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HOUSE BILL NO. 563**AMENDMENT IN THE NATURE OF A SUBSTITUTE**(Proposed by the House Committee on Appropriations
on February 11, 2022)

(Patron Prior to Substitute—Delegate O'Quinn)

A *BILL to amend and reenact § 58.1-4125 of the Code of Virginia and to amend the Code of Virginia by adding sections numbered 22.1-138.3 and 22.1-140.1, relating to the School Construction Fund and Program; established; funding sources.*

Be it enacted by the General Assembly of Virginia:

1. That § 58.1-4125 of the Code of Virginia is amended and reenacted and that the Code of Virginia is amended by adding sections numbered 22.1-138.3 and 22.1-140.1 as follows:

§ 22.1-138.3. Department; school division maintenance reserve tool.

A. The Department, in consultation with the Department of General Services, shall develop or adopt and maintain a data collection tool to assist each school board to determine the relative age of each public school building in the local school division and the amount of maintenance reserve funds that are necessary to restore each such building.

B. Each school board shall provide to the Department in a timely fashion the local data that is necessary to ensure that the tool maintained pursuant to subsection A remains relevant and useful for the determination of maintenance reserve needs.

§ 22.1-140.1. School Construction Fund and Program.

A. There is hereby created in the state treasury a special nonreverting fund to be known as the School Construction Fund. The Fund shall be established on the books of the Comptroller. All funds appropriated for such purpose, including funds appropriated pursuant to subdivision B 5 of § 58.1-4125, and any gifts, donations, grants, bequests, and other funds received on its behalf shall be paid into the state treasury and credited to the Fund. 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. Moneys in the Fund shall be used solely for the purposes of awarding grants pursuant to the School Construction Program established in subsection B. Expenditures and disbursements from the Fund shall be made by the State Treasurer on warrants issued by the Comptroller upon written request signed by the president of the Board.

B. There is hereby established the School Construction Program (the Program) for the purpose of awarding grants from the Fund to local school boards to fund the construction of new public school buildings or the renovation or expansion of existing public school buildings in the local school division. The Program shall be administered by the Board in accordance with criteria and other requirements set forth in the general appropriation act.

§ 58.1-4125. Gaming Proceeds Fund.

A. There is hereby created in the state treasury a special nonreverting fund to be known as the Gaming Proceeds Fund, referred to in this section as "the Fund." The Fund shall be established on the books of the Comptroller. All moneys required to be deposited into the Fund pursuant to this chapter shall be paid into the state treasury and credited to the Fund. Any moneys remaining in the Fund, including interest thereon, at the end of each fiscal year shall not revert to the general fund but shall remain in the Fund.

B. Revenues from the Fund shall be appropriated by the General Assembly as follows:

1. The following amounts shall be appropriated to the city in which they were collected:

- a. An amount equal to a six percent tax on the first \$200 million of adjusted gross receipts;*
- b. An amount equal to a seven percent tax on the adjusted gross receipts that exceed \$200 million but do not exceed \$400 million; and*
- c. An amount equal to an eight percent tax on the adjusted gross receipts that exceed \$400 million.*

2. For any casino gaming establishment operated by a Virginia Indian tribe recognized in House Joint Resolution No. 54 (1983) and acknowledged by the Assistant Secretary-Indian Affairs of the U.S. Department of the Interior as an Indian tribe within the meaning of federal law that has the authority to conduct gaming activities as a matter of claimed inherent authority or under the authority of the Indian Gaming Regulatory Act (25 U.S.C. § 2701 et seq.), an amount equal to a tax of one percent on the adjusted gross receipts of such establishment shall be deposited in the Virginia Indigenous People's Trust Fund established pursuant to § 2.2-401.01.

3. Eight-tenths of one percent of the Fund shall be appropriated to the Problem Gambling Treatment and Support Fund established pursuant to § 37.2-314.2.

4. Two-tenths of one percent of the Fund shall be appropriated to the Family and Children's Trust

60 Fund established pursuant to § 63.2-2100.

61 5. Any remaining revenues not appropriated pursuant to subdivisions ~~B~~ 1 through ~~B~~ 4 shall ~~remain~~
62 ~~in the Fund until appropriated by the General Assembly for programs established to address public~~
63 ~~school construction, renovations, or upgrades~~ *be appropriated to the School Construction Fund*
64 *established pursuant to § 22.1-140.1.*

65 C. As provided in the general appropriation act, funds appropriated pursuant to subdivision B 1 shall
66 be distributed to cities on a quarterly basis.

67 **2. That the Department of Education shall consider using the Department of General Services'**
68 **Real Estate and Assets Management system for tracking buildings and infrastructure maintenance**
69 **status to meet the requirements of § 22.1-138.3 of the Code of Virginia, as created by this act.**