

SENATE BILL NO. 1519

AMENDMENT IN THE NATURE OF A SUBSTITUTE

(Proposed by the Senate Committee on Finance and Appropriations
on February 2, 2023)

(Patron Prior to Substitute--Senator Barker)

A BILL to amend and reenact §§ 2.2-2744, 2.2-2753, 2.2-2905, 2.2-3114, 2.2-3705.4, 2.2-3705.7, 2.2-3711, 2.2-4006, 2.2-4343, 8.01-424, 23.1-306, 23.1-700, 23.1-701, 23.1-704 through 23.1-707, 23.1-1004, 30-330 through 30-333, 30-335, 51.1-505.01, 58.1-322.02, as it is currently effective and as it shall become effective, 58.1-322.03, as it is currently effective and as it shall become effective, and 58.1-344.4 of the Code of Virginia, relating to public institutions of higher education; Virginia College Savings Plan; renamed Commonwealth Savers Plan; duties of governing board.

Be it enacted by the General Assembly of Virginia:

1. That §§ 2.2-2744, 2.2-2753, 2.2-2905, 2.2-3114, 2.2-3705.4, 2.2-3705.7, 2.2-3711, 2.2-4006, 2.2-4343, 8.01-424, 23.1-306, 23.1-700, 23.1-701, 23.1-704 through 23.1-707, 23.1-1004, 30-330 through 30-333, 30-335, 51.1-505.01, 58.1-322.02, as it is currently effective and as it shall become effective, 58.1-322.03, as it is currently effective and as it shall become effective, and 58.1-344.4 of the Code of Virginia are amended and reenacted as follows:

§ 2.2-2744. Definitions.

As used in this chapter, unless the context requires a different meaning:

"Board" means the governing board of the ~~Virginia College Savings~~ Commonwealth Savers Plan.

"Committee" means the Program Advisory Committee established pursuant to § 2.2-2746.

"Eligible employee" means any individual who is (i) 18 years of age or older, (ii) currently employed at least 30 hours a week, and (iii) receiving wages.

"Eligible employer" means a nongovernmental business, industry, trade, profession, or other enterprise in the Commonwealth, whether conducted on a for-profit or nonprofit basis, that employed 25

27 or more eligible employees, as reported to the Virginia Employment Commission pursuant to 16VAC5-
28 32-20, or any successor regulation, for the quarter ending December 31 and the preceding three quarters
29 of the preceding calendar year and has been operating for at least two years prior to Program
30 implementation. "Eligible employer" does not include an employer that sponsors, maintains, or contributes
31 to an automatic enrollment payroll deduction IRA or a qualified retirement plan in compliance with federal
32 law for its employees, including plans qualified under § 401(a), 403(a), 403(b), 408(k), or 408(p) of the
33 Internal Revenue Code. An employer shall become an eligible employer at any time if it meets the
34 eligibility requirements under this chapter.

35 "Fee" means any investment management charges, administrative charges, investment advice
36 charges, trading fees, marketing and sales fees, revenue sharing, broker fees, and other costs necessary to
37 run the Program.

38 "Individual retirement account" or "IRA" means a Roth or traditional individual retirement account
39 or annuity under § 408 or 408A of the Internal Revenue Code.

40 "Participating employee" means any eligible employee who is enrolled in the Program.

41 "Participating employer" means an employer that facilitates a payroll deposit retirement savings
42 agreement pursuant to this chapter for its eligible employees.

43 "Participating individual" means any individual who enrolls in the Program independent of an
44 employment relationship with an eligible employer, maintains an account in the Program, and is not a
45 participating employee.

46 "Payroll deposit retirement savings agreement" means an arrangement by which an employer
47 allows employees to remit payroll deduction contributions to the Program.

48 "Plan" means the ~~Virginia College Savings~~ Commonwealth Savers Plan.

49 "Program" means the state-facilitated IRA savings program established in this chapter and
50 administered by the Plan.

51 "Program Trust" means the Program trust fund established by § 2.2-2752.

52 "Wages" means any compensation, as such term is defined in § 219(f)(1) of the Internal Revenue
53 Code, that is paid to an eligible employee by his employer during the calendar year.

54 **§ 2.2-2753. Audit and annual reports.**

55 The Program shall be subject to the reporting requirements set forth in § 23.1-709. The Program
56 shall be subject to the applicable provisions of the ~~Virginia College Savings~~ Commonwealth Savers Plan
57 Oversight Act (§ 30-330 et seq.).

58 **§ 2.2-2905. Certain officers and employees exempt from chapter.**

59 The provisions of this chapter shall not apply to:

- 60 1. Officers and employees for whom the Constitution specifically directs the manner of selection;
- 61 2. Officers and employees of the Supreme Court and the Court of Appeals;
- 62 3. Officers appointed by the Governor, whether confirmation by the General Assembly or by either
63 house thereof is required or not;
- 64 4. Officers elected by popular vote or by the General Assembly or either house thereof;
- 65 5. Members of boards and commissions however selected;
- 66 6. Judges, referees, receivers, arbiters, masters and commissioners in chancery, commissioners of
67 accounts, and any other persons appointed by any court to exercise judicial functions, and jurors and
68 notaries public;
- 69 7. Officers and employees of the General Assembly and persons employed to conduct temporary
70 or special inquiries, investigations, or examinations on its behalf;
- 71 8. The presidents and teaching and research staffs of state educational institutions;
- 72 9. Commissioned officers and enlisted personnel of the National Guard;
- 73 10. Student employees at institutions of higher education and patient or inmate help in other state
74 institutions;
- 75 11. Upon general or special authorization of the Governor, laborers, temporary employees, and
76 employees compensated on an hourly or daily basis;
- 77 12. County, city, town, and district officers, deputies, assistants, and employees;
- 78 13. The employees of the Virginia Workers' Compensation Commission;
- 79 14. The officers and employees of the Virginia Retirement System;

80 15. Employees whose positions are identified by the State Council of Higher Education and the
81 boards of the Virginia Museum of Fine Arts, The Science Museum of Virginia, the Jamestown-Yorktown
82 Foundation, the Frontier Culture Museum of Virginia, the Virginia Museum of Natural History, the New
83 College Institute, the Southern Virginia Higher Education Center, and The Library of Virginia, and
84 approved by the Director of the Department of Human Resource Management as requiring specialized
85 and professional training;

86 16. Employees of the Virginia Lottery;

87 17. Employees of the Department for the Blind and Vision Impaired's rehabilitative manufacturing
88 and service industries who have a human resources classification of industry worker;

89 18. Employees of the Virginia Commonwealth University Health System Authority;

90 19. Employees of the University of Virginia Medical Center. Any changes in compensation plans
91 for such employees shall be subject to the review and approval of the Board of Visitors of the University
92 of Virginia. The University of Virginia shall ensure that its procedures for hiring University of Virginia
93 Medical Center personnel are based on merit and fitness. Such employees shall remain subject to the
94 provisions of the State Grievance Procedure (§ 2.2-3000 et seq.);

95 20. In executive branch agencies the employee who has accepted serving in the capacity of chief
96 deputy, or equivalent, and the employee who has accepted serving in the capacity of a confidential
97 assistant for policy or administration. An employee serving in either one of these two positions shall be
98 deemed to serve on an employment-at-will basis. An agency may not exceed two employees who serve in
99 this exempt capacity;

100 21. Employees of Virginia Correctional Enterprises. Such employees shall remain subject to the
101 provisions of the State Grievance Procedure (§ 2.2-3000 et seq.);

102 22. Officers and employees of the Virginia Port Authority;

103 23. Employees of the ~~Virginia College Savings~~ Commonwealth Savers Plan;

104 24. Directors of state facilities operated by the Department of Behavioral Health and
105 Developmental Services employed or reemployed by the Commissioner after July 1, 1999, under a

106 contract pursuant to § 37.2-707. Such employees shall remain subject to the provisions of the State
107 Grievance Procedure (§ 2.2-3000 et seq.);

108 25. Employees of the Virginia Foundation for Healthy Youth. Such employees shall be treated as
109 state employees for purposes of participation in the Virginia Retirement System, health insurance, and all
110 other employee benefits offered by the Commonwealth to its classified employees;

111 26. Employees of the Virginia Indigent Defense Commission;

112 27. Any chief of a campus police department that has been designated by the governing body of a
113 public institution of higher education as exempt, pursuant to § 23.1-809;

114 28. The Chief Executive Officer, agents, officers, and employees of the Virginia Alcoholic
115 Beverage Control Authority; and

116 29. Officers and employees of the Fort Monroe Authority.

117 **§ 2.2-3114. Disclosure by state officers and employees.**

118 A. In accordance with the requirements set forth in § 2.2-3118.2, the Governor, Lieutenant
119 Governor, Attorney General, Justices of the Supreme Court, judges of the Court of Appeals, judges of any
120 circuit court, judges and substitute judges of any district court, members of the State Corporation
121 Commission, members of the Virginia Workers' Compensation Commission, members of the
122 Commonwealth Transportation Board, members of the Board of Trustees of the Virginia Retirement
123 System, members of the Board of Directors of the Virginia Alcoholic Beverage Control Authority,
124 members of the Board of the ~~Virginia College Savings~~ Commonwealth Savers Plan, and members of the
125 Virginia Lottery Board and other persons occupying such offices or positions of trust or employment in
126 state government, including members of the governing bodies of authorities, as may be designated by the
127 Governor, or officers or employees of the legislative branch, as may be designated by the Joint Rules
128 Committee of the General Assembly, shall file with the Council, as a condition to assuming office or
129 employment, a disclosure statement of their personal interests and such other information as is required
130 on the form prescribed by the Council pursuant to § 2.2-3117 and thereafter shall file such a statement
131 annually on or before February 1.

132 B. In accordance with the requirements set forth in § 2.2-3118.2, nonsalaried citizen members of
133 all policy and supervisory boards, commissions and councils in the executive branch of state government,
134 other than the Commonwealth Transportation Board, members of the Board of Trustees of the Virginia
135 Retirement System, members of the Board of the ~~Virginia College Savings~~ Commonwealth Savers Plan,
136 and the Virginia Lottery Board, shall file with the Council, as a condition to assuming office, a disclosure
137 form of their personal interests and such other information as is required on the form prescribed by the
138 Council pursuant to § 2.2-3118 and thereafter shall file such form annually on or before February 1.
139 Nonsalaried citizen members of other boards, commissions and councils, including advisory boards and
140 authorities, may be required to file a disclosure form if so designated by the Governor, in which case the
141 form shall be that prescribed by the Council pursuant to § 2.2-3118.

142 C. The disclosure forms required by subsections A and B shall be made available by the Council
143 at least 30 days prior to the filing deadline. Disclosure forms shall be filed electronically with the Council
144 in accordance with the standards approved by it pursuant to § 30-356. All forms shall be maintained as
145 public records for five years in the office of the Council. Such forms shall be made public no later than
146 six weeks after the filing deadline.

147 D. Candidates for the offices of Governor, Lieutenant Governor or Attorney General shall file a
148 disclosure statement of their personal interests as required by § 24.2-502.

149 E. Any officer or employee of state government who has a personal interest in any transaction
150 before the governmental or advisory agency of which he is an officer or employee and who is disqualified
151 from participating in that transaction pursuant to subsection A of § 2.2-3112, or otherwise elects to
152 disqualify himself, shall forthwith make disclosure of the existence of his interest, including the full name
153 and address of the business and the address or parcel number for the real estate if the interest involves a
154 business or real estate, and his disclosure shall also be reflected in the public records of the agency for
155 five years in the office of the administrative head of the officer's or employee's governmental agency or
156 advisory agency or, if the agency has a clerk, in the clerk's office.

157 F. An officer or employee of state government who is required to declare his interest pursuant to
158 subdivision B 1 of § 2.2-3112, shall declare his interest by stating (i) the transaction involved, (ii) the

159 nature of the officer's or employee's personal interest affected by the transaction, (iii) that he is a member
160 of a business, profession, occupation, or group the members of which are affected by the transaction, and
161 (iv) that he is able to participate in the transaction fairly, objectively, and in the public interest. The officer
162 or employee shall either make his declaration orally to be recorded in written minutes for his agency or
163 file a signed written declaration with the clerk or administrative head of his governmental or advisory
164 agency, as appropriate, who shall, in either case, retain and make available for public inspection such
165 declaration for a period of five years from the date of recording or receipt. If reasonable time is not
166 available to comply with the provisions of this subsection prior to participation in the transaction, the
167 officer or employee shall prepare and file the required declaration by the end of the next business day.

168 G. An officer or employee of state government who is required to declare his interest pursuant to
169 subdivision B 2 of § 2.2-3112, shall declare his interest by stating (i) the transaction involved, (ii) that a
170 party to the transaction is a client of his firm, (iii) that he does not personally represent or provide services
171 to the client, and (iv) that he is able to participate in the transaction fairly, objectively, and in the public
172 interest. The officer or employee shall either make his declaration orally to be recorded in written minutes
173 for his agency or file a signed written declaration with the clerk or administrative head of his governmental
174 or advisory agency, as appropriate, who shall, in either case, retain and make available for public
175 inspection such declaration for a period of five years from the date of recording or receipt. If reasonable
176 time is not available to comply with the provisions of this subsection prior to participation in the
177 transaction, the officer or employee shall prepare and file the required declaration by the end of the next
178 business day.

179 H. Notwithstanding any other provision of law, chairs of departments at a public institution of
180 higher education in the Commonwealth shall not be required to file the disclosure form prescribed by the
181 Council pursuant to § 2.2-3117 or 2.2-3118.

182 **§ 2.2-3705.4. Exclusions to application of chapter; educational records and certain records**
183 **of educational institutions.**

184 A. The following information contained in a public record is excluded from the mandatory
185 disclosure provisions of this chapter but may be disclosed by the custodian in his discretion, except as

186 provided in subsection B or where such disclosure is otherwise prohibited by law. Redaction of
187 information excluded under this section from a public record shall be conducted in accordance with § 2.2-
188 3704.01.

189 1. Scholastic records containing information concerning identifiable individuals, except that such
190 access shall not be denied to the person who is the subject thereof, or the parent or legal guardian of the
191 student. However, no student shall have access to (i) financial records of a parent or guardian or (ii) records
192 of instructional, supervisory, and administrative personnel and educational personnel ancillary thereto,
193 that are in the sole possession of the maker thereof and that are not accessible or revealed to any other
194 person except a substitute.

195 The parent or legal guardian of a student may prohibit, by written request, the release of any
196 individual information regarding that student until the student reaches the age of 18 years. For scholastic
197 records of students under the age of 18 years, the right of access may be asserted only by his legal guardian
198 or parent, including a noncustodial parent, unless such parent's parental rights have been terminated or a
199 court of competent jurisdiction has restricted or denied such access. For scholastic records of students who
200 are emancipated or attending a public institution of higher education in the Commonwealth, the right of
201 access may be asserted by the student.

202 Any person who is the subject of any scholastic record and who is 18 years of age or older may
203 waive, in writing, the protections afforded by this subdivision. If the protections are so waived, such
204 records shall be disclosed.

205 2. Confidential letters and statements of recommendation placed in the records of educational
206 agencies or institutions respecting (i) admission to any educational agency or institution, (ii) an application
207 for employment or promotion, or (iii) receipt of an honor or honorary recognition.

208 3. Information held by the Brown v. Board of Education Scholarship Committee that would reveal
209 personally identifiable information, including scholarship applications, personal financial information,
210 and confidential correspondence and letters of recommendation.

211 4. Information of a proprietary nature produced or collected by or for faculty or staff of public
212 institutions of higher education, other than the institutions' financial or administrative records, in the

213 conduct of or as a result of study or research on medical, scientific, technical or scholarly issues, whether
214 sponsored by the institution alone or in conjunction with a governmental body or a private concern, where
215 such information has not been publicly released, published, copyrighted or patented.

216 5. Information held by the University of Virginia or the University of Virginia Medical Center or
217 Eastern Virginia Medical School, as the case may be, that contain proprietary, business-related
218 information pertaining to the operations of the University of Virginia Medical Center or Eastern Virginia
219 Medical School, as the case may be, including business development or marketing strategies and activities
220 with existing or future joint venturers, partners, or other parties with whom the University of Virginia
221 Medical Center or Eastern Virginia Medical School, as the case may be, has formed, or forms, any
222 arrangement for the delivery of health care, if disclosure of such information would be harmful to the
223 competitive position of the University of Virginia Medical Center or Eastern Virginia Medical School, as
224 the case may be.

225 6. Personal information, as defined in § 2.2-3801, provided to the Board of the ~~Virginia College~~
226 ~~Savings~~ Commonwealth Savers Plan or its employees by or on behalf of individuals who have requested
227 information about, applied for, or entered into prepaid tuition contracts or savings trust account
228 agreements pursuant to Chapter 7 (§ 23.1-700 et seq.) of Title 23.1, including personal information related
229 to (i) qualified beneficiaries as that term is defined in § 23.1-700, (ii) designated survivors, or (iii)
230 authorized individuals. Nothing in this subdivision shall be construed to prevent disclosure or publication
231 of information in a statistical or other form that does not identify individuals or provide personal
232 information. Individuals shall be provided access to their own personal information.

233 For purposes of this subdivision:

234 "Authorized individual" means an individual who may be named by the account owner to receive
235 information regarding the account but who does not have any control or authority over the account.

236 "Designated survivor" means the person who will assume account ownership in the event of the
237 account owner's death.

238 7. Information maintained in connection with fundraising activities by or for a public institution
239 of higher education that would reveal (i) personal fundraising strategies relating to identifiable donors or

240 prospective donors or (ii) wealth assessments; estate, financial, or tax planning information; health-related
241 information; employment, familial, or marital status information; electronic mail addresses, facsimile or
242 telephone numbers; birth dates or social security numbers of identifiable donors or prospective donors.
243 The exclusion provided by this subdivision shall not apply to protect from disclosure (a) information
244 relating to the amount, date, purpose, and terms of the pledge or donation or the identity of the donor or
245 (b) the identities of sponsors providing grants to or contracting with the institution for the performance of
246 research services or other work or the terms and conditions of such grants or contracts. For purposes of
247 clause (a), the identity of the donor may be withheld if (1) the donor has requested anonymity in
248 connection with or as a condition of making a pledge or donation and (2) the pledge or donation does not
249 impose terms or conditions directing academic decision-making.

250 8. Information held by a threat assessment team established by a local school board pursuant to §
251 22.1-79.4 or by a public institution of higher education pursuant to § 23.1-805 relating to the assessment
252 or intervention with a specific individual. However, in the event an individual who has been under
253 assessment commits an act, or is prosecuted for the commission of an act that has caused the death of, or
254 caused serious bodily injury, including any felony sexual assault, to another person, such information of
255 the threat assessment team concerning the individual under assessment shall be made available as provided
256 by this chapter, with the exception of any criminal history records obtained pursuant to § 19.2-389 or 19.2-
257 389.1, health records obtained pursuant to § 32.1-127.1:03, or scholastic records as defined in § 22.1-289.
258 The public body providing such information shall remove personally identifying information of any
259 person who provided information to the threat assessment team under a promise of confidentiality.

260 9. Records provided to the Governor or the designated reviewers by a qualified institution, as those
261 terms are defined in § 23.1-1239, related to a proposed memorandum of understanding, or proposed
262 amendments to a memorandum of understanding, submitted pursuant to Chapter 12.1 (§ 23.1-1239 et seq.)
263 of Title 23.1. A memorandum of understanding entered into pursuant to such chapter shall be subject to
264 public disclosure after it is agreed to and signed by the Governor.

265 B. The custodian of a scholastic record shall not release the address, phone number, or email
266 address of a student in response to a request made under this chapter without written consent. For any

267 student who is (i) 18 years of age or older, (ii) under the age of 18 and emancipated, or (iii) attending an
268 institution of higher education, written consent of the student shall be required. For any other student,
269 written consent of the parent or legal guardian of such student shall be required.

270 **§ 2.2-3705.7. Exclusions to application of chapter; records of specific public bodies and**
271 **certain other limited exclusions.**

272 The following information contained in a public record is excluded from the mandatory disclosure
273 provisions of this chapter but may be disclosed by the custodian in his discretion, except where such
274 disclosure is prohibited by law. Redaction of information excluded under this section from a public record
275 shall be conducted in accordance with § 2.2-3704.01.

276 1. State income, business, and estate tax returns, personal property tax returns, and confidential
277 records held pursuant to § 58.1-3.

278 2. Working papers and correspondence of the Office of the Governor, the Lieutenant Governor, or
279 the Attorney General; the members of the General Assembly, the Division of Legislative Services, or the
280 Clerks of the House of Delegates or the Senate of Virginia; the mayor or chief executive officer of any
281 political subdivision of the Commonwealth; or the president or other chief executive officer of any public
282 institution of higher education in the Commonwealth. However, no information that is otherwise open to
283 inspection under this chapter shall be deemed excluded by virtue of the fact that it has been attached to or
284 incorporated within any working paper or correspondence. Further, information publicly available or not
285 otherwise subject to an exclusion under this chapter or other provision of law that has been aggregated,
286 combined, or changed in format without substantive analysis or revision shall not be deemed working
287 papers. Nothing in this subdivision shall be construed to authorize the withholding of any resumes or
288 applications submitted by persons who are appointed by the Governor pursuant to § 2.2-106 or 2.2-107.

289 As used in this subdivision:

290 "Members of the General Assembly" means each member of the Senate of Virginia and the House
291 of Delegates and their legislative aides when working on behalf of such member.

292 "Office of the Governor" means the Governor; the Governor's chief of staff, counsel, director of
293 policy, and Cabinet Secretaries; the Assistant to the Governor for Intergovernmental Affairs; and those
294 individuals to whom the Governor has delegated his authority pursuant to § 2.2-104.

295 "Working papers" means those records prepared by or for a public official identified in this
296 subdivision for his personal or deliberative use.

297 3. Information contained in library records that can be used to identify (i) both (a) any library
298 patron who has borrowed or accessed material or resources from a library and (b) the material or resources
299 such patron borrowed or accessed or (ii) any library patron under 18 years of age. For the purposes of
300 clause (ii), access shall not be denied to the parent, including a noncustodial parent, or guardian of such
301 library patron.

302 4. Contract cost estimates prepared for the confidential use of the Department of Transportation in
303 awarding contracts for construction or the purchase of goods or services, and records and automated
304 systems prepared for the Department's Bid Analysis and Monitoring Program.

305 5. Lists of registered owners of bonds issued by a political subdivision of the Commonwealth,
306 whether the lists are maintained by the political subdivision itself or by a single fiduciary designated by
307 the political subdivision.

308 6. Information furnished by a member of the General Assembly to a meeting of a standing
309 committee, special committee, or subcommittee of his house established solely for the purpose of
310 reviewing members' annual disclosure statements and supporting materials filed under § 30-110 or of
311 formulating advisory opinions to members on standards of conduct, or both.

312 7. Customer account information of a public utility affiliated with a political subdivision of the
313 Commonwealth, including the customer's name and service address, but excluding the amount of utility
314 service provided and the amount of money charged or paid for such utility service.

315 8. Personal information, as defined in § 2.2-3801, (i) filed with the Virginia Housing Development
316 Authority concerning individuals who have applied for or received loans or other housing assistance or
317 who have applied for occupancy of or have occupied housing financed, owned or otherwise assisted by
318 the Virginia Housing Development Authority; (ii) concerning persons participating in or persons on the

319 waiting list for federally funded rent-assistance programs; (iii) filed with any local redevelopment and
320 housing authority created pursuant to § 36-4 concerning persons participating in or persons on the waiting
321 list for housing assistance programs funded by local governments or by any such authority; or (iv) filed
322 with any local redevelopment and housing authority created pursuant to § 36-4 or any other local
323 government agency concerning persons who have applied for occupancy or who have occupied affordable
324 dwelling units established pursuant to § 15.2-2304 or 15.2-2305. However, access to one's own
325 information shall not be denied.

326 9. Information regarding the siting of hazardous waste facilities, except as provided in § 10.1-
327 1441, if disclosure of such information would have a detrimental effect upon the negotiating position of a
328 governing body or on the establishment of the terms, conditions, and provisions of the siting agreement.

329 10. Information on the site-specific location of rare, threatened, endangered, or otherwise
330 imperiled plant and animal species, natural communities, caves, and significant historic and archaeological
331 sites if, in the opinion of the public body that has the responsibility for such information, disclosure of the
332 information would jeopardize the continued existence or the integrity of the resource. This exclusion shall
333 not apply to requests from the owner of the land upon which the resource is located.

334 11. Memoranda, graphics, video or audio tapes, production models, data, and information of a
335 proprietary nature produced by or for or collected by or for the Virginia Lottery relating to matters of a
336 specific lottery game design, development, production, operation, ticket price, prize structure, manner of
337 selecting the winning ticket, manner of payment of prizes to holders of winning tickets, frequency of
338 drawings or selections of winning tickets, odds of winning, advertising, or marketing, where such
339 information not been publicly released, published, copyrighted, or patented. Whether released, published,
340 or copyrighted, all game-related information shall be subject to public disclosure under this chapter upon
341 the first day of sales for the specific lottery game to which it pertains.

342 12. Information held by the Virginia Retirement System, acting pursuant to § 51.1-124.30, or a
343 local retirement system, acting pursuant to § 51.1-803, or by a local finance board or board of trustees of
344 a trust established by one or more local public bodies to invest funds for post-retirement benefits other
345 than pensions, acting pursuant to Article 8 (§ 15.2-1544 et seq.) of Chapter 15 of Title 15.2, or by the

346 board of visitors of the University of Virginia, acting pursuant to § 23.1-2210, or by the board of visitors
347 of The College of William and Mary in Virginia, acting pursuant to § 23.1-2803, or by the ~~Virginia College~~
348 ~~Savings~~ Commonwealth Savers Plan, acting pursuant to § 23.1-704, relating to the acquisition, holding,
349 or disposition of a security or other ownership interest in an entity, where such security or ownership
350 interest is not traded on a governmentally regulated securities exchange, if disclosure of such information
351 would (i) reveal confidential analyses prepared for the board of visitors of the University of Virginia,
352 prepared for the board of visitors of The College of William and Mary in Virginia, prepared by the
353 retirement system, a local finance board or board of trustees, or the ~~Virginia College Savings~~
354 Commonwealth Savers Plan, or provided to the retirement system, a local finance board or board of
355 trustees, or the ~~Virginia College Savings~~ Commonwealth Savers Plan under a promise of confidentiality
356 of the future value of such ownership interest or the future financial performance of the entity and (ii)
357 have an adverse effect on the value of the investment to be acquired, held, or disposed of by the retirement
358 system, a local finance board or board of trustees, the board of visitors of the University of Virginia, the
359 board of visitors of The College of William and Mary in Virginia, or the ~~Virginia College Savings~~
360 Commonwealth Savers Plan. Nothing in this subdivision shall be construed to prevent the disclosure of
361 information relating to the identity of any investment held, the amount invested, or the present value of
362 such investment.

363 13. Financial, medical, rehabilitative, and other personal information concerning applicants for or
364 recipients of loan funds submitted to or maintained by the Assistive Technology Loan Fund Authority
365 under Chapter 11 (§ 51.5-53 et seq.) of Title 51.5.

366 14. Information held by the Virginia Commonwealth University Health System Authority
367 pertaining to any of the following: an individual's qualifications for or continued membership on its
368 medical or teaching staffs; proprietary information gathered by or in the possession of the Authority from
369 third parties pursuant to a promise of confidentiality; contract cost estimates prepared for confidential use
370 in awarding contracts for construction or the purchase of goods or services; information of a proprietary
371 nature produced or collected by or for the Authority or members of its medical or teaching staffs; financial
372 statements not publicly available that may be filed with the Authority from third parties; the identity,

373 accounts, or account status of any customer of the Authority; consulting or other reports paid for by the
374 Authority to assist the Authority in connection with its strategic planning and goals; the determination of
375 marketing and operational strategies where disclosure of such strategies would be harmful to the
376 competitive position of the Authority; and information of a proprietary nature produced or collected by or
377 for employees of the Authority, other than the Authority's financial or administrative records, in the
378 conduct of or as a result of study or research on medical, scientific, technical, or scholarly issues, whether
379 sponsored by the Authority alone or in conjunction with a governmental body or a private concern, when
380 such information has not been publicly released, published, copyrighted, or patented. This exclusion shall
381 also apply when such information is in the possession of Virginia Commonwealth University.

382 15. Information held by the Department of Environmental Quality, the State Water Control Board,
383 the State Air Pollution Control Board, or the Virginia Waste Management Board relating to (i) active
384 federal environmental enforcement actions that are considered confidential under federal law and (ii)
385 enforcement strategies, including proposed sanctions for enforcement actions. Upon request, such
386 information shall be disclosed after a proposed sanction resulting from the investigation has been proposed
387 to the director of the agency. This subdivision shall not be construed to prevent the disclosure of
388 information related to inspection reports, notices of violation, and documents detailing the nature of any
389 environmental contamination that may have occurred or similar documents.

390 16. Information related to the operation of toll facilities that identifies an individual, vehicle, or
391 travel itinerary, including vehicle identification data or vehicle enforcement system information; video or
392 photographic images; Social Security or other identification numbers appearing on driver's licenses; credit
393 card or bank account data; home addresses; phone numbers; or records of the date or time of toll facility
394 use.

395 17. Information held by the Virginia Lottery pertaining to (i) the social security number, tax
396 identification number, state sales tax number, home address and telephone number, personal and lottery
397 banking account and transit numbers of a retailer, and financial information regarding the nonlottery
398 operations of specific retail locations and (ii) individual lottery winners, except that a winner's name,
399 hometown, and amount won shall be disclosed. If the value of the prize won by the winner exceeds \$10

400 million, the information described in clause (ii) shall not be disclosed unless the winner consents in writing
401 to such disclosure.

402 18. Information held by the Board for Branch Pilots relating to the chemical or drug testing of a
403 person regulated by the Board, where such person has tested negative or has not been the subject of a
404 disciplinary action by the Board for a positive test result.

405 19. Information pertaining to the planning, scheduling, and performance of examinations of holder
406 records pursuant to the Virginia Disposition of Unclaimed Property Act (§ 55.1-2500 et seq.) prepared by
407 or for the State Treasurer or his agents or employees or persons employed to perform an audit or
408 examination of holder records.

409 20. Information held by the Virginia Department of Emergency Management or a local governing
410 body relating to citizen emergency response teams established pursuant to an ordinance of a local
411 governing body that reveal the name, address, including e-mail address, telephone or pager numbers, or
412 operating schedule of an individual participant in the program.

413 21. Information held by state or local park and recreation departments and local and regional park
414 authorities concerning identifiable individuals under the age of 18 years. However, nothing in this
415 subdivision shall operate to prevent the disclosure of information defined as directory information under
416 regulations implementing the federal Family Educational Rights and Privacy Act, 20 U.S.C. § 1232g,
417 unless the public body has undertaken the parental notification and opt-out requirements provided by such
418 regulations. Access shall not be denied to the parent, including a noncustodial parent, or guardian of such
419 person, unless the parent's parental rights have been terminated or a court of competent jurisdiction has
420 restricted or denied such access. For such information of persons who are emancipated, the right of access
421 may be asserted by the subject thereof. Any parent or emancipated person who is the subject of the
422 information may waive, in writing, the protections afforded by this subdivision. If the protections are so
423 waived, the public body shall open such information for inspection and copying.

424 22. Information submitted for inclusion in the Statewide Alert Network administered by the
425 Department of Emergency Management that reveal names, physical addresses, email addresses, computer
426 or internet protocol information, telephone numbers, pager numbers, other wireless or portable

427 communications device information, or operating schedules of individuals or agencies, where the release
428 of such information would compromise the security of the Statewide Alert Network or individuals
429 participating in the Statewide Alert Network.

430 23. Information held by the Judicial Inquiry and Review Commission made confidential by § 17.1-
431 913.

432 24. Information held by the Virginia Retirement System acting pursuant to § 51.1-124.30, a local
433 retirement system acting pursuant to § 51.1-803 (hereinafter collectively referred to as the retirement
434 system), or the ~~Virginia College Savings~~ Commonwealth Savers Plan, acting pursuant to § 23.1-704
435 relating to:

436 a. Internal deliberations of or decisions by the retirement system or the ~~Virginia College Savings~~
437 Commonwealth Savers Plan on the pursuit of particular investment strategies, or the selection or
438 termination of investment managers, prior to the execution of such investment strategies or the selection
439 or termination of such managers, if disclosure of such information would have an adverse impact on the
440 financial interest of the retirement system or the ~~Virginia College Savings~~ Commonwealth Savers Plan;
441 and

442 b. Trade secrets provided by a private entity to the retirement system or the ~~Virginia College~~
443 ~~Savings~~ Commonwealth Savers Plan if disclosure of such records would have an adverse impact on the
444 financial interest of the retirement system or the ~~Virginia College Savings~~ Commonwealth Savers Plan.

445 For the records specified in subdivision b to be excluded from the provisions of this chapter, the
446 entity shall make a written request to the retirement system or the ~~Virginia College Savings~~
447 Commonwealth Savers Plan:

- 448 (1) Invoking such exclusion prior to or upon submission of the data or other materials for which
449 protection from disclosure is sought;
- 450 (2) Identifying with specificity the data or other materials for which protection is sought; and
- 451 (3) Stating the reasons why protection is necessary.

452 The retirement system or the ~~Virginia College Savings~~ Commonwealth Savers Plan shall
453 determine whether the requested exclusion from disclosure meets the requirements set forth in subdivision
454 b.

455 Nothing in this subdivision shall be construed to prevent the disclosure of the identity or amount
456 of any investment held or the present value and performance of all asset classes and subclasses.

457 25. Information held by the Department of Corrections made confidential by former § 53.1-233.

458 26. Information maintained by the Department of the Treasury or participants in the Local
459 Government Investment Pool (§ 2.2-4600 et seq.) and required to be provided by such participants to the
460 Department to establish accounts in accordance with § 2.2-4602.

461 27. Personal information, as defined in § 2.2-3801, contained in the Veterans Care Center Resident
462 Trust Funds concerning residents or patients of the Department of Veterans Services Care Centers, except
463 that access shall not be denied to the person who is the subject of the information.

464 28. Information maintained in connection with fundraising activities by the Veterans Services
465 Foundation pursuant to § 2.2-2716 that reveal the address, electronic mail address, facsimile or telephone
466 number, social security number or other identification number appearing on a driver's license or other
467 document issued under Chapter 3 (§ 46.2-300 et seq.) of Title 46.2 or the comparable law of another
468 jurisdiction, or credit card or bank account data of identifiable donors, except that access shall not be
469 denied to the person who is the subject of the information. Nothing in this subdivision, however, shall be
470 construed to prevent the disclosure of information relating to the amount, date, purpose, and terms of the
471 pledge or donation or the identity of the donor, unless the donor has requested anonymity in connection
472 with or as a condition of making a pledge or donation. The exclusion provided by this subdivision shall
473 not apply to protect from disclosure (i) the identities of sponsors providing grants to or contracting with
474 the foundation for the performance of services or other work or (ii) the terms and conditions of such grants
475 or contracts.

476 29. Information prepared for and utilized by the Commonwealth's Attorneys' Services Council in
477 the training of state prosecutors or law-enforcement personnel, where such information is not otherwise
478 available to the public and the disclosure of such information would reveal confidential strategies,

479 methods, or procedures to be employed in law-enforcement activities or materials created for the
480 investigation and prosecution of a criminal case.

481 30. Information provided to the Department of Aviation by other entities of the Commonwealth in
482 connection with the operation of aircraft where the information would not be subject to disclosure by the
483 entity providing the information. The entity providing the information to the Department of Aviation shall
484 identify the specific information to be protected and the applicable provision of this chapter that excludes
485 the information from mandatory disclosure.

486 31. Information created or maintained by or on the behalf of the judicial performance evaluation
487 program related to an evaluation of any individual justice or judge made confidential by § 17.1-100.

488 32. Information reflecting the substance of meetings in which (i) individual sexual assault cases
489 are discussed by any sexual assault response team established pursuant to § 15.2-1627.4, (ii) individual
490 child abuse or neglect cases or sex offenses involving a child are discussed by multidisciplinary child
491 sexual abuse response teams established pursuant to § 15.2-1627.5, or (iii) individual cases of abuse,
492 neglect, or exploitation of adults as defined in § 63.2-1603 are discussed by multidisciplinary teams
493 established pursuant to §§ 15.2-1627.5 and 63.2-1605. The findings of any such team may be disclosed
494 or published in statistical or other aggregated form that does not disclose the identity of specific
495 individuals.

496 33. Information contained in the strategic plan, marketing plan, or operational plan prepared by
497 the Virginia Economic Development Partnership Authority pursuant to § 2.2-2237.1 regarding target
498 companies, specific allocation of resources and staff for marketing activities, and specific marketing
499 activities that would reveal to the Commonwealth's competitors for economic development projects the
500 strategies intended to be deployed by the Commonwealth, thereby adversely affecting the financial interest
501 of the Commonwealth. The executive summaries of the strategic plan, marketing plan, and operational
502 plan shall not be redacted or withheld pursuant to this subdivision.

503 34. Information discussed in a closed session of the Physical Therapy Compact Commission or
504 the Executive Board or other committees of the Commission for purposes set forth in subsection E of §
505 54.1-3491.

506 35. Information held by the Commonwealth of Virginia Innovation Partnership Authority (the
507 Authority), an advisory committee of the Authority, or any other entity designated by the Authority,
508 relating to (i) internal deliberations of or decisions by the Authority on the pursuit of particular investment
509 strategies prior to the execution of such investment strategies and (ii) trade secrets, as defined in the
510 Uniform Trade Secrets Act (§ 59.1-336 et seq.), provided by a private entity to the Authority, if such
511 disclosure of records pursuant to clause (i) or (ii) would have an adverse impact on the financial interest
512 of the Authority or a private entity.

513 36. Personal information provided to or obtained by the Virginia Lottery in connection with the
514 voluntary exclusion program administered pursuant to § 58.1-4015.1.

515 37. Personal information provided to or obtained by the Virginia Lottery concerning the identity
516 of any person reporting prohibited conduct pursuant to § 58.1-4043.

517 **§ 2.2-3711. Closed meetings authorized for certain limited purposes.**

518 A. Public bodies may hold closed meetings only for the following purposes:

519 1. Discussion, consideration, or interviews of prospective candidates for employment; assignment,
520 appointment, promotion, performance, demotion, salaries, disciplining, or resignation of specific public
521 officers, appointees, or employees of any public body; and evaluation of performance of departments or
522 schools of public institutions of higher education where such evaluation will necessarily involve
523 discussion of the performance of specific individuals. Any teacher shall be permitted to be present during
524 a closed meeting in which there is a discussion or consideration of a disciplinary matter that involves the
525 teacher and some student and the student involved in the matter is present, provided the teacher makes a
526 written request to be present to the presiding officer of the appropriate board. Nothing in this subdivision,
527 however, shall be construed to authorize a closed meeting by a local governing body or an elected school
528 board to discuss compensation matters that affect the membership of such body or board collectively.

529 2. Discussion or consideration of admission or disciplinary matters or any other matters that would
530 involve the disclosure of information contained in a scholastic record concerning any student of any public
531 institution of higher education in the Commonwealth or any state school system. However, any such
532 student, legal counsel and, if the student is a minor, the student's parents or legal guardians shall be

533 permitted to be present during the taking of testimony or presentation of evidence at a closed meeting, if
534 such student, parents, or guardians so request in writing and such request is submitted to the presiding
535 officer of the appropriate board.

536 3. Discussion or consideration of the acquisition of real property for a public purpose, or of the
537 disposition of publicly held real property, where discussion in an open meeting would adversely affect the
538 bargaining position or negotiating strategy of the public body.

539 4. The protection of the privacy of individuals in personal matters not related to public business.

540 5. Discussion concerning a prospective business or industry or the expansion of an existing
541 business or industry where no previous announcement has been made of the business' or industry's interest
542 in locating or expanding its facilities in the community.

543 6. Discussion or consideration of the investment of public funds where competition or bargaining
544 is involved, where, if made public initially, the financial interest of the governmental unit would be
545 adversely affected.

546 7. Consultation with legal counsel and briefings by staff members or consultants pertaining to
547 actual or probable litigation, where such consultation or briefing in open meeting would adversely affect
548 the negotiating or litigating posture of the public body. For the purposes of this subdivision, "probable
549 litigation" means litigation that has been specifically threatened or on which the public body or its legal
550 counsel has a reasonable basis to believe will be commenced by or against a known party. Nothing in this
551 subdivision shall be construed to permit the closure of a meeting merely because an attorney representing
552 the public body is in attendance or is consulted on a matter.

553 8. Consultation with legal counsel employed or retained by a public body regarding specific legal
554 matters requiring the provision of legal advice by such counsel. Nothing in this subdivision shall be
555 construed to permit the closure of a meeting merely because an attorney representing the public body is
556 in attendance or is consulted on a matter.

557 9. Discussion or consideration by governing boards of public institutions of higher education of
558 matters relating to gifts, bequests and fund-raising activities, and of grants and contracts for services or
559 work to be performed by such institution. However, the terms and conditions of any such gifts, bequests,

560 grants, and contracts made by a foreign government, a foreign legal entity, or a foreign person and
561 accepted by a public institution of higher education in the Commonwealth shall be subject to public
562 disclosure upon written request to the appropriate board of visitors. For the purpose of this subdivision,
563 (i) "foreign government" means any government other than the United States government or the
564 government of a state or a political subdivision thereof, (ii) "foreign legal entity" means any legal entity
565 (a) created under the laws of the United States or of any state thereof if a majority of the ownership of the
566 stock of such legal entity is owned by foreign governments or foreign persons or if a majority of the
567 membership of any such entity is composed of foreign persons or foreign legal entities or (b) created under
568 the laws of a foreign government, and (iii) "foreign person" means any individual who is not a citizen or
569 national of the United States or a trust territory or protectorate thereof.

570 10. Discussion or consideration by the boards of trustees of the Virginia Museum of Fine Arts, the
571 Virginia Museum of Natural History, the Jamestown-Yorktown Foundation, the Fort Monroe Authority,
572 and The Science Museum of Virginia of matters relating to specific gifts, bequests, and grants from private
573 sources.

574 11. Discussion or consideration of honorary degrees or special awards.

575 12. Discussion or consideration of tests, examinations, or other information used, administered, or
576 prepared by a public body and subject to the exclusion in subdivision 4 of § 2.2-3705.1.

577 13. Discussion, consideration, or review by the appropriate House or Senate committees of
578 possible disciplinary action against a member arising out of the possible inadequacy of the disclosure
579 statement filed by the member, provided the member may request in writing that the committee meeting
580 not be conducted in a closed meeting.

581 14. Discussion of strategy with respect to the negotiation of a hazardous waste siting agreement or
582 to consider the terms, conditions, and provisions of a hazardous waste siting agreement if the governing
583 body in open meeting finds that an open meeting will have an adverse effect upon the negotiating position
584 of the governing body or the establishment of the terms, conditions and provisions of the siting agreement,
585 or both. All discussions with the applicant or its representatives may be conducted in a closed meeting.

586 15. Discussion by the Governor and any economic advisory board reviewing forecasts of economic
587 activity and estimating general and nongeneral fund revenues.

588 16. Discussion or consideration of medical and mental health records subject to the exclusion in
589 subdivision 1 of § 2.2-3705.5.

590 17. Deliberations of the Virginia Lottery Board in a licensing appeal action conducted pursuant to
591 subsection D of § 58.1-4007 regarding the denial or revocation of a license of a lottery sales agent; and
592 discussion, consideration or review of Virginia Lottery matters related to proprietary lottery game
593 information and studies or investigations excluded from disclosure under subdivision 6 of § 2.2-3705.3
594 and subdivision 11 of § 2.2-3705.7.

595 18. Those portions of meetings in which the State Board of Local and Regional Jails discusses or
596 discloses the identity of, or information tending to identify, any prisoner who (i) provides information
597 about crimes or criminal activities, (ii) renders assistance in preventing the escape of another prisoner or
598 in the apprehension of an escaped prisoner, or (iii) voluntarily or at the instance of a prison official renders
599 other extraordinary services, the disclosure of which is likely to jeopardize the prisoner's life or safety.

600 19. Discussion of plans to protect public safety as it relates to terrorist activity or specific
601 cybersecurity threats or vulnerabilities and briefings by staff members, legal counsel, or law-enforcement
602 or emergency service officials concerning actions taken to respond to such matters or a related threat to
603 public safety; discussion of information subject to the exclusion in subdivision 2 or 14 of § 2.2-3705.2,
604 where discussion in an open meeting would jeopardize the safety of any person or the security of any
605 facility, building, structure, information technology system, or software program; or discussion of reports
606 or plans related to the security of any governmental facility, building or structure, or the safety of persons
607 using such facility, building or structure.

608 20. Discussion by the Board of the Virginia Retirement System, acting pursuant to § 51.1-124.30,
609 or of any local retirement system, acting pursuant to § 51.1-803, or by a local finance board or board of
610 trustees of a trust established by one or more local public bodies to invest funds for postemployment
611 benefits other than pensions, acting pursuant to Article 8 (§ 15.2-1544 et seq.) of Chapter 15 of Title 15.2,
612 or by the board of visitors of the University of Virginia, acting pursuant to § 23.1-2210, or by the Board

613 of the ~~Virginia College Savings~~ Commonwealth Savers Plan, acting pursuant to § 23.1-706, regarding the
614 acquisition, holding or disposition of a security or other ownership interest in an entity, where such
615 security or ownership interest is not traded on a governmentally regulated securities exchange, to the
616 extent that such discussion (i) concerns confidential analyses prepared for the board of visitors of the
617 University of Virginia, prepared by the retirement system, or a local finance board or board of trustees, or
618 the ~~Virginia College Savings~~ Commonwealth Savers Plan or provided to the retirement system, a local
619 finance board or board of trustees, or the ~~Virginia College Savings~~ Commonwealth Savers Plan under a
620 promise of confidentiality, of the future value of such ownership interest or the future financial
621 performance of the entity, and (ii) would have an adverse effect on the value of the investment to be
622 acquired, held, or disposed of by the retirement system, a local finance board or board of trustees, the
623 board of visitors of the University of Virginia, or the ~~Virginia College Savings~~ Commonwealth Savers
624 Plan. Nothing in this subdivision shall be construed to prevent the disclosure of information relating to
625 the identity of any investment held, the amount invested or the present value of such investment.

626 21. Those portions of meetings in which individual child death cases are discussed by the State
627 Child Fatality Review Team established pursuant to § 32.1-283.1, those portions of meetings in which
628 individual child death cases are discussed by a regional or local child fatality review team established
629 pursuant to § 32.1-283.2, those portions of meetings in which individual death cases are discussed by
630 family violence fatality review teams established pursuant to § 32.1-283.3, those portions of meetings in
631 which individual adult death cases are discussed by the state Adult Fatality Review Team established
632 pursuant to § 32.1-283.5, those portions of meetings in which individual adult death cases are discussed
633 by a local or regional adult fatality review team established pursuant to § 32.1-283.6, those portions of
634 meetings in which individual death cases are discussed by overdose fatality review teams established
635 pursuant to § 32.1-283.7, those portions of meetings in which individual maternal death cases are
636 discussed by the Maternal Mortality Review Team pursuant to § 32.1-283.8, and those portions of
637 meetings in which individual death cases of persons with developmental disabilities are discussed by the
638 Developmental Disabilities Mortality Review Committee established pursuant to § 37.2-314.1.

639 22. Those portions of meetings of the board of visitors of the University of Virginia or the Eastern
640 Virginia Medical School Board of Visitors, as the case may be, and those portions of meetings of any
641 persons to whom management responsibilities for the University of Virginia Medical Center or Eastern
642 Virginia Medical School, as the case may be, have been delegated, in which there is discussed proprietary,
643 business-related information pertaining to the operations of the University of Virginia Medical Center or
644 Eastern Virginia Medical School, as the case may be, including business development or marketing
645 strategies and activities with existing or future joint venturers, partners, or other parties with whom the
646 University of Virginia Medical Center or Eastern Virginia Medical School, as the case may be, has formed,
647 or forms, any arrangement for the delivery of health care, if disclosure of such information would
648 adversely affect the competitive position of the Medical Center or Eastern Virginia Medical School, as
649 the case may be.

650 23. Discussion or consideration by the Virginia Commonwealth University Health System
651 Authority or the board of visitors of Virginia Commonwealth University of any of the following: the
652 acquisition or disposition by the Authority of real property, equipment, or technology software or
653 hardware and related goods or services, where disclosure would adversely affect the bargaining position
654 or negotiating strategy of the Authority; matters relating to gifts or bequests to, and fund-raising activities
655 of, the Authority; grants and contracts for services or work to be performed by the Authority; marketing
656 or operational strategies plans of the Authority where disclosure of such strategies or plans would
657 adversely affect the competitive position of the Authority; and members of the Authority's medical and
658 teaching staffs and qualifications for appointments thereto.

659 24. Those portions of the meetings of the Health Practitioners' Monitoring Program Committee
660 within the Department of Health Professions to the extent such discussions identify any practitioner who
661 may be, or who actually is, impaired pursuant to Chapter 25.1 (§ 54.1-2515 et seq.) of Title 54.1.

662 25. Meetings or portions of meetings of the Board of the ~~Virginia College Savings~~ Commonwealth
663 Savers Plan wherein personal information, as defined in § 2.2-3801, which has been provided to the Board
664 or its employees by or on behalf of individuals who have requested information about, applied for, or

665 entered into prepaid tuition contracts or savings trust account agreements pursuant to Chapter 7 (§ 23.1-
666 700 et seq.) of Title 23.1 is discussed.

667 26. Discussion or consideration, by the former Wireless Carrier E-911 Cost Recovery
668 Subcommittee created pursuant to former § 56-484.15, of trade secrets submitted by CMRS providers, as
669 defined in § 56-484.12, related to the provision of wireless E-911 service.

670 27. Those portions of disciplinary proceedings by any regulatory board within the Department of
671 Professional and Occupational Regulation, Department of Health Professions, or the Board of
672 Accountancy conducted pursuant to § 2.2-4019 or 2.2-4020 during which the board deliberates to reach a
673 decision or meetings of health regulatory boards or conference committees of such boards to consider
674 settlement proposals in pending disciplinary actions or modifications to previously issued board orders as
675 requested by either of the parties.

676 28. Discussion or consideration of information subject to the exclusion in subdivision 11 of § 2.2-
677 3705.6 by a responsible public entity or an affected locality or public entity, as those terms are defined in
678 § 33.2-1800, or any independent review panel appointed to review information and advise the responsible
679 public entity concerning such records.

680 29. Discussion of the award of a public contract involving the expenditure of public funds,
681 including interviews of bidders or offerors, and discussion of the terms or scope of such contract, where
682 discussion in an open session would adversely affect the bargaining position or negotiating strategy of the
683 public body.

684 30. Discussion or consideration of grant or loan application information subject to the exclusion
685 in subdivision 17 of § 2.2-3705.6 by the Commonwealth Health Research Board.

686 31. Discussion or consideration by the Commitment Review Committee of information subject to
687 the exclusion in subdivision 5 of § 2.2-3705.2 relating to individuals subject to commitment as sexually
688 violent predators under Chapter 9 (§ 37.2-900 et seq.) of Title 37.2.

689 32. Discussion or consideration of confidential proprietary information and trade secrets developed
690 and held by a local public body providing certain telecommunication services or cable television services
691 and subject to the exclusion in subdivision 18 of § 2.2-3705.6. However, the exemption provided by this

692 subdivision shall not apply to any authority created pursuant to the BVU Authority Act (§ 15.2-7200 et
693 seq.).

694 33. Discussion or consideration by a local authority created in accordance with the Virginia
695 Wireless Service Authorities Act (§ 15.2-5431.1 et seq.) of confidential proprietary information and trade
696 secrets subject to the exclusion in subdivision 19 of § 2.2-3705.6.

697 34. Discussion or consideration by the State Board of Elections or local electoral boards of voting
698 security matters made confidential pursuant to § 24.2-410.2 or 24.2-625.1.

699 35. Discussion or consideration by the Forensic Science Board or the Scientific Advisory
700 Committee created pursuant to Article 2 (§ 9.1-1109 et seq.) of Chapter 11 of Title 9.1 of criminal
701 investigative files.

702 36. Discussion or consideration by the Brown v. Board of Education Scholarship Committee of
703 information or confidential matters subject to the exclusion in subdivision A 3 of § 2.2-3705.4, and
704 meetings of the Committee to deliberate concerning the annual maximum scholarship award, review and
705 consider scholarship applications and requests for scholarship award renewal, and cancel, rescind, or
706 recover scholarship awards.

707 37. Discussion or consideration by the Virginia Port Authority of information subject to the
708 exclusion in subdivision 1 of § 2.2-3705.6 related to certain proprietary information gathered by or for the
709 Virginia Port Authority.

710 38. Discussion or consideration by the Board of Trustees of the Virginia Retirement System acting
711 pursuant to § 51.1-124.30, by the Investment Advisory Committee appointed pursuant to § 51.1-124.26,
712 by any local retirement system, acting pursuant to § 51.1-803, by the Board of the ~~Virginia College~~
713 ~~Savings~~ Commonwealth Savers Plan acting pursuant to § 23.1-706, or by the ~~Virginia College Savings~~
714 Commonwealth Savers Plan's Investment Advisory Committee appointed pursuant to § 23.1-702 of
715 information subject to the exclusion in subdivision 24 of § 2.2-3705.7.

716 39. Discussion or consideration of information subject to the exclusion in subdivision 3 of § 2.2-
717 3705.6 related to economic development.

718 40. Discussion or consideration by the Board of Education of information relating to the denial,
719 suspension, or revocation of teacher licenses subject to the exclusion in subdivision 11 of § 2.2-3705.3.

720 41. Those portions of meetings of the Virginia Military Advisory Council or any commission
721 created by executive order for the purpose of studying and making recommendations regarding preventing
722 closure or realignment of federal military and national security installations and facilities located in
723 Virginia and relocation of such facilities to Virginia, or a local or regional military affairs organization
724 appointed by a local governing body, during which there is discussion of information subject to the
725 exclusion in subdivision 8 of § 2.2-3705.2.

726 42. Discussion or consideration by the Board of Trustees of the Veterans Services Foundation of
727 information subject to the exclusion in subdivision 28 of § 2.2-3705.7 related to personally identifiable
728 information of donors.

729 43. Discussion or consideration by the Virginia Tobacco Region Revitalization Commission of
730 information subject to the exclusion in subdivision 23 of § 2.2-3705.6 related to certain information
731 contained in grant applications.

732 44. Discussion or consideration by the board of directors of the Commercial Space Flight Authority
733 of information subject to the exclusion in subdivision 24 of § 2.2-3705.6 related to rate structures or
734 charges for the use of projects of, the sale of products of, or services rendered by the Authority and certain
735 proprietary information of a private entity provided to the Authority.

736 45. Discussion or consideration of personal and proprietary information related to the resource
737 management plan program and subject to the exclusion in (i) subdivision 25 of § 2.2-3705.6 or (ii)
738 subsection E of § 10.1-104.7. This exclusion shall not apply to the discussion or consideration of records
739 that contain information that has been certified for release by the person who is the subject of the
740 information or transformed into a statistical or aggregate form that does not allow identification of the
741 person who supplied, or is the subject of, the information.

742 46. Discussion or consideration by the Board of Directors of the Virginia Alcoholic Beverage
743 Control Authority of information subject to the exclusion in subdivision 1 of § 2.2-3705.3 related to
744 investigations of applicants for licenses and permits and of licensees and permittees.

745 47. Discussion or consideration of grant, loan, or investment application records subject to the
746 exclusion in subdivision 28 of § 2.2-3705.6 for a grant, loan, or investment pursuant to Article 11 (§ 2.2-
747 2351 et seq.) of Chapter 22.

748 48. Discussion or development of grant proposals by a regional council established pursuant to
749 Article 26 (§ 2.2-2484 et seq.) of Chapter 24 to be submitted for consideration to the Virginia Growth and
750 Opportunity Board.

751 49. Discussion or consideration of (i) individual sexual assault cases by a sexual assault response
752 team established pursuant to § 15.2-1627.4, (ii) individual child abuse or neglect cases or sex offenses
753 involving a child by a child sexual abuse response team established pursuant to § 15.2-1627.5, or (iii)
754 individual cases involving abuse, neglect, or exploitation of adults as defined in § 63.2-1603 pursuant to
755 §§ 15.2-1627.5 and 63.2-1605.

756 50. Discussion or consideration by the Board of the Virginia Economic Development Partnership
757 Authority, the Joint Legislative Audit and Review Commission, or any subcommittees thereof, of the
758 portions of the strategic plan, marketing plan, or operational plan exempt from disclosure pursuant to
759 subdivision 33 of § 2.2-3705.7.

760 51. Those portions of meetings of the subcommittee of the Board of the Virginia Economic
761 Development Partnership Authority established pursuant to subsection F of § 2.2-2237.3 to review and
762 discuss information received from the Virginia Employment Commission pursuant to subdivision C 2 of
763 § 60.2-114.

764 52. Discussion or consideration by the Commonwealth of Virginia Innovation Partnership
765 Authority (the Authority), an advisory committee of the Authority, or any other entity designated by the
766 Authority, of information subject to the exclusion in subdivision 35 of § 2.2-3705.7.

767 53. Deliberations of the Virginia Lottery Board conducted pursuant to § 58.1-4105 regarding the
768 denial or revocation of a license of a casino gaming operator, or the refusal to issue, suspension of, or
769 revocation of any license or permit related to casino gaming, and discussion, consideration, or review of
770 matters related to investigations excluded from mandatory disclosure under subdivision 1 of § 2.2-3705.3.

771 54. Deliberations of the Virginia Lottery Board in an appeal conducted pursuant to § 58.1-4007
772 regarding the denial of, revocation of, suspension of, or refusal to renew any license or permit related to
773 sports betting and any discussion, consideration, or review of matters related to investigations excluded
774 from mandatory disclosure under subdivision 1 of § 2.2-3705.3.

775 B. No resolution, ordinance, rule, contract, regulation or motion adopted, passed or agreed to in a
776 closed meeting shall become effective unless the public body, following the meeting, reconvenes in open
777 meeting and takes a vote of the membership on such resolution, ordinance, rule, contract, regulation, or
778 motion that shall have its substance reasonably identified in the open meeting.

779 C. Public officers improperly selected due to the failure of the public body to comply with the
780 other provisions of this section shall be de facto officers and, as such, their official actions are valid until
781 they obtain notice of the legal defect in their election.

782 D. Nothing in this section shall be construed to prevent the holding of conferences between two or
783 more public bodies, or their representatives, but these conferences shall be subject to the same procedures
784 for holding closed meetings as are applicable to any other public body.

785 E. This section shall not be construed to (i) require the disclosure of any contract between the
786 Department of Health Professions and an impaired practitioner entered into pursuant to Chapter 25.1 (§
787 54.1-2515 et seq.) of Title 54.1 or (ii) require the board of directors of any authority created pursuant to
788 the Industrial Development and Revenue Bond Act (§ 15.2-4900 et seq.), or any public body empowered
789 to issue industrial revenue bonds by general or special law, to identify a business or industry to which
790 subdivision A 5 applies. However, such business or industry shall be identified as a matter of public record
791 at least 30 days prior to the actual date of the board's authorization of the sale or issuance of such bonds.

792 **§ 2.2-4006. Exemptions from requirements of this article.**

793 A. The following agency actions otherwise subject to this chapter and § 2.2-4103 of the Virginia
794 Register Act shall be exempted from the operation of this article:

- 795 1. Agency orders or regulations fixing rates or prices.
- 796 2. Regulations that establish or prescribe agency organization, internal practice or procedures,
797 including delegations of authority.

798 3. Regulations that consist only of changes in style or form or corrections of technical errors. Each
799 promulgating agency shall review all references to sections of the Code of Virginia within their regulations
800 each time a new supplement or replacement volume to the Code of Virginia is published to ensure the
801 accuracy of each section or section subdivision identification listed.

802 4. Regulations that are:

803 a. Necessary to conform to changes in Virginia statutory law or the appropriation act where no
804 agency discretion is involved. However, such regulations shall be filed with the Registrar within 90 days
805 of the law's effective date;

806 b. Required by order of any state or federal court of competent jurisdiction where no agency
807 discretion is involved; or

808 c. Necessary to meet the requirements of federal law or regulations, provided such regulations do
809 not differ materially from those required by federal law or regulation, and the Registrar has so determined
810 in writing. Notice of the proposed adoption of these regulations and the Registrar's determination shall be
811 published in the Virginia Register not less than 30 days prior to the effective date of the regulation.

812 5. Regulations of the Board of Agriculture and Consumer Services adopted pursuant to subsection
813 B of § 3.2-3929 or clause (v) or (vi) of subsection C of § 3.2-3931 after having been considered at two or
814 more Board meetings and one public hearing.

815 6. Regulations of (i) the regulatory boards served by the Department of Labor and Industry
816 pursuant to Title 40.1 and the Department of Professional and Occupational Regulation or the Department
817 of Health Professions pursuant to Title 54.1 and (ii) the Board of Accountancy that are limited to reducing
818 fees charged to regulants and applicants.

819 7. The development and issuance of procedural policy relating to risk-based mine inspections by
820 the Department of Energy authorized pursuant to §§ 45.2-560 and 45.2-1149.

821 8. General permits issued by the (a) State Air Pollution Control Board pursuant to Chapter 13 (§
822 10.1-1300 et seq.) of Title 10.1 or (b) State Water Control Board pursuant to the State Water Control Law
823 (§ 62.1-44.2 et seq.), Chapter 24 (§ 62.1-242 et seq.) of Title 62.1 and Chapter 25 (§ 62.1-254 et seq.) of
824 Title 62.1, (c) Virginia Soil and Water Conservation Board pursuant to the Dam Safety Act (§ 10.1-604

825 et seq.), and (d) the development and issuance of general wetlands permits by the Marine Resources
826 Commission pursuant to subsection B of § 28.2-1307, if the respective Board or Commission (i) provides
827 a Notice of Intended Regulatory Action in conformance with the provisions of § 2.2-4007.01, (ii)
828 following the passage of 30 days from the publication of the Notice of Intended Regulatory Action forms
829 a technical advisory committee composed of relevant stakeholders, including potentially affected citizens
830 groups, to assist in the development of the general permit, (iii) provides notice and receives oral and
831 written comment as provided in § 2.2-4007.03, and (iv) conducts at least one public hearing on the
832 proposed general permit.

833 9. The development and issuance by the Board of Education of guidelines on constitutional rights
834 and restrictions relating to the recitation of the pledge of allegiance to the American flag in public schools
835 pursuant to § 22.1-202.

836 10. Regulations of the Board of the ~~Virginia College Savings~~ Commonwealth Savers Plan adopted
837 pursuant to § 23.1-704.

838 11. Regulations of the Marine Resources Commission.

839 12. Regulations adopted by the Board of Housing and Community Development pursuant to (i)
840 Statewide Fire Prevention Code (§ 27-94 et seq.), (ii) the Industrialized Building Safety Law (§ 36-70 et
841 seq.), (iii) the Uniform Statewide Building Code (§ 36-97 et seq.), and (iv) § 36-98.3, provided the Board
842 (a) provides a Notice of Intended Regulatory Action in conformance with the provisions of § 2.2-4007.01,
843 (b) publishes the proposed regulation and provides an opportunity for oral and written comments as
844 provided in § 2.2-4007.03, and (c) conducts at least one public hearing as provided in §§ 2.2-4009 and 36-
845 100 prior to the publishing of the proposed regulations. Notwithstanding the provisions of this subdivision,
846 any regulations promulgated by the Board shall remain subject to the provisions of § 2.2-4007.06
847 concerning public petitions, and §§ 2.2-4013 and 2.2-4014 concerning review by the Governor and
848 General Assembly.

849 13. Amendments to regulations of the Board to schedule a substance pursuant to subsection D or
850 E of § 54.1-3443.

851 14. Waste load allocations adopted, amended, or repealed by the State Water Control Board
852 pursuant to the State Water Control Law (§ 62.1-44.2 et seq.), including but not limited to Article 4.01 (§
853 62.1-44.19:4 et seq.) of the State Water Control Law, if the Board (i) provides public notice in the Virginia
854 Register; (ii) if requested by the public during the initial public notice 30-day comment period, forms an
855 advisory group composed of relevant stakeholders; (iii) receives and provides summary response to
856 written comments; and (iv) conducts at least one public meeting. Notwithstanding the provisions of this
857 subdivision, any such waste load allocations adopted, amended, or repealed by the Board shall be subject
858 to the provisions of §§ 2.2-4013 and 2.2-4014 concerning review by the Governor and General Assembly.

859 15. Regulations of the Workers' Compensation Commission adopted pursuant to § 65.2-605,
860 including regulations that adopt, amend, adjust, or repeal Virginia fee schedules for medical services,
861 provided the Workers' Compensation Commission (i) utilizes a regulatory advisory panel constituted as
862 provided in subdivision F 2 of § 65.2-605 to assist in the development of such regulations and (ii) provides
863 an opportunity for public comment on the regulations prior to adoption.

864 16. Amendments to the State Health Services Plan adopted by the Board of Health following
865 receipt of recommendations by the State Health Services Task Force pursuant to § 32.1-102.2:1 if the
866 Board (i) provides a Notice of Intended Regulatory Action in accordance with the requirements of § 2.2-
867 4007.01, (ii) provides notice and receives comments as provided in § 2.2-4007.03, and (iii) conducts at
868 least one public hearing on the proposed amendments.

869 B. Whenever regulations are adopted under this section, the agency shall state as part thereof that
870 it will receive, consider and respond to petitions by any interested person at any time with respect to
871 reconsideration or revision. The effective date of regulations adopted under this section shall be in
872 accordance with the provisions of § 2.2-4015, except in the case of emergency regulations, which shall
873 become effective as provided in subsection B of § 2.2-4012.

874 C. A regulation for which an exemption is claimed under this section or § 2.2-4002 or 2.2-4011
875 and that is placed before a board or commission for consideration shall be provided at least two days in
876 advance of the board or commission meeting to members of the public that request a copy of that
877 regulation. A copy of that regulation shall be made available to the public attending such meeting.

878 **§ 2.2-4343. Exemption from operation of chapter for certain transactions.**

879 A. The provisions of this chapter shall not apply to:

880 1. The Virginia Port Authority in the exercise of any of its powers in accordance with Chapter 10
881 (§ 62.1-128 et seq.) of Title 62.1, provided the Authority implements, by policy or regulation adopted by
882 the Board of Commissioners, procedures to ensure fairness and competitiveness in the procurement of
883 goods and services and in the administration of its capital outlay program. This exemption shall be
884 applicable only so long as such policies and procedures meeting the requirements remain in effect.

885 2. The Virginia Retirement System for selection of services related to the management, purchase
886 or sale of authorized investments, actuarial services, and disability determination services. Selection of
887 these services shall be governed by the standard set forth in § 51.1-124.30.

888 3. The State Treasurer in the selection of investment management services related to the external
889 management of funds shall be governed by the standard set forth in § 2.2-4514, and shall be subject to
890 competitive guidelines and policies that are set by the Commonwealth Treasury Board and approved by
891 the Department of General Services.

892 4. The Department of Social Services or local departments of social services for the acquisition of
893 motor vehicles for sale or transfer to Temporary Assistance to Needy Families (TANF) recipients.

894 5. The College of William and Mary in Virginia, Virginia Commonwealth University, the
895 University of Virginia, and Virginia Polytechnic Institute and State University in the selection of services
896 related to the management and investment of their endowment funds, endowment income, gifts, all other
897 nongeneral fund reserves and balances, or local funds of or held by the respective public institution of
898 higher education pursuant to § 23.1-2210, 23.1-2306, 23.1-2604, or 23.1-2803. However, selection of
899 these services shall be governed by the Uniform Prudent Management of Institutional Funds Act (§ 64.2-
900 1100 et seq.) as required by §§ 23.1-2210, 23.1-2306, 23.1-2604, and 23.1-2803.

901 6. The Board of the ~~Virginia College Savings~~ Commonwealth Savers Plan for the selection of
902 services related to the operation and administration of the Plan, including, but not limited to, contracts or
903 agreements for the management, purchase, or sale of authorized investments or actuarial, record keeping,
904 or consulting services. However, such selection shall be governed by the standard set forth in § 23.1-706.

905 7. Public institutions of higher education for the purchase of items for resale at retail bookstores
906 and similar retail outlets operated by such institutions. However, such purchase procedures shall provide
907 for competition where practicable.

908 8. The purchase of goods and services by agencies of the legislative branch that may be specifically
909 exempted therefrom by the Chairman of the Committee on Rules of either the House of Delegates or the
910 Senate. Nor shall the contract review provisions of § 2.2-2012 apply to such procurements. The exemption
911 shall be in writing and kept on file with the agency's disbursement records.

912 9. Any town with a population of less than 3,500, except as stipulated in the provisions of §§ 2.2-
913 4305, 2.2-4311, 2.2-4315, 2.2-4330, 2.2-4333 through 2.2-4338, 2.2-4343.1, and 2.2-4367 through 2.2-
914 4377 and Chapter 43.1 (§ 2.2-4378 et seq.).

915 10. Any county, city or town whose governing body has adopted, by ordinance or resolution,
916 alternative policies and procedures which are (i) based on competitive principles and (ii) generally
917 applicable to procurement of goods and services by such governing body and its agencies, except as
918 stipulated in subdivision 12.

919 This exemption shall be applicable only so long as such policies and procedures, or other policies
920 and procedures meeting the requirements of § 2.2-4300, remain in effect in such county, city or town.
921 Such policies and standards may provide for incentive contracting that offers a contractor whose bid is
922 accepted the opportunity to share in any cost savings realized by the locality when project costs are
923 reduced by such contractor, without affecting project quality, during construction of the project. The fee,
924 if any, charged by the project engineer or architect for determining such cost savings shall be paid as a
925 separate cost and shall not be calculated as part of any cost savings.

926 11. Any school division whose school board has adopted, by policy or regulation, alternative
927 policies and procedures that are (i) based on competitive principles and (ii) generally applicable to
928 procurement of goods and services by the school board, except as stipulated in subdivision 12.

929 This exemption shall be applicable only so long as such policies and procedures, or other policies
930 or procedures meeting the requirements of § 2.2-4300, remain in effect in such school division. This

931 provision shall not exempt any school division from any centralized purchasing ordinance duly adopted
932 by a local governing body.

933 12. Notwithstanding the exemptions set forth in subdivisions 9 through 11, the provisions of
934 subsections B, C, and D of § 2.2-4303, §§ 2.2-4305, 2.2-4311, 2.2-4315, 2.2-4317, 2.2-4330, 2.2-4333
935 through 2.2-4338, 2.2-4342, 2.2-4343.1, and 2.2-4367 through 2.2-4377, Chapter 43.1 (§ 2.2-4378 et seq.),
936 and § 58.1-1902 shall apply to all counties, cities, and school divisions and to all towns having a population
937 greater than 3,500 in the Commonwealth.

938 The method for procurement of professional services through competitive negotiation set forth in
939 §§ 2.2-4302.2, 2.2-4303.1, and 2.2-4303.2 shall also apply to all counties, cities, and school divisions, and
940 to all towns having a population greater than 3,500, where the cost of the professional service is expected
941 to exceed \$80,000 in the aggregate or for the sum of all phases of a contract or project. A school board
942 that makes purchases through its public school foundation or purchases educational technology through
943 its educational technology foundation, either as may be established pursuant to § 22.1-212.2:2 shall be
944 exempt from the provisions of this chapter, except, relative to such purchases, the school board shall
945 comply with the provisions of §§ 2.2-4311 and 2.2-4367 through 2.2-4377.

946 13. A public body that is also a utility operator may purchase services through or participate in
947 contracts awarded by one or more utility operators that are not public bodies for utility marking services
948 as required by the Underground Utility Damage Prevention Act (§ 56-265.14 et seq.). A purchase of
949 services under this subdivision may deviate from the procurement procedures set forth in this chapter upon
950 a determination made in advance by the public body and set forth in writing that competitive sealed
951 bidding is either not practicable or not fiscally advantageous to the public, and the contract is awarded
952 based on competitive principles.

953 14. Procurement of any construction or planning and design services for construction by a Virginia
954 nonprofit corporation or organization not otherwise specifically exempted when (i) the planning, design
955 or construction is funded by state appropriations of \$10,000 or less or (ii) the Virginia nonprofit
956 corporation or organization is obligated to conform to procurement procedures that are established by

957 federal statutes or regulations, whether those federal procedures are in conformance with the provisions
958 of this chapter.

959 15. Purchases, exchanges, gifts or sales by the Citizens' Advisory Council on Furnishing and
960 Interpreting the Executive Mansion.

961 16. The Eastern Virginia Medical School in the selection of services related to the management
962 and investment of its endowment and other institutional funds. The selection of these services shall,
963 however, be governed by the Uniform Prudent Management of Institutional Funds Act (§ 64.2-1100 et
964 seq.).

965 17. The Department of Corrections in the selection of pre-release and post-incarceration services
966 and the Department of Juvenile Justice in the selection of pre-release and post-commitment services.

967 18. The University of Virginia Medical Center to the extent provided by subdivision A 3 of § 23.1-
968 2213.

969 19. The purchase of goods and services by a local governing body or any authority, board,
970 department, instrumentality, institution, agency or other unit of state government when such purchases are
971 made under a remedial plan established by the Governor pursuant to subsection C of § 2.2-4310 or by a
972 chief administrative officer of a county, city or town pursuant to § 15.2-965.1.

973 20. The contract by community services boards or behavioral health authorities with an
974 administrator or management body pursuant to a joint agreement authorized by § 37.2-512 or 37.2-615.

975 21. [Expired].

976 22. The purchase of Virginia-grown food products for use by a public body where the annual cost
977 of the product is not expected to exceed \$100,000, provided that the procurement is accomplished by (i)
978 obtaining written informal solicitation of a minimum of three bidders or offerors if practicable and (ii)
979 including a written statement regarding the basis for awarding the contract.

980 23. The Virginia Industries for the Blind when procuring components, materials, supplies, or
981 services for use in commodities and services furnished to the federal government in connection with its
982 operation as an AbilityOne Program-qualified nonprofit agency for the blind under the Javits-Wagner-
983 O'Day Act, 41 U.S.C. §§ 8501-8506, provided that the procurement is accomplished using procedures that

984 ensure that funds are used as efficiently as practicable. Such procedures shall require documentation of
985 the basis for awarding contracts. Notwithstanding the provisions of § 2.2-1117, no public body shall be
986 required to purchase such components, materials, supplies, services, or commodities.

987 24. The purchase of personal protective equipment for private, nongovernmental entities by the
988 Governor pursuant to subdivision (11) of § 44-146.17 during a disaster caused by a communicable disease
989 of public health threat for which a state of emergency has been declared. However, such purchase shall
990 provide for competition where practicable and include a written statement regarding the basis for awarding
991 any contract.

992 B. Where a procurement transaction involves the expenditure of federal assistance or contract
993 funds, the receipt of which is conditioned upon compliance with mandatory requirements in federal laws
994 or regulations not in conformance with the provisions of this chapter, a public body may comply with such
995 federal requirements, notwithstanding the provisions of this chapter, only upon the written determination
996 of the Governor, in the case of state agencies, or the governing body, in the case of political subdivisions,
997 that acceptance of the grant or contract funds under the applicable conditions is in the public interest. Such
998 determination shall state the specific provision of this chapter in conflict with the conditions of the grant
999 or contract.

1000 **§ 8.01-424. Approval of compromises on behalf of persons under a disability in suits or**
1001 **actions to which they are parties.**

1002 A. In any action or suit wherein a person under a disability is a party, the court in which the matter
1003 is pending shall have the power to approve and confirm a compromise of the matters in controversy on
1004 behalf of such party, including claims under the provisions of any liability insurance policy, if such
1005 compromise is deemed to be to the interest of the party. Any order or decree approving and confirming
1006 the compromise shall be binding upon such party, except that the same may be set aside for fraud.

1007 B. In case of damage to the person or property of a person under a disability, caused by the
1008 wrongful act, neglect, or default of any person, when death did not ensue therefrom, any person or insurer
1009 interested in compromise of any claim for such damages, including any claim under the provisions of any
1010 liability insurance policy, may, upon motion to the court in which the action is pending for the recovery

1011 of damages on account of such injury, or if no such action is pending, then to any circuit court, move the
1012 court to approve the compromise. The court shall require the movant to give reasonable notice of such
1013 motion to all parties and to any person found by the court to be interested in the compromise.

1014 C. A compromise action involving a claim for wrongful death shall be in accordance with the
1015 applicable provisions of § 8.01-55. Nothing in this section shall be construed to affect the provisions of §
1016 8.01-76.

1017 D. In any compromise action, the court shall direct the payment of the proceeds of the compromise
1018 agreement, when approved, as follows:

1019 1. Payment of the sum into court as provided by § 8.01-600 or to the general receiver of such court;

1020 2. In the case of damage to the person or property of a minor, by investment in a college savings
1021 trust account for which the minor is the beneficiary pursuant to a college savings trust agreement with the
1022 ~~Virginia College Savings~~ Commonwealth Savers Plan as set forth in subsection B of § 23.1-707, provided
1023 that (i) the investment options pursuant to such agreement are restricted to target enrollment portfolios;
1024 (ii) the order or decree approving and confirming the compromise requires the minor beneficiary's parent,
1025 as that term is defined in § 22.1-1, to act as the custodian of the account; and (iii) except in the case of a
1026 distribution from the account to be applied toward the minor beneficiary's qualified higher education
1027 expenses, as that term is defined in § 529 of the Internal Revenue Code of 1986, as amended, or other
1028 applicable federal law, the order or decree approving and confirming the compromise prohibits the minor
1029 beneficiary's parent from making any transfer, withdrawal, termination, or other account transaction unless
1030 the court provides prior approval pursuant to a written order;

1031 3. To a duly qualified fiduciary of the person under a disability, after due inquiry as to the adequacy
1032 of the bond of such fiduciary;

1033 4. As provided in § 8.01-606; or

1034 5. Where the agreement of settlement provides for payments to be made over a period of time in
1035 the future, whether such payments are lump sum, periodic, or a combination of both, the court shall
1036 approve the settlement only if it finds that all payments which are due to be made are (i) secured by a bond
1037 issued by an insurance company authorized to write such bonds in this Commonwealth or (ii) to be made

1038 or irrevocably guaranteed by an insurance company or companies authorized to do business in this
1039 Commonwealth and rated "A plus" (A+) or better by Best's Insurance Reports. Payments made under this
1040 subdivision totaling not more than \$4,000 in any calendar year may be paid in accordance with § 8.01-
1041 606. Payments made under this subdivision totaling more than \$4,000 in any calendar year while the
1042 recipient is under a disability shall be paid to a duly qualified fiduciary after due inquiry as to adequacy
1043 of the bond of such fiduciary.

1044 E. Payments made under this section, in the case of damage to the person or property of a minor,
1045 may be made payable in the discretion of the court to the parent or guardian of the minor to be held in
1046 trust for the benefit of the minor. Any such trust shall be subject to court approval and the court may
1047 provide for the termination of such trust at any time following attainment of majority which the court
1048 deems to be in the best interest of the minor. In an order authorizing the trust or additions to an existing
1049 trust, the court may order that the trustee thereof be subject to the same duty to qualify in the clerk's office
1050 and to file an inventory and annual accountings with the commissioner of accounts as would apply to a
1051 testamentary trustee.

1052 **§ 23.1-306. Public institutions of higher education; six-year plans; institutional partnership**
1053 **performance agreements.**

1054 A. The governing board of each public institution of higher education shall (i) develop and adopt
1055 biennially in odd-numbered years and amend or affirm biennially in even-numbered years a six-year plan
1056 for the institution; (ii) submit a preliminary version of such plan to the Council, the General Assembly,
1057 the Governor, and the Chairmen of the House Committee on Appropriations, the House Committee on
1058 Education, the Senate Committee on Education and Health, and the Senate Committee on Finance and
1059 Appropriations no later than July 1 of each odd-numbered year; and (iii) submit preliminary amendments
1060 to or a preliminary affirmation of each such plan to the Council, the General Assembly, the Governor, and
1061 the Chairmen of the House Committee on Appropriations, the House Committee on Education, the Senate
1062 Committee on Education and Health, and the Senate Committee on Finance and Appropriations no later
1063 than July 1 of each even-numbered year. Each such preliminary plan and preliminary amendment to or
1064 preliminary affirmation of such plan shall include a report of the institution's active contributions to efforts

1065 to stimulate the economic development of the Commonwealth, the area in which the institution is located,
1066 and, for those institutions subject to a management agreement set forth in Article 4 (§ 23.1-1004 et seq.)
1067 of Chapter 10, the areas that lag behind the Commonwealth in terms of income, employment, and other
1068 factors. Each such preliminary plan and preliminary amendment to or preliminary affirmation of such plan
1069 shall be submitted as a report document as provided in the procedures of the Division of Legislative
1070 Automated Systems for the processing of legislative documents and reports. No such preliminary plan,
1071 amendments, or affirmation shall be posted on the General Assembly's website.

1072 B. The Secretary of Finance, the Secretary of Education, the Director of the Department of
1073 Planning and Budget, the Director of the Council, the Staff Director of the House Committee on
1074 Appropriations, and the Staff Director of the Senate Committee on Finance and Appropriations, or their
1075 designees, shall review each institution's preliminary plan, amendments, or affirmation and provide
1076 comments to the institution on such plan, amendments, or affirmation by September 1 of the relevant year.
1077 Each institution shall respond to any such comments by October 1 of that year and submit a finalized
1078 version of such plan, amendments, or affirmation to the Council, the General Assembly, the Governor,
1079 and the Chairmen of the House Committee on Appropriations, the House Committee on Education, the
1080 Senate Committee on Education and Health, and the Senate Committee on Finance and Appropriations
1081 no later than December 1 of that year. Each such finalized version shall be submitted as a report document
1082 as provided in the procedures of the Division of Legislative Automated Systems for the processing of
1083 legislative documents and reports and shall be posted on the General Assembly's website.

1084 C. Each plan shall be structured in accordance with, and be consistent with, the objective and
1085 purposes of this chapter set forth in § 23.1-301 and the criteria developed pursuant to § 23.1-309 and shall
1086 be in a form and manner prescribed by the Council, in consultation with the Secretary of Finance, the
1087 Secretary of Education, the Director of the Department of Planning and Budget, the Director of the
1088 Council, the Staff Director of the House Committee on Appropriations, and the Staff Director of the Senate
1089 Committee on Finance and Appropriations, or their designees.

1090 D. Each six-year plan shall (i) address the institution's academic, financial, and enrollment plans,
1091 including the number of Virginia and non-Virginia students, for the six-year period; (ii) indicate the

1092 planned use of any projected increase in general fund, tuition, or other nongeneral fund revenues; (iii) be
1093 based upon any assumptions provided by the Council, following consultation with the Department of
1094 Planning and Budget and the staffs of the House Committee on Appropriations and the Senate Committee
1095 on Finance and Appropriations, for funding relating to state general fund support pursuant to §§ 23.1-303,
1096 23.1-304, and 23.1-305 and subdivision 9; (iv) be aligned with the institution's six-year enrollment
1097 projections; and (v) include:

1098 1. Financial planning reflecting the institution's anticipated level of general fund, tuition, and other
1099 nongeneral fund support for each year of the next biennium;

1100 2. The institution's anticipated annual tuition and educational and general fee charges required by
1101 (i) degree level and (ii) domiciliary status, as provided in § 23.1-307;

1102 3. Plans for providing financial aid to help mitigate the impact of tuition and fee increases on low-
1103 income and middle-income students and their families as described in subdivision 9, including the
1104 projected mix of grants and loans;

1105 4. Degree conferral targets for undergraduate Virginia students;

1106 5. Plans for optimal year-round use of the institution's facilities and instructional resources;

1107 6. Plans for the development of an instructional resource-sharing program with other public
1108 institutions of higher education and private institutions of higher education;

1109 7. Plans with regard to any other incentives set forth in § 23.1-305 or any other matters the
1110 institution deems appropriate;

1111 8. The identification of (i) new programs or initiatives including quality improvements and (ii)
1112 institution-specific funding based on particular state policies or institution-specific programs, or both, as
1113 provided in subsection C of § 23.1-307; and

1114 9. An institutional student financial aid commitment that, in conjunction with general funds
1115 appropriated for that purpose, provides assistance to students from both low-income and middle-income
1116 families and takes into account the information and recommendations resulting from the review of federal
1117 and state financial aid programs and institutional practices conducted pursuant to subdivisions B 2 and C
1118 1 of § 23.1-309.

1119 E. In developing such plans, each public institution of higher education shall consider potential
1120 future impacts of tuition increases on the ~~Virginia College Savings~~ Commonwealth Savers Plan and ~~ABLE~~
1121 ~~Savings Trust Accounts~~ (§ 23.1-700 et seq.) and shall discuss such potential impacts with the ~~Virginia~~
1122 ~~College Savings~~ Commonwealth Savers Plan. The chief executive officer of the ~~Virginia College Savings~~
1123 Commonwealth Savers Plan shall provide to each institution the Plan's assumptions underlying the
1124 contract pricing of the program.

1125 F. 1. In conjunction with the plans included in the six-year plan as set forth in subsection D, each
1126 public institution of higher education, Richard Bland College, and the Virginia Community College
1127 System may submit one innovative proposal with clearly defined performance measures, including any
1128 request for necessary authority or support from the Commonwealth, for a performance pilot. If the General
1129 Assembly approves the proposed performance pilot, it shall include approval language in the general
1130 appropriation act. A performance pilot shall advance the objectives of this chapter by addressing
1131 innovative requests related to college access, affordability, cost predictability, enrollment management
1132 subject to specified commitments regarding undergraduate in-state student enrollment, alternative tuition
1133 and fee structures and affordable pathways to degree attainment, internships and work study, employment
1134 pathways for undergraduate Virginia students, strategic talent development, state or regional economic
1135 development, pathways to increase timely degree completion, or other priorities set out in the general
1136 appropriation act.

1137 2. A performance pilot may include or constitute an institutional partnership performance
1138 agreement, which shall be set forth in a memorandum of understanding that includes mutually dependent
1139 commitments by the institution, the Commonwealth, and identified partners, if any, related to one or more
1140 of the priorities set forth in subdivision 1 or set forth in a general appropriation act. No such institutional
1141 partnership performance agreement shall create a legally enforceable obligation of the Commonwealth.

1142 3. No more than six performance pilots shall be approved in a single session of the General
1143 Assembly.

1144 4. Development and approval of any performance pilot proposal shall proceed in tandem with
1145 consideration of the institution's six-year plan, as follows:

1146 a. An institution that intends to propose a performance pilot shall communicate that intention as
1147 early as practicable, but not later than April 1 of the year in which the performance pilot will be proposed,
1148 to the reviewers listed in subsection B, the co-chairmen of the Joint Subcommittee on the Future
1149 Competitiveness of Virginia Higher Education, and the Governor. In developing a proposed performance
1150 pilot, the institution shall consider the Commonwealth's educational and economic policies and priorities,
1151 including those reflected in the Virginia Plan for Higher Education issued by the Council, the economic
1152 development policy developed pursuant to § 2.2-205, the strategic plan developed pursuant to § 2.2-
1153 2237.1, relevant regional economic growth and diversification plans prepared by regional councils
1154 pursuant to the Virginia Growth and Opportunity Act (§ 2.2-2484 et seq.), and any additional guidance
1155 provided by the Joint Subcommittee on the Future Competitiveness of Virginia Higher Education and the
1156 Governor.

1157 b. An institution that submits a performance pilot shall include the one innovative proposal with
1158 clearly defined performance measures, and any corresponding authority and support requested from the
1159 Commonwealth, with its submission of the preliminary version of its six-year plan pursuant to clause (ii)
1160 of subsection A or with its preliminary amendment or affirmation submission pursuant to clause (iii) of
1161 subsection A.

1162 c. The reviewers listed in subsection B, or their designees, shall review and comment on any
1163 proposed performance pilot in accordance with the six-year plan review and comment process established
1164 in subsection B and may expedite such review and comment process to facilitate the executive and
1165 legislative budget process or for other reasons. No later than October 15 of the relevant year, the reviewers
1166 shall communicate to the Governor and the Chairmen of the House Committee on Appropriations and the
1167 Senate Committee on Finance and Appropriations their recommendations regarding each performance
1168 pilot proposal. Such recommendations shall include the reviewers' comments regarding how the proposed
1169 performance pilots, individually and collectively, support the strategic educational and economic policies
1170 of the Commonwealth.

1171 d. Each performance pilot proposal shall include evidence of its approval by the institution's
1172 governing board and, if accepted, shall be referenced in the general appropriation act.

1173

CHAPTER 7.

1174

~~VIRGINIA COLLEGE SAVINGS COMMONWEALTH SAVERS PLAN AND ABLE SAVINGS~~

1175

~~TRUST ACCOUNTS.~~

1176

§ 23.1-700. Definitions.

1177

As used in this chapter, unless the context requires a different meaning:

1178

"ABLE savings trust account" means an account established pursuant to this chapter to assist

1179

individuals and families to save private funds to support individuals with disabilities to maintain health,

1180

independence, and quality of life, with such account used to apply distributions for qualified disability

1181

expenses for an eligible individual, as both such terms are defined in § 529A of the Internal Revenue Code

1182

of 1986, as amended, or other applicable federal law.

1183

"Board" means the governing board of the Plan.

1184

~~"College savings trust account" means an account established pursuant to this chapter to assist~~

1185

~~individuals and families to enhance the accessibility and affordability of higher education, with such~~

1186

~~account used to apply distributions from the account toward qualified higher education expenses, as that~~

1187

~~term is defined in § 529 of the Internal Revenue Code of 1986, as amended, or other applicable federal~~

1188

~~law.~~

1189

"Contributor" means a person who contributes money to a savings trust account established

1190

pursuant to this chapter on behalf of a qualified beneficiary and who is listed as the owner of the savings

1191

trust account.

1192

"Education savings trust account" means an account established pursuant to this chapter to assist

1193

individuals and families to enhance the accessibility, affordability, and attainability of higher education,

1194

with such account used to apply distributions from the account toward qualified higher education

1195

expenses, as that term is defined in § 529 of the Internal Revenue Code of 1986, as amended, or other

1196

applicable federal law.

1197

"Non-Virginia public and accredited nonprofit independent or private institutions of higher

1198

education" means public and accredited nonprofit independent or private institutions of higher education

1199

that are located outside the Commonwealth.

1200 "Plan" means the ~~Virginia College Savings~~ Commonwealth Savers Plan.

1201 "Prepaid tuition contract" means the contract or account entered into by the board and a purchaser
1202 pursuant to this chapter for the advance payment of tuition at a fixed, guaranteed level for a qualified
1203 beneficiary to attend any public institution of higher education to which the qualified beneficiary is
1204 admitted.

1205 "Public institution of higher education" has the same meaning as provided in § 23.1-100.

1206 "Purchaser" means a person who makes or is obligated to make advance payments in accordance
1207 with a prepaid tuition contract and who is listed as the owner of the prepaid tuition contract.

1208 "Qualified beneficiary" or "beneficiary" means (i) a resident of the Commonwealth, as determined
1209 by the board, who is the beneficiary of a prepaid tuition contract and who may apply advance tuition
1210 payments to tuition as set forth in this chapter; (ii) a beneficiary of a prepaid tuition contract purchased by
1211 a resident of the Commonwealth, as determined by the board, who may apply advance tuition payments
1212 to tuition as set forth in this chapter; or (iii) a beneficiary of a savings trust account established pursuant
1213 to this chapter.

1214 "Savings trust account" means an ABLÉ savings trust account or ~~a college~~ an education savings
1215 trust account.

1216 "Savings trust agreement" means the agreement entered into by the board and a contributor that
1217 establishes a savings trust account.

1218 "Tuition" means the quarter, semester, or term charges imposed for undergraduate tuition by any
1219 public institution of higher education and all mandatory fees required as a condition of enrollment of all
1220 students. At the discretion of the board, a beneficiary may apply benefits under a prepaid tuition contract
1221 and distributions from ~~a college~~ an education savings trust account (i) toward graduate-level tuition and
1222 (ii) toward qualified higher education expenses, as that term is defined in 26 U.S.C. § 529 or any other
1223 applicable section of the Internal Revenue Code of 1986, as amended.

1224 **§ 23.1-701. Plan established; moneys; governing board.**

1225 A. To enhance the accessibility ~~and~~, affordability, and attainability of higher education for all
1226 citizens of the Commonwealth, and assist families and individuals to save for qualified disability expenses,

1227 the ~~Virginia College Savings~~ Commonwealth Savers Plan is established as a body politic and corporate
1228 and an independent agency of the Commonwealth.

1229 B. Moneys of the Plan that are contributions to savings trust accounts made pursuant to this
1230 chapter, except as otherwise authorized or provided in this chapter, shall be deposited as soon as
1231 practicable in a separate account or separate accounts in banks or trust companies organized under the
1232 laws of the Commonwealth, national banking associations, federal home loan banks, or, to the extent
1233 permitted by law, savings institutions organized under the laws of the Commonwealth or the United States.
1234 The savings program moneys in such accounts shall be paid out on checks, drafts payable on demand,
1235 electronic wire transfers, or other means authorized by officers or employees of the Plan.

1236 C. All other moneys of the Plan, including payments received pursuant to prepaid tuition contracts,
1237 bequests, endowments, grants from the United States government or its agencies or instrumentalities, and
1238 any other available public or private sources of funds shall be first deposited in the state treasury in a
1239 special nonreverting fund (the Fund). Such moneys shall then be deposited as soon as practicable in a
1240 separate account or separate accounts in banks or trust companies organized under the laws of the
1241 Commonwealth, national banking associations, federal home loan banks, or, to the extent permitted by
1242 law, savings institutions organized under the laws of the Commonwealth or the United States. Benefits
1243 relating to prepaid tuition contracts and Plan operating expenses shall be paid from the Fund. Any moneys
1244 remaining in the Fund at the end of a biennium shall not revert to the general fund but shall remain in the
1245 Fund. Interest and income earned from the investment of such funds shall remain in the Fund and be
1246 credited to it.

1247 D. The Plan may maintain an independent disbursement system for the disbursement of prepaid
1248 tuition contract benefits and, in connection with such system, open and maintain a separate account or
1249 separate accounts in banks or trust companies organized under the laws of the Commonwealth, national
1250 banking associations, federal home loan banks, or, to the extent permitted by law, savings institutions
1251 organized under the laws of the Commonwealth or the United States. Such independent disbursement
1252 system and any related procedures shall be subject to review and approval by the State Comptroller.
1253 Nothing in this subsection shall be construed to relieve the Plan of its duty to provide prepaid tuition

1254 contract benefit transactions to the Commonwealth's system of general accounting maintained by the State
1255 Comptroller pursuant to § 2.2-802.

1256 E. The Plan shall be administered by an 11-member board that consists of (i) the director of the
1257 Council or his designee, the Chancellor of the Virginia Community College System or his designee, the
1258 State Treasurer or his designee, and the State Comptroller or his designee, all of whom shall serve ex
1259 officio with voting privileges, and (ii) seven nonlegislative citizen members, four of whom shall be
1260 appointed by the Governor, one of whom shall be appointed by the Senate Committee on Rules, two of
1261 whom shall be appointed by the Speaker of the House of Delegates, and all of whom shall have significant
1262 experience in finance, accounting, law, investment management, higher education, or disability advocacy.
1263 In addition, at least one of the nonlegislative citizen members shall have expertise in the management and
1264 administration of private defined contribution retirement plans.

1265 F. Members appointed to the board shall serve terms of four years. Vacancies occurring other than
1266 by expiration of a term shall be filled for the unexpired term. No member appointed to the board shall
1267 serve more than two consecutive four-year terms; however, a member appointed to serve an unexpired
1268 term is eligible to serve two consecutive four-year terms immediately succeeding such unexpired term.

1269 G. Ex officio members of the board shall serve terms coincident with their terms of office.

1270 H. Members of the board shall receive no compensation but shall be reimbursed for actual expenses
1271 incurred in the performance of their duties.

1272 I. The board shall elect from its membership a chairman and a vice-chairman annually.

1273 J. A majority of the members of the board shall constitute a quorum.

1274 **§ 23.1-704. Powers and duties of the board.**

1275 The board shall:

1276 1. Administer the Plan established by this chapter;

1277 2. Develop and implement programs for (i) the prepayment of undergraduate tuition, as defined in
1278 § 23.1-700, at a fixed, guaranteed level for application at a public institution of higher education; (ii)
1279 contributions to ~~college~~ higher education savings trust accounts established pursuant to this chapter on behalf of
1280 a qualified beneficiary in order to apply distributions from the account toward qualified higher education

1281 expenses, as that term is defined in § 529 of the Internal Revenue Code of 1986, as amended, or other
1282 applicable federal law; and (iii) contributions to ABLE savings trust accounts established pursuant to this
1283 chapter on behalf of a qualified beneficiary in order to apply distributions from the account toward
1284 qualified disability expenses for an eligible individual, as both such terms are defined in § 529A of the
1285 Internal Revenue Code of 1986, as amended, or other applicable federal law;

1286 3. Invest moneys in the Plan in any instruments, obligations, securities, or property deemed
1287 appropriate by the board;

1288 4. Develop requirements, procedures, and guidelines regarding prepaid tuition contracts and
1289 savings trust accounts, including residency and other eligibility requirements; the number of participants
1290 in the Plan; the termination, withdrawal, or transfer of payments under a prepaid tuition contract or savings
1291 trust account; time limitations for the use of tuition benefits or savings trust account distributions; and
1292 payment schedules;

1293 5. Enter into contractual agreements, including contracts for legal, actuarial, financial, and
1294 consulting services and contracts with other states to provide savings trust accounts for residents of
1295 contracting states;

1296 6. Procure insurance as determined appropriate by the board (i) against any loss in connection with
1297 the Plan's property, assets, or activities and (ii) indemnifying board members from personal loss or
1298 accountability from liability arising from any action or inaction as a board member;

1299 7. Make arrangements with public institutions of higher education to fulfill obligations under
1300 prepaid tuition contracts and apply ~~college~~ education savings trust account distributions, including (i)
1301 payment from the Plan of the appropriate amount of tuition on behalf of a qualified beneficiary of a prepaid
1302 tuition contract to the institution to which the beneficiary is admitted and at which the beneficiary is
1303 enrolled and (ii) application of such benefits toward graduate-level tuition and toward qualified higher
1304 education expenses, as that term is defined in 26 U.S.C. § 529 or any other applicable section of the
1305 Internal Revenue Code of 1986, as amended, as determined by the board in its sole discretion;

1306 8. Develop ~~and implement scholarship or matching grant programs, or both,~~ and fund programs
1307 or partnerships to enhance educational accessibility, affordability, and attainability for all Virginians.

1308 focusing on underserved and underrepresented communities and students, including public or private
1309 programs or partnerships focused on workforce development, scholarships, and mentoring, advising, or
1310 coaching services for secondary and postsecondary students, as the board ~~may deem~~ deems appropriate,
1311 to further its goal of making higher education more affordable and accessible to all citizens of the
1312 Commonwealth in consultation with the relevant stakeholders. The board shall also develop a funding and
1313 allocation policy for such programs or partnerships from the Fund, establish program or partnership
1314 metrics and evaluation standards, and provide ongoing review of such programs or partnerships;

1315 9. Apply for, accept, and expend gifts, grants, or donations from public or private sources to enable
1316 it to carry out its objectives;

1317 10. Adopt regulations and procedures and perform any act or function consistent with the purposes
1318 of this chapter; and

1319 11. Reimburse, at its option, all or part of the cost of employing legal counsel and such other costs
1320 as are demonstrated to have been reasonably necessary for the defense of any board member, officer, or
1321 employee of the Plan upon the acquittal, dismissal of charges, nolle prosequi, or any other final disposition
1322 concluding the innocence of such member, officer, or employee who is brought before any regulatory
1323 body, summoned before any grand jury, investigated by any law-enforcement agency, arrested, indicted,
1324 or otherwise prosecuted on any criminal charge arising out of any act committed in the discharge of his
1325 official duties that alleges a violation of state or federal securities laws. The board shall provide for the
1326 payment of such legal fees and expenses out of funds appropriated or otherwise available to the board.

1327 **§ 23.1-705. Board actions not a debt of Commonwealth.**

1328 A. As used in this section, "current obligations of the Plan" means amounts required for the
1329 payment of contract benefits or other obligations of the Plan, the maintenance of the Plan, and operating
1330 expenses for the current biennium. "Current obligations of the Plan" also includes any additional benefit
1331 established pursuant to subsection D of § 23.1-707 and any programs or partnerships established for the
1332 purpose of enhancing the accessibility, affordability, and attainability of higher education pursuant to
1333 subdivision 8 of § 23.1-704. The estimated amount for such obligations shall be included in the sum
1334 sufficient appropriation required by subsection C.

1335 B. No act or undertaking of the board is a debt or a pledge of the full faith and credit of the
1336 Commonwealth or any political subdivision of the Commonwealth, and all such acts and undertakings are
1337 payable solely from the Plan.

1338 C. Notwithstanding the provisions of subsection B, in order to ensure that the Plan is able to meet
1339 its current obligations, the Governor shall include in the budget bills submitted pursuant to § 2.2-1509 a
1340 sum sufficient appropriation for the purpose of ensuring that the Plan can meet the current obligations of
1341 the Plan. Any sums appropriated by the General Assembly for such purpose shall be deposited into the
1342 Fund. All amounts paid into the Fund pursuant to this subsection shall constitute and be accounted for as
1343 advances by the Commonwealth to the Plan and, subject to the rights of the Plan's contract holders, shall
1344 be repaid to the Commonwealth without interest from available operating revenue of the Plan in excess of
1345 amounts required for the payment of current obligations of the Plan.

1346 **§ 23.1-706. Standard of care; investment and administration of the Plan.**

1347 A. In acquiring, investing, reinvesting, exchanging, retaining, selling, and managing property for
1348 the benefit of the Plan, the board, and any person, investment manager, or committee to whom the board
1349 delegates any of its investment authority, shall act as trustee and shall exercise the judgment of care under
1350 the circumstances then prevailing that persons of prudence, discretion, and intelligence exercise in the
1351 management of their own affairs, not in regard to speculation but to the permanent disposition of funds,
1352 considering the probable income and the probable safety of their capital. No officer, director, or member
1353 of the board or of any advisory committee to the board whose actions are within the standard of care of
1354 this section shall be held personally liable for losses suffered by the Plan.

1355 If the annual accounting and audit required by § 23.1-710 reveal that there are insufficient funds
1356 to ensure the actuarial soundness of the Plan, the board may adjust the terms of subsequent prepaid tuition
1357 contracts, arrange refunds for current purchasers to ensure actuarial soundness, or take such other action
1358 the board deems appropriate.

1359 B. The assets of the Plan shall be preserved, invested, and expended solely pursuant to and for the
1360 purposes of this chapter and shall not be loaned or otherwise transferred or used by the Commonwealth
1361 for any other purpose. Within the standard of care set forth in subsection A, the board and any person,

1362 investment manager, or committee to whom the board delegates any of its investment authority, may
1363 acquire and retain any kind of property and any kind of investment, including (i) debentures and other
1364 corporate obligations of foreign or domestic corporations; (ii) common or preferred stocks traded on
1365 foreign or domestic stock exchanges; (iii) not less than all of the stock or 100 percent ownership of a
1366 corporation or other entity organized by the board under the laws of the Commonwealth for the purposes
1367 of acquiring and retaining real property that the board may acquire and retain under this chapter; and (iv)
1368 securities of any open-end or closed-end management type investment company or investment trust
1369 registered under the federal Investment Company Act of 1940, as amended, including investment
1370 companies or investment trusts that, in turn, invest in the securities of such investment companies or
1371 investment trusts that persons of prudence, discretion, and intelligence acquire or retain for their own
1372 account. The board may retain property properly acquired without time limitation and without regard to
1373 its suitability for original purchase.

1374 All provisions of this subsection shall also apply to the portion of the Plan assets attributable to
1375 savings trust account contributions and the earnings on such contributions.

1376 C. The selection of services relating to the operation and administration of the Plan, including
1377 contracts or agreements for the management, purchase, or sale of authorized investments or actuarial,
1378 recordkeeping, or consulting services, are governed by the standard of care set forth in subsection A and
1379 are not subject to the provisions of the Virginia Public Procurement Act (§ 2.2-4300 et seq.).

1380 D. No board member or person, investment manager, or committee to whom the board delegates
1381 any of its investment authority who acts in accordance with the standard of care set forth in subsection A
1382 shall be held personally liable for losses suffered by the Plan on investments made pursuant to this chapter.

1383 E. To the extent necessary to lawfully administer the Plan and in order to comply with federal,
1384 state, and local tax reporting requirements, the Plan may obtain all necessary social security account or
1385 tax identification numbers and such other data as the Plan deems necessary for such purposes, whether
1386 from a contributor, a purchaser, or another state agency.

1387 F. This section shall not be construed to prohibit the Plan's investment, by purchase or otherwise,
1388 in bonds, notes, or other obligations of the Commonwealth or its agencies and instrumentalities.

1389 § 23.1-707. Prepaid tuition contracts and education and ABLÉ savings trust agreements.

1390 A. Each prepaid tuition contract made pursuant to this chapter shall include the following terms
1391 and provisions:

1392 1. The amount of payment or payments and the number of payments required from a purchaser on
1393 behalf of a qualified beneficiary;

1394 2. The terms and conditions under which purchasers shall remit payments, including the dates of
1395 such payments;

1396 3. Provisions for late payment charges, defaults, withdrawals, refunds, and any penalties;

1397 4. The name and date of birth of the qualified beneficiary on whose behalf the contract is made;

1398 5. Terms and conditions for a substitution for the qualified beneficiary originally named;

1399 6. Terms and conditions for termination of the contract, including any refunds, withdrawals, or
1400 transfers of tuition prepayments, and the name of the person entitled to terminate the contract;

1401 7. The time period during which the qualified beneficiary is required to claim benefits from the
1402 Plan;

1403 8. The number of credit hours or quarters, semesters, terms, or units contracted for by the
1404 purchaser, as applicable;

1405 9. All other rights and obligations of the purchaser and the trust; and

1406 10. Any other terms and conditions that the board deems necessary or appropriate, including those
1407 necessary to conform the contract with the requirements of § 529 of the Internal Revenue Code of 1986,
1408 as amended, which specifies the requirements for qualified state tuition programs.

1409 B. Each ~~college~~ college education savings trust agreement made pursuant to this chapter shall include the
1410 following terms and provisions:

1411 1. The maximum and minimum contribution allowed on behalf of each qualified beneficiary for
1412 the payment of qualified higher education expenses, as that term is defined in § 529 of the Internal Revenue
1413 Code of 1986, as amended, or other applicable federal law;

1414 2. Provisions for withdrawals, refunds, transfers, and any penalties;

1415 3. The name, address, and date of birth of the qualified beneficiary on whose behalf the savings
1416 trust account is opened;

1417 4. Terms and conditions for a substitution for the qualified beneficiary originally named;

1418 5. Terms and conditions for termination of the account, including any refunds, withdrawals, or
1419 transfers, and applicable penalties, and the name of the person entitled to terminate the account;

1420 6. The time period during which the qualified beneficiary is required to use benefits from the
1421 savings trust account;

1422 7. All other rights and obligations of the contributor and the Plan; and

1423 8. Any other terms and conditions that the board deems necessary or appropriate, including those
1424 necessary to conform the savings trust account with the requirements of § 529 of the Internal Revenue
1425 Code of 1986, as amended, or other applicable federal law.

1426 C. Each ABLE savings trust agreement made pursuant to this chapter shall include the following
1427 terms and provisions:

1428 1. The maximum and minimum annual contribution and maximum account balance allowed on
1429 behalf of each qualified beneficiary for the payment of qualified disability expenses, as defined in § 529A
1430 of the Internal Revenue Code of 1986, as amended, or other applicable federal law;

1431 2. Provisions for withdrawals, refunds, transfers, return of excess contributions, and any penalties;

1432 3. The name, address, and date of birth of the qualified beneficiary on whose behalf the savings
1433 trust account is opened;

1434 4. Terms and conditions for a substitution for the qualified beneficiary originally named;

1435 5. Terms and conditions for termination of the account, including any transfers to the state upon
1436 the death of the qualified beneficiary, refunds, withdrawals, transfers, applicable penalties, and the name
1437 of the person entitled to terminate the account;

1438 6. The time period during which the qualified beneficiary is required to use benefits from the
1439 savings trust account;

1440 7. All other rights and obligations of the contributor and the Plan; and

1441 8. Any other terms and conditions that the board deems necessary or appropriate, including those
1442 necessary to conform the savings trust account with the requirements of § 529A of the Internal Revenue
1443 Code of 1986, as amended, or other applicable federal law.

1444 D. In addition to the provisions required by subsection A, each prepaid tuition contract entered
1445 into prior to July 1, 2019, shall include provisions for the application of tuition prepayments (i) at
1446 accredited nonprofit independent or private institutions of higher education, including actual interest and
1447 income earned on such prepayments, and (ii) at non-Virginia public and accredited nonprofit independent
1448 or private institutions of higher education, including principal and reasonable return on such principal as
1449 determined by the board. Payments authorized for accredited nonprofit independent or private institutions
1450 of higher education shall not exceed the projected highest payment made for tuition at a public institution
1451 of higher education in the same academic year, less a fee to be determined by the board. Payments
1452 authorized for non-Virginia public and accredited nonprofit independent or private institutions of higher
1453 education shall not exceed the projected average payment made for tuition at a public institution of higher
1454 education in the same academic year, less a fee to be determined by the board. In no event, however, shall
1455 the benefit paid on any prepaid tuition contract entered into prior to July 1, 2019, be less than the sum of
1456 tuition prepayments made and a reasonable return on such prepayments to be determined by the board,
1457 less any fees determined by the board, provided, however, that at the discretion of the board the benefit
1458 paid on any prepaid tuition contract entered into prior to July 1, 2019, whether already depleted or not,
1459 may be supplemented by an additional benefit to be determined on such terms and conditions as the board
1460 may determine acting in its capacity as fiduciary of the Plan.

1461 E. In addition to the provisions required by subsection A, each prepaid tuition contract entered into
1462 on or after July 1, 2019, shall include provisions for the application of tuition prepayments, at a rate equal
1463 to the percentage of enrollment-weighted average tuition at public institutions of higher education to be
1464 determined by the board, at (i) public institutions of higher education, (ii) accredited nonprofit independent
1465 or private institutions of higher education, and (iii) non-Virginia public and accredited nonprofit
1466 independent or private institutions of higher education. In no event, however, shall the benefit paid on any

1467 prepaid tuition contract entered into on or after July 1, 2019, be less than tuition prepayments made, less
1468 any fees as determined by the board.

1469 F. All prepaid tuition contracts and savings trust agreements shall specifically provide that if after
1470 a specified period of time the contract or savings trust agreement has not been terminated and the qualified
1471 beneficiary's rights have not been exercised, the board, after making a reasonable effort to contact the
1472 purchaser or contributor and the qualified beneficiary or their agents, shall report such unclaimed moneys
1473 to the State Treasurer pursuant to § 55.1-2524.

1474 G. 1. Notwithstanding any provision of law to the contrary, money in the Plan is exempt from
1475 creditor process, is not liable to attachment, garnishment, or other process, and shall not be seized, taken,
1476 appropriated, or applied by any legal or equitable process or operation of law to pay any debt or liability
1477 of any purchaser, contributor, or beneficiary. Unless required by federal law, the Commonwealth, its
1478 agencies, and its instrumentalities shall not seek payment pursuant to 26 U.S.C. § 529A from any ABLE
1479 savings trust account or its proceeds for benefits provided to the beneficiary of the account and shall not
1480 undertake estate recovery from any ABLE savings trust account pursuant to 26 U.S.C. § 529A.

1481 2. Unless prohibited by federal law, the beneficiary of an ABLE savings trust account may appoint
1482 a survivor. In the event of the beneficiary's death, if the survivor is (i) an eligible individual, as defined in
1483 26 U.S.C. § 529A(e), then such survivor shall become the beneficiary of the ABLE savings trust account
1484 or (ii) not an eligible individual, as defined in 26 U.S.C. § 529A(e), then any proceeds remaining after
1485 final distributions have been made on behalf of the deceased beneficiary shall be distributed to the survivor
1486 and the account shall be closed.

1487 H. Notwithstanding any other provision of state law that requires consideration of one or more
1488 financial circumstances of an individual for the purpose of determining (i) the individual's eligibility to
1489 receive any assistance or benefit pursuant to such provision of state law or (ii) the amount of any such
1490 assistance or benefit that such individual is eligible to receive pursuant to such provision of state law, any
1491 (a) moneys in an ABLE savings trust account for which such individual is the beneficiary, including any
1492 interest on such moneys, (b) contributions to an ABLE savings trust account for which such individual is
1493 the beneficiary, and (c) distribution for qualified disability expenses for such individual from an ABLE

1494 savings trust account for which such individual is the beneficiary shall be disregarded for such purpose
1495 with respect to any period during which such individual remains the beneficiary of, makes contributions
1496 to, or receives distributions for qualified disability expenses from such ABLE savings trust account.

1497 I. No prepaid tuition contract or savings trust account shall be assigned for the benefit of creditors,
1498 used as security or collateral for any loan, or otherwise subject to alienation, sale, transfer, assignment,
1499 pledge, encumbrance, or charge.

1500 J. The board's decision on any dispute, claim, or action arising out of or relating to a prepaid tuition
1501 contract or savings trust agreement made or entered into pursuant to this chapter or benefits under such
1502 prepaid tuition contract or savings trust agreement shall be considered a case decision as defined in § 2.2-
1503 4001 and all proceedings related to such dispute, claim, or action shall be conducted pursuant to Article 3
1504 (§ 2.2-4018 et seq.) of the Administrative Process Act. Judicial review shall be provided exclusively
1505 pursuant to Article 5 (§ 2.2-4025 et seq.) of the Administrative Process Act.

1506 **§ 23.1-1004. Management agreement; eligibility and application.**

1507 A. The governing board and administration of each public institution of higher education that
1508 meets the state goals set forth in subsection A of § 23.1-1002 and meets the requirements of this article to
1509 demonstrate the ability to manage successfully the administrative and financial operations of the
1510 institution without jeopardizing the financial integrity and stability of the institution may negotiate with
1511 the Governor to develop a management agreement with the Commonwealth to exercise restructured
1512 financial and administrative authority.

1513 B. No public institution of higher education shall enter into a management agreement unless:

1514 1. a. Its most current and unenhanced bond rating received from Moody's Investors Service, Inc.,
1515 Standard & Poor's, Inc., or Fitch Investor's Services, Inc., is at least AA- (i.e., AA minus) or its equivalent,
1516 provided that such bond rating has been received within the last three years of the date that the initial
1517 management agreement is entered into; or

1518 b. The institution has participated in decentralization pilot programs in the areas of finance and
1519 capital outlay, demonstrated management competency in those two areas as evidenced by a written
1520 certification from the Cabinet Secretary designated by the Governor, received restructured operational

1521 authority under a memorandum of understanding pursuant to Article 3 (§ 23.1-1003 et seq.) in at least one
1522 functional area, and demonstrated management competency in that area for a period of at least two years;

1523 2. At least an absolute two-thirds of the institution's governing board has voted in the affirmative
1524 for a resolution in support of a request for restructured operational authority under a management
1525 agreement;

1526 3. The institution submits to the Governor a written request for his approval of the management
1527 agreement that contains evidence that (i) the institution possesses the necessary administrative
1528 infrastructure, experience, and expertise to perform successfully its public educational mission as a
1529 covered institution; (ii) the institution is financially able to operate as a covered institution without
1530 jeopardizing the financial integrity and stability of the institution; (iii) the institution consistently meets
1531 the financial and administrative management standards pursuant to § 23.1-1001; and (iv) the institution's
1532 governing board has adopted performance and accountability standards, in addition to any institutional
1533 performance benchmarks included in the general appropriation act and developed pursuant to § 23.1-206,
1534 against which its implementation of the restructured operational authority under the management
1535 agreement can be measured;

1536 4. The institution provides a copy of the written request to the Chairmen of the House Committee
1537 on Appropriations, the House Committee on Education, the Senate Committee on Finance and
1538 Appropriations, and the Senate Committee on Education and Health;

1539 5. The institution agrees to reimburse the Commonwealth for any additional costs that the
1540 Commonwealth incurs to provide health or other group insurance benefits to employees and undertake
1541 any risk management program that are attributable to the institution's exercise of restructured operational
1542 authority. The Secretary of Finance and the Secretary of Administration, in consultation with the Virginia
1543 Retirement System and the affected institutions, shall establish procedures for determining any amounts
1544 to be paid by each institution and a mechanism for transferring the appropriate amounts directly and solely
1545 to the affected programs;

1546 6. The institution considers potential future impacts of tuition increases on the ~~Virginia College~~
1547 ~~Savings~~ Commonwealth Savers Plan and discusses such potential impacts with parties participating in the

1548 development of the management agreement. The chief executive officer of the ~~Virginia College Savings~~
 1549 Commonwealth Savers Plan shall provide to the institution and such parties the Plan's assumptions
 1550 underlying the contract pricing of the program; and

1551 7. The Governor transmits a draft of any management agreement that affects insurance or benefit
 1552 programs administered by the Virginia Retirement System to the Board of Trustees of the Virginia
 1553 Retirement System, which shall review the relevant provisions of the management agreement to ensure
 1554 compliance with the applicable provisions of Title 51.1, administrative policies and procedures, and
 1555 federal regulations governing retirement plans and advise the Governor and appropriate Cabinet
 1556 Secretaries of any conflicts.

1557 CHAPTER 51.

1558 ~~VIRGINIA COLLEGE SAVINGS~~ COMMONWEALTH SAVERS PLAN OVERSIGHT ACT.

1559 § 30-330. Title of chapter and purpose.

1560 The General Assembly hereby designates the Joint Legislative Audit and Review Commission (the
 1561 Commission) to oversee and evaluate the ~~Virginia College Savings~~ Commonwealth Savers Plan on a
 1562 continuing basis and to make such special studies and reports as may be requested by the General
 1563 Assembly, the House Committee on Appropriations, or the Senate Committee on Finance and
 1564 Appropriations.

1565 § 30-331. Duties and powers.

1566 A. The areas of review and evaluation to be conducted by the Commission shall include, but are
 1567 not limited to, the following: (i) structure and governance of the ~~Virginia College Savings~~ Commonwealth
 1568 Savers Plan; (ii) structure of the investment portfolio; (iii) investment practices, policies, and performance;
 1569 (iv) actuarial policy; and (v) administration and management of the ~~Virginia College Savings~~
 1570 Commonwealth Savers Plan.

1571 B. For purposes of carrying out its duties under this chapter, the Commission shall have the
 1572 following powers, including but not limited to:

1573 1. Access to the information, records, and facilities of the ~~Virginia College Savings~~
1574 Commonwealth Savers Plan and any corporations or subsidiaries thereof or other entities owned, directly
1575 or indirectly, or otherwise created by or on behalf of the Plan.

1576 2. Access to the public and executive session meetings and records of the Board of the ~~Virginia~~
1577 ~~College Savings~~ Commonwealth Savers Plan, as well as those of any advisory committees. Access shall
1578 include the right to attend such meetings.

1579 3. Access to the ~~Virginia College Savings~~ Commonwealth Savers Plan's employees, consultants,
1580 actuaries, investment managers, advisors, attorneys, accountants, or other contractors in the employ or
1581 hire of the ~~Virginia College Savings~~ Commonwealth Savers Plan. Such persons shall cooperate with the
1582 Commission and upon its request shall provide specific information or opinions in the form requested.

1583 C. The chairman of the Commission may appoint a permanent subcommittee to provide guidance
1584 and direction for oversight activities, subject to the full Commission's supervision and such guidelines as
1585 the Commission itself may provide.

1586 D. Confidential or proprietary records of the ~~Virginia College Savings~~ Commonwealth Savers Plan
1587 or its subsidiary corporations provided to the Commission shall be exempt from the Virginia Freedom of
1588 Information Act (§ 2.2-3700 et seq.).

1589 **§ 30-332. Required reports.**

1590 A. The ~~Virginia College Savings~~ Commonwealth Savers Plan shall submit to the General
1591 Assembly, through the Commission, annual reports on the investment programs of the ~~Virginia College~~
1592 ~~Savings~~ Commonwealth Savers Plan. The report shall be presented in a format approved by the
1593 Commission and shall include information concerning (i) planned or actual material changes in asset
1594 allocation, (ii) investment performance of all asset classes and subclasses, and (iii) investment policies
1595 and programs.

1596 B. The ~~Virginia College Savings~~ Commonwealth Savers Plan shall submit an annual report on the
1597 actuarial soundness of the Plan's prepaid programs, which shall include (i) contract pricing policies and
1598 objectives, (ii) current and projected assets and actuarially estimated value of tuition obligations, and (iii)
1599 actuarial assumptions.

1600 C. The ~~Virginia College Savings~~ Commonwealth Savers Plan shall furnish such reports or
1601 information as may be requested by the Commission or standing committees of the General Assembly
1602 having jurisdiction over the subject matter that is the basis of such committees' inquiry.

1603 D. The Commission shall publish the following reports concerning the ~~Virginia College Savings~~
1604 Commonwealth Savers Plan: (i) a biennial status report that shall include, at a minimum and where
1605 appropriate, findings and recommendations and (ii) with the assistance of an actuary, a review of the
1606 ~~Virginia College Savings~~ Commonwealth Savers Plan's annual actuarial valuation reports once every four
1607 years.

1608 **§ 30-333. Use of consultants.**

1609 The Commission may employ on a consulting basis such investment, actuarial, and other
1610 professional or technical experts as may be reasonably necessary for the Commission to fulfill its
1611 responsibilities under this chapter. Such consultants shall provide, upon request, assistance to the House
1612 Committee on Appropriations and Senate Committee on Finance and Appropriations on matters related
1613 to the ~~Virginia College Savings~~ Commonwealth Savers Plan.

1614 **§ 30-335. Funding for the Commission's oversight activities.**

1615 The Commission's reasonable and necessary expenses related to its duties under this chapter shall
1616 be paid by the ~~Virginia College Savings~~ Commonwealth Savers Plan. On or before September 30 of each
1617 year, the Commission shall submit to the Board of the ~~Virginia College Savings~~ Commonwealth Savers
1618 Plan an itemized estimate for the next fiscal year of the amounts necessary to pay the Commission's
1619 expenses related to its duties under this chapter and shall include the estimate as part of the agency's budget
1620 submission to the House Committee on Appropriations and the Senate Committee on Finance and
1621 Appropriations.

1622 **§ 51.1-505.01. Additional accidental death and dismemberment benefits.**

1623 The group life, accidental death, and dismemberment insurance coverage purchased by the Board
1624 shall include, but not be limited to, the following benefits:

1625 A. If, as a result of an accident, an insured employee dies at least 75 miles from his principal
1626 residence, an additional accidental death benefit shall be paid for the preparation and transportation of the

1627 employee to a mortuary. The additional benefit shall be the lesser of the actual cost for such preparation
1628 and transportation or \$5,000;

1629 B. If an insured employee dies or suffers a dismemberment as a result of an accident that occurs
1630 while the employee is driving or riding in a private passenger vehicle, an additional accidental death or
1631 dismemberment benefit shall be paid, provided that (i) the private passenger vehicle is equipped with a
1632 safety restraint system; (ii) such safety restraint system was being used properly by the insured employee
1633 at the time of the accident, as certified in the official accident report or by the official investigating officer;
1634 and (iii) at the time of the accident, the driver of the private passenger vehicle held a current license to
1635 operate a private passenger vehicle and was not intoxicated, driving while impaired or under the influence
1636 of alcohol or drugs, as is defined or determined under applicable law.

1637 The additional benefit shall be the lesser of 10 percent of the amount otherwise payable due to
1638 such accidental death or dismemberment or \$50,000.

1639 C. Death or dismemberment from a felonious assault.

1640 1. If an insured employee dies or suffers a dismemberment as a result of an accident caused by a
1641 felonious assault committed by other than an immediate family member, there shall be paid an additional
1642 accidental death or dismemberment benefit equal to the lesser of 25 percent of the amount otherwise
1643 payable due to such accidental death or dismemberment or \$50,000.

1644 2. In addition, if (i) an insured employee dies as a result of an accident caused by a felonious assault
1645 committed by other than an immediate family member, and (ii) such insured employee has a qualifying
1646 child at the time of such accident, a college savings trust account under the ~~Virginia College Savings~~
1647 Commonwealth Savers Plan (§ 23.1-700 et seq.) shall be opened for each qualifying child. The Retirement
1648 System shall be the contributor of any such account and shall contribute into the account of each such
1649 qualifying child an amount approximately equal to the current average cost, as published by the State
1650 Council of Higher Education for Virginia, of four years of tuition and mandatory fees at baccalaureate
1651 public institutions of higher education in the Commonwealth. The qualified beneficiary, as defined in §
1652 23.1-700, shall be the qualifying child on whose behalf such account was opened. Specific benefits of the

1653 college savings trust account shall be as defined by the ~~Virginia College Savings~~ Commonwealth Savers
1654 Plan.

1655 Disbursements from a college savings trust account opened under this section shall be governed
1656 by procedures adopted by the Board of Trustees of the Virginia Retirement System in accordance with §
1657 529 of the Internal Revenue Code of 1986, as amended, or other applicable federal law, and any other
1658 additional procedures as determined by the Board of the ~~Virginia College Savings~~ Commonwealth Savers
1659 Plan. College savings trust account funds shall be payable only for qualified higher education expenses to
1660 a post-secondary eligible educational institution. Any funds in a college savings trust account that are not
1661 used by a qualifying child before the expiration of the time period for the use of such funds, as determined
1662 by the ~~Virginia College Savings~~ Commonwealth Savers Plan, shall be paid to the Retirement System
1663 promptly after the expiration of such period.

1664 **§ 58.1-322.02. (Effective until date pursuant to Va. Const., Art. IV, § 13) Virginia taxable**
1665 **income; subtractions.**

1666 In computing Virginia taxable income pursuant to § 58.1-322, to the extent included in federal
1667 adjusted gross income, there shall be subtracted:

1668 1. Income derived from obligations, or on the sale or exchange of obligations, of the United States
1669 and on obligations or securities of any authority, commission, or instrumentality of the United States to
1670 the extent exempt from state income taxes under the laws of the United States, including, but not limited
1671 to, stocks, bonds, treasury bills, and treasury notes but not including interest on refunds of federal taxes,
1672 interest on equipment purchase contracts, or interest on other normal business transactions.

1673 2. Income derived from obligations, or on the sale or exchange of obligations, of the
1674 Commonwealth or of any political subdivision or instrumentality of the Commonwealth.

1675 3. Benefits received under Title II of the Social Security Act and other benefits subject to federal
1676 income taxation solely pursuant to § 86 of the Internal Revenue Code.

1677 4. Up to \$20,000 of disability income, as defined in § 22(c)(2)(B)(iii) of the Internal Revenue
1678 Code; however, any person who claims a deduction under subdivision 5 of § 58.1-322.03 may not also
1679 claim a subtraction under this subdivision.

1680 5. The amount of any refund or credit for overpayment of income taxes imposed by the
1681 Commonwealth or any other taxing jurisdiction.

1682 6. The amount of wages or salaries eligible for the federal Work Opportunity Credit which was
1683 not deducted for federal purposes on account of the provisions of § 280C(a) of the Internal Revenue Code.

1684 7. Any amount included therein less than \$600 from a prize awarded by the Virginia Lottery.

1685 8. The wages or salaries received by any person for active and inactive service in the National
1686 Guard of the Commonwealth of Virginia, not to exceed the amount of income derived from 39 calendar
1687 days of such service or \$3,000, whichever amount is less; however, only those persons in the ranks of O3
1688 and below shall be entitled to the deductions specified in this subdivision.

1689 9. Amounts received by an individual, not to exceed \$1,000 for taxable years beginning on or
1690 before December 31, 2019, and \$5,000 for taxable years beginning on or after January 1, 2020, as a reward
1691 for information provided to a law-enforcement official or agency, or to a nonprofit corporation created
1692 exclusively to assist such law-enforcement official or agency, in the apprehension and conviction of
1693 perpetrators of crimes. This subdivision shall not apply to the following: an individual who is an employee
1694 of, or under contract with, a law-enforcement agency, a victim or the perpetrator of the crime for which
1695 the reward was paid, or any person who is compensated for the investigation of crimes or accidents.

1696 10. The amount of "qualified research expenses" or "basic research expenses" eligible for
1697 deduction for federal purposes, but which were not deducted, on account of the provisions of § 280C(c)
1698 of the Internal Revenue Code and which shall be available to partners, shareholders of S corporations, and
1699 members of limited liability companies to the extent and in the same manner as other deductions may pass
1700 through to such partners, shareholders, and members.

1701 11. Any income received during the taxable year derived from a qualified pension, profit-sharing,
1702 or stock bonus plan as described by § 401 of the Internal Revenue Code, an individual retirement account
1703 or annuity established under § 408 of the Internal Revenue Code, a deferred compensation plan as defined
1704 by § 457 of the Internal Revenue Code, or any federal government retirement program, the contributions
1705 to which were deductible from the taxpayer's federal adjusted gross income, but only to the extent the
1706 contributions to such plan or program were subject to taxation under the income tax in another state.

1707 12. Any income attributable to a distribution of benefits or a refund from a prepaid tuition contract
1708 or savings trust account with the ~~Virginia College Savings~~ Commonwealth Savers Plan, created pursuant
1709 to Chapter 7 (§ 23.1-700 et seq.) of Title 23.1. The subtraction for any income attributable to a refund
1710 shall be limited to income attributable to a refund in the event of a beneficiary's death, disability, or receipt
1711 of a scholarship.

1712 13. All military pay and allowances, to the extent included in federal adjusted gross income and
1713 not otherwise subtracted, deducted, or exempted under this section, earned by military personnel while
1714 serving by order of the President of the United States with the consent of Congress in a combat zone or
1715 qualified hazardous duty area that is treated as a combat zone for federal tax purposes pursuant to § 112
1716 of the Internal Revenue Code.

1717 14. For taxable years beginning before January 1, 2015, the gain derived from the sale or exchange
1718 of real property or the sale or exchange of an easement to real property which results in the real property
1719 or the easement thereto being devoted to open-space use, as that term is defined in § 58.1-3230, for a
1720 period of time not less than 30 years. To the extent that a subtraction is taken in accordance with this
1721 subdivision, no tax credit under this chapter for donating land for its preservation shall be allowed for
1722 three years following the year in which the subtraction is taken.

1723 15. Fifteen thousand dollars of military basic pay for military service personnel on extended active
1724 duty for periods in excess of 90 days; however, the subtraction amount shall be reduced dollar-for-dollar
1725 by the amount by which the taxpayer's military basic pay exceeds \$15,000 and shall be reduced to zero if
1726 such military basic pay amount is equal to or exceeds \$30,000.

1727 16. The first \$15,000 of salary for each federal and state employee whose total annual salary from
1728 all employment for the taxable year is \$15,000 or less.

1729 17. Unemployment benefits taxable pursuant to § 85 of the Internal Revenue Code.

1730 18. a. Any amount received as military retirement income by an individual awarded the
1731 Congressional Medal of Honor.

1732 b. For taxable years beginning on and after January 1, 2022, but before January 1, 2023, up to
1733 \$10,000 of military benefits; for taxable years beginning on and after January 1, 2023, but before January

1734 1, 2024, up to \$20,000 of military benefits; for taxable years beginning on and after January 1, 2024, but
1735 before January 1, 2025, up to \$30,000 of military benefits; and for taxable years beginning on and after
1736 January 1, 2025, up to \$40,000 of military benefits. For purposes of this subdivision b, "military benefits"
1737 means any (i) military retirement income received for service in the Armed Forces of the United States,
1738 (ii) qualified military benefits received pursuant to § 134 of the Internal Revenue Code, (iii) benefits paid
1739 to the surviving spouse of a veteran of the Armed Forces of the United States under the Survivor Benefit
1740 Plan program established by the U.S. Department of Defense, and (iv) military benefits paid to the
1741 surviving spouse of a veteran of the Armed Forces of the United States. The subtraction allowed by this
1742 subdivision b shall be allowed only for military benefits received by an individual age 55 or older. No
1743 subtraction shall be allowed pursuant to this subdivision b if a credit, exemption, subtraction, or deduction
1744 is claimed for the same income pursuant to subdivision a or any other provision of Virginia or federal law.

1745 19. Items of income attributable to, derived from, or in any way related to (i) assets stolen from,
1746 hidden from, or otherwise lost by an individual who was a victim or target of Nazi persecution or (ii)
1747 damages, reparations, or other consideration received by a victim or target of Nazi persecution to
1748 compensate such individual for performing labor against his will under the threat of death, during World
1749 War II and its prelude and direct aftermath. This subtraction shall not apply to assets acquired with such
1750 items of income or with the proceeds from the sale of assets stolen from, hidden from, or otherwise lost
1751 to, during World War II and its prelude and direct aftermath, a victim or target of Nazi persecution. The
1752 provisions of this subdivision shall only apply to an individual who was the first recipient of such items
1753 of income and who was a victim or target of Nazi persecution, or a spouse, surviving spouse, or child or
1754 stepchild of such victim.

1755 As used in this subdivision:

1756 "Nazi regime" means the country of Nazi Germany, areas occupied by Nazi Germany, those
1757 European countries allied with Nazi Germany, or any other neutral European country or area in Europe
1758 under the influence or threat of Nazi invasion.

1759 "Victim or target of Nazi persecution" means any individual persecuted or targeted for persecution
1760 by the Nazi regime who had assets stolen from, hidden from, or otherwise lost as a result of any act or

1761 omission in any way relating to (i) the Holocaust, (ii) World War II and its prelude and direct aftermath,
1762 (iii) transactions with or actions of the Nazi regime, (iv) treatment of refugees fleeing Nazi persecution,
1763 or (v) the holding of such assets by entities or persons in the Swiss Confederation during World War II
1764 and its prelude and aftermath. A "victim or target of Nazi persecution" also includes any individual forced
1765 into labor against his will, under the threat of death, during World War II and its prelude and direct
1766 aftermath.

1767 20. The military death gratuity payment made after September 11, 2001, to the survivor of
1768 deceased military personnel killed in the line of duty, pursuant to 10 U.S.C. Chapter 75; however, the
1769 subtraction amount shall be reduced dollar-for-dollar by the amount that the survivor may exclude from
1770 his federal gross income in accordance with § 134 of the Internal Revenue Code.

1771 21. The death benefit payments from an annuity contract that are received by a beneficiary of such
1772 contract, provided that (i) the death benefit payment is made pursuant to an annuity contract with an
1773 insurance company and (ii) the death benefit payment is paid solely by lump sum. The subtraction under
1774 this subdivision shall be allowed only for that portion of the death benefit payment that is included in
1775 federal adjusted gross income.

1776 22. Any gain recognized from the sale of launch services to space flight participants, as defined in
1777 49 U.S.C. § 70102, or launch services intended to provide individuals with the training or experience of a
1778 launch, without performing an actual launch. To qualify for a deduction under this subdivision, launch
1779 services must be performed in Virginia or originate from an airport or spaceport in Virginia.

1780 23. Any gain recognized as a result of resupply services contracts for delivering payload, as defined
1781 in 49 U.S.C. § 70102, entered into with the Commercial Orbital Transportation Services division of the
1782 National Aeronautics and Space Administration or other space flight entity, as defined in § 8.01-227.8,
1783 and launched from an airport or spaceport in Virginia.

1784 24. Any income taxed as a long-term capital gain for federal income tax purposes, or any income
1785 taxed as investment services partnership interest income (otherwise known as investment partnership
1786 carried interest income) for federal income tax purposes. To qualify for a subtraction under this
1787 subdivision, such income shall be attributable to an investment in a "qualified business," as defined in §

1788 58.1-339.4, or in any other technology business approved by the Secretary of Administration, provided
1789 that the business has its principal office or facility in the Commonwealth and less than \$3 million in annual
1790 revenues in the fiscal year prior to the investment. To qualify for a subtraction under this subdivision, the
1791 investment shall be made between the dates of April 1, 2010, and June 30, 2020. No taxpayer who has
1792 claimed a tax credit for an investment in a "qualified business" under § 58.1-339.4 shall be eligible for the
1793 subtraction under this subdivision for an investment in the same business.

1794 25. For taxable years beginning on and after January 1, 2014, any income of an account holder for
1795 the taxable year taxed as (i) a capital gain for federal income tax purposes attributable to such person's
1796 first-time home buyer savings account established pursuant to Chapter 12 (§ 36-171 et seq.) of Title 36
1797 and (ii) interest income or other income for federal income tax purposes attributable to such person's first-
1798 time home buyer savings account.

1799 Notwithstanding the statute of limitations on assessments contained in § 58.1-312, any subtraction
1800 taken under this subdivision shall be subject to recapture in the taxable year or years in which moneys or
1801 funds withdrawn from the first-time home buyer savings account were used for any purpose other than
1802 the payment of eligible costs by or on behalf of a qualified beneficiary, as provided under § 36-174. The
1803 amount subject to recapture shall be a portion of the amount withdrawn in the taxable year that was used
1804 for other than the payment of eligible costs, computed by multiplying the amount withdrawn and used for
1805 other than the payment of eligible costs by the ratio of the aggregate earnings in the account at the time of
1806 the withdrawal to the total balance in the account at such time.

1807 However, recapture shall not apply to the extent of moneys or funds withdrawn that were (i)
1808 withdrawn by reason of the qualified beneficiary's death or disability; (ii) a disbursement of assets of the
1809 account pursuant to a filing for protection under the United States Bankruptcy Code, 11 U.S.C. §§ 101
1810 through 1330; or (iii) transferred from an account established pursuant to Chapter 12 (§ 36-171 et seq.) of
1811 Title 36 into another account established pursuant to such chapter for the benefit of another qualified
1812 beneficiary.

1813 For purposes of this subdivision, "account holder," "eligible costs," "first-time home buyer savings
1814 account," and "qualified beneficiary" mean the same as those terms are defined in § 36-171.

1815 26. For taxable years beginning on and after January 1, 2015, any income for the taxable year
1816 attributable to the discharge of a student loan solely by reason of the student's death. For purposes of this
1817 subdivision, "student loan" means the same as that term is defined under § 108(f) of the Internal Revenue
1818 Code.

1819 27. a. Income, including investment services partnership interest income (otherwise known as
1820 investment partnership carried interest income), attributable to an investment in a Virginia venture capital
1821 account. To qualify for a subtraction under this subdivision, the investment shall be made on or after
1822 January 1, 2018, but before December 31, 2023. No subtraction shall be allowed under this subdivision
1823 for an investment in a company that is owned or operated by a family member or an affiliate of the
1824 taxpayer. No subtraction shall be allowed under this subdivision for a taxpayer who has claimed a
1825 subtraction under subdivision 24 or a tax credit under § 58.1-339.4 for the same investment.

1826 b. As used in this subdivision 27:

1827 "Qualified portfolio company" means a company that (i) has its principal place of business in the
1828 Commonwealth; (ii) has a primary purpose of production, sale, research, or development of a product or
1829 service other than the management or investment of capital; and (iii) provides equity in the company to
1830 the Virginia venture capital account in exchange for a capital investment. "Qualified portfolio company"
1831 does not include a company that is an individual or sole proprietorship.

1832 "Virginia venture capital account" means an investment fund that has been certified by the
1833 Department as a Virginia venture capital account. In order to be certified as a Virginia venture capital
1834 account, the operator of the investment fund shall register the investment fund with the Department prior
1835 to December 31, 2023, (i) indicating that it intends to invest at least 50 percent of the capital committed
1836 to its fund in qualified portfolio companies and (ii) providing documentation that it employs at least one
1837 investor who has at least four years of professional experience in venture capital investment or
1838 substantially equivalent experience. "Substantially equivalent experience" includes, but is not limited to,
1839 an undergraduate degree from an accredited college or university in economics, finance, or a similar field
1840 of study. The Department may require an investment fund to provide documentation of the investor's
1841 training, education, or experience as deemed necessary by the Department to determine substantial

1842 equivalency. If the Department determines that the investment fund employs at least one investor with the
1843 experience set forth herein, the Department shall certify the investment fund as a Virginia venture capital
1844 account at such time as the investment fund actually invests at least 50 percent of the capital committed
1845 to its fund in qualified portfolio companies.

1846 28. a. Income attributable to an investment in a Virginia real estate investment trust. To qualify for
1847 a subtraction under this subdivision, the investment shall be made on or after January 1, 2019, but before
1848 December 31, 2024. No subtraction shall be allowed for an investment in a trust that is managed by a
1849 family member or an affiliate of the taxpayer. No subtraction shall be allowed under this subdivision for
1850 a taxpayer who has claimed a subtraction under subdivision 24 or 27 or a tax credit under § 58.1-339.4
1851 for the same investment.

1852 b. As used in this subdivision 28:

1853 "Distressed" means satisfying the criteria applicable to a locality described in subdivision E 2 of §
1854 2.2-115.

1855 "Double distressed" means satisfying the criteria applicable to a locality described in subdivision
1856 E 3 of § 2.2-115.

1857 "Virginia real estate investment trust" means a real estate investment trust, as defined in 26 U.S.C.
1858 § 856, that has been certified by the Department as a Virginia real estate investment trust. In order to be
1859 certified as a Virginia real estate investment trust, the trustee shall register the trust with the Department
1860 prior to December 31, 2024, indicating that it intends to invest at least 90 percent of trust funds in Virginia
1861 and at least 40 percent of trust funds in real estate in localities that are distressed or double distressed. If
1862 the Department determines that the trust satisfies the preceding criteria, the Department shall certify the
1863 trust as a Virginia real estate investment trust at such time as the trust actually invests at least 90 percent
1864 of trust funds in Virginia and at least 40 percent of trust funds in real estate in localities that are distressed
1865 or double distressed.

1866 29. For taxable years beginning on and after January 1, 2019, any gain recognized from the taking
1867 of real property by condemnation proceedings.

1868 30. For taxable years beginning before January 1, 2021, up to \$100,000 of all grant funds received
1869 by the taxpayer under the Rebuild Virginia program established by the Governor and administered by the
1870 Department of Small Business and Supplier Diversity.

1871 31. For taxable years beginning on and after January 1, 2022, any compensation for wrongful
1872 incarceration awarded pursuant to the procedures established under Article 18.2 (§ 8.01-195.10 et seq.) of
1873 Chapter 3 of Title 8.01.

1874 § 58.1-322.02. (Effective pursuant to Va. Const., Art. IV, § 13) Virginia taxable income;
1875 subtractions.

1876 In computing Virginia taxable income pursuant to § 58.1-322, to the extent included in federal
1877 adjusted gross income, there shall be subtracted:

1878 1. Income derived from obligations, or on the sale or exchange of obligations, of the United States
1879 and on obligations or securities of any authority, commission, or instrumentality of the United States to
1880 the extent exempt from state income taxes under the laws of the United States, including, but not limited
1881 to, stocks, bonds, treasury bills, and treasury notes but not including interest on refunds of federal taxes,
1882 interest on equipment purchase contracts, or interest on other normal business transactions.

1883 2. Income derived from obligations, or on the sale or exchange of obligations, of the
1884 Commonwealth or of any political subdivision or instrumentality of the Commonwealth.

1885 3. Benefits received under Title II of the Social Security Act and other benefits subject to federal
1886 income taxation solely pursuant to § 86 of the Internal Revenue Code.

1887 4. Up to \$20,000 of disability income, as defined in § 22(c)(2)(B)(iii) of the Internal Revenue
1888 Code; however, any person who claims a deduction under subdivision 5 of § 58.1-322.03 may not also
1889 claim a subtraction under this subdivision.

1890 5. The amount of any refund or credit for overpayment of income taxes imposed by the
1891 Commonwealth or any other taxing jurisdiction.

1892 6. The amount of wages or salaries eligible for the federal Work Opportunity Credit which was
1893 not deducted for federal purposes on account of the provisions of § 280C(a) of the Internal Revenue Code.

1894 7. Any amount included therein less than \$600 from a prize awarded by the Virginia Lottery.

1895 8. The wages or salaries received by any person for active and inactive service in the National
1896 Guard of the Commonwealth of Virginia, not to exceed the amount of income derived from 39 calendar
1897 days of such service or \$3,000, whichever amount is less; however, only those persons in the ranks of O3
1898 and below shall be entitled to the deductions specified in this subdivision.

1899 9. Amounts received by an individual, not to exceed \$1,000 for taxable years beginning on or
1900 before December 31, 2019, and \$5,000 for taxable years beginning on or after January 1, 2020, as a reward
1901 for information provided to a law-enforcement official or agency, or to a nonprofit corporation created
1902 exclusively to assist such law-enforcement official or agency, in the apprehension and conviction of
1903 perpetrators of crimes. This subdivision shall not apply to the following: an individual who is an employee
1904 of, or under contract with, a law-enforcement agency, a victim or the perpetrator of the crime for which
1905 the reward was paid, or any person who is compensated for the investigation of crimes or accidents.

1906 10. The amount of "qualified research expenses" or "basic research expenses" eligible for
1907 deduction for federal purposes, but which were not deducted, on account of the provisions of § 280C(c)
1908 of the Internal Revenue Code and which shall be available to partners, shareholders of S corporations, and
1909 members of limited liability companies to the extent and in the same manner as other deductions may pass
1910 through to such partners, shareholders, and members.

1911 11. Any income received during the taxable year derived from a qualified pension, profit-sharing,
1912 or stock bonus plan as described by § 401 of the Internal Revenue Code, an individual retirement account
1913 or annuity established under § 408 of the Internal Revenue Code, a deferred compensation plan as defined
1914 by § 457 of the Internal Revenue Code, or any federal government retirement program, the contributions
1915 to which were deductible from the taxpayer's federal adjusted gross income, but only to the extent the
1916 contributions to such plan or program were subject to taxation under the income tax in another state.

1917 12. Any income attributable to a distribution of benefits or a refund from a prepaid tuition contract
1918 or savings trust account with the ~~Virginia College Savings~~ Commonwealth Savers Plan, created pursuant
1919 to Chapter 7 (§ 23.1-700 et seq.) of Title 23.1. The subtraction for any income attributable to a refund
1920 shall be limited to income attributable to a refund in the event of a beneficiary's death, disability, or receipt
1921 of a scholarship.

1922 13. All military pay and allowances, to the extent included in federal adjusted gross income and
1923 not otherwise subtracted, deducted, or exempted under this section, earned by military personnel while
1924 serving by order of the President of the United States with the consent of Congress in a combat zone or
1925 qualified hazardous duty area that is treated as a combat zone for federal tax purposes pursuant to § 112
1926 of the Internal Revenue Code.

1927 14. For taxable years beginning before January 1, 2015, the gain derived from the sale or exchange
1928 of real property or the sale or exchange of an easement to real property which results in the real property
1929 or the easement thereto being devoted to open-space use, as that term is defined in § 58.1-3230, for a
1930 period of time not less than 30 years. To the extent that a subtraction is taken in accordance with this
1931 subdivision, no tax credit under this chapter for donating land for its preservation shall be allowed for
1932 three years following the year in which the subtraction is taken.

1933 15. Fifteen thousand dollars of military basic pay for military service personnel on extended active
1934 duty for periods in excess of 90 days; however, the subtraction amount shall be reduced dollar-for-dollar
1935 by the amount by which the taxpayer's military basic pay exceeds \$15,000 and shall be reduced to zero if
1936 such military basic pay amount is equal to or exceeds \$30,000.

1937 16. The first \$15,000 of salary for each federal and state employee whose total annual salary from
1938 all employment for the taxable year is \$15,000 or less.

1939 17. Unemployment benefits taxable pursuant to § 85 of the Internal Revenue Code.

1940 18. a. Any amount received as military retirement income by an individual awarded the
1941 Congressional Medal of Honor.

1942 b. For taxable years beginning on and after January 1, 2022, but before January 1, 2023, up to
1943 \$10,000 of military benefits; for taxable years beginning on and after January 1, 2023, but before January
1944 1, 2024, up to \$20,000 of military benefits; for taxable years beginning on and after January 1, 2024, but
1945 before January 1, 2025, up to \$30,000 of military benefits; and for taxable years beginning on and after
1946 January 1, 2025, up to \$40,000 of military benefits. For purposes of this subdivision b, "military benefits"
1947 means any (i) military retirement income received for service in the Armed Forces of the United States,
1948 (ii) qualified military benefits received pursuant to § 134 of the Internal Revenue Code, (iii) benefits paid

1949 to the surviving spouse of a veteran of the Armed Forces of the United States under the Survivor Benefit
1950 Plan program established by the U.S. Department of Defense, and (iv) military benefits paid to the
1951 surviving spouse of a veteran of the Armed Forces of the United States. The subtraction allowed by this
1952 subdivision b shall be allowed only for military benefits received by an individual age 55 or older. No
1953 subtraction shall be allowed pursuant to this subdivision b if a credit, exemption, subtraction, or deduction
1954 is claimed for the same income pursuant to subdivision a or any other provision of Virginia or federal law.

1955 19. Items of income attributable to, derived from, or in any way related to (i) assets stolen from,
1956 hidden from, or otherwise lost by an individual who was a victim or target of Nazi persecution or (ii)
1957 damages, reparations, or other consideration received by a victim or target of Nazi persecution to
1958 compensate such individual for performing labor against his will under the threat of death, during World
1959 War II and its prelude and direct aftermath. This subtraction shall not apply to assets acquired with such
1960 items of income or with the proceeds from the sale of assets stolen from, hidden from, or otherwise lost
1961 to, during World War II and its prelude and direct aftermath, a victim or target of Nazi persecution. The
1962 provisions of this subdivision shall only apply to an individual who was the first recipient of such items
1963 of income and who was a victim or target of Nazi persecution, or a spouse, surviving spouse, or child or
1964 stepchild of such victim.

1965 As used in this subdivision:

1966 "Nazi regime" means the country of Nazi Germany, areas occupied by Nazi Germany, those
1967 European countries allied with Nazi Germany, or any other neutral European country or area in Europe
1968 under the influence or threat of Nazi invasion.

1969 "Victim or target of Nazi persecution" means any individual persecuted or targeted for persecution
1970 by the Nazi regime who had assets stolen from, hidden from, or otherwise lost as a result of any act or
1971 omission in any way relating to (i) the Holocaust, (ii) World War II and its prelude and direct aftermath,
1972 (iii) transactions with or actions of the Nazi regime, (iv) treatment of refugees fleeing Nazi persecution,
1973 or (v) the holding of such assets by entities or persons in the Swiss Confederation during World War II
1974 and its prelude and aftermath. A "victim or target of Nazi persecution" also includes any individual forced

1975 into labor against his will, under the threat of death, during World War II and its prelude and direct
1976 aftermath.

1977 20. The military death gratuity payment made after September 11, 2001, to the survivor of
1978 deceased military personnel killed in the line of duty, pursuant to 10 U.S.C. Chapter 75; however, the
1979 subtraction amount shall be reduced dollar-for-dollar by the amount that the survivor may exclude from
1980 his federal gross income in accordance with § 134 of the Internal Revenue Code.

1981 21. The death benefit payments from an annuity contract that are received by a beneficiary of such
1982 contract, provided that (i) the death benefit payment is made pursuant to an annuity contract with an
1983 insurance company and (ii) the death benefit payment is paid solely by lump sum. The subtraction under
1984 this subdivision shall be allowed only for that portion of the death benefit payment that is included in
1985 federal adjusted gross income.

1986 22. Any gain recognized from the sale of launch services to space flight participants, as defined in
1987 49 U.S.C. § 70102, or launch services intended to provide individuals with the training or experience of a
1988 launch, without performing an actual launch. To qualify for a deduction under this subdivision, launch
1989 services must be performed in Virginia or originate from an airport or spaceport in Virginia.

1990 23. Any gain recognized as a result of resupply services contracts for delivering payload, as defined
1991 in 49 U.S.C. § 70102, entered into with the Commercial Orbital Transportation Services division of the
1992 National Aeronautics and Space Administration or other space flight entity, as defined in § 8.01-227.8,
1993 and launched from an airport or spaceport in Virginia.

1994 24. Any income taxed as a long-term capital gain for federal income tax purposes, or any income
1995 taxed as investment services partnership interest income (otherwise known as investment partnership
1996 carried interest income) for federal income tax purposes. To qualify for a subtraction under this
1997 subdivision, such income shall be attributable to an investment in a "qualified business," as defined in §
1998 58.1-339.4, or in any other technology business approved by the Secretary of Administration, provided
1999 that the business has its principal office or facility in the Commonwealth and less than \$3 million in annual
2000 revenues in the fiscal year prior to the investment. To qualify for a subtraction under this subdivision, the
2001 investment shall be made between the dates of April 1, 2010, and June 30, 2020. No taxpayer who has

2002 claimed a tax credit for an investment in a "qualified business" under § 58.1-339.4 shall be eligible for the
2003 subtraction under this subdivision for an investment in the same business.

2004 25. For taxable years beginning on and after January 1, 2014, any income of an account holder for
2005 the taxable year taxed as (i) a capital gain for federal income tax purposes attributable to such person's
2006 first-time home buyer savings account established pursuant to Chapter 12 (§ 36-171 et seq.) of Title 36
2007 and (ii) interest income or other income for federal income tax purposes attributable to such person's first-
2008 time home buyer savings account.

2009 Notwithstanding the statute of limitations on assessments contained in § 58.1-312, any subtraction
2010 taken under this subdivision shall be subject to recapture in the taxable year or years in which moneys or
2011 funds withdrawn from the first-time home buyer savings account were used for any purpose other than
2012 the payment of eligible costs by or on behalf of a qualified beneficiary, as provided under § 36-174. The
2013 amount subject to recapture shall be a portion of the amount withdrawn in the taxable year that was used
2014 for other than the payment of eligible costs, computed by multiplying the amount withdrawn and used for
2015 other than the payment of eligible costs by the ratio of the aggregate earnings in the account at the time of
2016 the withdrawal to the total balance in the account at such time.

2017 However, recapture shall not apply to the extent of moneys or funds withdrawn that were (i)
2018 withdrawn by reason of the qualified beneficiary's death or disability; (ii) a disbursement of assets of the
2019 account pursuant to a filing for protection under the United States Bankruptcy Code, 11 U.S.C. §§ 101
2020 through 1330; or (iii) transferred from an account established pursuant to Chapter 12 (§ 36-171 et seq.) of
2021 Title 36 into another account established pursuant to such chapter for the benefit of another qualified
2022 beneficiary.

2023 For purposes of this subdivision, "account holder," "eligible costs," "first-time home buyer savings
2024 account," and "qualified beneficiary" mean the same as those terms are defined in § 36-171.

2025 26. For taxable years beginning on and after January 1, 2015, any income for the taxable year
2026 attributable to the discharge of a student loan solely by reason of the student's death. For purposes of this
2027 subdivision, "student loan" means the same as that term is defined under § 108(f) of the Internal Revenue
2028 Code.

2029 27. a. Income, including investment services partnership interest income (otherwise known as
2030 investment partnership carried interest income), attributable to an investment in a Virginia venture capital
2031 account. To qualify for a subtraction under this subdivision, the investment shall be made on or after
2032 January 1, 2018, but before December 31, 2023. No subtraction shall be allowed under this subdivision
2033 for an investment in a company that is owned or operated by a family member or an affiliate of the
2034 taxpayer. No subtraction shall be allowed under this subdivision for a taxpayer who has claimed a
2035 subtraction under subdivision 24 or a tax credit under § 58.1-339.4 for the same investment.

2036 b. As used in this subdivision 27:

2037 "Qualified portfolio company" means a company that (i) has its principal place of business in the
2038 Commonwealth; (ii) has a primary purpose of production, sale, research, or development of a product or
2039 service other than the management or investment of capital; and (iii) provides equity in the company to
2040 the Virginia venture capital account in exchange for a capital investment. "Qualified portfolio company"
2041 does not include a company that is an individual or sole proprietorship.

2042 "Virginia venture capital account" means an investment fund that has been certified by the
2043 Department as a Virginia venture capital account. In order to be certified as a Virginia venture capital
2044 account, the operator of the investment fund shall register the investment fund with the Department prior
2045 to December 31, 2023, (i) indicating that it intends to invest at least 50 percent of the capital committed
2046 to its fund in qualified portfolio companies and (ii) providing documentation that it employs at least one
2047 investor who has at least four years of professional experience in venture capital investment or
2048 substantially equivalent experience. "Substantially equivalent experience" includes, but is not limited to,
2049 an undergraduate degree from an accredited college or university in economics, finance, or a similar field
2050 of study. The Department may require an investment fund to provide documentation of the investor's
2051 training, education, or experience as deemed necessary by the Department to determine substantial
2052 equivalency. If the Department determines that the investment fund employs at least one investor with the
2053 experience set forth herein, the Department shall certify the investment fund as a Virginia venture capital
2054 account at such time as the investment fund actually invests at least 50 percent of the capital committed
2055 to its fund in qualified portfolio companies.

2056 28. a. Income attributable to an investment in a Virginia real estate investment trust. To qualify for
2057 a subtraction under this subdivision, the investment shall be made on or after January 1, 2019, but before
2058 December 31, 2024. No subtraction shall be allowed for an investment in a trust that is managed by a
2059 family member or an affiliate of the taxpayer. No subtraction shall be allowed under this subdivision for
2060 a taxpayer who has claimed a subtraction under subdivision 24 or 27 or a tax credit under § 58.1-339.4
2061 for the same investment.

2062 b. As used in this subdivision 28:

2063 "Distressed" means satisfying the criteria applicable to a locality described in subdivision E 2 of §
2064 2.2-115.

2065 "Double distressed" means satisfying the criteria applicable to a locality described in subdivision
2066 E 3 of § 2.2-115.

2067 "Virginia real estate investment trust" means a real estate investment trust, as defined in 26 U.S.C.
2068 § 856, that has been certified by the Department as a Virginia real estate investment trust. In order to be
2069 certified as a Virginia real estate investment trust, the trustee shall register the trust with the Department
2070 prior to December 31, 2024, indicating that it intends to invest at least 90 percent of trust funds in Virginia
2071 and at least 40 percent of trust funds in real estate in localities that are distressed or double distressed. If
2072 the Department determines that the trust satisfies the preceding criteria, the Department shall certify the
2073 trust as a Virginia real estate investment trust at such time as the trust actually invests at least 90 percent
2074 of trust funds in Virginia and at least 40 percent of trust funds in real estate in localities that are distressed
2075 or double distressed.

2076 29. For taxable years beginning on and after January 1, 2019, any gain recognized from the taking
2077 of real property by condemnation proceedings.

2078 30. For taxable years beginning before January 1, 2021, up to \$100,000 of all grant funds received
2079 by the taxpayer under the Rebuild Virginia program established by the Governor and administered by the
2080 Department of Small Business and Supplier Diversity.

2081 31. For taxable years beginning on and after January 1, 2022, any compensation for wrongful
2082 incarceration awarded pursuant to the procedures established under Article 18.2 (§ 8.01-195.10 et seq.) of
2083 Chapter 3 of Title 8.01.

2084 **§ 58.1-322.03. (Contingent expiration date) Virginia taxable income; deductions.**

2085 In computing Virginia taxable income pursuant to § 58.1-322, there shall be deducted from
2086 Virginia adjusted gross income as defined in § 58.1-321:

2087 1. a. The amount allowable for itemized deductions for federal income tax purposes where the
2088 taxpayer has elected for the taxable year to itemize deductions on his federal return, but reduced by the
2089 amount of income taxes imposed by the Commonwealth or any other taxing jurisdiction and deducted on
2090 such federal return and increased by an amount that, when added to the amount deducted under § 170 of
2091 the Internal Revenue Code for mileage, results in a mileage deduction at the state level for such purposes
2092 at a rate of 18 cents per mile; or

2093 b. Provided that the taxpayer has not itemized deductions for the taxable year on his federal income
2094 tax return: (i) for taxable years beginning before January 1, 2019, and on and after January 1, 2026, \$3,000
2095 for single individuals and \$6,000 for married persons (one-half of such amounts in the case of a married
2096 individual filing a separate return) and (ii) for taxable years beginning on and after January 1, 2019, but
2097 before January 1, 2026, \$4,500 for single individuals and \$9,000 for married persons (one-half of such
2098 amounts in the case of a married individual filing a separate return). For purposes of this section, any
2099 person who may be claimed as a dependent on another taxpayer's return for the taxable year may compute
2100 the deduction only with respect to earned income.

2101 2. a. A deduction in the amount of \$930 for each personal exemption allowable to the taxpayer for
2102 federal income tax purposes.

2103 b. Each blind or aged taxpayer as defined under § 63(f) of the Internal Revenue Code shall be
2104 entitled to an additional personal exemption in the amount of \$800.

2105 The additional deduction for blind or aged taxpayers allowed under this subdivision shall be
2106 allowable regardless of whether the taxpayer itemizes deductions for the taxable year for federal income
2107 tax purposes.

2108 3. A deduction equal to the amount of employment-related expenses upon which the federal credit
2109 is based under § 21 of the Internal Revenue Code for expenses for household and dependent care services
2110 necessary for gainful employment.

2111 4. An additional \$1,000 deduction for each child residing for the entire taxable year in a home
2112 under permanent foster care placement as defined in § 63.2-908, provided that the taxpayer can also claim
2113 the child as a personal exemption under § 151 of the Internal Revenue Code.

2114 5. a. A deduction in the amount of \$12,000 for individuals born on or before January 1, 1939.

2115 b. A deduction in the amount of \$12,000 for individuals born after January 1, 1939, who have
2116 attained the age of 65. This deduction shall be reduced by \$1 for every \$1 that the taxpayer's adjusted
2117 federal adjusted gross income exceeds \$50,000 for single taxpayers or \$75,000 for married taxpayers. For
2118 married taxpayers filing separately, the deduction shall be reduced by \$1 for every \$1 that the total
2119 combined adjusted federal adjusted gross income of both spouses exceeds \$75,000.

2120 For the purposes of this subdivision, "adjusted federal adjusted gross income" means federal
2121 adjusted gross income minus any benefits received under Title II of the Social Security Act and other
2122 benefits subject to federal income taxation solely pursuant to § 86 of the Internal Revenue Code, as
2123 amended.

2124 6. The amount an individual pays as a fee for an initial screening to become a possible bone marrow
2125 donor, if (i) the individual is not reimbursed for such fee or (ii) the individual has not claimed a deduction
2126 for the payment of such fee on his federal income tax return.

2127 7. a. A deduction shall be allowed to the purchaser or contributor for the amount paid or contributed
2128 during the taxable year for a prepaid tuition contract or college savings trust account entered into with the
2129 ~~Virginia College Savings~~ Commonwealth Savers Plan, pursuant to Chapter 7 (§ 23.1-700 et seq.) of Title
2130 23.1. Except as provided in subdivision b, the amount deducted on any individual income tax return in
2131 any taxable year shall be limited to \$4,000 per prepaid tuition contract or college savings trust account.
2132 No deduction shall be allowed pursuant to this subdivision 7 if such payments or contributions are
2133 deducted on the purchaser's or contributor's federal income tax return. If the purchase price or annual
2134 contribution to a college savings trust account exceeds \$4,000, the remainder may be carried forward and

2135 subtracted in future taxable years until the purchase price or college savings trust contribution has been
2136 fully deducted; however, except as provided in subdivision b, in no event shall the amount deducted in
2137 any taxable year exceed \$4,000 per contract or college savings trust account. Notwithstanding the statute
2138 of limitations on assessments contained in § 58.1-312, any deduction taken hereunder shall be subject to
2139 recapture in the taxable year or years in which distributions or refunds are made for any reason other than
2140 (i) to pay qualified higher education expenses, as defined in § 529 of the Internal Revenue Code or (ii) the
2141 beneficiary's death, disability, or receipt of a scholarship. For the purposes of this subdivision, "purchaser"
2142 or "contributor" means the person shown as such on the records of the ~~Virginia College Savings~~
2143 Commonwealth Savers Plan as of December 31 of the taxable year. In the case of a transfer of ownership
2144 of a prepaid tuition contract or college savings trust account, the transferee shall succeed to the transferor's
2145 tax attributes associated with a prepaid tuition contract or college savings trust account, including, but not
2146 limited to, carryover and recapture of deductions.

2147 b. A purchaser of a prepaid tuition contract or contributor to a college savings trust account who
2148 has attained age 70 shall not be subject to the limitation that the amount of the deduction not exceed \$4,000
2149 per prepaid tuition contract or college savings trust account in any taxable year. Such taxpayer shall be
2150 allowed a deduction for the full amount paid for the contract or contributed to a college savings trust
2151 account, less any amounts previously deducted.

2152 8. The total amount an individual actually contributed in funds to the Virginia Public School
2153 Construction Grants Program and Fund, established in Chapter 11.1 (§ 22.1-175.1 et seq.) of Title 22.1,
2154 provided that the individual has not claimed a deduction for such amount on his federal income tax return.

2155 9. An amount equal to 20 percent of the tuition costs incurred by an individual employed as a
2156 primary or secondary school teacher licensed pursuant to Chapter 15 (§ 22.1-289.1 et seq.) of Title 22.1
2157 to attend continuing teacher education courses that are required as a condition of employment; however,
2158 the deduction provided by this subdivision shall be available only if (i) the individual is not reimbursed
2159 for such tuition costs and (ii) the individual has not claimed a deduction for the payment of such tuition
2160 costs on his federal income tax return.

2161 10. The amount an individual pays annually in premiums for long-term health care insurance,
2162 provided that the individual has not claimed a deduction for federal income tax purposes, or, for taxable
2163 years beginning before January 1, 2014, a credit under § 58.1-339.11. For taxable years beginning on and
2164 after January 1, 2014, no such deduction for long-term health care insurance premiums paid by the
2165 individual during the taxable year shall be allowed if the individual has claimed a federal income tax
2166 deduction for such taxable year for long-term health care insurance premiums paid by him.

2167 11. Contract payments to a producer of quota tobacco or a tobacco quota holder, or their spouses,
2168 as provided under the American Jobs Creation Act of 2004 (P.L. 108-357), but only to the extent that such
2169 payments have not been subtracted pursuant to subsection D of § 58.1-402, as follows:

2170 a. If the payment is received in installment payments, then the recognized gain may be subtracted
2171 in the taxable year immediately following the year in which the installment payment is received.

2172 b. If the payment is received in a single payment, then 10 percent of the recognized gain may be
2173 subtracted in the taxable year immediately following the year in which the single payment is received.
2174 The taxpayer may then deduct an equal amount in each of the nine succeeding taxable years.

2175 12. An amount equal to 20 percent of the sum paid by an individual pursuant to Chapter 6 (§ 58.1-
2176 600 et seq.), not to exceed \$500 in each taxable year, in purchasing for his own use the following items of
2177 tangible personal property: (i) any clothes washers, room air conditioners, dishwashers, and standard size
2178 refrigerators that meet or exceed the applicable energy star efficiency requirements developed by the U.S.
2179 Environmental Protection Agency and the U.S. Department of Energy; (ii) any fuel cell that (a) generates
2180 electricity using an electrochemical process, (b) has an electricity-only generation efficiency greater than
2181 35 percent, and (c) has a generating capacity of at least two kilowatts; (iii) any gas heat pump that has a
2182 coefficient of performance of at least 1.25 for heating and at least 0.70 for cooling; (iv) any electric heat
2183 pump hot water heater that yields an energy factor of at least 1.7; (v) any electric heat pump that has a
2184 heating system performance factor of at least 8.0 and a cooling seasonal energy efficiency ratio of at least
2185 13.0; (vi) any central air conditioner that has a cooling seasonal energy efficiency ratio of at least 13.5;
2186 (vii) any advanced gas or oil water heater that has an energy factor of at least 0.65; (viii) any advanced

2187 oil-fired boiler with a minimum annual fuel-utilization rating of 85; (ix) any advanced oil-fired furnace
2188 with a minimum annual fuel-utilization rating of 85; and (x) programmable thermostats.

2189 13. The lesser of \$5,000 or the amount actually paid by a living donor of an organ or other living
2190 tissue for unreimbursed out-of-pocket expenses directly related to the donation that arose within 12
2191 months of such donation, provided that the donor has not taken a medical deduction in accordance with
2192 the provisions of § 213 of the Internal Revenue Code for such expenses. The deduction may be taken in
2193 the taxable year in which the donation is made or the taxable year in which the 12-month period expires.

2194 14. For taxable years beginning on and after January 1, 2013, the amount an individual age 66 or
2195 older with earned income of at least \$20,000 for the year and federal adjusted gross income not in excess
2196 of \$30,000 for the year pays annually in premiums for (i) a prepaid funeral insurance policy covering the
2197 individual or (ii) medical or dental insurance for any person for whom individual tax filers may claim a
2198 deduction for such premiums under federal income tax laws. As used in this subdivision, "earned income"
2199 means the same as that term is defined in § 32(c) of the Internal Revenue Code. The deduction shall not
2200 be allowed for any portion of such premiums paid for which the individual has (a) been reimbursed, (b)
2201 claimed a deduction for federal income tax purposes, (c) claimed a deduction or subtraction under another
2202 provision of this section, or (d) claimed a federal income tax credit or any income tax credit pursuant to
2203 this chapter.

2204 15. For taxable years beginning on and after January 1, 2018, but before January 1, 2022, 20
2205 percent of business interest disallowed as a deduction pursuant to § 163(j) of the Internal Revenue Code.
2206 For taxable years beginning on and after January 1, 2022, 30 percent of business interest disallowed as a
2207 deduction pursuant to § 163(j) of the Internal Revenue Code. For purposes of this subdivision, "business
2208 interest" means the same as that term is defined under § 163(j) of the Internal Revenue Code.

2209 16. For taxable years beginning on and after January 1, 2019, the actual amount of real and personal
2210 property taxes imposed by the Commonwealth or any other taxing jurisdiction not otherwise deducted
2211 solely on account of the dollar limitation imposed on individual deductions by § 164(b)(6)(B) of the
2212 Internal Revenue Code.

2213 17. For taxable years beginning before January 1, 2021, up to \$100,000 of the amount that is not
2214 deductible when computing federal adjusted gross income solely on account of the portion of subdivision
2215 B 10 of § 58.1-301 related to Paycheck Protection Program loans.

2216 § 58.1-322.03. (Effective pursuant to Va. Const. Art. IV, § 13; contingent expiration date)
2217 Virginia taxable income; deductions.

2218 In computing Virginia taxable income pursuant to § 58.1-322, there shall be deducted from
2219 Virginia adjusted gross income as defined in § 58.1-321:

2220 1. a. The amount allowable for itemized deductions for federal income tax purposes where the
2221 taxpayer has elected for the taxable year to itemize deductions on his federal return, but reduced by the
2222 amount of income taxes imposed by the Commonwealth or any other taxing jurisdiction and deducted on
2223 such federal return and increased by an amount that, when added to the amount deducted under § 170 of
2224 the Internal Revenue Code for mileage, results in a mileage deduction at the state level for such purposes
2225 at a rate of 18 cents per mile; or

2226 b. Provided that the taxpayer has not itemized deductions for the taxable year on his federal income
2227 tax return: (i) for taxable years beginning before January 1, 2019, and on and after January 1, 2026, \$3,000
2228 for single individuals and \$6,000 for married persons (one-half of such amounts in the case of a married
2229 individual filing a separate return) and (ii) for taxable years beginning on and after January 1, 2019, but
2230 before January 1, 2026, \$4,500 for single individuals and \$9,000 for married persons (one-half of such
2231 amounts in the case of a married individual filing a separate return). For purposes of this section, any
2232 person who may be claimed as a dependent on another taxpayer's return for the taxable year may compute
2233 the deduction only with respect to earned income.

2234 2. a. A deduction in the amount of \$930 for each personal exemption allowable to the taxpayer for
2235 federal income tax purposes.

2236 b. Each blind or aged taxpayer as defined under § 63(f) of the Internal Revenue Code shall be
2237 entitled to an additional personal exemption in the amount of \$800.

2238 The additional deduction for blind or aged taxpayers allowed under this subdivision shall be
2239 allowable regardless of whether the taxpayer itemizes deductions for the taxable year for federal income
2240 tax purposes.

2241 3. A deduction equal to the amount of employment-related expenses upon which the federal credit
2242 is based under § 21 of the Internal Revenue Code for expenses for household and dependent care services
2243 necessary for gainful employment.

2244 4. An additional \$1,000 deduction for each child residing for the entire taxable year in a home
2245 under permanent foster care placement as defined in § 63.2-908, provided that the taxpayer can also claim
2246 the child as a personal exemption under § 151 of the Internal Revenue Code.

2247 5. a. A deduction in the amount of \$12,000 for individuals born on or before January 1, 1939.

2248 b. A deduction in the amount of \$12,000 for individuals born after January 1, 1939, who have
2249 attained the age of 65. This deduction shall be reduced by \$1 for every \$1 that the taxpayer's adjusted
2250 federal adjusted gross income exceeds \$50,000 for single taxpayers or \$75,000 for married taxpayers. For
2251 married taxpayers filing separately, the deduction shall be reduced by \$1 for every \$1 that the total
2252 combined adjusted federal adjusted gross income of both spouses exceeds \$75,000.

2253 For the purposes of this subdivision, "adjusted federal adjusted gross income" means federal
2254 adjusted gross income minus any benefits received under Title II of the Social Security Act and other
2255 benefits subject to federal income taxation solely pursuant to § 86 of the Internal Revenue Code, as
2256 amended.

2257 6. The amount an individual pays as a fee for an initial screening to become a possible bone marrow
2258 donor, if (i) the individual is not reimbursed for such fee or (ii) the individual has not claimed a deduction
2259 for the payment of such fee on his federal income tax return.

2260 7. a. A deduction shall be allowed to the purchaser or contributor for the amount paid or contributed
2261 during the taxable year for a prepaid tuition contract or college savings trust account entered into with the
2262 ~~Virginia College Savings~~ Commonwealth Savers Plan, pursuant to Chapter 7 (§ 23.1-700 et seq.) of Title
2263 23.1. Except as provided in subdivision b, the amount deducted on any individual income tax return in
2264 any taxable year shall be limited to \$4,000 per prepaid tuition contract or college savings trust account.

2265 No deduction shall be allowed pursuant to this subdivision 7 if such payments or contributions are
2266 deducted on the purchaser's or contributor's federal income tax return. If the purchase price or annual
2267 contribution to a college savings trust account exceeds \$4,000, the remainder may be carried forward and
2268 subtracted in future taxable years until the purchase price or college savings trust contribution has been
2269 fully deducted; however, except as provided in subdivision b, in no event shall the amount deducted in
2270 any taxable year exceed \$4,000 per contract or college savings trust account. Notwithstanding the statute
2271 of limitations on assessments contained in § 58.1-312, any deduction taken hereunder shall be subject to
2272 recapture in the taxable year or years in which distributions or refunds are made for any reason other than
2273 (i) to pay qualified higher education expenses, as defined in § 529 of the Internal Revenue Code or (ii) the
2274 beneficiary's death, disability, or receipt of a scholarship. For the purposes of this subdivision, "purchaser"
2275 or "contributor" means the person shown as such on the records of the ~~Virginia College Savings~~
2276 Commonwealth Savers Plan as of December 31 of the taxable year. In the case of a transfer of ownership
2277 of a prepaid tuition contract or college savings trust account, the transferee shall succeed to the transferor's
2278 tax attributes associated with a prepaid tuition contract or college savings trust account, including, but not
2279 limited to, carryover and recapture of deductions.

2280 b. A purchaser of a prepaid tuition contract or contributor to a college savings trust account who
2281 has attained age 70 shall not be subject to the limitation that the amount of the deduction not exceed \$4,000
2282 per prepaid tuition contract or college savings trust account in any taxable year. Such taxpayer shall be
2283 allowed a deduction for the full amount paid for the contract or contributed to a college savings trust
2284 account, less any amounts previously deducted.

2285 8. The total amount an individual actually contributed in funds to the Virginia Public School
2286 Construction Grants Program and Fund, established in Chapter 11.1 (§ 22.1-175.1 et seq.) of Title 22.1,
2287 provided that the individual has not claimed a deduction for such amount on his federal income tax return.

2288 9. An amount equal to 20 percent of the tuition costs incurred by an individual employed as a
2289 primary or secondary school teacher licensed pursuant to Chapter 15 (§ 22.1-289.1 et seq.) of Title 22.1
2290 to attend continuing teacher education courses that are required as a condition of employment; however,
2291 the deduction provided by this subdivision shall be available only if (i) the individual is not reimbursed

2292 for such tuition costs and (ii) the individual has not claimed a deduction for the payment of such tuition
2293 costs on his federal income tax return.

2294 10. The amount an individual pays annually in premiums for long-term health care insurance,
2295 provided that the individual has not claimed a deduction for federal income tax purposes, or, for taxable
2296 years beginning before January 1, 2014, a credit under § 58.1-339.11. For taxable years beginning on and
2297 after January 1, 2014, no such deduction for long-term health care insurance premiums paid by the
2298 individual during the taxable year shall be allowed if the individual has claimed a federal income tax
2299 deduction for such taxable year for long-term health care insurance premiums paid by him.

2300 11. Contract payments to a producer of quota tobacco or a tobacco quota holder, or their spouses,
2301 as provided under the American Jobs Creation Act of 2004 (P.L. 108-357), but only to the extent that such
2302 payments have not been subtracted pursuant to subsection D of § 58.1-402, as follows:

2303 a. If the payment is received in installment payments, then the recognized gain may be subtracted
2304 in the taxable year immediately following the year in which the installment payment is received.

2305 b. If the payment is received in a single payment, then 10 percent of the recognized gain may be
2306 subtracted in the taxable year immediately following the year in which the single payment is received.

2307 The taxpayer may then deduct an equal amount in each of the nine succeeding taxable years.

2308 12. An amount equal to 20 percent of the sum paid by an individual pursuant to Chapter 6 (§ 58.1-
2309 600 et seq.), not to exceed \$500 in each taxable year, in purchasing for his own use the following items of
2310 tangible personal property: (i) any clothes washers, room air conditioners, dishwashers, and standard size
2311 refrigerators that meet or exceed the applicable energy star efficiency requirements developed by the U.S.
2312 Environmental Protection Agency and the U.S. Department of Energy; (ii) any fuel cell that (a) generates
2313 electricity using an electrochemical process, (b) has an electricity-only generation efficiency greater than
2314 35 percent, and (c) has a generating capacity of at least two kilowatts; (iii) any gas heat pump that has a
2315 coefficient of performance of at least 1.25 for heating and at least 0.70 for cooling; (iv) any electric heat
2316 pump hot water heater that yields an energy factor of at least 1.7; (v) any electric heat pump that has a
2317 heating system performance factor of at least 8.0 and a cooling seasonal energy efficiency ratio of at least
2318 13.0; (vi) any central air conditioner that has a cooling seasonal energy efficiency ratio of at least 13.5;

2319 (vii) any advanced gas or oil water heater that has an energy factor of at least 0.65; (viii) any advanced
2320 oil-fired boiler with a minimum annual fuel-utilization rating of 85; (ix) any advanced oil-fired furnace
2321 with a minimum annual fuel-utilization rating of 85; and (x) programmable thermostats.

2322 13. The lesser of \$5,000 or the amount actually paid by a living donor of an organ or other living
2323 tissue for unreimbursed out-of-pocket expenses directly related to the donation that arose within 12
2324 months of such donation, provided that the donor has not taken a medical deduction in accordance with
2325 the provisions of § 213 of the Internal Revenue Code for such expenses. The deduction may be taken in
2326 the taxable year in which the donation is made or the taxable year in which the 12-month period expires.

2327 14. For taxable years beginning on and after January 1, 2013, the amount an individual age 66 or
2328 older with earned income of at least \$20,000 for the year and federal adjusted gross income not in excess
2329 of \$30,000 for the year pays annually in premiums for (i) a prepaid funeral insurance policy covering the
2330 individual or (ii) medical or dental insurance for any person for whom individual tax filers may claim a
2331 deduction for such premiums under federal income tax laws. As used in this subdivision, "earned income"
2332 means the same as that term is defined in § 32(c) of the Internal Revenue Code. The deduction shall not
2333 be allowed for any portion of such premiums paid for which the individual has (a) been reimbursed, (b)
2334 claimed a deduction for federal income tax purposes, (c) claimed a deduction or subtraction under another
2335 provision of this section, or (d) claimed a federal income tax credit or any income tax credit pursuant to
2336 this chapter.

2337 15. For taxable years beginning on and after January 1, 2018, but before January 1, 2022, 20
2338 percent of business interest disallowed as a deduction pursuant to § 163(j) of the Internal Revenue Code.
2339 For taxable years beginning on and after January 1, 2022, 30 percent of business interest disallowed as a
2340 deduction pursuant to § 163(j) of the Internal Revenue Code. For purposes of this subdivision, "business
2341 interest" means the same as that term is defined under § 163(j) of the Internal Revenue Code.

2342 16. For taxable years beginning on and after January 1, 2019, the actual amount of real and personal
2343 property taxes imposed by the Commonwealth or any other taxing jurisdiction not otherwise deducted
2344 solely on account of the dollar limitation imposed on individual deductions by § 164(b)(6)(B) of the
2345 Internal Revenue Code.

2346 17. For taxable years beginning before January 1, 2021, up to \$100,000 of the amount that is not
2347 deductible when computing federal adjusted gross income solely on account of the portion of subdivision
2348 B 10 of § 58.1-301 related to Paycheck Protection Program loans.

2349 18. For taxable years beginning on and after January 1, 2022, but before January 1, 2025, the lesser
2350 of \$500 or the actual amount paid or incurred for eligible educator qualifying expenses. For purposes of
2351 this subdivision, "eligible educator" means an individual who for at least 900 hours during the taxable
2352 year in which the credit under this section is claimed served as a teacher licensed pursuant to Chapter 15
2353 (§ 22.1-289.1 et seq.) of Title 22.1, instructor, student counselor, principal, special needs personnel, or
2354 student aide serving accredited public or private primary and secondary school students in Virginia, and
2355 "qualifying expenses" means 100 percent of the amount paid or incurred by an eligible educator during
2356 the taxable year for participation in professional development courses and the purchase of books, supplies,
2357 computer equipment (including related software and services), other educational and teaching equipment,
2358 and supplementary materials used directly in that individual's service to students as an eligible educator,
2359 provided that such purchases were neither reimbursed nor claimed as a deduction on the eligible educator's
2360 federal income tax return for such taxable year.

2361 **§ 58.1-322.03. (Contingently effective pursuant to Acts 2022, Sp. Sess. I, c. 2, cl. 7) Virginia**
2362 **taxable income; deductions.**

2363 In computing Virginia taxable income pursuant to § 58.1-322, there shall be deducted from
2364 Virginia adjusted gross income as defined in § 58.1-321:

2365 1. a. The amount allowable for itemized deductions for federal income tax purposes where the
2366 taxpayer has elected for the taxable year to itemize deductions on his federal return, but reduced by the
2367 amount of income taxes imposed by the Commonwealth or any other taxing jurisdiction and deducted on
2368 such federal return and increased by an amount that, when added to the amount deducted under § 170 of
2369 the Internal Revenue Code for mileage, results in a mileage deduction at the state level for such purposes
2370 at a rate of 18 cents per mile; or

2371 b. Provided that the taxpayer has not itemized deductions for the taxable year on his federal income
2372 tax return: (i) for taxable years beginning before January 1, 2019, and on and after January 1, 2026, \$3,000

2373 for single individuals and \$6,000 for married persons (one-half of such amounts in the case of a married
2374 individual filing a separate return); (ii) for taxable years beginning on and after January 1, 2019, but before
2375 January 1, 2022, \$4,500 for single individuals and \$9,000 for married persons (one-half of such amounts
2376 in the case of a married individual filing a separate return); and (iii) for taxable years beginning on and
2377 after January 1, 2022, but before January 1, 2026, \$8,000 for single individuals and \$16,000 for married
2378 persons (one-half of such amounts in the case of a married individual filing a separate return). For purposes
2379 of this section, any person who may be claimed as a dependent on another taxpayer's return for the taxable
2380 year may compute the deduction only with respect to earned income.

2381 2. a. A deduction in the amount of \$930 for each personal exemption allowable to the taxpayer for
2382 federal income tax purposes.

2383 b. Each blind or aged taxpayer as defined under § 63(f) of the Internal Revenue Code shall be
2384 entitled to an additional personal exemption in the amount of \$800.

2385 The additional deduction for blind or aged taxpayers allowed under this subdivision shall be
2386 allowable regardless of whether the taxpayer itemizes deductions for the taxable year for federal income
2387 tax purposes.

2388 3. A deduction equal to the amount of employment-related expenses upon which the federal credit
2389 is based under § 21 of the Internal Revenue Code for expenses for household and dependent care services
2390 necessary for gainful employment.

2391 4. An additional \$1,000 deduction for each child residing for the entire taxable year in a home
2392 under permanent foster care placement as defined in § 63.2-908, provided that the taxpayer can also claim
2393 the child as a personal exemption under § 151 of the Internal Revenue Code.

2394 5. a. A deduction in the amount of \$12,000 for individuals born on or before January 1, 1939.

2395 b. A deduction in the amount of \$12,000 for individuals born after January 1, 1939, who have
2396 attained the age of 65. This deduction shall be reduced by \$1 for every \$1 that the taxpayer's adjusted
2397 federal adjusted gross income exceeds \$50,000 for single taxpayers or \$75,000 for married taxpayers. For
2398 married taxpayers filing separately, the deduction shall be reduced by \$1 for every \$1 that the total
2399 combined adjusted federal adjusted gross income of both spouses exceeds \$75,000.

2400 For the purposes of this subdivision, "adjusted federal adjusted gross income" means federal
2401 adjusted gross income minus any benefits received under Title II of the Social Security Act and other
2402 benefits subject to federal income taxation solely pursuant to § 86 of the Internal Revenue Code, as
2403 amended.

2404 6. The amount an individual pays as a fee for an initial screening to become a possible bone marrow
2405 donor, if (i) the individual is not reimbursed for such fee or (ii) the individual has not claimed a deduction
2406 for the payment of such fee on his federal income tax return.

2407 7. a. A deduction shall be allowed to the purchaser or contributor for the amount paid or contributed
2408 during the taxable year for a prepaid tuition contract or college savings trust account entered into with the
2409 ~~Virginia College Savings~~ Commonwealth Savers Plan, pursuant to Chapter 7 (§ 23.1-700 et seq.) of Title
2410 23.1. Except as provided in subdivision b, the amount deducted on any individual income tax return in
2411 any taxable year shall be limited to \$4,000 per prepaid tuition contract or college savings trust account.
2412 No deduction shall be allowed pursuant to this subdivision 7 if such payments or contributions are
2413 deducted on the purchaser's or contributor's federal income tax return. If the purchase price or annual
2414 contribution to a college savings trust account exceeds \$4,000, the remainder may be carried forward and
2415 subtracted in future taxable years until the purchase price or college savings trust contribution has been
2416 fully deducted; however, except as provided in subdivision b, in no event shall the amount deducted in
2417 any taxable year exceed \$4,000 per contract or college savings trust account. Notwithstanding the statute
2418 of limitations on assessments contained in § 58.1-312, any deduction taken hereunder shall be subject to
2419 recapture in the taxable year or years in which distributions or refunds are made for any reason other than
2420 (i) to pay qualified higher education expenses, as defined in § 529 of the Internal Revenue Code or (ii) the
2421 beneficiary's death, disability, or receipt of a scholarship. For the purposes of this subdivision, "purchaser"
2422 or "contributor" means the person shown as such on the records of the ~~Virginia College Savings~~
2423 Commonwealth Savers Plan as of December 31 of the taxable year. In the case of a transfer of ownership
2424 of a prepaid tuition contract or college savings trust account, the transferee shall succeed to the transferor's
2425 tax attributes associated with a prepaid tuition contract or college savings trust account, including, but not
2426 limited to, carryover and recapture of deductions.

2427 b. A purchaser of a prepaid tuition contract or contributor to a college savings trust account who
2428 has attained age 70 shall not be subject to the limitation that the amount of the deduction not exceed \$4,000
2429 per prepaid tuition contract or college savings trust account in any taxable year. Such taxpayer shall be
2430 allowed a deduction for the full amount paid for the contract or contributed to a college savings trust
2431 account, less any amounts previously deducted.

2432 8. The total amount an individual actually contributed in funds to the Virginia Public School
2433 Construction Grants Program and Fund, established in Chapter 11.1 (§ 22.1-175.1 et seq.) of Title 22.1,
2434 provided that the individual has not claimed a deduction for such amount on his federal income tax return.

2435 9. An amount equal to 20 percent of the tuition costs incurred by an individual employed as a
2436 primary or secondary school teacher licensed pursuant to Chapter 15 (§ 22.1-289.1 et seq.) of Title 22.1
2437 to attend continuing teacher education courses that are required as a condition of employment; however,
2438 the deduction provided by this subdivision shall be available only if (i) the individual is not reimbursed
2439 for such tuition costs and (ii) the individual has not claimed a deduction for the payment of such tuition
2440 costs on his federal income tax return.

2441 10. The amount an individual pays annually in premiums for long-term health care insurance,
2442 provided that the individual has not claimed a deduction for federal income tax purposes, or, for taxable
2443 years beginning before January 1, 2014, a credit under § 58.1-339.11. For taxable years beginning on and
2444 after January 1, 2014, no such deduction for long-term health care insurance premiums paid by the
2445 individual during the taxable year shall be allowed if the individual has claimed a federal income tax
2446 deduction for such taxable year for long-term health care insurance premiums paid by him.

2447 11. Contract payments to a producer of quota tobacco or a tobacco quota holder, or their spouses,
2448 as provided under the American Jobs Creation Act of 2004 (P.L. 108-357), but only to the extent that such
2449 payments have not been subtracted pursuant to subsection D of § 58.1-402, as follows:

2450 a. If the payment is received in installment payments, then the recognized gain may be subtracted
2451 in the taxable year immediately following the year in which the installment payment is received.

2452 b. If the payment is received in a single payment, then 10 percent of the recognized gain may be
2453 subtracted in the taxable year immediately following the year in which the single payment is received.
2454 The taxpayer may then deduct an equal amount in each of the nine succeeding taxable years.

2455 12. An amount equal to 20 percent of the sum paid by an individual pursuant to Chapter 6 (§ 58.1-
2456 600 et seq.), not to exceed \$500 in each taxable year, in purchasing for his own use the following items of
2457 tangible personal property: (i) any clothes washers, room air conditioners, dishwashers, and standard size
2458 refrigerators that meet or exceed the applicable energy star efficiency requirements developed by the U.S.
2459 Environmental Protection Agency and the U.S. Department of Energy; (ii) any fuel cell that (a) generates
2460 electricity using an electrochemical process, (b) has an electricity-only generation efficiency greater than
2461 35 percent, and (c) has a generating capacity of at least two kilowatts; (iii) any gas heat pump that has a
2462 coefficient of performance of at least 1.25 for heating and at least 0.70 for cooling; (iv) any electric heat
2463 pump hot water heater that yields an energy factor of at least 1.7; (v) any electric heat pump that has a
2464 heating system performance factor of at least 8.0 and a cooling seasonal energy efficiency ratio of at least
2465 13.0; (vi) any central air conditioner that has a cooling seasonal energy efficiency ratio of at least 13.5;
2466 (vii) any advanced gas or oil water heater that has an energy factor of at least 0.65; (viii) any advanced
2467 oil-fired boiler with a minimum annual fuel-utilization rating of 85; (ix) any advanced oil-fired furnace
2468 with a minimum annual fuel-utilization rating of 85; and (x) programmable thermostats.

2469 13. The lesser of \$5,000 or the amount actually paid by a living donor of an organ or other living
2470 tissue for unreimbursed out-of-pocket expenses directly related to the donation that arose within 12
2471 months of such donation, provided that the donor has not taken a medical deduction in accordance with
2472 the provisions of § 213 of the Internal Revenue Code for such expenses. The deduction may be taken in
2473 the taxable year in which the donation is made or the taxable year in which the 12-month period expires.

2474 14. For taxable years beginning on and after January 1, 2013, the amount an individual age 66 or
2475 older with earned income of at least \$20,000 for the year and federal adjusted gross income not in excess
2476 of \$30,000 for the year pays annually in premiums for (i) a prepaid funeral insurance policy covering the
2477 individual or (ii) medical or dental insurance for any person for whom individual tax filers may claim a
2478 deduction for such premiums under federal income tax laws. As used in this subdivision, "earned income"

2479 means the same as that term is defined in § 32(c) of the Internal Revenue Code. The deduction shall not
2480 be allowed for any portion of such premiums paid for which the individual has (a) been reimbursed, (b)
2481 claimed a deduction for federal income tax purposes, (c) claimed a deduction or subtraction under another
2482 provision of this section, or (d) claimed a federal income tax credit or any income tax credit pursuant to
2483 this chapter.

2484 15. For taxable years beginning on and after January 1, 2018, but before January 1, 2022, 20
2485 percent of business interest disallowed as a deduction pursuant to § 163(j) of the Internal Revenue Code.
2486 For taxable years beginning on and after January 1, 2022, 30 percent of business interest disallowed as a
2487 deduction pursuant to § 163(j) of the Internal Revenue Code. For purposes of this subdivision, "business
2488 interest" means the same as that term is defined under § 163(j) of the Internal Revenue Code.

2489 16. For taxable years beginning on and after January 1, 2019, the actual amount of real and personal
2490 property taxes imposed by the Commonwealth or any other taxing jurisdiction not otherwise deducted
2491 solely on account of the dollar limitation imposed on individual deductions by § 164(b)(6)(B) of the
2492 Internal Revenue Code.

2493 17. For taxable years beginning before January 1, 2021, up to \$100,000 of the amount that is not
2494 deductible when computing federal adjusted gross income solely on account of the portion of subdivision
2495 B 10 of § 58.1-301 related to Paycheck Protection Program loans.

2496 18. For taxable years beginning on and after January 1, 2022, but before January 1, 2025, the lesser
2497 of \$500 or the actual amount paid or incurred for eligible educator qualifying expenses. For purposes of
2498 this subdivision, "eligible educator" means an individual who for at least 900 hours during the taxable
2499 year in which the credit under this section is claimed served as a teacher licensed pursuant to Chapter 15
2500 (§ 22.1-289.1 et seq.) of Title 22.1, instructor, student counselor, principal, special needs personnel, or
2501 student aide serving accredited public or private primary and secondary school students in Virginia, and
2502 "qualifying expenses" means 100 percent of the amount paid or incurred by an eligible educator during
2503 the taxable year for participation in professional development courses and the purchase of books, supplies,
2504 computer equipment (including related software and services), other educational and teaching equipment,
2505 and supplementary materials used directly in that individual's service to students as an eligible educator,

2506 provided that such purchases were neither reimbursed nor claimed as a deduction on the eligible educator's
2507 federal income tax return for such taxable year.

2508 **§ 58.1-322.03. (Contingently effective pursuant to Acts 2022, Sp. Sess. I, c. 2, cl. 8) Virginia**
2509 **taxable income; deductions.**

2510 In computing Virginia taxable income pursuant to § 58.1-322, there shall be deducted from
2511 Virginia adjusted gross income as defined in § 58.1-321:

2512 1. a. The amount allowable for itemized deductions for federal income tax purposes where the
2513 taxpayer has elected for the taxable year to itemize deductions on his federal return, but reduced by the
2514 amount of income taxes imposed by the Commonwealth or any other taxing jurisdiction and deducted on
2515 such federal return and increased by an amount that, when added to the amount deducted under § 170 of
2516 the Internal Revenue Code for mileage, results in a mileage deduction at the state level for such purposes
2517 at a rate of 18 cents per mile; or

2518 b. Provided that the taxpayer has not itemized deductions for the taxable year on his federal income
2519 tax return: (i) for taxable years beginning before January 1, 2019, and on and after January 1, 2026, \$3,000
2520 for single individuals and \$6,000 for married persons (one-half of such amounts in the case of a married
2521 individual filing a separate return); (ii) for taxable years beginning on and after January 1, 2019, but before
2522 January 1, 2022, \$4,500 for single individuals and \$9,000 for married persons (one-half of such amounts
2523 in the case of a married individual filing a separate return); and (iii) for taxable years beginning on and
2524 after January 1, 2022, but before January 1, 2026, \$8,000 for single individuals and \$16,000 for married
2525 persons (one-half of such amounts in the case of a married individual filing a separate return). For purposes
2526 of this section, any person who may be claimed as a dependent on another taxpayer's return for the taxable
2527 year may compute the deduction only with respect to earned income.

2528 2. a. A deduction in the amount of \$930 for each personal exemption allowable to the taxpayer for
2529 federal income tax purposes.

2530 b. Each blind or aged taxpayer as defined under § 63(f) of the Internal Revenue Code shall be
2531 entitled to an additional personal exemption in the amount of \$800.

2532 The additional deduction for blind or aged taxpayers allowed under this subdivision shall be
2533 allowable regardless of whether the taxpayer itemizes deductions for the taxable year for federal income
2534 tax purposes.

2535 3. A deduction equal to the amount of employment-related expenses upon which the federal credit
2536 is based under § 21 of the Internal Revenue Code for expenses for household and dependent care services
2537 necessary for gainful employment.

2538 4. An additional \$1,000 deduction for each child residing for the entire taxable year in a home
2539 under permanent foster care placement as defined in § 63.2-908, provided that the taxpayer can also claim
2540 the child as a personal exemption under § 151 of the Internal Revenue Code.

2541 5. a. A deduction in the amount of \$12,000 for individuals born on or before January 1, 1939.

2542 b. A deduction in the amount of \$12,000 for individuals born after January 1, 1939, who have
2543 attained the age of 65. This deduction shall be reduced by \$1 for every \$1 that the taxpayer's adjusted
2544 federal adjusted gross income exceeds \$50,000 for single taxpayers or \$75,000 for married taxpayers. For
2545 married taxpayers filing separately, the deduction shall be reduced by \$1 for every \$1 that the total
2546 combined adjusted federal adjusted gross income of both spouses exceeds \$75,000.

2547 For the purposes of this subdivision, "adjusted federal adjusted gross income" means federal
2548 adjusted gross income minus any benefits received under Title II of the Social Security Act and other
2549 benefits subject to federal income taxation solely pursuant to § 86 of the Internal Revenue Code, as
2550 amended.

2551 6. The amount an individual pays as a fee for an initial screening to become a possible bone marrow
2552 donor, if (i) the individual is not reimbursed for such fee or (ii) the individual has not claimed a deduction
2553 for the payment of such fee on his federal income tax return.

2554 7. a. A deduction shall be allowed to the purchaser or contributor for the amount paid or contributed
2555 during the taxable year for a prepaid tuition contract or college savings trust account entered into with the
2556 ~~Virginia College Savings~~ Commonwealth Savers Plan, pursuant to Chapter 7 (§ 23.1-700 et seq.) of Title
2557 23.1. Except as provided in subdivision b, the amount deducted on any individual income tax return in
2558 any taxable year shall be limited to \$4,000 per prepaid tuition contract or college savings trust account.

2559 No deduction shall be allowed pursuant to this subdivision 7 if such payments or contributions are
2560 deducted on the purchaser's or contributor's federal income tax return. If the purchase price or annual
2561 contribution to a college savings trust account exceeds \$4,000, the remainder may be carried forward and
2562 subtracted in future taxable years until the purchase price or college savings trust contribution has been
2563 fully deducted; however, except as provided in subdivision b, in no event shall the amount deducted in
2564 any taxable year exceed \$4,000 per contract or college savings trust account. Notwithstanding the statute
2565 of limitations on assessments contained in § 58.1-312, any deduction taken hereunder shall be subject to
2566 recapture in the taxable year or years in which distributions or refunds are made for any reason other than
2567 (i) to pay qualified higher education expenses, as defined in § 529 of the Internal Revenue Code or (ii) the
2568 beneficiary's death, disability, or receipt of a scholarship. For the purposes of this subdivision, "purchaser"
2569 or "contributor" means the person shown as such on the records of the ~~Virginia College Savings~~
2570 Commonwealth Savers Plan as of December 31 of the taxable year. In the case of a transfer of ownership
2571 of a prepaid tuition contract or college savings trust account, the transferee shall succeed to the transferor's
2572 tax attributes associated with a prepaid tuition contract or college savings trust account, including, but not
2573 limited to, carryover and recapture of deductions.

2574 b. A purchaser of a prepaid tuition contract or contributor to a college savings trust account who
2575 has attained age 70 shall not be subject to the limitation that the amount of the deduction not exceed \$4,000
2576 per prepaid tuition contract or college savings trust account in any taxable year. Such taxpayer shall be
2577 allowed a deduction for the full amount paid for the contract or contributed to a college savings trust
2578 account, less any amounts previously deducted.

2579 8. The total amount an individual actually contributed in funds to the Virginia Public School
2580 Construction Grants Program and Fund, established in Chapter 11.1 (§ 22.1-175.1 et seq.) of Title 22.1,
2581 provided that the individual has not claimed a deduction for such amount on his federal income tax return.

2582 9. An amount equal to 20 percent of the tuition costs incurred by an individual employed as a
2583 primary or secondary school teacher licensed pursuant to Chapter 15 (§ 22.1-289.1 et seq.) of Title 22.1
2584 to attend continuing teacher education courses that are required as a condition of employment; however,
2585 the deduction provided by this subdivision shall be available only if (i) the individual is not reimbursed

2586 for such tuition costs and (ii) the individual has not claimed a deduction for the payment of such tuition
2587 costs on his federal income tax return.

2588 10. The amount an individual pays annually in premiums for long-term health care insurance,
2589 provided that the individual has not claimed a deduction for federal income tax purposes, or, for taxable
2590 years beginning before January 1, 2014, a credit under § 58.1-339.11. For taxable years beginning on and
2591 after January 1, 2014, no such deduction for long-term health care insurance premiums paid by the
2592 individual during the taxable year shall be allowed if the individual has claimed a federal income tax
2593 deduction for such taxable year for long-term health care insurance premiums paid by him.

2594 11. Contract payments to a producer of quota tobacco or a tobacco quota holder, or their spouses,
2595 as provided under the American Jobs Creation Act of 2004 (P.L. 108-357), but only to the extent that such
2596 payments have not been subtracted pursuant to subsection D of § 58.1-402, as follows:

2597 a. If the payment is received in installment payments, then the recognized gain may be subtracted
2598 in the taxable year immediately following the year in which the installment payment is received.

2599 b. If the payment is received in a single payment, then 10 percent of the recognized gain may be
2600 subtracted in the taxable year immediately following the year in which the single payment is received.
2601 The taxpayer may then deduct an equal amount in each of the nine succeeding taxable years.

2602 12. An amount equal to 20 percent of the sum paid by an individual pursuant to Chapter 6 (§ 58.1-
2603 600 et seq.), not to exceed \$500 in each taxable year, in purchasing for his own use the following items of
2604 tangible personal property: (i) any clothes washers, room air conditioners, dishwashers, and standard size
2605 refrigerators that meet or exceed the applicable energy star efficiency requirements developed by the U.S.
2606 Environmental Protection Agency and the U.S. Department of Energy; (ii) any fuel cell that (a) generates
2607 electricity using an electrochemical process, (b) has an electricity-only generation efficiency greater than
2608 35 percent, and (c) has a generating capacity of at least two kilowatts; (iii) any gas heat pump that has a
2609 coefficient of performance of at least 1.25 for heating and at least 0.70 for cooling; (iv) any electric heat
2610 pump hot water heater that yields an energy factor of at least 1.7; (v) any electric heat pump that has a
2611 heating system performance factor of at least 8.0 and a cooling seasonal energy efficiency ratio of at least
2612 13.0; (vi) any central air conditioner that has a cooling seasonal energy efficiency ratio of at least 13.5;

2613 (vii) any advanced gas or oil water heater that has an energy factor of at least 0.65; (viii) any advanced
2614 oil-fired boiler with a minimum annual fuel-utilization rating of 85; (ix) any advanced oil-fired furnace
2615 with a minimum annual fuel-utilization rating of 85; and (x) programmable thermostats.

2616 13. The lesser of \$5,000 or the amount actually paid by a living donor of an organ or other living
2617 tissue for unreimbursed out-of-pocket expenses directly related to the donation that arose within 12
2618 months of such donation, provided that the donor has not taken a medical deduction in accordance with
2619 the provisions of § 213 of the Internal Revenue Code for such expenses. The deduction may be taken in
2620 the taxable year in which the donation is made or the taxable year in which the 12-month period expires.

2621 14. For taxable years beginning on and after January 1, 2013, the amount an individual age 66 or
2622 older with earned income of at least \$20,000 for the year and federal adjusted gross income not in excess
2623 of \$30,000 for the year pays annually in premiums for (i) a prepaid funeral insurance policy covering the
2624 individual or (ii) medical or dental insurance for any person for whom individual tax filers may claim a
2625 deduction for such premiums under federal income tax laws. As used in this subdivision, "earned income"
2626 means the same as that term is defined in § 32(c) of the Internal Revenue Code. The deduction shall not
2627 be allowed for any portion of such premiums paid for which the individual has (a) been reimbursed, (b)
2628 claimed a deduction for federal income tax purposes, (c) claimed a deduction or subtraction under another
2629 provision of this section, or (d) claimed a federal income tax credit or any income tax credit pursuant to
2630 this chapter.

2631 15. For taxable years beginning on and after January 1, 2018, but before January 1, 2022, 20
2632 percent of business interest disallowed as a deduction pursuant to § 163(j) of the Internal Revenue Code.
2633 For taxable years beginning on and after January 1, 2022, 30 percent of business interest disallowed as a
2634 deduction pursuant to § 163(j) of the Internal Revenue Code. For purposes of this subdivision, "business
2635 interest" means the same as that term is defined under § 163(j) of the Internal Revenue Code.

2636 16. For taxable years beginning on and after January 1, 2019, the actual amount of real and personal
2637 property taxes imposed by the Commonwealth or any other taxing jurisdiction not otherwise deducted
2638 solely on account of the dollar limitation imposed on individual deductions by § 164(b)(6)(B) of the
2639 Internal Revenue Code.

2640 17. For taxable years beginning before January 1, 2021, up to \$100,000 of the amount that is not
2641 deductible when computing federal adjusted gross income solely on account of the portion of subdivision
2642 B 10 of § 58.1-301 related to Paycheck Protection Program loans.

2643 18. For taxable years beginning on and after January 1, 2022, but before January 1, 2025, the lesser
2644 of \$500 or the actual amount paid or incurred for eligible educator qualifying expenses. For purposes of
2645 this subdivision, "eligible educator" means an individual who for at least 900 hours during the taxable
2646 year in which the credit under this section is claimed served as a teacher licensed pursuant to Chapter 15
2647 (§ 22.1-289.1 et seq.) of Title 22.1, instructor, student counselor, principal, special needs personnel, or
2648 student aide serving accredited public or private primary and secondary school students in Virginia, and
2649 "qualifying expenses" means 100 percent of the amount paid or incurred by an eligible educator during
2650 the taxable year for participation in professional development courses and the purchase of books, supplies,
2651 computer equipment (including related software and services), other educational and teaching equipment,
2652 and supplementary materials used directly in that individual's service to students as an eligible educator,
2653 provided that such purchases were neither reimbursed nor claimed as a deduction on the eligible educator's
2654 federal income tax return for such taxable year.

2655 **§ 58.1-344.4. Voluntary contributions of refunds into Commonwealth Savers Plan accounts.**

2656 A. If an individual is entitled to an income tax refund for the taxable year, that individual may
2657 designate on his Virginia individual income tax return a contribution to one or more ~~Virginia College~~
2658 ~~Savings~~ Commonwealth Savers Plan accounts established under Chapter 7 (§ 23.1-700 et seq.) of Title
2659 23.1, in the amount of the entire individual income tax refund or a portion thereof.

2660 B. 1. The Department of Taxation shall send each contribution made pursuant to subsection A to
2661 the ~~Virginia College Savings~~ Commonwealth Savers Plan with the following information:

2662 a. The amount of the individual income tax refund or that portion of the refund that the individual
2663 has chosen to contribute;

2664 b. The taxpayer's name, Social Security number or taxpayer identification number, address, and
2665 telephone number; and

2666 c. The ~~Virginia College Savings~~ Commonwealth Savers Plan account number or numbers into
2667 which the contributions will be deposited.

2668 2. If a contribution to a ~~Virginia College Savings~~ Commonwealth Savers Plan account is
2669 designated in an individual income tax return filed jointly by married individuals, the Department of
2670 Taxation shall send the information described in subdivision 1 for both spouses to the ~~Virginia College~~
2671 ~~Savings~~ Commonwealth Savers Plan.

2672 C. 1. If the taxpayer owns a single ~~Virginia College Savings~~ Commonwealth Savers Plan account,
2673 the ~~Virginia College Savings~~ Commonwealth Savers Plan shall deposit the contribution made pursuant to
2674 subsection A into that account.

2675 2. If the taxpayer owns more than one ~~Virginia College Savings~~ Commonwealth Savers Plan
2676 account, the ~~Virginia College Savings~~ Commonwealth Savers Plan shall allocate the contribution made
2677 pursuant to subsection A between or among the accounts in equal amounts, or as otherwise designated by
2678 the taxpayer.

2679 3. If the taxpayer does not own an existing ~~Virginia College Savings~~ Commonwealth Savers Plan
2680 account and does not wish to open an account, contributions made pursuant to subsection A shall be
2681 returned to the taxpayer by the ~~Virginia College Savings~~ Commonwealth Savers Plan.

2682 D. For the purpose of determining interest on an overpayment or refund under § 58.1-1833, no
2683 interest shall accrue after the Department of Taxation sends the contribution to the ~~Virginia College~~
2684 ~~Savings~~ Commonwealth Savers Plan.

2685 E. Any taxpayer designating that a refund be contributed to a ~~Virginia College Savings~~
2686 Commonwealth Savers Plan account shall, by making such designation, be deemed to authorize the
2687 Department of Taxation to provide all necessary information, including the information specified in
2688 subdivision B 1, to the ~~Virginia College Savings~~ Commonwealth Savers Plan.

2689 **2. That the provisions of the first enactment of this act shall not become effective unless reenacted**
2690 **in the 2024 Session of the General Assembly.**

2691 **3. That a legislative workgroup consisting of two members of the Senate Committee on Finance and**
2692 **Appropriations, two members of the House Committee on Appropriations, one member of the**

2693 Senate Committee on Education and Health, and one member of the House Committee on
2694 Education, in collaboration with the Virginia College Savings Plan, shall consider and develop
2695 options for the implementation of the provisions of the first enactment of this act and report such
2696 findings to the General Assembly no later than November 1, 2023.

2697 #