

Senate Bills with Proposed Amendments

SB 749 (Same as HB 1681)

Two-Year College Transfer Grant Program

General Assembly Action: Establishes the Two-Year College Transfer Grant Program to encourage Virginia students to complete a transferable, associate degree program at a community college. Tuition assistance grants/vouchers would be provided to help offset the cost of completing the final two years at a Virginia public or non-profit private, baccalaureate-degree granting institution.

- HB 1681 fixes the grant at \$1,000 per year (\$2,000 if the student is pursuing undergraduate work in engineering, mathematics, nursing, teaching or science), and makes the grant available to fall 2007 first-time freshmen who subsequently receive an associate degree from a Virginia community college.
- Students eligible for the grant must (i) have enrolled in a Virginia four-year public or private institution by the fall following the award of the associate degree, (ii) have applied for financial aid, and (iii) have financial need, defined by an Expected Family Contribution (EFC) of no more than \$8,000, as calculated by the federal government using the family's financial information reported on the Free Application for Federal Student Aid (FAFSA) form.
- In addition, students enrolled in an associate degree program must maintain a cumulative grade point average of at least 3.0 on a scale of 4.0, and maintain that same grade point average and continue to demonstrate financial need while receiving the transfer grant (which is available for up to 70 credit hours).

- The State Council of Higher Education for Virginia is designated as the administering agency of the program and must promulgate necessary and appropriate regulations for its administration.

Governor's Action: The Governor's amendments are technical in nature; one amendment clarifies that it is the higher education institution rather than SCHEV that would make the calculation of the student's total financial aid package, including the transfer grant.

SB 771 (Same as HB 1710) Upgrading Wastewater Treatment Plants

General Assembly Action: Authorizes the Virginia Public Building Authority to issue bonds in an amount not to exceed \$250 million for grants to be used solely for funding nutrient removal technologies at specified publicly owned treatment works to implement the Commonwealth's Chesapeake Bay Tributary Strategies (specifies that bonds cannot be issued prior to July 1, 2008, which provides the opportunity for an intervening General Assembly session).

The legislation also reforms the Department of Environmental Quality's review process of grant applications to emphasize cost cutting designs and local government participation in the Chesapeake Bay Watershed Nutrient Credit Exchange Program.

Governor's Action: Clarifies that bond proceeds cannot be used as a source of reimbursement until the General Assembly makes the specific determination that bond proceeds are to be used either alone or in combination with other funds appropriated to DEQ for this purpose or funding provided through contractual agreements.

Adds the requirement that, as a prerequisite for using bonds, the Department of Environmental Quality must certify that project grant

reimbursements for a fiscal year will exceed funds otherwise available in the Water Quality Improvement Fund.

Lastly, the General Assembly is directed to review future funding needs to meet the purposes of the Water Quality Improvement Act and the appropriate funding mechanism for such needs, when grant disbursements reach a specified level.

SB 785

Virginia College Savings Plan; Income Tax Deductions

General Assembly Action: Increases the amount of income tax deduction that can be claimed in a single tax year for contributions to Virginia College Savings Plan prepaid tuition contracts or savings accounts from \$2,000 to \$4,000, effective for tax years beginning on or after January 1, 2009.

- Current law allows a taxpayer to contribute more than \$2,000, and the additional amount can be fully deducted over subsequent tax years. Therefore, the practical effect of SB 785 is to accelerate the amount that would be claimed as a deduction, i.e., **increases the amount that can be deducted in the near term and correspondingly reduces the amount in later years.**
- The total amount of state tax benefit from an additional \$2,000 contribution is roughly \$110 per contract/savings account, with a full-year impact of up to \$4.2 million (assumes current program participation rate with a doubling of what can be claimed in a single tax year).
- To the degree that an additional \$110 of tax benefit changes current behavior and increases the program participation rate, the revenue impact would be larger.

Governor's Action: Phases in the \$2,000 increase in deduction over four tax years by increasing the amount in \$500 increments (TY 09 = \$2,500; TY 10 = \$3,000; TY 11 = \$3,500; TY 12 = \$4,000).

SB 1063

Notice for increased real estate assessment rates

General Assembly Action: Increased from 7 to 30 days the minimum notice that a locality must give of a public hearing in which the locality proposes to increase its total real estate tax levies more than 101 percent of the prior year's levies.

In addition to the requirement under current law of publishing such notice in at least one newspaper of general circulation, the General Assembly also added the requirement that the notice be given in a prominent public location in the building where the governing body conducts its business.

Governor's Action: Proposes instead requiring 14 days notice of the public hearing.

SB 1168 (Same as HB 2361)

Waiver of Fees for Court-Appointed Counsel

General Assembly Action: Provides authority for the Executive Secretary to approve waivers to increase the fees paid to court-appointed counsel for indigent defendants in criminal cases. A companion budget amendment provided \$8.2 million for increased fees that would cover about a fourth of the cases.

Governor's Action: Provides that the higher fees for selected cases in Circuit Courts may also be paid in Juvenile and Domestic Relations District Courts for capital cases and other cases which would be punishable as felonies, if committed by an adult. Without this amendment, fee waivers in juvenile court are limited to the level of \$120 for misdemeanor offenses, even if the offense committed by

the juvenile is punishable as a felony. The amendments also require that the Executive Secretary of the Supreme Court report quarterly to the Governor and the House Appropriations and Senate Finance Committees on the number and categories of offenses and the amounts paid for waivers granted.

The Supreme Court estimates the waivers provided by the proposed amendments would cost about \$2.8 million per year. Since no additional funds were included in budget amendments for waivers on juvenile cases, the \$8.2 million provided for waivers in the adopted budget will cover less than a fourth of the adult cases.

SB 1218 (Same as HB 2370) Health Insurance Credit for Retired Teachers

General Assembly Action: Revises the health insurance credit for retired teachers with 15 or more years of VRS creditable service and expands the benefit as follows for future retirees:

- Increases monthly health insurance credit funded by the Commonwealth for retired teachers from \$2.50 to \$4.00 for each full year of creditable service;
- Eliminates the \$75 monthly cap on the retiree health care credit for these employees; and
- Establishes the monthly health insurance credit for teachers on disability retirement based on the years of service used for calculation of the disability retirement annuity.

Governor's Action: Adds a technical amendment through a fourth enactment clause to clarify that the monthly health care credit for any current retiree will not be reduced as a result of SB 1218.

SB 1230

Requiring Human Papillomavirus Vaccine

General Assembly Action: Requires that young women receive at least one of three doses of the human papillomavirus (HPV) vaccine prior to entering the sixth grade. Allows a parent or guardian to decline the vaccination on behalf of his child, through submission of a Board-approved form, after reviewing Board-approved materials describing the link between HPV and cervical cancer.

Governor's Action: Modifies language providing an exception from the mandatory HPV vaccine requirement by stipulating that the parent has the “sole discretion” to decline the vaccination, after reviewing Board-approved materials describing the link between HPV and cervical cancer (written election by parent is deleted). New language points out that HPV is not communicable in a school setting, unlike other vaccinations that are mandated for school attendance.

SB 1237

Penalties for Violation of Protective Orders

General Assembly Action: Provides a minimum mandatory term of 60 days for the second violation of a protective order within five years of the first offense, when the current offense was based on a threat or act of violence, and related provisions. The corrections bed space impact could not be determined, so no deposit to the Corrections Special Reserve Fund was required.

Governor's Action: Broadens the scope of the bill by clarifying that the mandatory minimum provisions are triggered when either the current or the prior offense was based on a threat or act of violence. However, the impact of the bill still cannot be determined, so no deposit to the Corrections Special Reserve Fund is required.

SB 1413 (Same as HB 2450) **ABC Wine Distribution Licenses**

General Assembly Action: Creates a new restricted wholesale wine license that authorizes the licensee to provide wholesale wine distribution services to winery and farm winery licensees, provided that no more than 3,000 cases of wine produced by a winery or farm winery licensee shall be distributed by the corporation in any one year.

Requires the Commissioner of the Department of Agriculture and Consumer Services to form a nonprofit, nonstock corporation that will hold this new license to promote, develop, and sustain markets for licensed Virginia wineries and farm wineries. The bill also allows certain licensees to deliver or ship beer or wine from more than one premise, as identified in the license.

The bill sets the state license tax for this new license and requires the ABC Board to adopt emergency regulations to implement the provisions of the bill.

Governor's Action: Exempts the nonprofit, nonstock corporation established by the Commissioner of Agriculture and Consumer Services from both the Administrative Process Act and the Virginia Public Procurement Act.

House Bills with Proposed Amendments

HB 1681 (Same as SB 749) Two-Year College Transfer Grant Program

General Assembly Action: Establishes the Two-Year College Transfer Grant Program to encourage Virginia students to complete a transferable, associate degree program at a community college. Tuition assistance grants/vouchers would be provided to help offset the cost of completing the final two years at a Virginia public or non-profit private, baccalaureate-degree granting institution.

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- In addition, students enrolled in an associate degree program must maintain a cumulative grade point average of at least 3.0 on a scale of 4.0, and maintain that same grade point average and continue to demonstrate financial need while receiving the transfer grant (which is available for up to 70 credit hours).

- The State Council of Higher Education for Virginia is designated as the administering agency of the program and must promulgate necessary and appropriate regulations for its administration.

Governor's Action: The Governor's amendments are technical in nature; one amendment clarifies that it is the higher education institution rather than SCHEV that would make the calculation of the student's total financial aid package, including the transfer grant.

HB 1710 (Same as SB 771) Upgrading Wastewater Treatment Plants

General Assembly Action: Authorizes the Virginia Public Building Authority to issue bonds in an amount not to exceed \$250 million for grants to be used solely for funding nutrient removal technologies at specified publicly owned treatment works to implement the Commonwealth's Chesapeake Bay Tributary Strategies (specifies that bonds cannot be issued prior to July 1, 2008, which provides the opportunity for an intervening General Assembly session).

The legislation also reforms the Department of Environmental Quality's review process of grant applications to emphasize cost cutting designs and local government participation in the Chesapeake Bay Watershed Nutrient Credit Exchange Program.

Governor's Action: Clarifies that bond proceeds cannot be used as a source of reimbursement until the General Assembly makes the specific determination that bond proceeds are to be used either alone or in combination with other funds appropriated to DEQ for this purpose or funding provided through contractual agreements.

Adds the requirement that, as a prerequisite for using bonds, the Department of Environmental Quality must certify that project grant

reimbursements for a fiscal year will exceed funds otherwise available in the Water Quality Improvement Fund.

Lastly, the Governor proposes language directing the General Assembly to review future funding needs to meet the purposes of the Water Quality Improvement Act and the appropriate funding mechanism for such needs, when grant disbursements reach a specified level.

HB 2203

Conveyance of Subaqueous Lands

General Assembly Action: Exempts certain parties who are authorized to receive conveyance of parcels of subaqueous lands in the City of Norfolk from having to pay fair market value. The bill provides these exemptions because the parties had paid local real estate taxes on the parcels.

Governor's Action: Requires the parties in question to compensate the Commonwealth in an amount equivalent to 25 percent of the assessed value of the conveyed parcel, exclusive of buildings or other improvements.

The assessed value is defined as the average of the local real estate tax assessments for the most recent 10 years. If no assessments are available, then the value is calculated as a percentage of the square footage or acreage that the conveyed parcel represents of any larger parcel for which assessments are available.

HB 2361 (Same as SB 1168)

Waiver of Fees for Court-Appointed Counsel

General Assembly Action: Provides authority for the Executive Secretary to approve waivers to increase the fees paid to court-

appointed counsel for indigent defendants in criminal cases. A companion budget amendment provided \$8.2 million for increased fees that would cover about a fourth of the cases.

Governor's Action: Provides that the higher fees for selected cases in Circuit Courts may also be paid in Juvenile and Domestic Relations District Courts for capital cases and other cases which would be punishable as felonies, if committed by an adult. Without this amendment, fee waivers in juvenile court are limited to the level of \$120 for misdemeanor offenses, even if the offense committed by the juvenile is punishable as a felony. The amendments also require that the Executive Secretary of the Supreme Court report quarterly to the Governor and the House Appropriations and Senate Finance Committees on the number and categories of offenses and the amounts paid for waivers granted.

The Supreme Court estimates the waivers provided by the proposed amendments would cost about \$2.8 million per year. Since no additional funds were included in budget amendments for waivers on juvenile cases, the \$8.2 million provided for waivers in the adopted budget will cover less than a fourth of the adult cases.

HB 2370 (Same as SB 1218) Health Insurance Credit for Retired Teachers

General Assembly Action: Revises the health insurance credit for retired teachers with 15 or more years of VRS creditable service and expands the benefit as follows for future retirees:

- Increases monthly health insurance credit funded by the Commonwealth for retired teachers from \$2.50 to \$4.00 for each full year of creditable service;
- Eliminates the \$75 monthly cap on the retiree health care credit for these employees; and

- Establishes the monthly health insurance credit for teachers on disability retirement based on the years of service used for calculation of the disability retirement annuity.

Governor's Action: Adds a technical amendment through a fourth enactment clause to clarify that the monthly health care credit for any current retiree will not be reduced as a result of HB 2370.

HB 2390

Local Treasurers' lists of uncollectible taxes and delinquents

General Assembly Action: Adds a new category of uncollectible taxes and delinquencies that treasurers are required to report, as follows:

- Uncollected balances of previously-billed taxes (i) on vehicles that were owned by taxpayers, now deceased, upon whose estates no qualification has been made, or (ii) on vehicles that were sold to persons who were unaware of the unpaid taxes.

Under current law, treasurers must report uncollected taxes and delinquent taxes no later than 60 days after the end of the fiscal year, to include:

- 1) Real estate improperly placed or not ascertainable on the commissioner's land book;
- 2) Other real estate which is delinquent for nonpayment;
- 3) Uncollected taxes assessed on tangible personal property, machinery and tools and merchant's capital, and other non-real estate local taxation;
- 4) Uncollected taxes less than \$20 each for which no bills were sent, and

- 5) Uncollected balances of previously-billed taxes of less than \$20, which the treasurer has determined would cost more to collect than the balance due.

Governor's Action: Makes a purely technical amendment to place a reference to the new language in the proper location.

HB 2450 (Same as SB 1413) ABC Wine Distribution Licenses

General Assembly Action: Creates a new restricted wholesale wine license that authorizes the licensee to provide wholesale wine distribution services to winery and farm winery licensees, provided that no more than 3,000 cases of wine produced by a winery or farm winery licensee shall be distributed by the corporation in any one year.

Requires the Commissioner of the Department of Agriculture and Consumer Services to form a nonprofit, nonstock corporation that will hold this new license to promote, develop, and sustain markets for licensed Virginia wineries and farm wineries. The bill also allows certain licensees to deliver or ship beer or wine from more than one premise, as identified in the license.

The bill sets the state license tax for this new license and requires the ABC Board to adopt emergency regulations to implement the provisions of the bill.

Governor's Action: Exempts the nonprofit, nonstock corporation established by the Commissioner of Agriculture and Consumer Services from both the Administrative Process Act and the Virginia Public Procurement Act.

HB 2504

Criminal History/Central Registry Background Checks

General Assembly Action: Requires prospective foster and adoptive parents to undergo a criminal background check, including fingerprinting as well as new federal requirements under the Adam Walsh Child Protection and Safety Act of 2006, prior to the placement of a child in foster care or adoption.

Specifies that a background check includes: i) a sworn statement disclosing whether the individual has a criminal conviction, pending charge or has been the subject of a founded case of child abuse or neglect; ii) fingerprinting forwarded through the Central Criminal Records Exchange to the FBI to obtain criminal history information; and iii) searches of the Commonwealth's child abuse and neglect registry and any other state registry where the prospective parent or other adult in the home has resided in the previous five years.

Governor's Action: Reinstates language to clarify that local boards of social services and licensed child placing agencies are responsible for obtaining criminal background checks on prospective foster care or adoptive parents. Also includes language referencing exceptions to the background check requirement related to rights of birth parents, as contained in three bills that passed the 2007 General Assembly -- House Bill 1687, House Bill 1985, and Senate Bill 1041.