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SENATE BILL NO. 117

Offered January 12, 2022

Prefiled January 7, 2022

A *BILL to amend and reenact § 58.1-4022.1 of the Code of Virginia and to amend the Code of Virginia by adding a section numbered 2.2-1509.5, relating to K-12 funding.*

Patron—Newman

Referred to Committee on Finance and Appropriations

Be it enacted by the General Assembly of Virginia:

1. That § 58.1-4022.1 of the Code of Virginia is amended and reenacted and that the Code of Virginia is amended by adding a section numbered 2.2-1509.5 as follows:

§ 2.2-1509.5. Budget bill to include appropriation of surplus for schools.

A. As used in this section:

"Maximum restricted amount" means the projected amount of funds in the Lottery Proceeds Fund, established under § 58.1-4022.1, for the fiscal year according to the revenue forecast in the Budget Bill, as defined in § 2.2-1509.

"Surplus" means the amount, if any, by which actual general fund revenues exceed estimated general fund revenues for the fiscal year, minus required deposits, if any, to the Revenue Stabilization Fund pursuant to § 2.2-1829, the Revenue Reserve Fund pursuant to § 2.2-1831.2, and the Virginia Water Quality Improvement Fund pursuant to § 10.1-2128.

B. For any fiscal year in which there is a surplus, the Budget Bill shall include (i) an appropriation of five percent of such surplus for the operational costs of local school divisions and (ii) a corresponding reduction in the amount of operational costs of local school divisions that are funded by the Lottery Proceeds Fund.

C. If the amount in the Lottery Proceeds Fund that is restricted pursuant to § 58.1-4022.1 is equal to or greater than the maximum restricted amount, there shall not be a required appropriation under subsection B.

§ 58.1-4022.1. Lottery Proceeds Fund.

A. There is hereby created in the state treasury a special nonreverting fund to be known as the Lottery Proceeds Fund, hereafter referred to as the "Fund." The Fund shall be established on the books of the Comptroller and interest earned on moneys in the Fund shall remain in the Fund and be credited to it. Any moneys remaining in the Fund, including interest thereon, at the end of each fiscal year shall not revert to the general fund but shall remain in the Fund. The Fund shall consist of amounts deposited into it from the net revenues of any lottery conducted by the Commonwealth pursuant to Article X, Section 7-A of the Constitution of Virginia.

B. For purposes of any appropriation act enacted by the General Assembly and for the purposes of the Comptroller's preliminary and final annual reports required by § 2.2-813, all deposits to and appropriations from the Lottery Proceeds Fund shall be accounted for and considered to be a part of the general fund of the state treasury.

C. For any year in which there is an appropriation of a surplus for the operational costs of local school divisions pursuant to § 2.2-1509.5, there shall be an equivalent increase in the amount of funds in the Fund that are restricted for the sole purpose of funding capital construction and renovation costs of local school divisions. Such restricted amount shall be cumulative and shall include any subsequent increases.

D. If the amount that is restricted pursuant to subsection C is equal to or greater than the maximum restricted amount, as defined in § 2.2-1509.5, there shall be no required increase under subsection C. However, the restriction on existing funds shall remain in effect.

INTRODUCED

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