voter in the Commonwealth for three years immediately preceding the application period. He shall have voted in at least two of the previous three general elections. No person shall be eligible for service on the Commission who:

1. Holds, has held, or has sought partisan public office or political party office;

2. Is employed by or has been employed by a member of the Congress of the United States or of the General Assembly or is employed directly by or has been employed directly by the United States Congress or by the General Assembly;

3. Is employed by or has been employed by any federal, state, or local campaign;

4. Is employed by or has been employed by any political party or is a member of a political party central committee;

5. Is a lobbyist registered pursuant to Article 3 (§ 2.2-418 et seq.) of Chapter 4 of Title 2.2 or a lobbyist's principal as defined in § 2.2-419 or has been such a lobbyist or lobbyist's principal in the previous five years; or

6. Is a parent, spouse, child, sibling, parent-in-law, child-in-law, or sibling-in-law of a person described in subdivisions 1 through 5, or is a cohabitating member of a household with such a person.

C. The application period shall begin no later than December 1 of the year ending in zero and shall end four weeks after the beginning date. During this period, interested persons shall submit a completed application and any required documentation to the Division of Legislative Services. All applications shall be reviewed by the Division of Legislative Services to ensure an applicant's eligibility for service pursuant to subsection B, and any applicant who is ineligible for service shall be removed from the applicant pool.

The Division of Legislative Services shall make available the application for persons to use when submitting a paper application and shall provide electronic access for electronic submission of applications.

D. Within two days of the close of the application period, the Division of Legislative Services shall provide to the Speaker of the House of Delegates, the leader in the House of Delegates of the political party having the next highest number of members in the House of Delegates, the President pro tempore of the Senate of Virginia, and the leader in the Senate of Virginia of the political party having the next highest number of members in the Senate of Virginia the applications and documentation submitted by those applicants who are eligible for service on the Commission pursuant to subsection B and submitted complete applications, including any required documentation.

E. By January 1 of the year ending in one, those persons receiving the applications pursuant to subsection D shall each submit to the Committee a list of at least 16 citizen candidates for service on the Commission. In selecting citizen candidates, they shall give consideration to the racial, ethnic, geographic, and gender diversity of the Commonwealth.

They shall notify the Division of Legislative Services of the citizen candidates submitted to the Committee for consideration, and the Division of Legislative Services shall promptly provide to the Committee the applications and documentation for each citizen candidate being considered. Only the applications and documentation for each citizen candidate shall be maintained as public records.

F. Within two weeks of receipt of the lists of citizen candidates and related materials pursuant to subsection E, but no later than January 15, the Committee shall select, by a majority vote in a public meeting, two citizen members from each list submitted. In making its selections, the Committee shall ensure the citizen commissioners are, as a whole, representative of the racial, ethnic, geographic, and gender diversity of the Commonwealth. The Committee shall promptly notify those eight citizens of their selection to serve as a citizen commissioner of the Commission.

No member of the Committee shall communicate with a member of the General Assembly or the United States Congress, or any person acting on behalf of a member of the General Assembly or the United States Congress, about any matter related to the selection of citizen commissioners after receipt of the lists submitted pursuant to subsection E.

G. Notwithstanding the provisions of § 1-210 regarding the computation of time, if an act required by this section is to be performed on a Saturday, Sunday, or legal holiday, or any day or part of a day on which the government office where the act to be performed is closed, the act required shall be performed on the first business day immediately preceding the Saturday, Sunday, or legal holiday, or day on which the government office is closed.

§ 30-395. Staff to Virginia Redistricting Commission; census liaison.

A. The Division of Legislative Services shall provide staff support to the Commission. Staff shall perform those duties assigned to it by the Commission. The Director of the Division of Legislative Services, or his designated representative, shall serve as the state liaison with the United States Bureau of the Census on matters relating to the tabulation of the population for reapportionment purposes pursuant to P.L. 94-171. The governing bodies, electoral boards, and registrars of every county and municipality shall cooperate with the Division of Legislative Services in the exchange of all statistical and other information pertinent to preparation for the census.

B. The Division of Legislative Services shall maintain the current election district and precinct boundaries of each county and city as a part of the Commission's computer-assisted mapping and redistricting system. Whenever a county or city governing body adopts an ordinance that changes an election district or precinct boundary, the local governing body shall provide a copy of its ordinance, along with Geographic Information System (GIS) maps and other evidence documenting the boundary, to the Division of Legislative Services.

C. The provisions of Article 2 (§ 24.2-302 et seq.) of Chapter 3 of Title 24.2, including the statistical reports referred to in that article, shall be controlling in any legal determination of a district boundary.

§ 30-396. Public participation in redistricting process.

A. All meetings and hearings held by the Commission shall be adequately advertised and planned to ensure the public is able to attend and participate fully. Meetings and hearings shall be advertised in multiple languages as practicable and appropriate.

B. Prior to proposing any plan for districts for the United States House of Representatives, the Senate, or the House of Delegates and prior to voting to submit such plans to the General Assembly, the Commission shall hold at least three public hearings in order to receive and consider comments from the public. Public hearings may be held virtually and any public hearings that are held in person shall be conducted in different parts of the Commonwealth.

C. The Commission shall establish and maintain a website or other equivalent electronic platform. The website shall be available to the general public and shall be used to disseminate information about the Commission's activities. The website shall be capable of receiving comments and proposals by citizens of the Commonwealth. Prior to voting on any proposed plan, the Commission shall publish the proposed plans on the website.

D. All data used by the Commission in the drawing of districts shall be available to the public on its website. Such data, including census data, precinct maps, election results, and shapefiles, shall be posted within three days of receipt by the Commission.

§ 30-397. Proposal and submission of plans for districts.

A. The Commission shall submit to the General Assembly plans for districts for the Senate and the House of Delegates of the General Assembly no later than 45 days following the receipt of census data.

To be submitted as a proposed plan for districts for members of the Senate, a plan shall receive affirmative votes of at least six of the eight legislative commissioners, including at least three of the four legislative commissioners who are members of the Senate, and at least six of the eight citizen commissioners.

To be submitted as a proposed plan for districts for members of the House of Delegates, a plan shall receive affirmative votes of at least six of the eight legislative commissioners, including at least three of the four legislative commissioners who are members of the House of Delegates, and at least six of the eight citizen commissioners.

B. The Commission shall submit to the General Assembly plans for districts for the United States House of Representatives no later than 60 days following the receipt of census data or by the first day of July of that year, whichever occurs first.

To be submitted as a proposed plan for districts for members of the United States House of Representatives, a plan shall receive affirmative votes of at least six of the eight legislative commissioners and at least six of the eight citizen commissioners.

C. If the Commission fails to submit a plan for districts by the deadline set forth in subsection A or B, the Commission shall have 14 days following its initial failure to submit a plan to the General Assembly. If the Commission fails to submit a plan for districts to the General Assembly by this date, the districts shall be established by the Supreme Court of Virginia pursuant to § 30-399.

D. All plans submitted pursuant to this section shall comply with the criteria and standards set forth in § 24.2-304.04.

§ 30-398. Consideration of plans by the General Assembly; timeline.

A. All plans for districts for the Senate and the House of Delegates shall be embodied in and voted on as a single bill.

B. All bills embodying plans for districts for the United States House of Representatives, the Senate, or the House of Delegates shall be voted on by the General Assembly in accordance with the provisions of Article IV, Section 11 of the Constitution of Virginia, except no amendments shall be permitted. All bills embodying a plan that are approved by both houses shall become law without the signature of the Governor and, pursuant to Article II, Section 6 of the Constitution of Virginia, shall take effect immediately.

C. Within 15 days of receipt of any plan for districts, the General Assembly shall take a vote on a bill embodying such plan. If the General Assembly fails to adopt the bill by this deadline, the Commission shall submit a new plan for districts within 14 days of the General Assembly's failure to adopt the bill. Within seven days of receipt of such plan, the General Assembly shall take a vote on the bill embodying the plan, and if the General Assembly fails to adopt the plan by this deadline, the districts shall be established by the Supreme Court of Virginia pursuant to § 30-399.

D. If the Commission submits a plan for districts pursuant to subsection C of § 30-397, the General Assembly shall take a vote on such plan within seven days of its receipt. If the General Assembly fails to adopt the plan by this deadline, the districts shall be established by the Supreme Court of Virginia pursuant to § 30-399.

§ 30-399. Establishment of districts by the Supreme Court of Virginia.

A. In the event the Commission fails to submit a plan for districts by the deadline set forth in subsection A or B of § 30-397, or the General Assembly fails to adopt a plan for districts by the deadline set forth in subsection C or D of § 30-398, the Supreme Court of Virginia (the Court) shall be responsible for establishing the districts.

B. The Court shall, not later than March 1 of a year ending in one, enact rules and procedures as may be necessary for implementing the requirements of Article II, Section 6-A of the Constitution of Virginia, empowering the Court to establish congressional or state legislative districts as provided for in that section. In enacting such rules and

procedures, the Court shall follow the provisions of this section.

C. Public participation in the Court's redistricting deliberations shall be permitted. Such public participation may be through briefings, written submissions, hearings in open court, or any other means as may be prescribed by the Court.

D. The Division of Legislative Services shall make available staff support and technical assistance to the Court to perform those duties as may be requested or assigned to it by the Court.

E. Any plan for congressional or state legislative districts established by the Court shall adhere to the standards and criteria for districts set forth in Article II, Section 6 of the Constitution of Virginia and § 24.2-304.04.

F. The Court shall appoint two special masters to assist the Court in the establishment of districts. The two special masters shall work together to develop any plan to be submitted to the Court for its consideration.

Within one week of the Commission's failure to submit plans or the General Assembly's failure to adopt plans, the leaders in the House of Delegates having the highest and next highest number of members in the House of Delegates and the leaders in the Senate of Virginia having the highest and next highest number of members in the Senate of Virginia shall each submit to the Court a list of three or more nominees, along with a brief biography and resume for each nominee, including the nominee's particular expertise or experience relevant to redistricting. The Court shall then select, by a majority vote, one special master from the lists submitted by the legislative leaders of the political party having the highest number of members in their respective chambers and one special master from the lists submitted by the legislative leaders of the political party having the next highest number of members in their respective chambers. The persons appointed to serve as special masters shall have the requisite qualifications and experience to serve as a special master and shall have no conflicts of interest. In making its appointments, the Court shall consider any relevant redistricting experience in the Commonwealth and any practical or academic experience in the field of redistricting. The Court shall be reimbursed by the Commonwealth for all costs, including fees and expenses, related to the appointment or work of the special master from funds appropriated for this purpose.

G. Any justice who is a parent, spouse, child, sibling, parent-in-law, child-in-law, or sibling-in- law of, or a cohabitating member of a household with, a member of the Congress of the United States or of the General Assembly shall recuse himself from any decision made pursuant to this section, and no senior justice designated pursuant to § 17.1-302 shall be assigned to the case or matter to serve in his place.

§ 30-400. Remedial redistricting plans.

If any congressional or state legislative district established pursuant to this chapter or the provisions of Article II, Sections 6 and 6-A of the Constitution of Virginia is declared unlawful or unconstitutional, in whole or in part, by order of any state or federal court, the Commission shall be convened to determine and propose a redistricting plan to remedy the unlawful or unconstitutional district.

10. That an emergency exists and the provisions of Enactment 9 of this act shall become effective on November 15, 2020, contingent upon the passage of an amendment to the Constitution of Virginia on the Tuesday after the first Monday in November 2020, establishing the Virginia Redistricting Commission by amending Section 6 of Article II and adding in Article II a new section numbered 6-A. If such amendment is not approved by the voters, the provisions of this act shall not become effective.

11. That §§ 58.1-301, 58.1-322.02, 58.1-322.03, and 58.1-402 of the Code of Virginia are amended and reenacted as follows:

§ 58.1-301. Conformity to Internal Revenue Code.

A. Any term used in this chapter shall have the same meaning as when used in a comparable context in the laws of the United States relating to federal income taxes, unless a different meaning is clearly required.

B. Any reference in this chapter to the laws of the United States relating to federal income taxes shall mean the provisions of the Internal Revenue Code of 1954, and amendments thereto, and other provisions of the laws of the United States relating to federal income taxes, as they existed on December 31, 2020, except for:

1. The special depreciation allowance for certain property provided for under §§ 168(k), 168(l), 168(m), 1400L, and 1400N of the Internal Revenue Code;

2. The carry-back of certain net operating losses for five years under § 172(b)(1)(H) of the Internal Revenue Code;

3. The original issue discount on applicable high yield discount obligations under § 163(e)(5)(F) of the Internal Revenue Code;

4. The deferral of certain income under § 108(i) of the Internal Revenue Code. For Virginia income tax purposes, income from the discharge of indebtedness in connection with the reacquisition of an "applicable debt instrument" (as defined under § 108(i) of the Internal Revenue Code) reacquired in the taxable year shall be fully included in the taxpayer's Virginia taxable income for the taxable year, unless the taxpayer elects to include such income in the taxpayer's Virginia taxable income ratably over a three-taxable-year period beginning with taxable year 2009 for transactions completed in taxable year 2009, or over a three-taxable-year period beginning with taxable year 2010 for transactions completed in taxable year 2010 on or before April 21, 2010. For purposes of such election, all other provisions of § 108(i) of the Internal Revenue Code shall apply mutatis mutandis. No other deferral shall be allowed for income from the discharge of indebtedness in connection with the reacquisition of an "applicable debt instrument";

5. For taxable years beginning on and after January 1, 2019, the suspension of the overall limitation on itemized deductions under § 68(f) of the Internal Revenue Code;

6. For taxable years beginning on and after January 1, 2017, but before January 1, 2018, and for taxable years beginning on and after January 1, 2019, the 7.5 percent of federal adjusted gross income threshold set forth in § 213(a) of the Internal Revenue Code that is used for purposes of computing the deduction allowed for expenses for medical care pursuant to § 213 of the Internal Revenue Code. For such taxable years, the threshold utilized for Virginia income tax purposes to compute the deduction allowed for expenses for medical care pursuant to § 213 of the Internal Revenue Code shall be 10 percent of federal adjusted gross income;

7. The provisions of §§ 2303(a) and 2303(b) of the federal Coronavirus Aid, Relief, and Economic Security Act, P.L. 116-136 (2020), related to the net operating loss limitation and carryback;

8. The provisions of § 2304(a) of the federal Coronavirus Aid, Relief, and Economic Security Act, P.L. 116-136 (2020), related to a loss limitation applicable to taxpayers other than corporations;

9. The provisions of § 2306 of the federal Coronavirus Aid, Relief, and Economic Security Act, P.L. 116-136 (2020), related to the limitation on business interest; and

10. The provisions of §§ 276(a), 276(b)(2), 276(b)(3), 278(a)(2), 278(a)(3), 278(b)(2), 278(b)(3), 278(c)(2), 278(c)(3), 278(d)(2), and 278(d)(3) of the federal Consolidated Appropriations Act, P.L. 116-260 (2020), related to deductions, tax attributes, and basis increases for certain loan forgiveness and other business financial assistance.

The Department of Taxation is hereby authorized to develop procedures or guidelines for implementation of the provisions of this section, which procedures or guidelines shall be exempt from the provisions of the

Administrative Process Act (§ 2.2-4000 et seq.).

§ 58.1-322.02. Virginia taxable income; subtractions.

In computing Virginia taxable income pursuant to § 58.1-322, to the extent included in federal adjusted gross income, there shall be subtracted:

1. Income derived from obligations, or on the sale or exchange of obligations, of the United States and on obligations or securities of any authority, commission, or instrumentality of the United States to the extent exempt from state income taxes under the laws of the United States, including, but not limited to, stocks, bonds, treasury bills, and treasury notes but not including interest on refunds of federal taxes, interest on equipment purchase contracts, or interest on other normal business transactions.

2. Income derived from obligations, or on the sale or exchange of obligations, of the Commonwealth or of any political subdivision or instrumentality of the Commonwealth.

3. Benefits received under Title II of the Social Security Act and other benefits subject to federal income taxation solely pursuant to § 86 of the Internal Revenue Code.

4. Up to $20,000 of disability income, as defined in § 22(c)(2)(B)(iii) of the Internal Revenue Code; however, any person who claims a deduction under subdivision 5 of § 58.1-322.03 may not also claim a subtraction under this subdivision.

5. The amount of any refund or credit for overpayment of income taxes imposed by the Commonwealth or any other taxing jurisdiction.

6. The amount of wages or salaries eligible for the federal Work Opportunity Credit which was not deducted for federal purposes on account of the provisions of § 280C(a) of the Internal Revenue Code.

7. Any amount included therein less than $600 from a prize awarded by the Virginia Lottery.

8. The wages or salaries received by any person for active and inactive service in the National Guard of the Commonwealth of Virginia, not to exceed the amount of income derived from 39 calendar days of such service or $3,000, whichever amount is less; however, only those persons in the ranks of O3 and below shall be entitled to the deductions specified in this subdivision.

9. Amounts received by an individual, not to exceed $1,000 for taxable years beginning on or before December 31, 2019, and $5,000 for taxable years beginning on or after January 1, 2020, as a reward for information provided to a law-enforcement official or agency, or to a nonprofit corporation created exclusively to assist such law-enforcement official or agency, in the apprehension and conviction of perpetrators of crimes. This subdivision shall not apply to the following: an individual who is an employee of, or under contract with, a law-enforcement agency, a victim or the perpetrator of the crime for which the reward was paid, or any person who is compensated for the investigation of crimes or accidents.

10. The amount of "qualified research expenses" or "basic research expenses" eligible for deduction for federal purposes, but which were not deducted, on account of the provisions of § 280C(c) of the Internal Revenue Code and which shall be available to partners, shareholders of S corporations, and members of limited liability companies to the extent and in the same manner as other deductions may pass through to such partners, shareholders, and members.

11. Any income received during the taxable year derived from a qualified pension, profit-sharing, or stock bonus plan as described by § 401 of the Internal Revenue Code, an individual retirement account or annuity established

under § 408 of the Internal Revenue Code, a deferred compensation plan as defined by § 457 of the Internal Revenue Code, or any federal government retirement program, the contributions to which were deductible from the taxpayer's federal adjusted gross income, but only to the extent the contributions to such plan or program were subject to taxation under the income tax in another state.

12. Any income attributable to a distribution of benefits or a refund from a prepaid tuition contract or savings trust account with the Virginia College Savings Plan, created pursuant to Chapter 7 (§ 23.1-700 et seq.) of Title 23.1. The subtraction for any income attributable to a refund shall be limited to income attributable to a refund in the event of a beneficiary's death, disability, or receipt of a scholarship.

13. All military pay and allowances, to the extent included in federal adjusted gross income and not otherwise subtracted, deducted, or exempted under this section, earned by military personnel while serving by order of the President of the United States with the consent of Congress in a combat zone or qualified hazardous duty area that is treated as a combat zone for federal tax purposes pursuant to § 112 of the Internal Revenue Code.

14. For taxable years beginning before January 1, 2015, the gain derived from the sale or exchange of real property or the sale or exchange of an easement to real property which results in the real property or the easement thereto being devoted to open-space use, as that term is defined in § 58.1-3230, for a period of time not less than 30 years. To the extent that a subtraction is taken in accordance with this subdivision, no tax credit under this chapter for donating land for its preservation shall be allowed for three years following the year in which the subtraction is taken.

15. Fifteen thousand dollars of military basic pay for military service personnel on extended active duty for periods in excess of 90 days; however, the subtraction amount shall be reduced dollar-for-dollar by the amount by which the taxpayer's military basic pay exceeds $15,000 and shall be reduced to zero if such military basic pay amount is equal to or exceeds $30,000.

16. The first $15,000 of salary for each federal and state employee whose total annual salary from all employment for the taxable year is $15,000 or less.

17. Unemployment benefits taxable pursuant to § 85 of the Internal Revenue Code.

18. Any amount received as military retirement income by an individual awarded the Congressional Medal of Honor.

19. Items of income attributable to, derived from, or in any way related to (i) assets stolen from, hidden from, or otherwise lost by an individual who was a victim or target of Nazi persecution or (ii) damages, reparations, or other consideration received by a victim or target of Nazi persecution to compensate such individual for performing labor against his will under the threat of death, during World War II and its prelude and direct aftermath. This subtraction shall not apply to assets acquired with such items of income or with the proceeds from the sale of assets stolen from, hidden from, or otherwise lost to, during World War II and its prelude and direct aftermath, a victim or target of Nazi persecution. The provisions of this subdivision shall only apply to an individual who was the first recipient of such items of income and who was a victim or target of Nazi persecution, or a spouse, surviving spouse, or child or stepchild of such victim.

As used in this subdivision:

"Nazi regime" means the country of Nazi Germany, areas occupied by Nazi Germany, those European countries allied with Nazi Germany, or any other neutral European country or area in Europe under the influence or threat of Nazi invasion.

"Victim or target of Nazi persecution" means any individual persecuted or targeted for persecution by the Nazi

regime who had assets stolen from, hidden from, or otherwise lost as a result of any act or omission in any way relating to (i) the Holocaust, (ii) World War II and its prelude and direct aftermath, (iii) transactions with or actions of the Nazi regime, (iv) treatment of refugees fleeing Nazi persecution, or (v) the holding of such assets by entities or persons in the Swiss Confederation during World War II and its prelude and aftermath. A "victim or target of Nazi persecution" also includes any individual forced into labor against his will, under the threat of death, during World War II and its prelude and direct aftermath.

20. The military death gratuity payment made after September 11, 2001, to the survivor of deceased military personnel killed in the line of duty, pursuant to 10 U.S.C. Chapter 75; however, the subtraction amount shall be reduced dollar-for-dollar by the amount that the survivor may exclude from his federal gross income in accordance with § 134 of the Internal Revenue Code.

21. The death benefit payments from an annuity contract that are received by a beneficiary of such contract, provided that (i) the death benefit payment is made pursuant to an annuity contract with an insurance company and (ii) the death benefit payment is paid solely by lump sum. The subtraction under this subdivision shall be allowed only for that portion of the death benefit payment that is included in federal adjusted gross income.

22. Any gain recognized from the sale of launch services to space flight participants, as defined in 49 U.S.C. § 70102, or launch services intended to provide individuals with the training or experience of a launch, without performing an actual launch. To qualify for a deduction under this subdivision, launch services must be performed in Virginia or originate from an airport or spaceport in Virginia.

23. Any gain recognized as a result of resupply services contracts for delivering payload, as defined in 49 U.S.C. § 70102, entered into with the Commercial Orbital Transportation Services division of the National Aeronautics and Space Administration or other space flight entity, as defined in § 8.01-227.8, and launched from an airport or spaceport in Virginia.

24. Any income taxed as a long-term capital gain for federal income tax purposes, or any income taxed as investment services partnership interest income (otherwise known as investment partnership carried interest income) for federal income tax purposes. To qualify for a subtraction under this subdivision, such income shall be attributable to an investment in a "qualified business," as defined in § 58.1-339.4, or in any other technology business approved by the Secretary of Administration, provided that the business has its principal office or facility in the Commonwealth and less than $3 million in annual revenues in the fiscal year prior to the investment. To qualify for a subtraction under this subdivision, the investment shall be made between the dates of April 1, 2010, and June 30, 2020. No taxpayer who has claimed a tax credit for an investment in a "qualified business" under § 58.1-339.4 shall be eligible for the subtraction under this subdivision for an investment in the same business.

25. For taxable years beginning on and after January 1, 2014, any income of an account holder for the taxable year taxed as (i) a capital gain for federal income tax purposes attributable to such person's first-time home buyer savings account established pursuant to Chapter 12 (§ 36-171 et seq.) of Title 36 and (ii) interest income or other income for federal income tax purposes attributable to such person's first-time home buyer savings account.

Notwithstanding the statute of limitations on assessments contained in § 58.1-312, any subtraction taken under this subdivision shall be subject to recapture in the taxable year or years in which moneys or funds withdrawn from the first-time home buyer savings account were used for any purpose other than the payment of eligible costs by or on behalf of a qualified beneficiary, as provided under § 36-174. The amount subject to recapture shall be a portion of the amount withdrawn in the taxable year that was used for other than the payment of eligible costs, computed by multiplying the amount withdrawn and used for other than the payment of eligible costs by the ratio of the aggregate earnings in the account at the time of the withdrawal to the total balance in the account at such time.

However, recapture shall not apply to the extent of moneys or funds withdrawn that were (i) withdrawn by reason of the qualified beneficiary's death or disability; (ii) a disbursement of assets of the account pursuant to a filing for

protection under the United States Bankruptcy Code, 11 U.S.C. §§ 101 through 1330; or (iii) transferred from an account established pursuant to Chapter 12 (§ 36-171 et seq.) of Title 36 into another account established pursuant to such chapter for the benefit of another qualified beneficiary.

For purposes of this subdivision, "account holder," "eligible costs," "first-time home buyer savings account," and "qualified beneficiary" mean the same as those terms are defined in § 36-171.

26. For taxable years beginning on and after January 1, 2015, any income for the taxable year attributable to the discharge of a student loan solely by reason of the student's death. For purposes of this subdivision, "student loan" means the same as that term is defined under § 108(f) of the Internal Revenue Code.

27. a. Income, including investment services partnership interest income (otherwise known as investment partnership carried interest income), attributable to an investment in a Virginia venture capital account. To qualify for a subtraction under this subdivision, the investment shall be made on or after January 1, 2018, but before December 31, 2023. No subtraction shall be allowed under this subdivision for an investment in a company that is owned or operated by a family member or an affiliate of the taxpayer. No subtraction shall be allowed under this subdivision for a taxpayer who has claimed a subtraction under subdivision 24 or a tax credit under § 58.1-339.4 for the same investment.

b. As used in this subdivision 27:

"Qualified portfolio company" means a company that (i) has its principal place of business in the Commonwealth; (ii) has a primary purpose of production, sale, research, or development of a product or service other than the management or investment of capital; and (iii) provides equity in the company to the Virginia venture capital account in exchange for a capital investment. "Qualified portfolio company" does not include a company that is an individual or sole proprietorship.

"Virginia venture capital account" means an investment fund that has been certified by the Department as a Virginia venture capital account. In order to be certified as a Virginia venture capital account, the operator of the investment fund shall register the investment fund with the Department prior to December 31, 2023, (i) indicating that it intends to invest at least 50 percent of the capital committed to its fund in qualified portfolio companies and (ii) providing documentation that it employs at least one investor who has at least four years of professional experience in venture capital investment or substantially equivalent experience. "Substantially equivalent experience" includes, but is not limited to, an undergraduate degree from an accredited college or university in economics, finance, or a similar field of study. The Department may require an investment fund to provide documentation of the investor's training, education, or experience as deemed necessary by the Department to determine substantial equivalency. If the Department determines that the investment fund employs at least one investor with the experience set forth herein, the Department shall certify the investment fund as a Virginia venture capital account at such time as the investment fund actually invests at least 50 percent of the capital committed to its fund in qualified portfolio companies.

28. a. Income attributable to an investment in a Virginia real estate investment trust. To qualify for a subtraction under this subdivision, the investment shall be made on or after January 1, 2019, but before December 31, 2024. No subtraction shall be allowed for an investment in a trust that is managed by a family member or an affiliate of the taxpayer. No subtraction shall be allowed under this subdivision for a taxpayer who has claimed a subtraction under subdivision 24 or 27 or a tax credit under § 58.1-339.4 for the same investment.

b. As used in this subdivision 28:

"Distressed" means satisfying the criteria applicable to a locality described in subdivision E 2 of § 2.2-115.

"Double distressed" means satisfying the criteria applicable to a locality described in subdivision E 3 of § 2.2-115.

"Virginia real estate investment trust" means a real estate investment trust, as defined in 26 U.S.C. § 856, that has been certified by the Department as a Virginia real estate investment trust. In order to be certified as a Virginia real estate investment trust, the trustee shall register the trust with the Department prior to December 31, 2024, indicating that it intends to invest at least 90 percent of trust funds in Virginia and at least 40 percent of trust funds in real estate in localities that are distressed or double distressed. If the Department determines that the trust satisfies the preceding criteria, the Department shall certify the trust as a Virginia real estate investment trust at such time as the trust actually invests at least 90 percent of trust funds in Virginia and at least 40 percent of trust funds in real estate in localities that are distressed or double distressed.

29. For taxable years beginning on and after January 1, 2019, any gain recognized from the taking of real property by condemnation proceedings.

30. For taxable years beginning on and after January 1, 2020, but before January 1, 2021, up to $100,000 of all grant funds received by the taxpayer under the Rebuild Virginia program established by the Governor and administered by the Department of Small Business and Supplier Diversity.

§ 58.1-322.03. Virginia taxable income; deductions.

In computing Virginia taxable income pursuant to § 58.1-322, there shall be deducted from Virginia adjusted gross income as defined in § 58.1-321:

1. a. The amount allowable for itemized deductions for federal income tax purposes where the taxpayer has elected for the taxable year to itemize deductions on his federal return, but reduced by the amount of income taxes imposed by the Commonwealth or any other taxing jurisdiction and deducted on such federal return and increased by an amount that, when added to the amount deducted under § 170 of the Internal Revenue Code for mileage, results in a mileage deduction at the state level for such purposes at a rate of 18 cents per mile; or

b. Provided that the taxpayer has not itemized deductions for the taxable year on his federal income tax return: (i) for taxable years beginning before January 1, 2019, and on and after January 1, 2026, $3,000 for single individuals and $6,000 for married persons (one-half of such amounts in the case of a married individual filing a separate return) and (ii) for taxable years beginning on and after January 1, 2019, but before January 1, 2026, $4,500 for single individuals and $9,000 for married persons (one-half of such amounts in the case of a married individual filing a separate return). For purposes of this section, any person who may be claimed as a dependent on another taxpayer's return for the taxable year may compute the deduction only with respect to earned income.

2. a. A deduction in the amount of $930 for each personal exemption allowable to the taxpayer for federal income tax purposes.

b. Each blind or aged taxpayer as defined under § 63(f) of the Internal Revenue Code shall be entitled to an additional personal exemption in the amount of $800.

The additional deduction for blind or aged taxpayers allowed under this subdivision shall be allowable regardless of whether the taxpayer itemizes deductions for the taxable year for federal income tax purposes.

3. A deduction equal to the amount of employment-related expenses upon which the federal credit is based under § 21 of the Internal Revenue Code for expenses for household and dependent care services necessary for gainful employment.

4. An additional $1,000 deduction for each child residing for the entire taxable year in a home under permanent foster care placement as defined in § 63.2-908, provided that the taxpayer can also claim the child as a personal exemption under § 151 of the Internal Revenue Code.

5. a. A deduction in the amount of $12,000 for individuals born on or before January 1, 1939.

b. A deduction in the amount of $12,000 for individuals born after January 1, 1939, who have attained the age of 65. This deduction shall be reduced by $1 for every $1 that the taxpayer's adjusted federal adjusted gross income exceeds $50,000 for single taxpayers or $75,000 for married taxpayers. For married taxpayers filing separately, the deduction shall be reduced by $1 for every $1 that the total combined adjusted federal adjusted gross income of both spouses exceeds $75,000.

For the purposes of this subdivision, "adjusted federal adjusted gross income" means federal adjusted gross income minus any benefits received under Title II of the Social Security Act and other benefits subject to federal income taxation solely pursuant to § 86 of the Internal Revenue Code, as amended.

6. The amount an individual pays as a fee for an initial screening to become a possible bone marrow donor, if (i) the individual is not reimbursed for such fee or (ii) the individual has not claimed a deduction for the payment of such fee on his federal income tax return.

7. a. A deduction shall be allowed to the purchaser or contributor for the amount paid or contributed during the taxable year for a prepaid tuition contract or college savings trust account entered into with the Virginia College Savings Plan, pursuant to Chapter 7 (§ 23.1-700 et seq.) of Title 23.1. Except as provided in subdivision b, the amount deducted on any individual income tax return in any taxable year shall be limited to $4,000 per prepaid tuition contract or college savings trust account. No deduction shall be allowed pursuant to this subdivision 7 if such payments or contributions are deducted on the purchaser's or contributor's federal income tax return. If the purchase price or annual contribution to a college savings trust account exceeds $4,000, the remainder may be carried forward and subtracted in future taxable years until the purchase price or college savings trust contribution has been fully deducted; however, except as provided in subdivision b, in no event shall the amount deducted in any taxable year exceed $4,000 per contract or college savings trust account. Notwithstanding the statute of limitations on assessments contained in § 58.1-312, any deduction taken hereunder shall be subject to recapture in the taxable year or years in which distributions or refunds are made for any reason other than (i) to pay qualified higher education expenses, as defined in § 529 of the Internal Revenue Code or (ii) the beneficiary's death, disability, or receipt of a scholarship. For the purposes of this subdivision, "purchaser" or "contributor" means the person shown as such on the records of the Virginia College Savings Plan as of December 31 of the taxable year. In the case of a transfer of ownership of a prepaid tuition contract or college savings trust account, the transferee shall succeed to the transferor's tax attributes associated with a prepaid tuition contract or college savings trust account, including, but not limited to, carryover and recapture of deductions.

b. A purchaser of a prepaid tuition contract or contributor to a college savings trust account who has attained age 70 shall not be subject to the limitation that the amount of the deduction not exceed $4,000 per prepaid tuition contract or college savings trust account in any taxable year. Such taxpayer shall be allowed a deduction for the full amount paid for the contract or contributed to a college savings trust account, less any amounts previously deducted.

8. The total amount an individual actually contributed in funds to the Virginia Public School Construction Grants Program and Fund, established in Chapter 11.1 (§ 22.1-175.1 et seq.) of Title 22.1, provided that the individual has not claimed a deduction for such amount on his federal income tax return.

9. An amount equal to 20 percent of the tuition costs incurred by an individual employed as a primary or secondary school teacher licensed pursuant to Chapter 15 (§ 22.1-289.1 et seq.) of Title 22.1 to attend continuing teacher education courses that are required as a condition of employment; however, the deduction provided by this subdivision shall be available only if (i) the individual is not reimbursed for such tuition costs and (ii) the individual has not claimed a deduction for the payment of such tuition costs on his federal income tax return.

10. The amount an individual pays annually in premiums for long-term health care insurance, provided that the individual has not claimed a deduction for federal income tax purposes, or, for taxable years beginning before January 1, 2014, a credit under § 58.1-339.11. For taxable years beginning on and after January 1, 2014, no such deduction for long-term health care insurance premiums paid by the individual during the taxable year shall be allowed if the individual has claimed a federal income tax deduction for such taxable year for long-term health care insurance premiums paid by him.

11. Contract payments to a producer of quota tobacco or a tobacco quota holder, or their spouses, as provided under the American Jobs Creation Act of 2004 (P.L. 108-357), but only to the extent that such payments have not been subtracted pursuant to subsection D of § 58.1-402, as follows:

a. If the payment is received in installment payments, then the recognized gain may be subtracted in the taxable year immediately following the year in which the installment payment is received.

b. If the payment is received in a single payment, then 10 percent of the recognized gain may be subtracted in the taxable year immediately following the year in which the single payment is received. The taxpayer may then deduct an equal amount in each of the nine succeeding taxable years.

12. An amount equal to 20 percent of the sum paid by an individual pursuant to Chapter 6 (§ 58.1-600 et seq.), not to exceed $500 in each taxable year, in purchasing for his own use the following items of tangible personal property: (i) any clothes washers, room air conditioners, dishwashers, and standard size refrigerators that meet or exceed the applicable energy star efficiency requirements developed by the U.S. Environmental Protection Agency and the U.S. Department of Energy; (ii) any fuel cell that (a) generates electricity using an electrochemical process, (b) has an electricity-only generation efficiency greater than 35 percent, and (c) has a generating capacity of at least two kilowatts; (iii) any gas heat pump that has a coefficient of performance of at least 1.25 for heating and at least 0.70 for cooling; (iv) any electric heat pump hot water heater that yields an energy factor of at least 1.7; (v) any electric heat pump that has a heating system performance factor of at least 8.0 and a cooling seasonal energy efficiency ratio of at least 13.0; (vi) any central air conditioner that has a cooling seasonal energy efficiency ratio of at least 13.5; (vii) any advanced gas or oil water heater that has an energy factor of at least 0.65; (viii) any advanced oil-fired boiler with a minimum annual fuel-utilization rating of 85; (ix) any advanced oil-fired furnace with a minimum annual fuel-utilization rating of 85; and (x) programmable thermostats.

13. The lesser of $5,000 or the amount actually paid by a living donor of an organ or other living tissue for unreimbursed out-of-pocket expenses directly related to the donation that arose within 12 months of such donation, provided that the donor has not taken a medical deduction in accordance with the provisions of § 213 of the Internal Revenue Code for such expenses. The deduction may be taken in the taxable year in which the donation is made or the taxable year in which the 12-month period expires.

14. For taxable years beginning on and after January 1, 2013, the amount an individual age 66 or older with earned income of at least $20,000 for the year and federal adjusted gross income not in excess of $30,000 for the year pays annually in premiums for (i) a prepaid funeral insurance policy covering the individual or (ii) medical or dental insurance for any person for whom individual tax filers may claim a deduction for such premiums under federal income tax laws. As used in this subdivision, "earned income" means the same as that term is defined in § 32(c) of the Internal Revenue Code. The deduction shall not be allowed for any portion of such premiums paid for which the individual has (a) been reimbursed, (b) claimed a deduction for federal income tax purposes, (c) claimed a deduction or subtraction under another provision of this section, or (d) claimed a federal income tax credit or any income tax credit pursuant to this chapter.

15. For taxable years beginning on and after January 1, 2018, 20 percent of business interest disallowed as a deduction pursuant to § 163(j) of the Internal Revenue Code. For purposes of this subdivision, "business interest" means the same as that term is defined under § 163(j) of the Internal Revenue Code.

16. For taxable years beginning on and after January 1, 2019, the actual amount of real and personal property taxes imposed by the Commonwealth or any other taxing jurisdiction not otherwise deducted solely on account of the dollar limitation imposed on individual deductions by § 164(b)(6)(B) of the Internal Revenue Code.

17. For taxable years beginning on and after January 1, 2020, but before January 1, 2021, up to $100,000 of the amount that is not deductible when computing federal adjusted gross income solely on account of the portion of subdivision B 10 of § 58.1-301 related to Paycheck Protection Program loans.

§ 58.1-402. Virginia taxable income.

A. For purposes of this article, Virginia taxable income for a taxable year means the federal taxable income and any other income taxable to the corporation under federal law for such year of a corporation adjusted as provided in subsections B, C, D, E, G, and H.

For a regulated investment company and a real estate investment trust, such term means the "investment company taxable income" and "real estate investment trust taxable income," respectively, to which shall be added in each case any amount of capital gains and any other income taxable to the corporation under federal law which shall be further adjusted as provided in subsections B, C, D, E, G, and H.

B. There shall be added to the extent excluded from federal taxable income:

1. Interest, less related expenses to the extent not deducted in determining federal taxable income, on obligations of any state other than Virginia, or of a political subdivision of any such other state unless created by compact or agreement to which the Commonwealth is a party;

2. Interest or dividends, less related expenses to the extent not deducted in determining federal taxable income, on obligations or securities of any authority, commission or instrumentality of the United States, which the laws of the United States exempt from federal income tax but not from state income taxes;

3. [Repealed.]

4. The amount of any net income taxes and other taxes, including franchise and excise taxes, which are based on, measured by, or computed with reference to net income, imposed by the Commonwealth or any other taxing jurisdiction, to the extent deducted in determining federal taxable income;

5. Unrelated business taxable income as defined by § 512 of the Internal Revenue Code;

6. [Repealed.]

7. The amount required to be included in income for the purpose of computing the partial tax on an accumulation distribution pursuant to § 667 of the Internal Revenue Code;

8. a. For taxable years beginning on and after January 1, 2004, the amount of any intangible expenses and costs directly or indirectly paid, accrued, or incurred to, or in connection directly or indirectly with one or more direct or indirect transactions with one or more related members to the extent such expenses and costs were deductible or deducted in computing federal taxable income for Virginia purposes. This addition shall not be required for any portion of the intangible expenses and costs if one of the following applies:

(1) The corresponding item of income received by the related member is subject to a tax based on or measured by net income or capital imposed by Virginia, another state, or a foreign government that has entered into a comprehensive tax treaty with the United States government;

(2) The related member derives at least one-third of its gross revenues from the licensing of intangible property to parties who are not related members, and the transaction giving rise to the expenses and costs between the corporation and the related member was made at rates and terms comparable to the rates and terms of agreements that the related member has entered into with parties who are not related members for the licensing of intangible property; or

(3) The corporation can establish to the satisfaction of the Tax Commissioner that the intangible expenses and costs meet both of the following: (i) the related member during the same taxable year directly or indirectly paid, accrued or incurred such portion to a person who is not a related member, and (ii) the transaction giving rise to the intangible expenses and costs between the corporation and the related member did not have as a principal purpose the avoidance of any portion of the tax due under this chapter.

b. A corporation required to add to its federal taxable income intangible expenses and costs pursuant to subdivision a may petition the Tax Commissioner, after filing the related income tax return for the taxable year and remitting to the Tax Commissioner all taxes, penalties, and interest due under this article for such taxable year including tax upon any amount of intangible expenses and costs required to be added to federal taxable income pursuant to subdivision a, to consider evidence relating to the transaction or transactions between the corporation and a related member or members that resulted in the corporation's taxable income being increased, as required under subdivision a, for such intangible expenses and costs.

If the corporation can demonstrate to the Tax Commissioner's sole satisfaction, by clear and convincing evidence, that the transaction or transactions between the corporation and a related member or members resulting in such increase in taxable income pursuant to subdivision a had a valid business purpose other than the avoidance or reduction of the tax due under this chapter, the Tax Commissioner shall permit the corporation to file an amended return. For purposes of such amended return, the requirements of subdivision a shall not apply to any transaction for which the Tax Commissioner is satisfied (and has identified) that the transaction had a valid business purpose other than the avoidance or reduction of the tax due under this chapter. Such amended return shall be filed by the corporation within one year of the written permission granted by the Tax Commissioner and any refund of the tax imposed under this article shall include interest at a rate equal to the rate of interest established under § 58.1-15 and such interest shall accrue as provided under § 58.1-1833. However, upon the filing of such amended return, any related member of the corporation that subtracted from taxable income amounts received pursuant to subdivision C 21 shall be subject to the tax imposed under this article on that portion of such amounts for which the corporation has filed an amended return pursuant to this subdivision. In addition, for such transactions identified by the Tax Commissioner herein by which he has been satisfied by clear and convincing evidence, the Tax Commissioner may permit the corporation in filing income tax returns for subsequent taxable years to deduct the related intangible expenses and costs without making the adjustment under subdivision a.

The Tax Commissioner may charge a fee for all direct and indirect costs relating to the review of any petition pursuant to this subdivision, to include costs necessary to secure outside experts in evaluating the petition. The Tax Commissioner may condition the review of any petition pursuant to this subdivision upon payment of such fee.

No suit for the purpose of contesting any action of the Tax Commissioner under this subdivision shall be maintained in any court of this Commonwealth.

c. Nothing in subdivision B 8 shall be construed to limit or negate the Department's authority under § 58.1-446;

9. a. For taxable years beginning on and after January 1, 2004, the amount of any interest expenses and costs directly or indirectly paid, accrued, or incurred to, or in connection directly or indirectly with one or more direct or indirect transactions with one or more related members to the extent such expenses and costs were deductible or deducted in computing federal taxable income for Virginia purposes. This addition shall not be required for any portion of the interest expenses and costs, if:

(1) The related member has substantial business operations relating to interest-generating activities, in which the related member pays expenses for at least five full-time employees who maintain, manage, defend or are otherwise responsible for operations or administration relating to the interest-generating activities; and

(2) The interest expenses and costs are not directly or indirectly for, related to or in connection with the direct or indirect acquisition, maintenance, management, sale, exchange, or disposition of intangible property; and

(3) The transaction giving rise to the expenses and costs between the corporation and the related member has a valid business purpose other than the avoidance or reduction of taxation and payments between the parties are made at arm's length rates and terms; and

(4) One of the following applies:

(i) The corresponding item of income received by the related member is subject to a tax based on or measured by net income or capital imposed by Virginia, another state, or a foreign government that has entered into a comprehensive tax treaty with the United States government;

(ii) Payments arise pursuant to a pre-existing contract entered into when the parties were not related members provided the payments continue to be made at arm's length rates and terms;

(iii) The related member engages in transactions with parties other than related members that generate revenue in excess of $2 million annually; or

(iv) The transaction giving rise to the interest payments between the corporation and a related member was done at arm's length rates and terms and meets any of the following: (a) the related member uses funds that are borrowed from a party other than a related member or that are paid, incurred or passed-through to a person who is not a related member; (b) the debt is part of a regular and systematic funds management or portfolio investment activity conducted by the related member, whereby the funds of two or more related members are aggregated for the purpose of achieving economies of scale, the internal financing of the active business operations of members, or the benefit of centralized management of funds; (c) financing the expansion of the business operations; or (d) restructuring the debt of related members, or the pass-through of acquisition-related indebtedness to related members.

b. A corporation required to add to its federal taxable income interest expenses and costs pursuant to subdivision a may petition the Tax Commissioner, after filing the related income tax return for the taxable year and remitting to the Tax Commissioner all taxes, penalties, and interest due under this article for such taxable year including tax upon any amount of interest expenses and costs required to be added to federal taxable income pursuant to subdivision a, to consider evidence relating to the transaction or transactions between the corporation and a related member or members that resulted in the corporation's taxable income being increased, as required under subdivision a, for such interest expenses and costs.

If the corporation can demonstrate to the Tax Commissioner's sole satisfaction, by clear and convincing evidence, that the transaction or transactions between the corporation and a related member or members resulting in such increase in taxable income pursuant to subdivision a had a valid business purpose other than the avoidance or reduction of the tax due under this chapter and that the related payments between the parties were made at arm's length rates and terms, the Tax Commissioner shall permit the corporation to file an amended return. For purposes of such amended return, the requirements of subdivision a shall not apply to any transaction for which the Tax Commissioner is satisfied (and has identified) that the transaction had a valid business purpose other than the avoidance or reduction of the tax due under this chapter and that the related payments between the parties were made at arm's length rates and terms. Such amended return shall be filed by the corporation within one year of the written permission granted by the Tax Commissioner and any refund of the tax imposed under this article shall

include interest at a rate equal to the rate of interest established under § 58.1-15 and such interest shall accrue as provided under § 58.1-1833. However, upon the filing of such amended return, any related member of the corporation that subtracted from taxable income amounts received pursuant to subdivision C 21 shall be subject to the tax imposed under this article on that portion of such amounts for which the corporation has filed an amended return pursuant to this subdivision. In addition, for such transactions identified by the Tax Commissioner herein by which he has been satisfied by clear and convincing evidence, the Tax Commissioner may permit the corporation in filing income tax returns for subsequent taxable years to deduct the related interest expenses and costs without making the adjustment under subdivision a.

The Tax Commissioner may charge a fee for all direct and indirect costs relating to the review of any petition pursuant to this subdivision, to include costs necessary to secure outside experts in evaluating the petition. The Tax Commissioner may condition the review of any petition pursuant to this subdivision upon payment of such fee.

No suit for the purpose of contesting any action of the Tax Commissioner under this subdivision shall be maintained in any court of this Commonwealth.

c. Nothing in subdivision B 9 shall be construed to limit or negate the Department's authority under § 58.1-446.

d. For purposes of subdivision B 9:

"Arm's-length rates and terms" means that (i) two or more related members enter into a written agreement for the transaction, (ii) such agreement is of a duration and contains payment terms substantially similar to those that the related member would be able to obtain from an unrelated entity, (iii) the interest is at or below the applicable federal rate compounded annually for debt instruments under § 1274(d) of the Internal Revenue Code that was in effect at the time of the agreement, and (iv) the borrower or payor adheres to the payment terms of the agreement governing the transaction or any amendments thereto.

"Valid business purpose" means one or more business purposes that alone or in combination constitute the motivation for some business activity or transaction, which activity or transaction improves, apart from tax effects, the economic position of the taxpayer, as further defined by regulation.

10. a. For taxable years beginning on and after January 1, 2009, the amount of dividends deductible under §§ 561 and 857 of the Internal Revenue Code by a Captive Real Estate Investment Trust (REIT). For purposes of this subdivision, a REIT is a Captive REIT if:

(1) It is not regularly traded on an established securities market;

(2) More than 50 percent of the voting power or value of beneficial interests or shares of which, at any time during the last half of the taxable year, is owned or controlled, directly or indirectly, by a single entity that is (i) a corporation or an association taxable as a corporation under the Internal Revenue Code; and (ii) not exempt from federal income tax pursuant to § 501(a) of the Internal Revenue Code; and

(3) More than 25 percent of its income consists of rents from real property as defined in § 856(d) of the Internal Revenue Code.

b. For purposes of applying the ownership test of subdivision 10 a (2), the following entities shall not be considered a corporation or an association taxable as a corporation:

(1) Any REIT that is not treated as a Captive REIT;

(2) Any REIT subsidiary under § 856 of the Internal Revenue Code other than a qualified REIT subsidiary of a

Captive REIT;

(3) Any Listed Australian Property Trust, or an entity organized as a trust, provided that a Listed Australian Property Trust owns or controls, directly or indirectly, 75 percent or more of the voting or value of the beneficial interests or shares of such trust; and

(4) Any Qualified Foreign Entity.

c. For purposes of subdivision B 10, the constructive ownership rules prescribed under § 318(a) of the Internal Revenue Code, as modified by § 856(d)(5) of the Internal Revenue Code, shall apply in determining the ownership of stock, assets, or net profits of any person.

d. For purposes of subdivision B 10:

"Listed Australian Property Trust" means an Australian unit trust registered as a Management Investment Scheme, pursuant to the Australian Corporations Act, in which the principal class of units is listed on a recognized stock exchange in Australia and is regularly traded on an established securities market.

"Qualified Foreign Entity" means a corporation, trust, association or partnership organized outside the laws of the United States and that satisfies all of the following criteria:

(1) At least 75 percent of the entity's total asset value at the close of its taxable year is represented by real estate assets, as defined in § 856(c)(5)(B) of the Internal Revenue Code, thereby including shares or certificates of beneficial interest in any REIT, cash and cash equivalents, and U.S. Government securities;

(2) The entity is not subject to a tax on amounts distributed to its beneficial owners, or is exempt from entity level tax;

(3) The entity distributes, on an annual basis, at least 85 percent of its taxable income, as computed in the jurisdiction in which it is organized, to the holders of its shares or certificates of beneficial interest;

(4) The shares or certificates of beneficial interest of such entity are regularly traded on an established securities market or, if not so traded, not more than 10 percent of the voting power or value in such entity is held directly, indirectly, or constructively by a single entity or individual; and

(5) The entity is organized in a country that has a tax treaty with the United States.

e. For taxable years beginning on or after January 1, 2016, for purposes of subdivision B 10, any voting power or value of the beneficial interests or shares in a REIT that is held in a segregated asset account of a life insurance corporation as described in § 817 of the Internal Revenue Code shall not be taken into consideration when determining if such REIT is a Captive REIT.

11. For taxable years beginning on or after January 1, 2016, to the extent that tax credit is allowed for the same donation pursuant to § 58.1-439.12:12, any amount claimed as a federal income tax deduction for such donation under § 170 of the Internal Revenue Code, as amended or renumbered.

C. There shall be subtracted to the extent included in and not otherwise subtracted from federal taxable income:

1. Income derived from obligations, or on the sale or exchange of obligations, of the United States and on obligations or securities of any authority, commission or instrumentality of the United States to the extent exempt from state income taxes under the laws of the United States including, but not limited to, stocks, bonds, treasury bills, and treasury notes, but not including interest on refunds of federal taxes, interest on equipment purchase

contracts, or interest on other normal business transactions.

2. Income derived from obligations, or on the sale or exchange of obligations of this Commonwealth or of any political subdivision or instrumentality of this Commonwealth.

3. Dividends upon stock in any domestic international sales corporation, as defined by § 992 of the Internal Revenue Code, 50 percent or more of the income of which was assessable for the preceding year, or the last year in which such corporation has income, under the provisions of the income tax laws of the Commonwealth.

4. The amount of any refund or credit for overpayment of income taxes imposed by this Commonwealth or any other taxing jurisdiction.

5. Any amount included therein by the operation of the provisions of § 78 of the Internal Revenue Code (foreign dividend gross-up).

6. The amount of wages or salaries eligible for the federal Targeted Jobs Credit which was not deducted for federal purposes on account of the provisions of § 280C(a) of the Internal Revenue Code.

7. Any amount included therein by the operation of § 951 of the Internal Revenue Code (subpart F income) or, for taxable years beginning on and after January 1, 2018, § 951A of the Internal Revenue Code (Global Intangible Low-Taxed Income).

8. Any amount included therein which is foreign source income as defined in § 58.1-302.

9. [Repealed.]

10. The amount of any dividends received from corporations in which the taxpaying corporation owns 50 percent or more of the voting stock.

11. [Repealed.]

12, 13. [Expired.]

14. For taxable years beginning on or after January 1, 1995, the amount for "qualified research expenses" or "basic research expenses" eligible for deduction for federal purposes, but which were not deducted, on account of the provisions of § 280C(c) of the Internal Revenue Code.

15. For taxable years beginning on or after January 1, 2000, the total amount actually contributed in funds to the Virginia Public School Construction Grants Program and Fund established in Chapter 11.1 (§ 22.1-175.1 et seq.) of Title 22.1.

16. For taxable years beginning on or after January 1, 2000, but before January 1, 2015, the gain derived from the sale or exchange of real property or the sale or exchange of an easement to real property which results in the real property or the easement thereto being devoted to open-space use, as that term is defined in § 58.1-3230, for a period of time not less than 30 years. To the extent a subtraction is taken in accordance with this subdivision, no tax credit under this chapter for donating land for its preservation shall be allowed for three years following the year in which the subtraction is taken.

17. For taxable years beginning on and after January 1, 2001, any amount included therein with respect to § 58.1-440.1.

18. For taxable years beginning on and after January 1, 1999, income received as a result of (i) the "Master

Settlement Agreement," as defined in § 3.2-3100; and (ii) the National Tobacco Grower Settlement Trust dated July 19, 1999, by (a) tobacco farming businesses; (b) any business holding a tobacco marketing quota, or tobacco farm acreage allotment, under the Agricultural Adjustment Act of 1938; or (c) any business having the right to grow tobacco pursuant to such a quota allotment.

19, 20. [Repealed.]

21. For taxable years beginning on and after January 1, 2004, any amount of intangible expenses and costs or interest expenses and costs added to the federal taxable income of a corporation pursuant to subdivision B 8 or B 9 shall be subtracted from the federal taxable income of the related member that received such amount if such related member is subject to Virginia income tax on the same amount.

22. For taxable years beginning on and after January 1, 2009, any gain recognized from the sale of launch services to space flight participants, as defined in 49 U.S.C. § 70102, or launch services intended to provide individuals the training or experience of a launch, without performing an actual launch. To qualify for a deduction under this subdivision, launch services must be performed in Virginia or originate from an airport or spaceport in Virginia.

23. For taxable years beginning on and after January 1, 2009, any gain recognized as a result of resupply services contracts for delivering payload, as defined in 49 U.S.C. § 70102, entered into with the Commercial Orbital Transportation Services division of the National Aeronautics and Space Administration or other space flight entity, as defined in § 8.01-227.8, and launched from an airport or spaceport in Virginia.

24. For taxable years beginning on or after January 1, 2011, any income taxed as a long-term capital gain for federal income tax purposes, or any income taxed as investment services partnership interest income (otherwise known as investment partnership carried interest income) for federal income tax purposes. To qualify for a subtraction under this subdivision, such income must be attributable to an investment in a "qualified business," as defined in § 58.1-339.4, or in any other technology business approved by the Secretary of Administration, provided the business has its principal office or facility in the Commonwealth and less than $3 million in annual revenues in the fiscal year prior to the investment. To qualify for a subtraction under this subdivision, the investment must be made between the dates of April 1, 2010, and June 30, 2020. No taxpayer who has claimed a tax credit for an investment in a "qualified business" under § 58.1-339.4 shall be eligible for the subtraction under this subdivision for an investment in the same business.

25. a. Income, including investment services partnership interest income (otherwise known as investment partnership carried interest income), attributable to an investment in a Virginia venture capital account. To qualify for a subtraction under this subdivision, the investment shall be made on or after January 1, 2018, but before December 31, 2023. No subtraction shall be allowed under this subdivision for an investment in a company that is owned or operated by an affiliate of the taxpayer. No subtraction shall be allowed under this subdivision for a taxpayer who has claimed a subtraction under subdivision C 24 for the same investment.

b. As used in this subdivision 25:

"Qualified portfolio company" means a company that (i) has its principal place of business in the Commonwealth; (ii) has a primary purpose of production, sale, research, or development of a product or service other than the management or investment of capital; and (iii) provides equity in the company to the Virginia venture capital account in exchange for a capital investment. "Qualified portfolio company" does not include a company that is an individual or sole proprietorship.

"Virginia venture capital account" means an investment fund that has been certified by the Department as a Virginia venture capital account. In order to be certified as a Virginia venture capital account, the operator of the investment fund shall register the investment fund with the Department prior to December 31, 2023, (i) indicating that it intends to invest at least 50 percent of the capital committed to its fund in qualified portfolio companies

and (ii) providing documentation that it employs at least one investor who has at least four years of professional experience in venture capital investment or substantially equivalent experience. "Substantially equivalent experience" includes, but is not limited to, an undergraduate degree from an accredited college or university in economics, finance, or a similar field of study. The Department may require an investment fund to provide documentation of the investor's training, education, or experience as deemed necessary by the Department to determine substantial equivalency. If the Department determines that the investment fund employs at least one investor with the experience set forth herein, the Department shall certify the investment fund as a Virginia venture capital account at such time as the investment fund actually invests at least 50 percent of the capital committed to its fund in qualified portfolio companies.

26. a. Income attributable to an investment in a Virginia real estate investment trust. To qualify for a subtraction under this subdivision, the investment shall be made on or after January 1, 2019, but before December 31, 2024. No subtraction shall be allowed for an investment in a trust that is managed by an affiliate of the taxpayer. No subtraction shall be allowed under this subdivision for a taxpayer who has claimed a subtraction under subdivision C 24 or 25 for the same investment.

b. As used in this subdivision 26:

"Distressed" means satisfying the criteria applicable to a locality described in subdivision E 2 of § 2.2-115.

"Double distressed" means satisfying the criteria applicable to a locality described in subdivision E 3 of § 2.2-115.

"Virginia real estate investment trust" means a real estate investment trust, as defined in 26 U.S.C. § 856, that has been certified by the Department as a Virginia real estate investment trust. In order to be certified as a Virginia real estate investment trust, the trustee shall register the trust with the Department prior to December 31, 2024, indicating that it intends to invest at least 90 percent of trust funds in Virginia and at least 40 percent of trust funds in real estate in localities that are distressed or double distressed. If the Department determines that the trust satisfies the preceding criteria, the Department shall certify the trust as a Virginia real estate investment trust at such time as the trust actually invests at least 90 percent of trust funds in Virginia and at least 40 percent of trust funds in real estate in localities that are distressed or double distressed.

27. For taxable years beginning on and after January 1, 2019, any gain recognized from the taking of real property by condemnation proceedings.

28. For taxable years beginning on and after January 1, 2020, but before January 1, 2021, up to $100,000 of all grant funds received by the taxpayer under the Rebuild Virginia program established by the Governor and administered by the Department of Small Business and Supplier Diversity.

D. For taxable years beginning on and after January 1, 2006, there shall be subtracted from federal taxable income contract payments to a producer of quota tobacco or a tobacco quota holder as provided under the American Jobs Creation Act of 2004 (P.L. 108-357) as follows:

1. If the payment is received in installment payments, then the recognized gain, including any gain recognized in taxable year 2005, may be subtracted in the taxable year immediately following the year in which the installment payment is received.

2. If the payment is received in a single payment, then 10 percent of the recognized gain may be subtracted in the taxable year immediately following the year in which the single payment is received. The taxpayer may then deduct an equal amount in each of the nine succeeding taxable years.

E. Adjustments to federal taxable income shall be made to reflect the transitional modifications provided in § 58.1-315.

F. Notwithstanding any other provision of law, the income from any disposition of real property which is held by the taxpayer for sale to customers in the ordinary course of the taxpayer's trade or business, as defined in § 453(l)(1)(B) of the Internal Revenue Code, of property made on or after January 1, 2009, may, at the election of the taxpayer, be recognized under the installment method described under § 453 of the Internal Revenue Code, provided that (i) the election relating to the dealer disposition of the property has been made on or before the due date prescribed by law (including extensions) for filing the taxpayer's return of the tax imposed under this chapter for the taxable year in which the disposition occurs, and (ii) the dealer disposition is in accordance with restrictions or conditions established by the Department, which shall be set forth in guidelines developed by the Department. Along with such restrictions or conditions, the guidelines shall also address the recapture of such income under certain circumstances. The development of the guidelines shall be exempt from the Administrative Process Act (§ 2.2-4000 et seq.).

G. For taxable years beginning on and after January 1, 2018, there shall be deducted to the extent included in and not otherwise subtracted from federal taxable income 20 percent of business interest disallowed as a deduction pursuant to § 163(j) of the Internal Revenue Code. For purposes of this subsection, "business interest" means the same as that term is defined under § 163(j) of the Internal Revenue Code.

H. For taxable years beginning on and after January 1, 2020, but before January 1, 2021, there shall be deducted to the extent not otherwise subtracted from federal taxable income up to $100,000 of the amount that is not deductible when computing federal taxable income solely on account of the portion of subdivision B 10 of § 58.1-301 related to Paycheck Protection Program loans.

12. § 1. That the General Assembly finds that Esther Thorne (Ms. Thorne) spent more than six years in prison within the Virginia Department of Corrections for crimes she did not commit. On June 1, 2020, the Virginia Court of Appeals found that Ms. Thorne had proven her actual innocence, vacated her convictions, and issued a writ of actual innocence based on non-biological evidence, and her record was subsequently expunged.

§ 2. That there is hereby appropriated from the general fund of the state treasury the sum of $321,587 for the relief of Esther Thorne, to be paid by check issued by the State Treasurer on warrant of the Comptroller upon execution of a release of all claims Ms. Thorne may have against the Commonwealth or any agency, instrumentality, office, employee, or political subdivision in connection with the aforesaid occurrence.

The compensation, subject to the execution of the release described herein, shall be paid as a single lump sum of $321,587 to be paid to Ms. Thorne by check issued by the State Treasurer on warrant of the Comptroller within 60 days immediately following the execution of such release.

§ 3. That Ms. Thorne shall be entitled to receive career and technical training within the Virginia Community College System free of tuition charges, up to a maximum of $10,000. The cost for the tuition benefit shall be paid by the community college at which the career or technical training is provided. The tuition benefit provided by this section shall expire on January 1, 2025.

§ 4. That any amount already paid to Ms. Thorne as a transition assistance grant pursuant to subsection C of § 8.01-195.11 of the Code of Virginia, shall be deducted from any award received pursuant to § 1 of this act.

§ 5. That the provisions of § 8.01-195.12 of the Code of Virginia shall apply to any compensation awarded under this act.

13. That § 34-28.3 of the Code of Virginia is amended and reenacted as follows:

§ 34-28.3. Emergency relief payments exempt.

A. For the purposes of this section, "emergency relief payment" means a 2020 recovery rebate for individuals and qualifying children provided pursuant to § 2201 of the federal Coronavirus Aid, Relief, and Economic Security Act (P.L. 116-136) or any future federal payments or rebates provided directly to individuals for economic relief or stimulus due to the COVID-19 pandemic.

B. All emergency relief payments paid to individuals shall be automatically exempt from the creditor process. Any financial institution, as defined by § 6.2-100, receiving such payments directly from the federal government shall exempt such payments from the creditor process if (i) the payment is marked by the federal government as an "emergency relief payment" or includes some other unique identifier that is reasonably sufficient to allow the financial institution to identify the funds as an emergency relief payment or (ii) the federal government or accountholder receiving the emergency relief payment gives notice to the financial institution of such payment. In exempting emergency relief payments on deposit from the creditor process, a financial institution shall look back two months preceding the date of receipt of service of the creditor process. The financial institution shall perform a one-time account review separately for each account in the name of an account holder who is subject to the creditor process without consideration for any other attributes of the account or the creditor process, including (a) the presence of other funds, from whatever source, that may be commingled in the account with funds from an emergency relief payment; (b) the existence of a co-owner on the account; and (c) the balance in the account, provided the balance is above zero dollars on the date of account review. After conducting the account review, a financial institution shall exempt from the creditor process the lesser of the sum of all posted emergency relief payments to an account between the close of business on the beginning date of the lookback period and the open of business on the ending date of the lookback period or the balance in an account when the account review is performed.

If the creditor process involves a court return date, such as a garnishment, and requires a continued hold on the account, including any deposits made up to the return date, then if an emergency relief payment is deposited into an account after the completion of the account review but before the creditor process or garnishment return date and the account holder notifies the financial institution that the deposit of an emergency relief payment has been made, the financial institution must review the account. If the financial institution verifies that the deposited funds are exempt under this section, then such deposited funds shall be treated as exempt from the creditor process or garnishment. This second account review shall begin within two business days of receiving the notice from the account holder and shall cover the period from the start of business on the date of the completion of the previous account review to the end of business on the date of the notification from the account holder. For any creditor process that requires a continued hold, such as a garnishment where the account hold must continue until the garnishment return date, the account holder may access exempt funds by withdrawal as permitted by the financial institution.

In its answer to the creditor process, the financial institution shall state the amount of account funds that are being held pursuant to the creditor process and the amount of account funds that were treated as exempt under this section.

A financial institution that makes a good faith effort to comply with the requirements set forth herein shall not be subject to liability or regulatory action under any state law, regulation, court or other order, or regulatory interpretation for actions concerning any emergency relief payments.

Emergency relief payments shall be exempt from the creditor process even if deposited into an account with a financial institution or other organization accepting deposits and thereby commingled with other funds.

For the purposes of this section, no such exemption shall extend to child support, spousal support, or criminal restitution orders.

C. If a financial institution does not set aside an emergency relief payment as exempt from the creditor process, then the accountholder receiving such payment must claim the exemption within the time limits prescribed by subsection B of § 34-17 and in the manner prescribed under § 8.01-512.4.

14. That the provisions of Item 479.10, paragraphs I.1. and I.2. of Chapter 552, 2021 Acts of Assembly, Special Session I, are no longer effective upon signage of this act.

15. That the provisions of § 18.2-422 of the Code of Virginia shall not apply to a person wearing a mask to prevent the spread of COVID-19.

16.a. That upon enactment of this act and through June 30, 2022, no landlord shall terminate a residential tenancy, or take any action to obtain possession of a dwelling unit, for nonpayment of rent, if the eligible tenant has qualified for unemployment benefits or experienced a reduction in household income, incurred significant costs, or experienced other financial hardship during or due, directly or indirectly, to the coronavirus pandemic, except as follows:

1. If rent is unpaid when due, or if a payment under the terms of a payment plan is unpaid when due, the landlord shall, pursuant to § 55.1-1202, Code of Virginia, serve a written notice on the tenant that informs the tenant of the Virginia Rent Relief Program and provides the website address and statewide telephone number for that program. The written notice shall also provide information on how to reach 2-1-1 Virginia to determine whether there are any other available federal, state and local rent relief programs.

2. The written notice shall also inform the tenant that the owner, landlord, or owner's licensed agent shall apply for rental assistance on the tenant's behalf within 14 days of serving the notice on the tenant, unless the tenant pays in full, enters into a payment plan or informs the landlord that they have already applied for rental assistance. The landlord shall apply for rental assistance on behalf of the tenant no later than 14 days after serving the written notice on the tenant, unless they receive the full amount owed by the tenant or confirmation from the tenant that the tenant has applied for rental assistance before the 14th day, or they have entered into a payment plan with the tenant. If the tenant has applied for rental assistance, the landlord shall cooperate with the tenant's application, by providing all information and documentation required to complete the application, including but not limited to the W-9 form and any supporting affidavits. In an initial application, if the landlord or the tenant does not receive written approval from the Virginia Rent Relief Program or any other federal, state, or local rent relief program within forty-five days of when a completed application for assistance is made by the tenant or the landlord, the landlord may proceed to obtain possession of the premise as provided in § 55.1-1251. For any subsequent application, if the landlord or tenant does not receive written approval from the Virginia Rent Relief Program or any other federal, state, or local rent relief program within fourteen days of submission of the subsequent completed application, the landlord may proceed to obtain possession of the premises as provided in § 55.1-1251. If a tenant who has not paid in full or entered into a payment plan with the landlord within 14 days after the written notice is served refuses to apply for rental assistance and also refuses to cooperate with the landlord in providing information and documentation required to complete the application made by the landlord, or if such tenant is determined ineligible for rental assistance, or there are no longer funds available through the Coronavirus Aid, Relief, and Economic Security (CARES) Act (P.L. 116-136) and from the American Rescue Plan Act of 2021 (ARPA) (P.L. 117-2) for rental assistance through the Virginia Rent Relief program, the landlord may take action to obtain possession of the tenant's dwelling unit as provided in § 55.1-1251, Code of Virginia.

b. If a landlord reports to a consumer reporting agency or debt collector regarding a tenant who is participating in the repayment plan or receiving assistance from a federal, state, or local rent relief program, the landlord shall report the account as "current" in accordance with the Public Law 116-136: Coronavirus Aid, Relief, and Economic Security Act.

c. If a tenant is complying with a written payment plan with the landlord or has resolved any non-payment of rent, the landlord cannot take any action to obtain possession of a dwelling unit for non-payment of rent.

d. Nothing in this section relieves either the landlord or the tenant from their obligations to maintain the dwelling as those obligations are set forth in Article 2 and Article 3 of Chapter 12 of Title 55.1.

e. Nothing in this section shall void any judgment for possession validly obtained by a landlord prior to the effective date of this act; however, a landlord shall not initiate, maintain, or advance any legal process to obtain possession of a dwelling unit for non-payment of the rent unless the landlord complies with the provisions of this section.

f. Notwithstanding any other language to the contrary, should the Governor declare a state of emergency pursuant to § 44-146.17 of the Code of Virginia in response to a communicable disease of public health threat as defined in § 44-146.16 of the Code of Virginia, and if that declaration specifically provides that the eighth enactment of Chapter 552 of the Acts of Assembly Special Session I shall supersede the language set forth in enactment sixteen of this act then this sixteenth enactment shall not be effective so long as such a declared state of emergency remains in effect.

17.a. That notwithstanding any other provision of law, any permanent or interim legislative study or advisory commission, committee, or subcommittee, other than a standing committee of the General Assembly to which bills and resolutions are referred during a legislative session pursuant to Article IV, Section 11 of the Constitution of Virginia, or any executive advisory board or council may conduct a meeting by electronic communications means without a quorum of the public body physically assembled at one location if the meeting is being held solely to receive presentations, updates, public comment, or conduct other forms of information gathering. If a quorum is not physically assembled, the commission, committee, subcommittee, board, or council shall not take any votes or make any formal recommendations at such meeting.

b. Any entity meeting in accordance with this enactment shall comply with all other requirements for conducting a meeting by electronic means set forth in subsection C of § 2.2-3708.2 of the Code of Virginia.

c. Should the Governor declare a state of emergency pursuant to § 44-146.17 of the Code of Virginia in response to a communicable disease of public health threat as defined in § 44-146.16 of the Code of Virginia, the provisions of Item 4-0.01.g. of Chapter 552 of the 2021 Special Session I shall govern the conduct of meetings.

18.a. That no institution or an agent thereof; athletic association; athletic conference; or other organization with authority over intercollegiate athletics shall:

1. Provide a prospective or current student-athlete with compensation for the use of his or her name, image, or likeness;

2. Prohibit or prevent a student-athlete from earning compensation for the use of his or her name, image, or likeness, except as set forth in this subsection;

3. Prohibit or prevent a student-athlete from obtaining professional representation by an athlete agent licensed pursuant to Chapter 5.2 (§ 54.1-526 et seq.) of Title 54.1 of the Code of Virginia, or legal representation by an attorney licensed to practice law in the Commonwealth, for issues related to name, image, or likeness;

4. Declare ineligible for competition or reduce, cancel or not renew an athletic scholarship because a student-athlete earns compensation for the use of his or her name, image, or likeness; or

5. Prevent an institution from participating in intercollegiate athletics because a student-athlete earns compensation for the use of his or her name, image or likeness, or obtains representation for related issues.

b. An institution may prohibit a student-athlete from earning compensation for the use of his or her name, image or likeness while the individual is engaged in academic, official team, or department activities, including competition, practice, travel, academic services, community service, and promotional activities.

c. An institution may prohibit a student-athlete from using his or her name, image or likeness to earn compensation if the proposed use conflicts with an existing agreement between the institution and a third party.

d. A student-athlete shall be prohibited from earning compensation for the use of his or her name, image or likeness in connection with any of the following:

1. Casinos or gambling, including sports betting;

2. Alcohol products;

3. Adult entertainment;

4. Cannabis, cannabinoids, cannabidiol, or other derivatives;

5. Dangerous or controlled substances;

6. Performance enhancing drugs or substances (e.g., steroids, human growth hormone);

7. Drug paraphernalia;

8. Tobacco and electronic smoking products and devices; and

9. Weapons, including firearms and ammunition.

e. Any agreement entered into by a student athlete that provides compensation for the use of a student-athlete's name, image, or likeness shall be disclosed prior to execution of the agreement by such student-athlete in a manner designated by the institution the student-athlete is attending. If a student-athlete discloses a potential agreement that conflicts with an existing institutional agreement, the institution shall disclose the relevant terms of the conflicting agreement to the student-athlete.

f. A student-athlete shall not earn compensation for the use of his or her name, image, or likeness in exchange for attendance at an institution or pay-for-performance.

g. A student-athlete shall not use an institution's facilities or uniforms, or the institution's intellectual property, including logos, indicia, registered and unregistered trademarks, or products protected by copyright, unless otherwise permitted by the institution.

h. For the purposes of this subsection:

“Institution” means a private institution of higher education, associate-degree-granting public institution of higher education, or baccalaureate public institution of higher education.

"Pay-for-performance" means payments and compensation provided to student-athletes that is contingent on the student athlete's achieving certain performance goals or objectives.

“Student-athlete” means an individual enrolled at an institution who participates in intercollegiate athletics.

19. That § 38.2-3461, § 38.2-3462, § 38.2-3463, § 38.2-3464 shall not apply to a nonprofit group model health maintenance organization. "Nonprofit group model health maintenance organization" means a health maintenance organization authorized by Title 38.2, Chapter 43 that:

(i) Is exempt from taxation under § 501(c)(3) of the Internal Revenue Code;

(ii) Contracts with one multispecialty group of physicians who are employed by and shareholders of the multispecialty group; and

(iii) Provides and arranges for the provision of physician services to patients at medical facilities operated by the health maintenance organization.

20. That for the purposes of the Virginia Overtime Wage Act § 40.1-29.2 the terms “Wages” and “Pay” shall also mean overtime compensatory time in lieu of wages for overtime pay by public agencies as provided by the Fair Labor Standards Act, 29 U.S.C. §207(o), and the term "Employee" shall not include an individual described in 29 U.S.C. §203(e)(4). In addition to the provisions of subsection D of § 40.1-29.2 of the Code of Virginia, an employer may assert an exemption to the overtime requirements for employees who meet any of the exemptions set forth in 29 U.S.C. §213 (a). Employees covered under 29 U.S.C. §213(b)(10)(A) shall be exempt from the overtime requirements set out in Code of Virginia § 40.1-29.2.

21. That notwithstanding Item C-72, Chapter 552, 2021 Acts of Assembly, Special Session I, up to $25,000,000 of the $40,000,000 in Virginia Public Building Authority debt authorized in Item C-72, Chapter 552, 2021 Acts of Assembly, Special Session 1, may be used by the Virginia Port Authority to fund capital projects for infrastructure improvements necessary to improve the Portsmouth Marine Terminal to handle loading in and out of large, heavy offshore wind components and serve as an offshore wind hub; however, such debt may only be issued if the Secretary of Finance, the Secretary of Transportation, and the Virginia Port Authority Board of Commissioners each approve the capital project or projects.

22. That a Phase II Utility shall be prohibited from disconnecting service for non-payment of bills or fees, from the effective date of this act until March 1, 2022, for any jurisdictional residential customer who has previously demonstrated they received federal, state, nonprofit entity, or utility payment assistance at any time between January 1, 2019 and July 31, 2021, or as having a qualified medical account designation with the utility as of July 31, 2021, or as certified by the Virginia Department of Social Services, which shall work with the utility to provide such certification, as being a recipient of Supplemental Nutrition Assistance Program (SNAP); Women, Infants, and Children Program (WIC); or Temporary Assistance for Needy Families (TANF) benefits at any time between January 1, 2019 and July 31, 2021.

23. Within 30 days of the effective date of this act, the Department of Motor Vehicles shall submit a report to the Governor and the General Assembly providing a detailed operating plan for serving walk-in customers at existing Customer Service Centers in addition to the current appointment reservation system. Within 30 days of submission of the operating plan, the Commissioner of the Department of Motor Vehicles shall ensure that all Customer Service Centers are open for in-person walk-in services in accordance with the operating plan.

24. That § 58.1-301 of the Code of Virginia is amended and reenacted as follows:

§ 58.1-301. Conformity to Internal Revenue Code.

A. Any term used in this chapter shall have the same meaning as when used in a comparable context in the laws of the United States relating to federal income taxes, unless a different meaning is clearly required.

B. Any reference in this chapter to the laws of the United States relating to federal income taxes shall mean the provisions of the Internal Revenue Code of 1954, and amendments thereto, and other provisions of the laws of the United States relating to federal income taxes, as they existed on ~~December 31, 2020,~~ *December 31, 2021,* except for:

1. The special depreciation allowance for certain property provided for under §§ 168(k), 168(l), 168(m), 1400L, and 1400N of the Internal Revenue Code;

2. The carry-back of certain net operating losses for five years under § 172(b)(1)(H) of the Internal Revenue Code;

3. The original issue discount on applicable high yield discount obligations under § 163(e)(5)(F) of the Internal Revenue Code;

4. The deferral of certain income under § 108(i) of the Internal Revenue Code. For Virginia income tax purposes, income from the discharge of indebtedness in connection with the reacquisition of an "applicable debt instrument" (as defined under § 108(i) of the Internal Revenue Code) reacquired in the taxable year shall be fully included in the taxpayer's Virginia taxable income for the taxable year, unless the taxpayer elects to include such income in the taxpayer's Virginia taxable income ratably over a three-taxable-year period beginning with taxable year 2009 for transactions completed in taxable year 2009, or over a three-taxable-year period beginning with taxable year 2010 for transactions completed in taxable year 2010 on or before April 21, 2010. For purposes of such election, all other provisions of § 108(i) of the Internal Revenue Code shall apply mutatis mutandis. No other deferral shall be allowed for income from the discharge of indebtedness in connection with the reacquisition of an "applicable debt instrument";

5. For taxable years beginning on and after January 1, 2019, the suspension of the overall limitation on itemized deductions under § 68(f) of the Internal Revenue Code;

6. For taxable years beginning on and after January 1, 2017, but before January 1, 2018, and for taxable years beginning on and after January 1, 2019, the 7.5 percent of federal adjusted gross income threshold set forth in § 213(a) of the Internal Revenue Code that is used for purposes of computing the deduction allowed for expenses for medical care pursuant to § 213 of the Internal Revenue Code. For such taxable years, the threshold utilized for Virginia income tax purposes to compute the deduction allowed for expenses for medical care pursuant to § 213 of the Internal Revenue Code shall be 10 percent of federal adjusted gross income;

7. The provisions of §§ 2303(a) and 2303(b) of the federal Coronavirus Aid, Relief, and Economic Security Act, P.L. 116-136 (2020), related to the net operating loss limitation and carryback;

8. The provisions of § 2304(a) of the federal Coronavirus Aid, Relief, and Economic Security Act, P.L. 116-136 (2020), related to a loss limitation applicable to taxpayers other than corporations;

9. The provisions of § 2306 of the federal Coronavirus Aid, Relief, and Economic Security Act, P.L. 116-136 (2020), related to the limitation on business interest; and

10. *For taxable years beginning before January 1, 2021, the* ~~The~~ provisions of §§ 276(a), 276(b)(2), 276(b)(3),

278(a)(2), 278(a)(3), 278(b)(2), 278(b)(3), 278(c)(2), 278(c)(3), 278(d)(2), and 278(d)(3) of the federal Consolidated Appropriations Act, P.L. 116-260 (2020), *and §§ 9673(2), 9673(3), 9672(2), and 9672(3) of the federal American Rescue Plan Act, P.L. 117-2 (2021)* related to deductions, tax attributes, and basis increases for certain loan forgiveness and other business financial assistance.

The Department of Taxation is hereby authorized to develop procedures or guidelines for implementation of the provisions of this section, which procedures or guidelines shall be exempt from the provisions of the Administrative Process Act (§ 2.2-4000 et seq.).

25. That § 58.1-339.8 of the Code of Virginia is amended and reenacted as follows:

§ 58.1-339.8. Income tax credit for low-income taxpayers.

A. As used in this section, unless the context requires otherwise:
"Family Virginia adjusted gross income" means the combined Virginia adjusted gross income of an individual, the individual's spouse, and any person claimed as a dependent on the individual's or his spouse's income tax return for the taxable year.

"Household" means an individual, or in the case of married persons, an individual and his spouse, regardless of whether or not the individual and his spouse file combined or separate Virginia individual income tax returns.

"Poverty guidelines" means the poverty guidelines for the 48 contiguous states and the District of Columbia updated annually in the Federal Register by the U.S. Department of Health and Human Services under the authority of § 673(2) of the Omnibus Budget Reconciliation Act of 1981.

"Virginia adjusted gross income" has the same meaning as the term is defined in § 58.1-321.

B. 1. For taxable years beginning on and after January 1, 2000, any individual or persons filing a joint return whose family Virginia adjusted gross income does not exceed 100 percent of the poverty guideline amount corresponding to a household of an equal number of persons as listed in the poverty guidelines published during such taxable year, shall be allowed a *nonrefundable* credit against the tax levied pursuant to § 58.1-320 in an amount equal to $300 each for the individual, the individual's spouse, and any person claimed as a dependent on the individual's or married individuals' income tax return for the taxable year. For any taxable year in which married individuals file separate Virginia income tax returns, the credit provided under this section shall be allowed against the tax for only one of such two tax returns. Additionally, the credit provided under this section shall not be allowed against such tax of a dependent of the individual or of married individuals.

2. For taxable years beginning on and after January 1, 2006, any individual or married individuals, eligible for a tax credit pursuant to § 32 of the Internal Revenue Code, may for the taxable year, in lieu of the credit authorized under subdivision ~~B~~ 1, claim a *nonrefundable* credit against the tax imposed pursuant to § 58.1-320 in an amount equal to 20 percent of the credit claimed by the individual or married individuals for federal individual income taxes pursuant to § 32 of the Internal Revenue Code for the taxable year. In no case shall a household be allowed a credit pursuant to this subdivision and subdivision ~~B~~ 1 *or 3* for the same taxable year.

3. For taxable years beginning on and after January 1, 2022, any individual or married persons, eligible for a tax credit pursuant to § 32 of the Internal Revenue Code, may for the taxable year, in lieu of the credit authorized under subdivision 1 or 2, claim a refundable credit against the tax imposed pursuant to § 58.1-320 in an amount equal to 15 percent of the credit claimed by the individual or married persons for federal individual income taxes pursuant to § 32 of the Internal Revenue Code for the taxable year. The refundable credit shall be claimed on the Virginia income tax return and redeemed by the Tax Commissioner. In no case shall a household be allowed a credit pursuant to this subdivision and subdivision 1 or 2 for the same taxable year.

~~For the purpose of this subdivision, "household" means an individual and, in the case of married individuals, the individual and his spouse regardless of whether or not the individual and his spouse file combined or separate Virginia individual income tax returns.~~

C. The amount of the credit ~~provided~~ *claimed* pursuant to ~~subsection~~ *subdivision* B *1 and B 2, or in the case of a nonresident or a person to which § 58.1-303 applies, subdivision B 3,* for any taxable year shall not exceed the individual's or married individuals' Virginia income tax liability.

D. Notwithstanding any other provision of this section, no credit shall be allowed pursuant to subsection B in any taxable year in which the individual, the individual's spouse, or both, or any person claimed as a dependent on such individual's or married individuals' income tax return, claims one or any combination of the following on his or their income tax return for such taxable year:

1. The subtraction under subdivision 8 of § 58.1-322.02;

2. The subtraction under subdivision 15 of § 58.1-322.02;

3. The subtraction under subdivision 16 of § 58.1-322.02;

4. The deduction for the additional personal exemption for blind or aged taxpayers under subdivision 2 b of § 58.1-322.03; or

5. The deduction under subdivision 5 of § 58.1-322.03.

26. That the provisions of the twenty-fifth enactment of this Act shall apply for taxable years beginning on and after January 1, 2022.

~~24~~*27.* That this act is effective on its passage as provided in § 1-214 of the Code of Virginia.

~~25~~*28.* That the provisions of the first, second, third, fourth, sixth, seventh, eighth, twelfth, fourteenth, fifteenth, seventeenth, eighteenth, nineteenth, twentieth, twenty-first, twenty-second, twenty-third, and ~~twenty-fourth~~ *twenty-seventh* enactments of this act shall expire at midnight on June 30, 2022.

~~26~~*29.* That the provisions of the sixteenth enactment of this act shall expire at midnight on June 30, 2022 unless: 1) there are no funds available for the Virginia Rent Relief program from the Coronavirus Aid, Relief, and Economic Security (CARES) Act (P.L.116-136) and from the American Rescue Plan Act of 2021 (ARPA) (P.L. 117-2), or 2) the provisions of paragraph f. of the sixteenth enactment of this act becomes effective.

~~27~~*30.* That the provisions of the fifth, ninth, tenth, eleventh, ~~and~~ thirteenth*, twenty-fourth, twenty-fifth, and twenty-sixth* enactments of this act shall have no expiration date