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HOUSE BILL NO. 559
 AMENDMENT IN THE NATURE OF A SUBSTITUTE
 (Proposed by the House Committee on Education
 on _____)
 (Patron Prior to Substitute--Delegate O'Quinn)

A BILL to amend the Code of Virginia by adding a section numbered 22.1-97.1, relating to local school boards; required local effort; adjustment in certain circumstances.

Be it enacted by the General Assembly of Virginia:

1. That the Code of Virginia is amended by adding a section numbered 22.1-97.1 as follows:

§ 22.1-97.1. Required local effort; adjustment in certain circumstances.

In any case in which a local school board enters into a comprehensive agreement with an entity pursuant to § 56-575.9 whereby the entity finances the construction of a new public school building in the local school division through the issuance of bonds; leases the building to the local school board in an arrangement such as a certificate of participation, a double net lease, or a triple net lease; and expects the local school board to make lease payments in an annual amount that approximates or is equal to the annual debt service on such bonds, the Department shall not consider 50 percent of such lease payments as capital outlay and debt service and therefore shall not subtract such payments in the annual calculation of net local expenditures for operations or required local effort as required by § 22.1-97, if so requested by the local school board.

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