

23104313D

## 1 SENATE BILL NO. 1519

2 Offered January 20, 2023

3 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,*  
 4 *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,*  
 5 *23.1-1004, 30-330 through 30-333, 30-335, 51.1-505.01, 58.1-322.02, as it is currently effective and*  
 6 *as it shall become effective, 58.1-322.03, as it is currently effective and as it shall become effective,*  
 7 *and 58.1-344.4 of the Code of Virginia, relating to public institutions of higher education; Virginia*  
 8 *College Savings Plan; renamed Commonwealth Savers Plan; duties of governing board.*

9 Patrons—Barker and Saslaw

10 Referred to Committee on Education and Health

11 Be it enacted by the General Assembly of Virginia:

12 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,  
 13 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  
 14 through 30-333, 30-335, 51.1-505.01, 58.1-322.02, as it is currently effective and as it shall become  
 15 effective, 58.1-322.03, as it is currently effective and as it shall become effective, and 58.1-344.4 of  
 16 the Code of Virginia are amended and reenacted as follows:

## 17 § 2.2-2744. Definitions.

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

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

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

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

23 "Eligible employer" means a nongovernmental business, industry, trade, profession, or other  
 24 enterprise in the Commonwealth, whether conducted on a for-profit or nonprofit basis, that employed 25  
 25 or more eligible employees, as reported to the Virginia Employment Commission pursuant to  
 26 16VAC5-32-20, or any successor regulation, for the quarter ending December 31 and the preceding three  
 27 quarters of the preceding calendar year and has been operating for at least two years prior to Program  
 28 implementation. "Eligible employer" does not include an employer that sponsors, maintains, or  
 29 contributes to an automatic enrollment payroll deduction IRA or a qualified retirement plan in  
 30 compliance with federal law for its employees, including plans qualified under § 401(a), 403(a), 403(b),  
 31 408(k), or 408(p) of the Internal Revenue Code. An employer shall become an eligible employer at any  
 32 time if it meets the eligibility requirements under this chapter.

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

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

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

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

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

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

46 "Plan" means the Virginia College Savings Commonwealth Savers Plan.

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

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

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

## 52 § 2.2-2753. Audit and annual reports.

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

## 56 § 2.2-2905. Certain officers and employees exempt from chapter.

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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 or

70        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

82        Jamestown-Yorktown Foundation, the Frontier Culture Museum of Virginia, the Virginia Museum of

83        Natural History, the New College Institute, the Southern Virginia Higher Education Center, and The

84        Library of Virginia, and approved by the Director of the Department of Human Resource Management

85        as requiring specialized 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 for

91        such employees shall be subject to the review and approval of the Board of Visitors of the University of

92        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

99        in 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 Developmental

105       Services employed or reemployed by the Commissioner after July 1, 1999, under a contract pursuant to

106       § 37.2-707. Such employees shall remain subject to the provisions of the State Grievance Procedure

107       (§ 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

110       all 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 Beverage

115       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

120       any 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  
127 the Governor, or officers or employees of the legislative branch, as may be designated by the Joint  
128 Rules Committee of the General Assembly, shall file with the Council, as a condition to assuming office  
129 or employment, a disclosure statement of their personal interests and such other information as is  
130 required on the form prescribed by the Council pursuant to § 2.2-3117 and thereafter shall file such a  
131 statement annually on or before February 1.

132 B. In accordance with the requirements set forth in § 2.2-3118.2, nonsalaried citizen members of all  
133 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  
137 disclosure form of their personal interests and such other information as is required on the form  
138 prescribed by the Council pursuant to § 2.2-3118 and thereafter shall file such form annually on or  
139 before February 1. Nonsalaried citizen members of other boards, commissions and councils, including  
140 advisory boards and authorities, may be required to file a disclosure form if so designated by the  
141 Governor, in which case the 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 at  
143 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 before  
150 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  
153 name and address of the business and the address or parcel number for the real estate if the interest  
154 involves a business or real estate, and his disclosure shall also be reflected in the public records of the  
155 agency for five years in the office of the administrative head of the officer's or employee's governmental  
156 agency or 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  
160 member of a business, profession, occupation, or group the members of which are affected by the  
161 transaction, and (iv) that he is able to participate in the transaction fairly, objectively, and in the public  
162 interest. The officer or employee shall either make his declaration orally to be recorded in written  
163 minutes for his agency or file a signed written declaration with the clerk or administrative head of his  
164 governmental or advisory agency, as appropriate, who shall, in either case, retain and make available for  
165 public inspection such declaration for a period of five years from the date of recording or receipt. If  
166 reasonable time is not available to comply with the provisions of this subsection prior to participation in  
167 the transaction, the officer or employee shall prepare and file the required declaration by the end of the  
168 next business day.

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

180 H. Notwithstanding any other provision of law, chairs of departments at a public institution of higher  
181 education in the Commonwealth shall not be required to file the disclosure form prescribed by the

182 Council pursuant to § 2.2-3117 or 2.2-3118.

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

185 A. The following information contained in a public record is excluded from the mandatory disclosure  
186 provisions of this chapter but may be disclosed by the custodian in his discretion, except as provided in  
187 subsection B or where such disclosure is otherwise prohibited by law. Redaction of information excluded  
188 under this section from a public record shall be conducted in accordance with § 2.2-3704.01.

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)  
192 records of instructional, supervisory, and administrative personnel and educational personnel ancillary  
193 thereto, that are in the sole possession of the maker thereof and that are not accessible or revealed to  
194 any other 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  
198 guardian or parent, including a noncustodial parent, unless such parent's parental rights have been  
199 terminated or a court of competent jurisdiction has restricted or denied such access. For scholastic  
200 records of students who are emancipated or attending a public institution of higher education in the  
201 Commonwealth, the right of 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  
207 application 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, and  
210 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,  
214 whether sponsored by the institution alone or in conjunction with a governmental body or a private  
215 concern, where 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  
220 activities with existing or future joint venturers, partners, or other parties with whom the University of  
221 Virginia Medical Center or Eastern Virginia Medical School, as the case may be, has formed, or forms,  
222 any arrangement for the delivery of health care, if disclosure of such information would be harmful to  
223 the competitive position of the University of Virginia Medical Center or Eastern Virginia Medical  
224 School, as 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  
229 related to (i) qualified beneficiaries as that term is defined in § 23.1-700, (ii) designated survivors, or  
230 (iii) authorized individuals. Nothing in this subdivision shall be construed to prevent disclosure or  
231 publication of information in a statistical or other form that does not identify individuals or provide  
232 personal 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 of  
239 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;  
241 health-related information; employment, familial, or marital status information; electronic mail addresses,  
242 facsimile or telephone numbers; birth dates or social security numbers of identifiable donors or  
243 prospective donors. The exclusion provided by this subdivision shall not apply to protect from disclosure

244 (a) information relating to the amount, date, purpose, and terms of the pledge or donation or the identity  
245 of the donor or (b) the identities of sponsors providing grants to or contracting with the institution for  
246 the performance of research services or other work or the terms and conditions of such grants or  
247 contracts. For purposes of clause (a), the identity of the donor may be withheld if (1) the donor has  
248 requested anonymity in connection with or as a condition of making a pledge or donation and (2) the  
249 pledge or donation does not 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  
252 assessment or intervention with a specific individual. However, in the event an individual who has been  
253 under assessment commits an act, or is prosecuted for the commission of an act that has caused the  
254 death of, or caused serious bodily injury, including any felony sexual assault, to another person, such  
255 information of the threat assessment team concerning the individual under assessment shall be made  
256 available as provided by this chapter, with the exception of any criminal history records obtained  
257 pursuant to § 19.2-389 or 19.2-389.1, health records obtained pursuant to § 32.1-127.1:03, or scholastic  
258 records as defined in § 22.1-289. The public body providing such information shall remove personally  
259 identifying information of any person who provided information to the threat assessment team under a  
260 promise of confidentiality.

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

266 B. The custodian of a scholastic record shall not release the address, phone number, or email address  
267 of a student in response to a request made under this chapter without written consent. For any student  
268 who is (i) 18 years of age or older, (ii) under the age of 18 and emancipated, or (iii) attending an  
269 institution of higher education, written consent of the student shall be required. For any other student,  
270 written consent of the parent or legal guardian of such student shall be required.

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

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

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

279 2. Working papers and correspondence of the Office of the Governor, the Lieutenant Governor, or  
280 the Attorney General; the members of the General Assembly, the Division of Legislative Services, or the  
281 Clerks of the House of Delegates or the Senate of Virginia; the mayor or chief executive officer of any  
282 political subdivision of the Commonwealth; or the president or other chief executive officer of any  
283 public institution of higher education in the Commonwealth. However, no information that is otherwise  
284 open to inspection under this chapter shall be deemed excluded by virtue of the fact that it has been  
285 attached to or incorporated within any working paper or correspondence. Further, information publicly  
286 available or not otherwise subject to an exclusion under this chapter or other provision of law that has  
287 been aggregated, combined, or changed in format without substantive analysis or revision shall not be  
288 deemed working papers. Nothing in this subdivision shall be construed to authorize the withholding of  
289 any resumes or applications submitted by persons who are appointed by the Governor pursuant to  
290 § 2.2-106 or 2.2-107.

291 As used in this subdivision:

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

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

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

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

304 4. Contract cost estimates prepared for the confidential use of the Department of Transportation in

305 awarding contracts for construction or the purchase of goods or services, and records and automated  
306 systems prepared for the Department's Bid Analysis and Monitoring Program.

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

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

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

317 8. Personal information, as defined in § 2.2-3801, (i) filed with the Virginia Housing Development  
318 Authority concerning individuals who have applied for or received loans or other housing assistance or  
319 who have applied for occupancy of or have occupied housing financed, owned or otherwise assisted by  
320 the Virginia Housing Development Authority; (ii) concerning persons participating in or persons on the  
321 waiting list for federally funded rent-assistance programs; (iii) filed with any local redevelopment and  
322 housing authority created pursuant to § 36-4 concerning persons participating in or persons on the  
323 waiting list for housing assistance programs funded by local governments or by any such authority; or  
324 (iv) filed with any local redevelopment and housing authority created pursuant to § 36-4 or any other  
325 local government agency concerning persons who have applied for occupancy or who have occupied  
326 affordable dwelling units established pursuant to § 15.2-2304 or 15.2-2305. However, access to one's  
327 own information shall not be denied.

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

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

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

344 12. Information held by the Virginia Retirement System, acting pursuant to § 51.1-124.30, or a local  
345 retirement system, acting pursuant to § 51.1-803, or by a local finance board or board of trustees of a  
346 trust established by one or more local public bodies to invest funds for post-retirement benefits other  
347 than pensions, acting pursuant to Article 8 (§ 15.2-1544 et seq.) of Chapter 15 of Title 15.2, or by the  
348 board of visitors of the University of Virginia, acting pursuant to § 23.1-2210, or by the board of  
349 visitors of The College of William and Mary in Virginia, acting pursuant to § 23.1-2803, or by the  
350 *Virginia College Savings Commonwealth Savers Plan*, acting pursuant to § 23.1-704, relating to the  
351 acquisition, holding, or disposition of a security or other ownership interest in an entity, where such  
352 security or ownership interest is not traded on a governmentally regulated securities exchange, if  
353 disclosure of such information would (i) reveal confidential analyses prepared for the board of visitors of  
354 the University of Virginia, prepared for the board of visitors of The College of William and Mary in  
355 Virginia, prepared by the retirement system, a local finance board or board of trustees, or the *Virginia*  
356 *College Savings Commonwealth Savers Plan*, or provided to the retirement system, a local finance board  
357 or board of trustees, or the *Virginia College Savings Commonwealth Savers Plan* under a promise of  
358 confidentiality of the future value of such ownership interest or the future financial performance of the  
359 entity and (ii) have an adverse effect on the value of the investment to be acquired, held, or disposed of  
360 by the retirement system, a local finance board or board of trustees, the board of visitors of the  
361 University of Virginia, the board of visitors of The College of William and Mary in Virginia, or the  
362 *Virginia College Savings Commonwealth Savers Plan*. Nothing in this subdivision shall be construed to  
363 prevent the disclosure of information relating to the identity of any investment held, the amount  
364 invested, or the present value of such investment.

365 13. Financial, medical, rehabilitative, and other personal information concerning applicants for or  
366 recipients of loan funds submitted to or maintained by the Assistive Technology Loan Fund Authority

367 under Chapter 11 (§ 51.5-53 et seq.) of Title 51.5.

368 14. Information held by the Virginia Commonwealth University Health System Authority pertaining  
369 to any of the following: an individual's qualifications for or continued membership on its medical or  
370 teaching staffs; proprietary information gathered by or in the possession of the Authority from third  
371 parties pursuant to a promise of confidentiality; contract cost estimates prepared for confidential use in  
372 awarding contracts for construction or the purchase of goods or services; information of a proprietary  
373 nature produced or collected by or for the Authority or members of its medical or teaching staffs;  
374 financial statements not publicly available that may be filed with the Authority from third parties; the  
375 identity, accounts, or account status of any customer of the Authority; consulting or other reports paid  
376 for by the Authority to assist the Authority in connection with its strategic planning and goals; the  
377 determination of marketing and operational strategies where disclosure of such strategies would be  
378 harmful to the competitive position of the Authority; and information of a proprietary nature produced  
379 or collected by or for employees of the Authority, other than the Authority's financial or administrative  
380 records, in the conduct of or as a result of study or research on medical, scientific, technical, or  
381 scholarly issues, whether sponsored by the Authority alone or in conjunction with a governmental body  
382 or a private concern, when such information has not been publicly released, published, copyrighted, or  
383 patented. This exclusion shall also apply when such information is in the possession of Virginia  
384 Commonwealth University.

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

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

398 17. Information held by the Virginia Lottery pertaining to (i) the social security number, tax  
399 identification number, state sales tax number, home address and telephone number, personal and lottery  
400 banking account and transit numbers of a retailer, and financial information regarding the nonlottery  
401 operations of specific retail locations and (ii) individual lottery winners, except that a winner's name,  
402 hometown, and amount won shall be disclosed. If the value of the prize won by the winner exceeds \$10  
403 million, the information described in clause (ii) shall not be disclosed unless the winner consents in  
404 writing to such disclosure.

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

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

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

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

427 22. Information submitted for inclusion in the Statewide Alert Network administered by the

428 Department of Emergency Management that reveal names, physical addresses, email addresses, computer  
429 or internet protocol information, telephone numbers, pager numbers, other wireless or portable  
430 communications device information, or operating schedules of individuals or agencies, where the release  
431 of such information would compromise the security of the Statewide Alert Network or individuals  
432 participating in the Statewide Alert Network.

433 23. Information held by the Judicial Inquiry and Review Commission made confidential by  
434 § 17.1-913.

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

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

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

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

451 (1) Invoking such exclusion prior to or upon submission of the data or other materials for which  
452 protection from disclosure is sought;

453 (2) Identifying with specificity the data or other materials for which protection is sought; and

454 (3) Stating the reasons why protection is necessary.

455 The retirement system or the *Virginia College Savings Commonwealth Savers Plan* shall determine  
456 whether the requested exclusion from disclosure meets the requirements set forth in subdivision b.

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

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

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

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

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

478 29. Information prepared for and utilized by the Commonwealth's Attorneys' Services Council in the  
479 training of state prosecutors or law-enforcement personnel, where such information is not otherwise  
480 available to the public and the disclosure of such information would reveal confidential strategies,  
481 methods, or procedures to be employed in law-enforcement activities or materials created for the  
482 investigation and prosecution of a criminal case.

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

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

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

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

504 34. Information discussed in a closed session of the Physical Therapy Compact Commission or the  
 505 Executive Board or other committees of the Commission for purposes set forth in subsection E of  
 506 § 54.1-3491.

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

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

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

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

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

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

531 2. Discussion or consideration of admission or disciplinary matters or any other matters that would  
 532 involve the disclosure of information contained in a scholastic record concerning any student of any  
 533 public institution of higher education in the Commonwealth or any state school system. However, any  
 534 such student, legal counsel and, if the student is a minor, the student's parents or legal guardians shall  
 535 be permitted to be present during the taking of testimony or presentation of evidence at a closed  
 536 meeting, if such student, parents, or guardians so request in writing and such request is submitted to the  
 537 presiding officer of the appropriate board.

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

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

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

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

548 7. Consultation with legal counsel and briefings by staff members or consultants pertaining to actual  
 549 or probable litigation, where such consultation or briefing in open meeting would adversely affect the  
 550 negotiating or litigating posture of the public body. For the purposes of this subdivision, "probable

551 "litigation" means litigation that has been specifically threatened or on which the public body or its legal  
552 counsel has a reasonable basis to believe will be commenced by or against a known party. Nothing in  
553 this subdivision shall be construed to permit the closure of a meeting merely because an attorney  
554 representing the public body is in attendance or is consulted on a matter.

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

559 9. Discussion or consideration by governing boards of public institutions of higher education of  
560 matters relating to gifts, bequests and fund-raising activities, and of grants and contracts for services or  
561 work to be performed by such institution. However, the terms and conditions of any such gifts, bequests,  
562 grants, and contracts made by a foreign government, a foreign legal entity, or a foreign person and  
563 accepted by a public institution of higher education in the Commonwealth shall be subject to public  
564 disclosure upon written request to the appropriate board of visitors. For the purpose of this subdivision,  
565 (i) "foreign government" means any government other than the United States government or the  
566 government of a state or a political subdivision thereof, (ii) "foreign legal entity" means any legal entity  
567 (a) created under the laws of the United States or of any state thereof if a majority of the ownership of  
568 the stock of such legal entity is owned by foreign governments or foreign persons or if a majority of the  
569 membership of any such entity is composed of foreign persons or foreign legal entities or (b) created  
570 under the laws of a foreign government, and (iii) "foreign person" means any individual who is not a  
571 citizen or national of the United States or a trust territory or protectorate thereof.

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

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

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

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

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

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

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

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

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

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

612 20. Discussion by the Board of the Virginia Retirement System, acting pursuant to § 51.1-124.30, or

613 of any local retirement system, acting pursuant to § 51.1-803, or by a local finance board or board of  
614 trustees of a trust established by one or more local public bodies to invest funds for postemployment  
615 benefits other than pensions, acting pursuant to Article 8 (§ 15.2-1544 et seq.) of Chapter 15 of Title  
616 15.2, or by the board of visitors of the University of Virginia, acting pursuant to § 23.1-2210, or by the  
617 Board of the *Virginia College Savings Commonwealth Savers* Plan, acting pursuant to § 23.1-706,  
618 regarding the acquisition, holding or disposition of a security or other ownership interest in an entity,  
619 where such security or ownership interest is not traded on a governmentally regulated securities  
620 exchange, to the extent that such discussion (i) concerns confidential analyses prepared for the board of  
621 visitors of the University of Virginia, prepared by the retirement system, or a local finance board or  
622 board of trustees, or the *Virginia College Savings Commonwealth Savers* Plan or provided to the  
623 retirement system, a local finance board or board of trustees, or the *Virginia College Savings*  
624 *Commonwealth Savers* Plan under a promise of confidentiality, of the future value of such ownership  
625 interest or the future financial performance of the entity, and (ii) would have an adverse effect on the  
626 value of the investment to be acquired, held, or disposed of by the retirement system, a local finance  
627 board or board of trustees, the board of visitors of the University of Virginia, or the *Virginia College*  
628 *Savings Commonwealth Savers* Plan. Nothing in this subdivision shall be construed to prevent the  
629 disclosure of information relating to the identity of any investment held, the amount invested or the  
630 present value of such investment.

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

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

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

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

667 25. Meetings or portions of meetings of the Board of the *Virginia College Savings Commonwealth*  
668 *Savers* Plan wherein personal information, as defined in § 2.2-3801, which has been provided to the  
669 Board or its employees by or on behalf of individuals who have requested information about, applied  
670 for, or entered into prepaid tuition contracts or savings trust account agreements pursuant to Chapter 7  
671 (§ 23.1-700 et seq.) of Title 23.1 is discussed.

672 26. Discussion or consideration, by the former Wireless Carrier E-911 Cost Recovery Subcommittee  
673 created pursuant to former § 56-484.15, of trade secrets submitted by CMRS providers, as defined in §

674 56-484.12, related to the provision of wireless E-911 service.

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

681 28. Discussion or consideration of information subject to the exclusion in subdivision 11 of  
682 § 2.2-3705.6 by a responsible public entity or an affected locality or public entity, as those terms are  
683 defined in § 33.2-1800, or any independent review panel appointed to review information and advise  
684 the responsible public entity concerning such records.

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

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

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

694 32. Discussion or consideration of confidential proprietary information and trade secrets developed  
695 and held by a local public body providing certain telecommunication services or cable television services  
696 and subject to the exclusion in subdivision 18 of § 2.2-3705.6. However, the exemption provided by this  
697 subdivision shall not apply to any authority created pursuant to the BVU Authority Act (§ 15.2-7200 et  
698 seq.).

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

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

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

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

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

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

721 39. Discussion or consideration of information subject to the exclusion in subdivision 3 of  
722 § 2.2-3705.6 related to economic development.

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

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

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

734 43. Discussion or consideration by the Virginia Tobacco Region Revitalization Commission of  
735 information subject to the exclusion in subdivision 23 of § 2.2-3705.6 related to certain information

736 contained in grant applications.

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

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

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

750 47. Discussion or consideration of grant, loan, or investment application records subject to the  
751 exclusion in subdivision 28 of § 2.2-3705.6 for a grant, loan, or investment pursuant to Article 11  
752 (§ 2.2-2351 et seq.) of Chapter 22.

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

756 49. Discussion or consideration of (i) individual sexual assault cases by a sexual assault response  
757 team established pursuant to § 15.2-1627.4, (ii) individual child abuse or neglect cases or sex offenses  
758 involving a child by a child sexual abuse response team established pursuant to § 15.2-1627.5, or (iii)  
759 individual cases involving abuse, neglect, or exploitation of adults as defined in § 63.2-1603 pursuant to  
760 §§ 15.2-1627.5 and 63.2-1605.

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

765 51. Those portions of meetings of the subcommittee of the Board of the Virginia Economic  
766 Development Partnership Authority established pursuant to subsection F of § 2.2-2237.3 to review and  
767 discuss information received from the Virginia Employment Commission pursuant to subdivision C 2 of  
768 § 60.2-114.

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

772 53. Deliberations of the Virginia Lottery Board conducted pursuant to § 58.1-4105 regarding the  
773 denial or revocation of a license of a casino gaming operator, or the refusal to issue, suspension of, or  
774 revocation of any license or permit related to casino gaming, and discussion, consideration, or review of  
775 matters related to investigations excluded from mandatory disclosure under subdivision 1 of  
776 § 2.2-3705.3.

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

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

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

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

791 E. This section shall not be construed to (i) require the disclosure of any contract between the  
792 Department of Health Professions and an impaired practitioner entered into pursuant to Chapter 25.1  
793 (§ 54.1-2515 et seq.) of Title 54.1 or (ii) require the board of directors of any authority created pursuant  
794 to the Industrial Development and Revenue Bond Act (§ 15.2-4900 et seq.), or any public body  
795 empowered to issue industrial revenue bonds by general or special law, to identify a business or industry  
796 to which subdivision A 5 applies. However, such business or industry shall be identified as a matter of

797 public record at least 30 days prior to the actual date of the board's authorization of the sale or issuance  
798 of such bonds.

799 **§ 2.2-4006. Exemptions from requirements of this article.**

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

802 1. Agency orders or regulations fixing rates or prices.

803 2. Regulations that establish or prescribe agency organization, internal practice or procedures,  
804 including delegations of authority.

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

809 4. Regulations that are:

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

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

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

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

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

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

828 8. General permits issued by the (a) State Air Pollution Control Board pursuant to Chapter 13  
829 (§ 10.1-1300 et seq.) of Title 10.1 or (b) State Water Control Board pursuant to the State Water Control  
830 Law (§ 62.1-44.2 et seq.), Chapter 24 (§ 62.1-242 et seq.) of Title 62.1 and Chapter 25 (§ 62.1-254 et  
831 seq.) of Title 62.1, (c) Virginia Soil and Water Conservation Board pursuant to the Dam Safety Act  
832 (§ 10.1-604 et seq.), and (d) the development and issuance of general wetlands permits by the Marine  
833 Resources Commission pursuant to subsection B of § 28.2-1307, if the respective Board or Commission  
834 (i) provides a Notice of Intended Regulatory Action in conformance with the provisions of  
835 § 2.2-4007.01, (ii) following the passage of 30 days from the publication of the Notice of Intended  
836 Regulatory Action forms a technical advisory committee composed of relevant stakeholders, including  
837 potentially affected citizens groups, to assist in the development of the general permit, (iii) provides  
838 notice and receives oral and written comment as provided in § 2.2-4007.03, and (iv) conducts at least  
839 one public hearing on the proposed general permit.

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

843 10. Regulations of the Board of the *Virginia College Savings Commonwealth Savers* Plan adopted  
844 pursuant to § 23.1-704.

845 11. Regulations of the Marine Resources Commission.

846 12. Regulations adopted by the Board of Housing and Community Development pursuant to (i)  
847 Statewide Fire Prevention Code (§ 27-94 et seq.), (ii) the Industrialized Building Safety Law (§ 36-70 et  
848 seq.), (iii) the Uniform Statewide Building Code (§ 36-97 et seq.), and (iv) § 36-98.3, provided the  
849 Board (a) provides a Notice of Intended Regulatory Action in conformance with the provisions of  
850 § 2.2-4007.01, (b) publishes the proposed regulation and provides an opportunity for oral and written  
851 comments as provided in § 2.2-4007.03, and (c) conducts at least one public hearing as provided in §§  
852 2.2-4009 and 36-100 prior to the publishing of the proposed regulations. Notwithstanding the provisions  
853 of this subdivision, any regulations promulgated by the Board shall remain subject to the provisions of  
854 § 2.2-4007.06 concerning public petitions, and §§ 2.2-4013 and 2.2-4014 concerning review by the  
855 Governor and General Assembly.

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

858 14. Waste load allocations adopted, amended, or repealed by the State Water Control Board pursuant

859 to the State Water Control Law (§ 62.1-44.2 et seq.), including but not limited to Article 4.01  
860 (§ 62.1-44.19:4 et seq.) of the State Water Control Law, if the Board (i) provides public notice in the  
861 Virginia Register; (ii) if requested by the public during the initial public notice 30-day comment period,  
862 forms an advisory group composed of relevant stakeholders; (iii) receives and provides summary  
863 response to written comments; and (iv) conducts at least one public meeting. Notwithstanding the  
864 provisions of this subdivision, any such waste load allocations adopted, amended, or repealed by the  
865 Board shall be subject to the provisions of §§ 2.2-4013 and 2.2-4014 concerning review by the Governor  
866 and General Assembly.

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

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

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

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

886 **§ 2.2-4343. Exemption from operation of chapter for certain transactions.**

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

888 1. The Virginia Port Authority in the exercise of any of its powers in accordance with Chapter 10  
889 (§ 62.1-128 et seq.) of Title 62.1, provided the Authority implements, by policy or regulation adopted by  
890 the Board of Commissioners, procedures to ensure fairness and competitiveness in the procurement of  
891 goods and services and in the administration of its capital outlay program. This exemption shall be  
892 applicable only so long as such policies and procedures meeting the requirements remain in effect.

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

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

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

902 5. The College of William and Mary in Virginia, Virginia Commonwealth University, the University  
903 of Virginia, and Virginia Polytechnic Institute and State University in the selection of services related to  
904 the management and investment of their endowment funds, endowment income, gifts, all other  
905 nongeneral fund reserves and balances, or local funds of or held by the respective public institution of  
906 higher education pursuant to § 23.1-2210, 23.1-2306, 23.1-2604, or 23.1-2803. However, selection of  
907 these services shall be governed by the Uniform Prudent Management of Institutional Funds Act (§  
908 64.2-1100 et seq.) as required by §§ 23.1-2210, 23.1-2306, 23.1-2604, and 23.1-2803.

909 6. The Board of the *Virginia College Savings Commonwealth Savers* Plan for the selection of  
910 services related to the operation and administration of the Plan, including, but not limited to, contracts  
911 or agreements for the management, purchase, or sale of authorized investments or actuarial, record  
912 keeping, or consulting services. However, such selection shall be governed by the standard set forth in  
913 § 23.1-706.

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

917 8. The purchase of goods and services by agencies of the legislative branch that may be specifically  
918 exempted therefrom by the Chairman of the Committee on Rules of either the House of Delegates or the  
919 Senate. Nor shall the contract review provisions of § 2.2-2012 apply to such procurements. The

920 exemption shall be in writing and kept on file with the agency's disbursement records.

921 9. Any town with a population of less than 3,500, except as stipulated in the provisions of  
922 §§ 2.2-4305, 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  
923 2.2-4377 and Chapter 43.1 (§ 2.2-4378 et seq.).

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

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

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

938 This exemption shall be applicable only so long as such policies and procedures, or other policies or  
939 procedures meeting the requirements of § 2.2-4300, remain in effect in such school division. This  
940 provision shall not exempt any school division from any centralized purchasing ordinance duly adopted  
941 by a local governing body.

942 12. Notwithstanding the exemptions set forth in subdivisions 9 through 11, the provisions of  
943 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  
944 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  
945 seq.), and § 58.1-1902 shall apply to all counties, cities, and school divisions and to all towns having a  
946 population greater than 3,500 in the Commonwealth.

947 The method for procurement of professional services through competitive negotiation set forth in  
948 §§ 2.2-4302.2, 2.2-4303.1, and 2.2-4303.2 shall also apply to all counties, cities, and school divisions,  
949 and to all towns having a population greater than 3,500, where the cost of the professional service is  
950 expected to exceed \$80,000 in the aggregate or for the sum of all phases of a contract or project. A  
951 school board that makes purchases through its public school foundation or purchases educational  
952 technology through its educational technology foundation, either as may be established pursuant to  
953 § 22.1-212.2:2 shall be exempt from the provisions of this chapter, except, relative to such purchases,  
954 the school board shall comply with the provisions of §§ 2.2-4311 and 2.2-4367 through 2.2-4377.

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

962 14. Procurement of any construction or planning and design services for construction by a Virginia  
963 nonprofit corporation or organization not otherwise specifically exempted when (i) the planning, design  
964 or construction is funded by state appropriations of \$10,000 or less or (ii) the Virginia nonprofit  
965 corporation or organization is obligated to conform to procurement procedures that are established by  
966 federal statutes or regulations, whether those federal procedures are in conformance with the provisions  
967 of this chapter.

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

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

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

975 18. The University of Virginia Medical Center to the extent provided by subdivision A 3 of  
976 § 23.1-2213.

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

981 20. The contract by community services boards or behavioral health authorities with an administrator

982 or management body pursuant to a joint agreement authorized by § 37.2-512 or 37.2-615.  
983 21. [Expired].

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

988 23. The Virginia Industries for the Blind when procuring components, materials, supplies, or services  
989 for use in commodities and services furnished to the federal government in connection with its operation  
990 as an AbilityOne Program-qualified nonprofit agency for the blind under the Javits-Wagner-O'Day Act,  
991 41 U.S.C. §§ 8501-8506, provided that the procurement is accomplished using procedures that ensure  
992 that funds are used as efficiently as practicable. Such procedures shall require documentation of the  
993 basis for awarding contracts. Notwithstanding the provisions of § 2.2-1117, no public body shall be  
994 required to purchase such components, materials, supplies, services, or commodities.

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

1000 B. Where a procurement transaction involves the expenditure of federal assistance or contract funds,  
1001 the receipt of which is conditioned upon compliance with mandatory requirements in federal laws or  
1002 regulations not in conformance with the provisions of this chapter, a public body may comply with such  
1003 federal requirements, notwithstanding the provisions of this chapter, only upon the written determination  
1004 of the Governor, in the case of state agencies, or the governing body, in the case of political  
1005 subdivisions, that acceptance of the grant or contract funds under the applicable conditions is in the  
1006 public interest. Such determination shall state the specific provision of this chapter in conflict with the  
1007 conditions of the grant or contract.

**1008 § 8.01-424. Approval of compromises on behalf of persons under a disability in suits or actions  
1009 to which they are parties.**

1010 A. In any action or suit wherein a person under a disability is a party, the court in which the matter  
1011 is pending shall have the power to approve and confirm a compromise of the matters in controversy on  
1012 behalf of such party, including claims under the provisions of any liability insurance policy, if such  
1013 compromise is deemed to be to the interest of the party. Any order or decree approving and confirming  
1014 the compromise shall be binding upon such party, except that the same may be set aside for fraud.

1015 B. In case of damage to the person or property of a person under a disability, caused by the  
1016 wrongful act, neglect, or default of any person, when death did not ensue therefrom, any person or  
1017 insurer interested in compromise of any claim for such damages, including any claim under the  
1018 provisions of any liability insurance policy, may, upon motion to the court in which the action is  
1019 pending for the recovery of damages on account of such injury, or if no such action is pending, then to  
1020 any circuit court, move the court to approve the compromise. The court shall require the movant to give  
1021 reasonable notice of such motion to all parties and to any person found by the court to be interested in  
1022 the compromise.

1023 C. A compromise action involving a claim for wrongful death shall be in accordance with the  
1024 applicable provisions of § 8.01-55. Nothing in this section shall be construed to affect the provisions of  
1025 § 8.01-76.

1026 D. In any compromise action, the court shall direct the payment of the proceeds of the compromise  
1027 agreement, when approved, as follows:

- 1028 1. Payment of the sum into court as provided by § 8.01-600 or to the general receiver of such court;
- 1029 2. In the case of damage to the person or property of a minor, by investment in a college savings  
1030 trust account for which the minor is the beneficiary pursuant to a college savings trust agreement with  
1031 the *Virginia College Savings Commonwealth Savers* Plan as set forth in subsection B of § 23.1-707,  
1032 provided that (i) the investment options pursuant to such agreement are restricted to target enrollment  
1033 portfolios; (ii) the order or decree approving and confirming the compromise requires the minor  
1034 beneficiary's parent, as that term is defined in § 22.1-1, to act as the custodian of the account; and (iii)  
1035 except in the case of a distribution from the account to be applied toward the minor beneficiary's  
1036 qualified higher education expenses, as that term is defined in § 529 of the Internal Revenue Code of  
1037 1986, as amended, or other applicable federal law, the order or decree approving and confirming the  
1038 compromise prohibits the minor beneficiary's parent from making any transfer, withdrawal, termination,  
1039 or other account transaction unless the court provides prior approval pursuant to a written order;
- 1040 3. To a duly qualified fiduciary of the person under a disability, after due inquiry as to the adequacy  
1041 of the bond of such fiduciary;
- 1042 4. As provided in § 8.01-606; or

1043 5. Where the agreement of settlement provides for payments to be made over a period of time in the  
1044 future, whether such payments are lump sum, periodic, or a combination of both, the court shall approve  
1045 the settlement only if it finds that all payments which are due to be made are (i) secured by a bond  
1046 issued by an insurance company authorized to write such bonds in this Commonwealth or (ii) to be  
1047 made or irrevocably guaranteed by an insurance company or companies authorized to do business in this  
1048 Commonwealth and rated "A plus" (A+) or better by Best's Insurance Reports. Payments made under  
1049 this subdivision totaling not more than \$4,000 in any calendar year may be paid in accordance with  
1050 § 8.01-606. Payments made under this subdivision totaling more than \$4,000 in any calendar year while  
1051 the recipient is under a disability shall be paid to a duly qualified fiduciary after due inquiry as to  
1052 adequacy of the bond of such fiduciary.

1053 E. Payments made under this section, in the case of damage to the person or property of a minor,  
1054 may be made payable in the discretion of the court to the parent or guardian of the minor to be held in  
1055 trust for the benefit of the minor. Any such trust shall be subject to court approval and the court may  
1056 provide for the termination of such trust at any time following attainment of majority which the court  
1057 deems to be in the best interest of the minor. In an order authorizing the trust or additions to an existing  
1058 trust, the court may order that the trustee thereof be subject to the same duty to qualify in the clerk's  
1059 office and to file an inventory and annual accountings with the commissioner of accounts as would  
1060 apply to a testamentary trustee.

1061 **§ 23.1-306. Public institutions of higher education; six-year plans; institutional partnership  
1062 performance agreements.**

1063 A. The governing board of each public institution of higher education shall (i) develop and adopt  
1064 biennially in odd-numbered years and amend or affirm biennially in even-numbered years a six-year  
1065 plan for the institution; (ii) submit a preliminary version of such plan to the Council, the General  
1066 Assembly, the Governor, and the Chairmen of the House Committee on Appropriations, the House  
1067 Committee on Education, the Senate Committee on Education and Health, and the Senate Committee on  
1068 Finance and Appropriations no later than July 1 of each odd-numbered year; and (iii) submit preliminary  
1069 amendments to or a preliminary affirmation of each such plan to the Council, the General Assembly, the  
1070 Governor, and the Chairmen of the House Committee on Appropriations, the House Committee on  
1071 Education, the Senate Committee on Education and Health, and the Senate Committee on Finance and  
1072 Appropriations no later than July 1 of each even-numbered year. Each such preliminary plan and  
1073 preliminary amendment to or preliminary affirmation of such plan shall include a report of the  
1074 institution's active contributions to efforts to stimulate the economic development of the Commonwealth,  
1075 the area in which the institution is located, and, for those institutions subject to a management  
1076 agreement set forth in Article 4 (§ 23.1-1004 et seq.) of Chapter 10, the areas that lag behind the  
1077 Commonwealth in terms of income, employment, and other factors. Each such preliminary plan and  
1078 preliminary amendment to or preliminary affirmation of such plan shall be submitted as a report  
1079 document as provided in the procedures of the Division of Legislative Automated Systems for the  
1080 processing of legislative documents and reports. No such preliminary plan, amendments, or affirmation  
1081 shall be posted on the General Assembly's website.

1082 B. The Secretary of Finance, the Secretary of Education, the Director of the Department of Planning  
1083 and Budget, the Director of the Council, the Staff Director of the House Committee on Appropriations,  
1084 and the Staff Director of the Senate Committee on Finance and Appropriations, or their designees, shall  
1085 review each institution's preliminary plan, amendments, or affirmation and provide comments to the  
1086 institution on such plan, amendments, or affirmation by September 1 of the relevant year. Each  
1087 institution shall respond to any such comments by October 1 of that year and submit a finalized version  
1088 of such plan, amendments, or affirmation to the Council, the General Assembly, the Governor, and the  
1089 Chairmen of the House Committee on Appropriations, the House Committee on Education, the Senate  
1090 Committee on Education and Health, and the Senate Committee on Finance and Appropriations no later  
1091 than December 1 of that year. Each such finalized version shall be submitted as a report document as  
1092 provided in the procedures of the Division of Legislative Automated Systems for the processing of  
1093 legislative documents and reports and shall be posted on the General Assembly's website.

1094 C. Each plan shall be structured in accordance with, and be consistent with, the objective and  
1095 purposes of this chapter set forth in § 23.1-301 and the criteria developed pursuant to § 23.1-309 and  
1096 shall be in a form and manner prescribed by the Council, in consultation with the Secretary of Finance,  
1097 the Secretary of Education, the Director of the Department of Planning and Budget, the Director of the  
1098 Council, the Staff Director of the House Committee on Appropriations, and the Staff Director of the  
1099 Senate Committee on Finance and Appropriations, or their designees.

1100 D. Each six-year plan shall (i) address the institution's academic, financial, and enrollment plans,  
1101 including the number of Virginia and non-Virginia students, for the six-year period; (ii) indicate the  
1102 planned use of any projected increase in general fund, tuition, or other nongeneral fund revenues; (iii) be  
1103 based upon any assumptions provided by the Council, following consultation with the Department of  
1104 Planning and Budget and the staffs of the House Committee on Appropriations and the Senate

1105 Committee on Finance and Appropriations, for funding relating to state general fund support pursuant to  
 1106 §§ 23.1-303, 23.1-304, and 23.1-305 and subdivision 9; (iv) be aligned with the institution's six-year  
 1107 enrollment projections; and (v) include:

1108 1. Financial planning reflecting the institution's anticipated level of general fund, tuition, and other  
 1109 nongeneral fund support for each year of the next biennium;

1110 2. The institution's anticipated annual tuition and educational and general fee charges required by (i)  
 1111 degree level and (ii) domiciliary status, as provided in § 23.1-307;

1112 3. Plans for providing financial aid to help mitigate the impact of tuition and fee increases on  
 1113 low-income and middle-income students and their families as described in subdivision 9, including the  
 1114 projected mix of grants and loans;

1115 4. Degree conferral targets for undergraduate Virginia students;

1116 5. Plans for optimal year-round use of the institution's facilities and instructional resources;

1117 6. Plans for the development of an instructional resource-sharing program with other public  
 1118 institutions of higher education and private institutions of higher education;

1119 7. Plans with regard to any other incentives set forth in § 23.1-305 or any other matters the  
 1120 institution deems appropriate;

1121 8. The identification of (i) new programs or initiatives including quality improvements and (ii)  
 1122 institution-specific funding based on particular state policies or institution-specific programs, or both, as  
 1123 provided in subsection C of § 23.1-307; and

1124 9. An institutional student financial aid commitment that, in conjunction with general funds  
 1125 appropriated for that purpose, provides assistance to students from both low-income and middle-income  
 1126 families and takes into account the information and recommendations resulting from the review of  
 1127 federal and state financial aid programs and institutional practices conducted pursuant to subdivisions B  
 1128 2 and C 1 of § 23.1-309.

1129 E. In developing such plans, each public institution of higher education shall consider potential future  
 1130 impacts of tuition increases on the *Virginia College Savings Commonwealth Savers Plan and ABLE*  
 1131 *Savings Trust Accounts* (§ 23.1-700 et seq.) and shall discuss such potential impacts with the *Virginia*  
 1132 *College Savings Commonwealth Savers Plan*. The chief executive officer of the *Virginia College Savings*  
 1133 *Commonwealth Savers Plan* shall provide to each institution the Plan's assumptions underlying the  
 1134 contract pricing of the program.

1135 F. 1. In conjunction with the plans included in the six-year plan as set forth in subsection D, each  
 1136 public institution of higher education, Richard Bland College, and the Virginia Community College  
 1137 System may submit one innovative proposal with clearly defined performance measures, including any  
 1138 request for necessary authority or support from the Commonwealth, for a performance pilot. If the  
 1139 General Assembly approves the proposed performance pilot, it shall include approval language in the  
 1140 general appropriation act. A performance pilot shall advance the objectives of this chapter by addressing  
 1141 innovative requests related to college access, affordability, cost predictability, enrollment management  
 1142 subject to specified commitments regarding undergraduate in-state student enrollment, alternative tuition  
 1143 and fee structures and affordable pathways to degree attainment, internships and work study,  
 1144 employment pathways for undergraduate Virginia students, strategic talent development, state or regional  
 1145 economic development, pathways to increase timely degree completion, or other priorities set out in the  
 1146 general appropriation act.

1147 2. A performance pilot may include or constitute an institutional partnership performance agreement,  
 1148 which shall be set forth in a memorandum of understanding that includes mutually dependent  
 1149 commitments by the institution, the Commonwealth, and identified partners, if any, related to one or  
 1150 more of the priorities set forth in subdivision 1 or set forth in a general appropriation act. No such  
 1151 institutional partnership performance agreement shall create a legally enforceable obligation of the  
 1152 Commonwealth.

1153 3. No more than six performance pilots shall be approved in a single session of the General  
 1154 Assembly.

1155 4. Development and approval of any performance pilot proposal shall proceed in tandem with  
 1156 consideration of the institution's six-year plan, as follows:

1157 a. An institution that intends to propose a performance pilot shall communicate that intention as early  
 1158 as practicable, but not later than April 1 of the year in which the performance pilot will be proposed, to  
 1159 the reviewers listed in subsection B, the co-chairmen of the Joint Subcommittee on the Future  
 1160 Competitiveness of Virginia Higher Education, and the Governor. In developing a proposed performance  
 1161 pilot, the institution shall consider the Commonwealth's educational and economic policies and priorities,  
 1162 including those reflected in the Virginia Plan for Higher Education issued by the Council, the economic  
 1163 development policy developed pursuant to § 2.2-205, the strategic plan developed pursuant to  
 1164 § 2.2-2237.1, relevant regional economic growth and diversification plans prepared by regional councils  
 1165 pursuant to the Virginia Growth and Opportunity Act (§ 2.2-2484 et seq.), and any additional guidance

1166 provided by the Joint Subcommittee on the Future Competitiveness of Virginia Higher Education and  
1167 the Governor.

1168 b. An institution that submits a performance pilot shall include the one innovative proposal with  
1169 clearly defined performance measures, and any corresponding authority and support requested from the  
1170 Commonwealth, with its submission of the preliminary version of its six-year plan pursuant to clause (ii)  
1171 of subsection A or with its preliminary amendment or affirmation submission pursuant to clause (iii) of  
1172 subsection A.

1173 c. The reviewers listed in subsection B, or their designees, shall review and comment on any  
1174 proposed performance pilot in accordance with the six-year plan review and comment process  
1175 established in subsection B and may expedite such review and comment process to facilitate the  
1176 executive and legislative budget process or for other reasons. No later than October 15 of the relevant  
1177 year, the reviewers shall communicate to the Governor and the Chairmen of the House Committee on  
1178 Appropriations and the Senate Committee on Finance and Appropriations their recommendations  
1179 regarding each performance pilot proposal. Such recommendations shall include the reviewers' comments  
1180 regarding how the proposed performance pilots, individually and collectively, support the strategic  
1181 educational and economic policies of the Commonwealth.

1182 d. Each performance pilot proposal shall include evidence of its approval by the institution's  
1183 governing board and, if accepted, shall be referenced in the general appropriation act.

#### CHAPTER 7.

#### VIRGINIA COLLEGE SAVINGS COMMONWEALTH SAVERS PLAN AND ABLE SAVINGS TRUST 1186 ACCOUNTS.

##### § 23.1-700. Definitions.

1188 As used in this chapter, unless the context requires a different meaning:

1189 "ABLE savings trust account" means an account established pursuant to this chapter to assist  
1190 individuals and families to save private funds to support individuals with disabilities to maintain health,  
1191 independence, and quality of life, with such account used to apply distributions for qualified disability  
1192 expenses for an eligible individual, as both such terms are defined in § 529A of the Internal Revenue  
1193 Code of 1986, as amended, or other applicable federal law.

1194 "Board" means the governing board of the Plan.

1195 "College savings trust account" means an account established pursuant to this chapter to assist  
1196 individuals and families to enhance the accessibility and affordability of higher education, with such  
1197 account used to apply distributions from the account toward qualified higher education expenses, as that  
1198 term is defined in § 529 of the Internal Revenue Code of 1986, as amended, or other applicable federal  
1199 law.

1200 "Contributor" means a person who contributes money to a savings trust account established pursuant  
1201 to this chapter on behalf of a qualified beneficiary and who is listed as the owner of the savings trust  
1202 account.

1203 "Education savings trust account" means an account established pursuant to this chapter to assist  
1204 individuals and families to enhance the accessibility, affordability, and attainability of higher education,  
1205 with such account used to apply distributions from the account toward qualified higher education  
1206 expenses, as that term is defined in § 529 of the Internal Revenue Code of 1986, as amended, or other  
1207 applicable federal law.

1208 "Non-Virginia public and accredited nonprofit independent or private institutions of higher education"  
1209 means public and accredited nonprofit independent or private institutions of higher education that are  
1210 located outside the Commonwealth.

1211 "Plan" means the *Virginia College Savings Commonwealth Savers Plan*.

1212 "Prepaid tuition contract" means the contract or account entered into by the board and a purchaser  
1213 pursuant to this chapter for the advance payment of tuition at a fixed, guaranteed level for a qualified  
1214 beneficiary to attend any public institution of higher education to which the qualified beneficiary is  
1215 admitted.

1216 "Public institution of higher education" has the same meaning as provided in § 23.1-100.

1217 "Purchaser" means a person who makes or is obligated to make advance payments in accordance  
1218 with a prepaid tuition contract and who is listed as the owner of the prepaid tuition contract.

1219 "Qualified beneficiary" or "beneficiary" means (i) a resident of the Commonwealth, as determined by  
1220 the board, who is the beneficiary of a prepaid tuition contract and who may apply advance tuition  
1221 payments to tuition as set forth in this chapter; (ii) a beneficiary of a prepaid tuition contract purchased  
1222 by a resident of the Commonwealth, as determined by the board, who may apply advance tuition  
1223 payments to tuition as set forth in this chapter; or (iii) a beneficiary of a savings trust account  
1224 established pursuant to this chapter.

1225 "Savings trust account" means an ABLE savings trust account or a *college an education* savings trust  
1226 account.

1227 "Savings trust agreement" means the agreement entered into by the board and a contributor that

1228 establishes a savings trust account.

1229 "Tuition" means the quarter, semester, or term charges imposed for undergraduate tuition by any  
1230 public institution of higher education and all mandatory fees required as a condition of enrollment of all  
1231 students. At the discretion of the board, a beneficiary may apply benefits under a prepaid tuition contract  
1232 and distributions from a college *an education* savings trust account (i) toward graduate-level tuition and  
1233 (ii) toward qualified higher education expenses, as that term is defined in 26 U.S.C. § 529 or any other  
1234 applicable section of the Internal Revenue Code of 1986, as amended.

1235 **§ 23.1-701. Plan established; moneys; governing board.**

1236 A. To enhance the accessibility and, affordability, and attainability of higher education for all  
1237 citizens of the Commonwealth, and assist families and individuals to save for qualified disability  
1238 expenses, the *Virginia College Savings Commonwealth Savers Plan* is established as a body politic and  
1239 corporate and an independent agency of the Commonwealth.

1240 B. Moneys of the Plan that are contributions to savings trust accounts made pursuant to this chapter,  
1241 except as otherwise authorized or provided in this chapter, shall be deposited as soon as practicable in a  
1242 separate account or separate accounts in banks or trust companies organized under the laws of the  
1243 Commonwealth, national banking associations, federal home loan banks, or, to the extent permitted by  
1244 law, savings institutions organized under the laws of the Commonwealth or the United States. The  
1245 savings program moneys in such accounts shall be paid out on checks, drafts payable on demand,  
1246 electronic wire transfers, or other means authorized by officers or employees of the Plan.

1247 C. All other moneys of the Plan, including payments received pursuant to prepaid tuition contracts,  
1248 bequests, endowments, grants from the United States government or its agencies or instrumentalities, and  
1249 any other available public or private sources of funds shall be first deposited in the state treasury in a  
1250 special nonreverting fund (the Fund). Such moneys shall then be deposited as soon as practicable in a  
1251 separate account or separate accounts in banks or trust companies organized under the laws of the  
1252 Commonwealth, national banking associations, federal home loan banks, or, to the extent permitted by  
1253 law, savings institutions organized under the laws of the Commonwealth or the United States. Benefits  
1254 relating to prepaid tuition contracts and Plan operating expenses shall be paid from the Fund. Any  
1255 moneys remaining in the Fund at the end of a biennium shall not revert to the general fund but shall  
1256 remain in the Fund. Interest and income earned from the investment of such funds shall remain in the  
1257 Fund and be credited to it.

1258 D. The Plan may maintain an independent disbursement system for the disbursement of prepaid  
1259 tuition contract benefits and, in connection with such system, open and maintain a separate account or  
1260 separate accounts in banks or trust companies organized under the laws of the Commonwealth, national  
1261 banking associations, federal home loan banks, or, to the extent permitted by law, savings institutions  
1262 organized under the laws of the Commonwealth or the United States. Such independent disbursement  
1263 system and any related procedures shall be subject to review and approval by the State Comptroller.  
1264 Nothing in this subsection shall be construed to relieve the Plan of its duty to provide prepaid tuition  
1265 contract benefit transactions to the Commonwealth's system of general accounting maintained by the  
1266 State Comptroller pursuant to § 2.2-802.

1267 E. The Plan shall be administered by an 11-member board that consists of (i) the director of the  
1268 Council or his designee, the Chancellor of the Virginia Community College System or his designee, the  
1269 State Treasurer or his designee, and the State Comptroller or his designee, all of whom shall serve ex  
1270 officio with voting privileges, and (ii) seven nonlegislative citizen members, four of whom shall be  
1271 appointed by the Governor, one of whom shall be appointed by the Senate Committee on Rules, two of  
1272 whom shall be appointed by the Speaker of the House of Delegates, and all of whom shall have  
1273 significant experience in finance, accounting, law, investment management, higher education, or  
1274 disability advocacy. In addition, at least one of the nonlegislative citizen members shall have expertise in  
1275 the management and administration of private defined contribution retirement plans.

1276 F. Members appointed to the board shall serve terms of four years. Vacancies occurring other than  
1277 by expiration of a term shall be filled for the unexpired term. No member appointed to the board shall  
1278 serve more than two consecutive four-year terms; however, a member appointed to serve an unexpired  
1279 term is eligible to serve two consecutive four-year terms immediately succeeding such unexpired term.

1280 G. Ex officio members of the board shall serve terms coincident with their terms of office.

1281 H. Members of the board shall receive no compensation but shall be reimbursed for actual expenses  
1282 incurred in the performance of their duties.

1283 I. The board shall elect from its membership a chairman and a vice-chairman annually.

1284 J. A majority of the members of the board shall constitute a quorum.

1285 **§ 23.1-704. Powers and duties of the board.**

1286 The board shall:

- 1287 1. Administer the Plan established by this chapter;
- 1288 2. Develop and implement programs for (i) the prepayment of undergraduate tuition, as defined in

1289 § 23.1-700, at a fixed, guaranteed level for application at a public institution of higher education; (ii)  
1290 contributions to ~~e~~college education savings trust accounts established pursuant to this chapter on behalf of  
1291 a qualified beneficiary in order to apply distributions from the account toward qualified higher education  
1292 expenses, as that term is defined in § 529 of the Internal Revenue Code of 1986, as amended, or other  
1293 applicable federal law; and (iii) contributions to ABLE savings trust accounts established pursuant to this  
1294 chapter on behalf of a qualified beneficiary in order to apply distributions from the account toward  
1295 qualified disability expenses for an eligible individual, as both such terms are defined in § 529A of the  
1296 Internal Revenue Code of 1986, as amended, or other applicable federal law;

1297 3. Invest moneys in the Plan in any instruments, obligations, securities, or property deemed  
1298 appropriate by the board;

1299 4. Develop requirements, procedures, and guidelines regarding prepaid tuition contracts and savings  
1300 trust accounts, including residency and other eligibility requirements; the number of participants in the  
1301 Plan; the termination, withdrawal, or transfer of payments under a prepaid tuition contract or savings  
1302 trust account; time limitations for the use of tuition benefits or savings trust account distributions; and  
1303 payment schedules;

1304 5. Enter into contractual agreements, including contracts for legal, actuarial, financial, and consulting  
1305 services and contracts with other states to provide savings trust accounts for residents of contracting  
1306 states;

1307 6. Procure insurance as determined appropriate by the board (i) against any loss in connection with  
1308 the Plan's property, assets, or activities and (ii) indemnifying board members from personal loss or  
1309 accountability from liability arising from any action or inaction as a board member;

1310 7. Make arrangements with public institutions of higher education to fulfill obligations under prepaid  
1311 tuition contracts and apply ~~e~~college education savings trust account distributions, including (i) payment  
1312 from the Plan of the appropriate amount of tuition on behalf of a qualified beneficiary of a prepaid  
1313 tuition contract to the institution to which the beneficiary is admitted and at which the beneficiary is  
1314 enrolled and (ii) application of such benefits toward graduate-level tuition and toward qualified higher  
1315 education expenses, as that term is defined in 26 U.S.C. § 529 or any other applicable section of the  
1316 Internal Revenue Code of 1986, as amended, as determined by the board in its sole discretion;

1317 8. Develop ~~and~~ implement scholarship or matching grant programs, or both, and fund programs or  
1318 partnerships to enhance educational accessibility, affordability, and attainability for all Virginians,  
1319 focusing on underserved and underrepresented communities and students, including public or private  
1320 programs or partnerships focused on workforce development, scholarships, and mentoring, advising, or  
1321 coaching services for secondary and postsecondary students, as the board ~~may deem~~ deems appropriate,  
1322 to further its goal of making higher education more affordable and accessible to all citizens of the  
1323 Commonwealth in consultation with the relevant shareholders. The board shall also develop a funding  
1324 and allocation policy for such programs or partnerships from the Fund, establish program or  
1325 partnership metrics and evaluation standards, and provide ongoing review of such programs or  
1326 partnerships;

1327 9. Apply for, accept, and expend gifts, grants, or donations from public or private sources to enable  
1328 it to carry out its objectives;

1329 10. Adopt regulations and procedures and perform any act or function consistent with the purposes of  
1330 this chapter; and

1331 11. Reimburse, at its option, all or part of the cost of employing legal counsel and such other costs  
1332 as are demonstrated to have been reasonably necessary for the defense of any board member, officer, or  
1333 employee of the Plan upon the acquittal, dismissal of charges, nolle prosequi, or any other final  
1334 disposition concluding the innocence of such member, officer, or employee who is brought before any  
1335 regulatory body, summoned before any grand jury, investigated by any law-enforcement agency,  
1336 arrested, indicted, or otherwise prosecuted on any criminal charge arising out of any act committed in  
1337 the discharge of his official duties that alleges a violation of state or federal securities laws. The board  
1338 shall provide for the payment of such legal fees and expenses out of funds appropriated or otherwise  
1339 available to the board.

#### 1340 § 23.1-705. Board actions not a debt of Commonwealth.

1341 A. As used in this section, "current obligations of the Plan" means amounts required for the payment  
1342 of contract benefits or other obligations of the Plan, the maintenance of the Plan, and operating expenses  
1343 for the current biennium. "Current obligations of the Plan" also includes any additional benefit  
1344 established pursuant to subsection D of § 23.1-707 and any programs or partnerships established for  
1345 the purpose of enhancing the accessibility, affordability, and attainability of higher education pursuant  
1346 to subdivision 8 of § 23.1-704. The estimated amount for such obligations shall be included in the sum  
1347 sufficient appropriation required by subsection C.

1348 B. No act or undertaking of the board is a debt or a pledge of the full faith and credit of the  
1349 Commonwealth or any political subdivision of the Commonwealth, and all such acts and undertakings  
1350 are payable solely from the Plan.

1351 C. Notwithstanding the provisions of subsection B, in order to ensure that the Plan is able to meet its  
1352 current obligations, the Governor shall include in the budget bills submitted pursuant to § 2.2-1509 a  
1353 sum sufficient appropriation for the purpose of ensuring that the Plan can meet the current obligations of  
1354 the Plan. Any sums appropriated by the General Assembly for such purpose shall be deposited into the  
1355 Fund. All amounts paid into the Fund pursuant to this subsection shall constitute and be accounted for  
1356 as advances by the Commonwealth to the Plan and, subject to the rights of the Plan's contract holders,  
1357 shall be repaid to the Commonwealth without interest from available operating revenue of the Plan in  
1358 excess of amounts required for the payment of current obligations of the Plan.

1359 **§ 23.1-706. Standard of care; investment and administration of the Plan.**

1360 A. In acquiring, investing, reinvesting, exchanging, retaining, selling, and managing property for the  
1361 benefit of the Plan, the board, and any person, investment manager, or committee to whom the board  
1362 delegates any of its investment authority, shall act as trustee and shall exercise the judgment of care  
1363 under the circumstances then prevailing that persons of prudence, discretion, and intelligence exercise in  
1364 the management of their own affairs, not in regard to speculation but to the permanent disposition of  
1365 funds, considering the probable income and the probable safety of their capital. *No officer, director, or*  
1366 *member of the board or of any advisory committee to the board whose actions are within the standard*  
1367 *of care of this section shall be held personally liable for losses suffered by the Plan.*

1368 If the annual accounting and audit required by § 23.1-710 reveal that there are insufficient funds to  
1369 ensure the actuarial soundness of the Plan, the board may adjust the terms of subsequent prepaid tuition  
1370 contracts, arrange refunds for current purchasers to ensure actuarial soundness, or take such other action  
1371 the board deems appropriate.

1372 B. The assets of the Plan shall be preserved, invested, and expended solely pursuant to and for the  
1373 purposes of this chapter and shall not be loaned or otherwise transferred or used by the Commonwealth  
1374 for any other purpose. Within the standard of care set forth in subsection A, the board and any person,  
1375 investment manager, or committee to whom the board delegates any of its investment authority, may  
1376 acquire and retain any kind of property and any kind of investment, including (i) debentures and other  
1377 corporate obligations of foreign or domestic corporations; (ii) common or preferred stocks traded on  
1378 foreign or domestic stock exchanges; (iii) not less than all of the stock or 100 percent ownership of a  
1379 corporation or other entity organized by the board under the laws of the Commonwealth for the  
1380 purposes of acquiring and retaining real property that the board may acquire and retain under this  
1381 chapter; and (iv) securities of any open-end or closed-end management type investment company or  
1382 investment trust registered under the federal Investment Company Act of 1940, as amended, including  
1383 investment companies or investment trusts that, in turn, invest in the securities of such investment  
1384 companies or investment trusts that persons of prudence, discretion, and intelligence acquire or retain for  
1385 their own account. The board may retain property properly acquired without time limitation and without  
1386 regard to its suitability for original purchase.

1387 All provisions of this subsection shall also apply to the portion of the Plan assets attributable to  
1388 savings trust account contributions and the earnings on such contributions.

1389 C. The selection of services relating to the operation and administration of the Plan, including  
1390 contracts or agreements for the management, purchase, or sale of authorized investments or actuarial,  
1391 recordkeeping, or consulting services, are governed by the standard of care set forth in subsection A and  
1392 are not subject to the provisions of the Virginia Public Procurement Act (§ 2.2-4300 et seq.).

1393 D. No board member or person, investment manager, or committee to whom the board delegates any  
1394 of its investment authority who acts in accordance with the standard of care set forth in subsection A  
1395 shall be held personally liable for losses suffered by the Plan on investments made pursuant to this  
1396 chapter.

1397 E. To the extent necessary to lawfully administer the Plan and in order to comply with federal, state,  
1398 and local tax reporting requirements, the Plan may obtain all necessary social security account or tax  
1399 identification numbers and such other data as the Plan deems necessary for such purposes, whether from  
1400 a contributor, a purchaser, or another state agency.

1401 F. This section shall not be construed to prohibit the Plan's investment, by purchase or otherwise, in  
1402 bonds, notes, or other obligations of the Commonwealth or its agencies and instrumentalities.

1403 **§ 23.1-707. Prepaid tuition contracts and education and ABLE savings trust agreements.**

1404 A. Each prepaid tuition contract made pursuant to this chapter shall include the following terms and  
1405 provisions:

- 1406 1. The amount of payment or payments and the number of payments required from a purchaser on  
1407 behalf of a qualified beneficiary;
- 1408 2. The terms and conditions under which purchasers shall remit payments, including the dates of  
1409 such payments;
- 1410 3. Provisions for late payment charges, defaults, withdrawals, refunds, and any penalties;
- 1411 4. The name and date of birth of the qualified beneficiary on whose behalf the contract is made;

1412        5. Terms and conditions for a substitution for the qualified beneficiary originally named;  
1413        6. Terms and conditions for termination of the contract, including any refunds, withdrawals, or  
1414 transfers of tuition prepayments, and the name of the person entitled to terminate the contract;  
1415        7. The time period during which the qualified beneficiary is required to claim benefits from the Plan;  
1416        8. The number of credit hours or quarters, semesters, terms, or units contracted for by the purchaser,  
1417 as applicable;  
1418        9. All other rights and obligations of the purchaser and the trust; and  
1419        10. Any other terms and conditions that the board deems necessary or appropriate, including those  
1420 necessary to conform the contract with the requirements of § 529 of the Internal Revenue Code of 1986,  
1421 as amended, which specifies the requirements for qualified state tuition programs.

1422        B. Each ~~college~~ *education* savings trust agreement made pursuant to this chapter shall include the  
1423 following terms and provisions:

1424        1. The maximum and minimum contribution allowed on behalf of each qualified beneficiary for the  
1425 payment of qualified higher education expenses, as that term is defined in § 529 of the Internal Revenue  
1426 Code of 1986, as amended, or other applicable federal law;  
1427        2. Provisions for withdrawals, refunds, transfers, and any penalties;  
1428        3. The name, address, and date of birth of the qualified beneficiary on whose behalf the savings trust  
1429 account is opened;  
1430        4. Terms and conditions for a substitution for the qualified beneficiary originally named;  
1431        5. Terms and conditions for termination of the account, including any refunds, withdrawals, or  
1432 transfers, and applicable penalties, and the name of the person entitled to terminate the account;  
1433        6. The time period during which the qualified beneficiary is required to use benefits from the savings  
1434 trust account;  
1435        7. All other rights and obligations of the contributor and the Plan; and  
1436        8. Any other terms and conditions that the board deems necessary or appropriate, including those  
1437 necessary to conform the savings trust account with the requirements of § 529 of the Internal Revenue  
1438 Code of 1986, as amended, or other applicable federal law.

1439        C. Each ABLE savings trust agreement made pursuant to this chapter shall include the following  
1440 terms and provisions:

1441        1. The maximum and minimum annual contribution and maximum account balance allowed on behalf  
1442 of each qualified beneficiary for the payment of qualified disability expenses, as defined in § 529A of  
1443 the Internal Revenue Code of 1986, as amended, or other applicable federal law;  
1444        2. Provisions for withdrawals, refunds, transfers, return of excess contributions, and any penalties;  
1445        3. The name, address, and date of birth of the qualified beneficiary on whose behalf the savings trust  
1446 account is opened;  
1447        4. Terms and conditions for a substitution for the qualified beneficiary originally named;  
1448        5. Terms and conditions for termination of the account, including any transfers to the state upon the  
1449 death of the qualified beneficiary, refunds, withdrawals, transfers, applicable penalties, and the name of  
1450 the person entitled to terminate the account;  
1451        6. The time period during which the qualified beneficiary is required to use benefits from the savings  
1452 trust account;  
1453        7. All other rights and obligations of the contributor and the Plan; and  
1454        8. Any other terms and conditions that the board deems necessary or appropriate, including those  
1455 necessary to conform the savings trust account with the requirements of § 529A of the Internal Revenue  
1456 Code of 1986, as amended, or other applicable federal law.

1457        D. In addition to the provisions required by subsection A, each prepaid tuition contract entered into  
1458 prior to July 1, 2019, shall include provisions for the application of tuition prepayments (i) at accredited  
1459 nonprofit independent or private institutions of higher education, including actual interest and income  
1460 earned on such prepayments, and (ii) at non-Virginia public and accredited nonprofit independent or  
1461 private institutions of higher education, including principal and reasonable return on such principal as  
1462 determined by the board. Payments authorized for accredited nonprofit independent or private institutions  
1463 of higher education shall not exceed the projected highest payment made for tuition at a public  
1464 institution of higher education in the same academic year, less a fee to be determined by the board.  
1465 Payments authorized for non-Virginia public and accredited nonprofit independent or private institutions  
1466 of higher education shall not exceed the projected average payment made for tuition at a public  
1467 institution of higher education in the same academic year, less a fee to be determined by the board. In  
1468 no event, however, shall the benefit paid on any prepaid tuition contract entered into prior to July 1,  
1469 2019, be less than the sum of tuition prepayments made and a reasonable return on such prepayments to  
1470 be determined by the board, less any fees determined by the board, *provided, however, that at the*  
1471 *discretion of the board the benefit paid on any prepaid tuition contract entered into prior to July 1,*  
1472 *2019, whether already depleted or not, may be supplemented by an additional benefit to be determined*  
1473 *on such terms and conditions as the board may determine acting in its capacity as fiduciary of the Plan.*

1474 E. In addition to the provisions required by subsection A, each prepaid tuition contract entered into  
1475 on or after July 1, 2019, shall include provisions for the application of tuition prepayments, at a rate  
1476 equal to the percentage of enrollment-weighted average tuition at public institutions of higher education  
1477 to be determined by the board, at (i) public institutions of higher education, (ii) accredited nonprofit  
1478 independent or private institutions of higher education, and (iii) non-Virginia public and accredited  
1479 nonprofit independent or private institutions of higher education. In no event, however, shall the benefit  
1480 paid on any prepaid tuition contract entered into on or after July 1, 2019, be less than tuition  
1481 prepayments made, less any fees as determined by the board.

1482 F. All prepaid tuition contracts and savings trust agreements shall specifically provide that if after a  
1483 specified period of time the contract or savings trust agreement has not been terminated and the  
1484 qualified beneficiary's rights have not been exercised, the board, after making a reasonable effort to  
1485 contact the purchaser or contributor and the qualified beneficiary or their agents, shall report such  
1486 unclaimed moneys to the State Treasurer pursuant to § 55.1-2524.

1487 G. 1. Notwithstanding any provision of law to the contrary, money in the Plan is exempt from  
1488 creditor process, is not liable to attachment, garnishment, or other process, and shall not be seized,  
1489 taken, appropriated, or applied by any legal or equitable process or operation of law to pay any debt or  
1490 liability of any purchaser, contributor, or beneficiary. Unless required by federal law, the  
1491 Commonwealth, its agencies, and its instrumentalities shall not seek payment pursuant to 26 U.S.C.  
1492 § 529A from any ABLE savings trust account or its proceeds for benefits provided to the beneficiary of  
1493 the account and shall not undertake estate recovery from any ABLE savings trust account pursuant to 26  
1494 U.S.C. § 529A.

1495 2. Unless prohibited by federal law, the beneficiary of an ABLE savings trust account may appoint a  
1496 survivor. In the event of the beneficiary's death, if the survivor is (i) an eligible individual, as defined in  
1497 26 U.S.C. § 529A(e), then such survivor shall become the beneficiary of the ABLE savings trust account  
1498 or (ii) not an eligible individual, as defined in 26 U.S.C. § 529A(e), then any proceeds remaining after  
1499 final distributions have been made on behalf of the deceased beneficiary shall be distributed to the  
1500 survivor and the account shall be closed.

1501 H. Notwithstanding any other provision of state law that requires consideration of one or more  
1502 financial circumstances of an individual for the purpose of determining (i) the individual's eligibility to  
1503 receive any assistance or benefit pursuant to such provision of state law or (ii) the amount of any such  
1504 assistance or benefit that such individual is eligible to receive pursuant to such provision of state law,  
1505 any (a) moneys in an ABLE savings trust account for which such individual is the beneficiary, including  
1506 any interest on such moneys, (b) contributions to an ABLE savings trust account for which such  
1507 individual is the beneficiary, and (c) distribution for qualified disability expenses for such individual  
1508 from an ABLE savings trust account for which such individual is the beneficiary shall be disregarded  
1509 for such purpose with respect to any period during which such individual remains the beneficiary of,  
1510 makes contributions to, or receives distributions for qualified disability expenses from such ABLE  
1511 savings trust account.

1512 I. No prepaid tuition contract or savings trust account shall be assigned for the benefit of creditors,  
1513 used as security or collateral for any loan, or otherwise subject to alienation, sale, transfer, assignment,  
1514 pledge, encumbrance, or charge.

1515 J. The board's decision on any dispute, claim, or action arising out of or relating to a prepaid tuition  
1516 contract or savings trust agreement made or entered into pursuant to this chapter or benefits under such  
1517 prepaid tuition contract or savings trust agreement shall be considered a case decision as defined in  
1518 § 2.2-4001 and all proceedings related to such dispute, claim, or action shall be conducted pursuant to  
1519 Article 3 (§ 2.2-4018 et seq.) of the Administrative Process Act. Judicial review shall be provided  
1520 exclusively pursuant to Article 5 (§ 2.2-4025 et seq.) of the Administrative Process Act.

### 1521 **§ 23.1-1004. Management agreement; eligibility and application.**

1522 A. The governing board and administration of each public institution of higher education that meets  
1523 the state goals set forth in subsection A of § 23.1-1002 and meets the requirements of this article to  
1524 demonstrate the ability to manage successfully the administrative and financial operations of the  
1525 institution without jeopardizing the financial integrity and stability of the institution may negotiate with  
1526 the Governor to develop a management agreement with the Commonwealth to exercise restructured  
1527 financial and administrative authority.

1528 B. No public institution of higher education shall enter into a management agreement unless:

1529 1. a. Its most current and unenhanced bond rating received from Moody's Investors Service, Inc.,  
1530 Standard & Poor's, Inc., or Fitch Investor's Services, Inc., is at least AA- (i.e., AA minus) or its  
1531 equivalent, provided that such bond rating has been received within the last three years of the date that  
1532 the initial management agreement is entered into; or

1533 b. The institution has participated in decentralization pilot programs in the areas of finance and  
1534 capital outlay, demonstrated management competency in those two areas as evidenced by a written

1535 certification from the Cabinet Secretary designated by the Governor, received restructured operational  
1536 authority under a memorandum of understanding pursuant to Article 3 (§ 23.1-1003 et seq.) in at least  
1537 one functional area, and demonstrated management competency in that area for a period of at least two  
1538 years;

1539 2. At least an absolute two-thirds of the institution's governing board has voted in the affirmative for  
1540 a resolution in support of a request for restructured operational authority under a management  
1541 agreement;

1542 3. The institution submits to the Governor a written request for his approval of the management  
1543 agreement that contains evidence that (i) the institution possesses the necessary administrative  
1544 infrastructure, experience, and expertise to perform successfully its public educational mission as a  
1545 covered institution; (ii) the institution is financially able to operate as a covered institution without  
1546 jeopardizing the financial integrity and stability of the institution; (iii) the institution consistently meets  
1547 the financial and administrative management standards pursuant to § 23.1-1001; and (iv) the institution's  
1548 governing board has adopted performance and accountability standards, in addition to any institutional  
1549 performance benchmarks included in the general appropriation act and developed pursuant to § 23.1-206,  
1550 against which its implementation of the restructured operational authority under the management  
1551 agreement can be measured;

1552 4. The institution provides a copy of the written request to the Chairmen of the House Committee on  
1553 Appropriations, the House Committee on Education, the Senate Committee on Finance and  
1554 Appropriations, and the Senate Committee on Education and Health;

1555 5. The institution agrees to reimburse the Commonwealth for any additional costs that the  
1556 Commonwealth incurs to provide health or other group insurance benefits to employees and undertake  
1557 any risk management program that are attributable to the institution's exercise of restructured operational  
1558 authority. The Secretary of Finance and the Secretary of Administration, in consultation with the  
1559 Virginia Retirement System and the affected institutions, shall establish procedures for determining any  
1560 amounts to be paid by each institution and a mechanism for transferring the appropriate amounts directly  
1561 and solely to the affected programs;

1562 6. The institution considers potential future impacts of tuition increases on the *Virginia College*  
1563 *Savings Commonwealth Savers* Plan and discusses such potential impacts with parties participating in the  
1564 development of the management agreement. The chief executive officer of the *Virginia College Savings*  
1565 *Commonwealth Savers* Plan shall provide to the institution and such parties the Plan's assumptions  
1566 underlying the contract pricing of the program; and

1567 7. The Governor transmits a draft of any management agreement that affects insurance or benefit  
1568 programs administered by the Virginia Retirement System to the Board of Trustees of the Virginia  
1569 Retirement System, which shall review the relevant provisions of the management agreement to ensure  
1570 compliance with the applicable provisions of Title 51.1, administrative policies and procedures, and  
1571 federal regulations governing retirement plans and advise the Governor and appropriate Cabinet  
1572 Secretaries of any conflicts.

## CHAPTER 51.

### VIRGINIA COLLEGE SAVINGS COMMONWEALTH SAVERS PLAN OVERSIGHT ACT.

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

1576 The General Assembly hereby designates the Joint Legislative Audit and Review Commission (the  
1577 Commission) to oversee and evaluate the *Virginia College Savings Commonwealth Savers* Plan on a  
1578 continuing basis and to make such special studies and reports as may be requested by the General  
1579 Assembly, the House Committee on Appropriations, or the Senate Committee on Finance and  
1580 Appropriations.

#### § 30-331. Duties and powers.

1582 A. The areas of review and evaluation to be conducted by the Commission shall include, but are not  
1583 limited to, the following: (i) structure and governance of the *Virginia College Savings Commonwealth*  
1584 *Savers* Plan; (ii) structure of the investment portfolio; (iii) investment practices, policies, and  
1585 performance; (iv) actuarial policy; and (v) administration and management of the *Virginia College*  
1586 *Savings Commonwealth Savers* Plan.

1587 B. For purposes of carrying out its duties under this chapter, the Commission shall have the  
1588 following powers, including but not limited to:

1589 1. Access to the information, records, and facilities of the *Virginia College Savings Commonwealth*  
1590 *Savers* Plan and any corporations or subsidiaries thereof or other entities owned, directly or indirectly, or  
1591 otherwise created by or on behalf of the Plan.

1592 2. Access to the public and executive session meetings and records of the Board of the *Virginia*  
1593 *College Savings Commonwealth Savers* Plan, as well as those of any advisory committees. Access shall  
1594 include the right to attend such meetings.

1595 3. Access to the *Virginia College Savings Commonwealth Savers* Plan's employees, consultants,  
1596 actuaries, investment managers, advisors, attorneys, accountants, or other contractors in the employ or

1597 hire of the *Virginia College Savings Commonwealth Savers Plan*. Such persons shall cooperate with the  
1598 Commission and upon its request shall provide specific information or opinions in the form requested.

1599 C. The chairman of the Commission may appoint a permanent subcommittee to provide guidance and  
1600 direction for oversight activities, subject to the full Commission's supervision and such guidelines as the  
1601 Commission itself may provide.

1602 D. Confidential or proprietary records of the *Virginia College Savings Commonwealth Savers Plan* or  
1603 its subsidiary corporations provided to the Commission shall be exempt from the Virginia Freedom of  
1604 Information Act (§ 2.2-3700 et seq.).

1605 **§ 30-332. Required reports.**

1606 A. The *Virginia College Savings Commonwealth Savers Plan* shall submit to the General Assembly,  
1607 through the Commission, annual reports on the investment programs of the *Virginia College Savings  
1608 Commonwealth Savers Plan*. The report shall be presented in a format approved by the Commission and  
1609 shall include information concerning (i) planned or actual material changes in asset allocation, (ii)  
1610 investment performance of all asset classes and subclasses, and (iii) investment policies and programs.

1611 B. The *Virginia College Savings Commonwealth Savers Plan* shall submit an annual report on the  
1612 actuarial soundness of the Plan's prepaid programs, which shall include (i) contract pricing policies and  
1613 objectives, (ii) current and projected assets and actuarially estimated value of tuition obligations, and (iii)  
1614 actuarial assumptions.

1615 C. The *Virginia College Savings Commonwealth Savers Plan* shall furnish such reports or  
1616 information as may be requested by the Commission or standing committees of the General Assembly  
1617 having jurisdiction over the subject matter that is the basis of such committees' inquiry.

1618 D. The Commission shall publish the following reports concerning the *Virginia College Savings  
1619 Commonwealth Savers Plan*: (i) a biennial status report that shall include, at a minimum and where  
1620 appropriate, findings and recommendations and (ii) with the assistance of an actuary, a review of the  
1621 *Virginia College Savings Commonwealth Savers Plan*'s annual actuarial valuation reports once every four  
1622 years.

1623 **§ 30-333. Use of consultants.**

1624 The Commission may employ on a consulting basis such investment, actuarial, and other professional  
1625 or technical experts as may be reasonably necessary for the Commission to fulfill its responsibilities  
1626 under this chapter. Such consultants shall provide, upon request, assistance to the House Committee on  
1627 Appropriations and Senate Committee on Finance and Appropriations on matters related to the *Virginia  
1628 College Savings Commonwealth Savers Plan*.

1629 **§ 30-335. Funding for the Commission's oversight activities.**

1630 The Commission's reasonable and necessary expenses related to its duties under this chapter shall be  
1631 paid by the *Virginia College Savings Commonwealth Savers Plan*. On or before September 30 of each  
1632 year, the Commission shall submit to the Board of the *Virginia College Savings Commonwealth Savers  
1633 Plan* an itemized estimate for the next fiscal year of the amounts necessary to pay the Commission's  
1634 expenses related to its duties under this chapter and shall include the estimate as part of the agency's  
1635 budget submission to the House Committee on Appropriations and the Senate Committee on Finance  
1636 and Appropriations.

1637 **§ 51.1-505.01. Additional accidental death and dismemberment benefits.**

1638 The group life, accidental death, and dismemberment insurance coverage purchased by the Board  
1639 shall include, but not be limited to, the following benefits:

1640 A. If, as a result of an accident, an insured employee dies at least 75 miles from his principal  
1641 residence, an additional accidental death benefit shall be paid for the preparation and transportation of  
1642 the employee to a mortuary. The additional benefit shall be the lesser of the actual cost for such  
1643 preparation and transportation or \$5,000;

1644 B. If an insured employee dies or suffers a dismemberment as a result of an accident that occurs  
1645 while the employee is driving or riding in a private passenger vehicle, an additional accidental death or  
1646 dismemberment benefit shall be paid, provided that (i) the private passenger vehicle is equipped with a  
1647 safety restraint system; (ii) such safety restraint system was being used properly by the insured employee  
1648 at the time of the accident, as certified in the official accident report or by the official investigating  
1649 officer; and (iii) at the time of the accident, the driver of the private passenger vehicle held a current  
1650 license to operate a private passenger vehicle and was not intoxicated, driving while impaired or under  
1651 the influence of alcohol or drugs, as is defined or determined under applicable law.

1652 The additional benefit shall be the lesser of 10 percent of the amount otherwise payable due to such  
1653 accidental death or dismemberment or \$50,000.

1654 C. Death or dismemberment from a felonious assault.

1655 1. If an insured employee dies or suffers a dismemberment as a result of an accident caused by a  
1656 felonious assault committed by other than an immediate family member, there shall be paid an  
1657 additional accidental death or dismemberment benefit equal to the lesser of 25 percent of the amount

1658 otherwise payable due to such accidental death or dismemberment or \$50,000.

1659 2. In addition, if (i) an insured employee dies as a result of an accident caused by a felonious assault  
1660 committed by other than an immediate family member, and (ii) such insured employee has a qualifying  
1661 child at the time of such accident, a college savings trust account under the *Virginia College Savings*  
1662 *Commonwealth Savers Plan* (§ 23.1-700 et seq.) shall be opened for each qualifying child. The  
1663 Retirement System shall be the contributor of any such account and shall contribute into the account of  
1664 each such qualifying child an amount approximately equal to the current average cost, as published by  
1665 the State Council of Higher Education for Virginia, of four years of tuition and mandatory fees at  
1666 baccalaureate public institutions of higher education in the Commonwealth. The qualified beneficiary, as  
1667 defined in § 23.1-700, shall be the qualifying child on whose behalf such account was opened. Specific  
1668 benefits of the college savings trust account shall be as defined by the *Virginia College Savings*  
1669 *Commonwealth Savers Plan*.

1670 Disbursements from a college savings trust account opened under this section shall be governed by  
1671 procedures adopted by the Board of Trustees of the Virginia Retirement System in accordance with  
1672 § 529 of the Internal Revenue Code of 1986, as amended, or other applicable federal law, and any other  
1673 additional procedures as determined by the Board of the *Virginia College Savings Commonwealth Savers*  
1674 *Plan*. College savings trust account funds shall be payable only for qualified higher education expenses  
1675 to a post-secondary eligible educational institution. Any funds in a college savings trust account that are  
1676 not used by a qualifying child before the expiration of the time period for the use of such funds, as  
1677 determined by the *Virginia College Savings Commonwealth Savers Plan*, shall be paid to the Retirement  
1678 System promptly after the expiration of such period.

1679 **§ 58.1-322.02. (Effective until date pursuant to Va. Const., Art. IV, § 13) Virginia taxable  
1680 income; subtractions.**

1681 In computing Virginia taxable income pursuant to § 58.1-322, to the extent included in federal  
1682 adjusted gross income, there shall be subtracted:

1683 1. Income derived from obligations, or on the sale or exchange of obligations, of the United States  
1684 and on obligations or securities of any authority, commission, or instrumentality of the United States to  
1685 the extent exempt from state income taxes under the laws of the United States, including, but not  
1686 limited to, stocks, bonds, treasury bills, and treasury notes but not including interest on refunds of  
1687 federal taxes, interest on equipment purchase contracts, or interest on other normal business transactions.

1688 2. Income derived from obligations, or on the sale or exchange of obligations, of the Commonwealth  
1689 or of any political subdivision or instrumentality of the Commonwealth.

1690 3. Benefits received under Title II of the Social Security Act and other benefits subject to federal  
1691 income taxation solely pursuant to § 86 of the Internal Revenue Code.

1692 4. Up to \$20,000 of disability income, as defined in § 22(c)(2)(B)(iii) of the Internal Revenue Code;  
1693 however, any person who claims a deduction under subdivision 5 of § 58.1-322.03 may not also claim a  
1694 subtraction under this subdivision.

1695 5. The amount of any refund or credit for overpayment of income taxes imposed by the  
1696 Commonwealth or any other taxing jurisdiction.

1697 6. The amount of wages or salaries eligible for the federal Work Opportunity Credit which was not  
1698 deducted for federal purposes on account of the provisions of § 280C(a) of the Internal Revenue Code.

1699 7. Any amount included therein less than \$600 from a prize awarded by the Virginia Lottery.

1700 8. The wages or salaries received by any person for active and inactive service in the National Guard  
1701 of the Commonwealth of Virginia, not to exceed the amount of income derived from 39 calendar days  
1702 of such service or \$3,000, whichever amount is less; however, only those persons in the ranks of O3  
1703 and below shall be entitled to the deductions specified in this subdivision.

1704 9. Amounts received by an individual, not to exceed \$1,000 for taxable years beginning on or before  
1705 December 31, 2019, and \$5,000 for taxable years beginning on or after January 1, 2020, as a reward for  
1706 information provided to a law-enforcement official or agency, or to a nonprofit corporation created  
1707 exclusively to assist such law-enforcement official or agency, in the apprehension and conviction of  
1708 perpetrators of crimes. This subdivision shall not apply to the following: an individual who is an  
1709 employee of, or under contract with, a law-enforcement agency, a victim or the perpetrator of the crime  
1710 for which the reward was paid, or any person who is compensated for the investigation of crimes or  
1711 accidents.

1712 10. The amount of "qualified research expenses" or "basic research expenses" eligible for deduction  
1713 for federal purposes, but which were not deducted, on account of the provisions of § 280C(c) of the  
1714 Internal Revenue Code and which shall be available to partners, shareholders of S corporations, and  
1715 members of limited liability companies to the extent and in the same manner as other deductions may  
1716 pass through to such partners, shareholders, and members.

1717 11. Any income received during the taxable year derived from a qualified pension, profit-sharing, or  
1718 stock bonus plan as described by § 401 of the Internal Revenue Code, an individual retirement account  
1719 or annuity established under § 408 of the Internal Revenue Code, a deferred compensation plan as

1720 defined by § 457 of the Internal Revenue Code, or any federal government retirement program, the  
1721 contributions to which were deductible from the taxpayer's federal adjusted gross income, but only to the  
1722 extent the contributions to such plan or program were subject to taxation under the income tax in  
1723 another state.

1724 12. Any income attributable to a distribution of benefits or a refund from a prepaid tuition contract  
1725 or savings trust account with the *Virginia College Savings Commonwealth Savers* Plan, created pursuant  
1726 to Chapter 7 (§ 23.1-700 et seq.) of Title 23.1. The subtraction for any income attributable to a refund  
1727 shall be limited to income attributable to a refund in the event of a beneficiary's death, disability, or  
1728 receipt of a scholarship.

1729 13. All military pay and allowances, to the extent included in federal adjusted gross income and not  
1730 otherwise subtracted, deducted, or exempted under this section, earned by military personnel while  
1731 serving by order of the President of the United States with the consent of Congress in a combat zone or  
1732 qualified hazardous duty area that is treated as a combat zone for federal tax purposes pursuant to § 112  
1733 of the Internal Revenue Code.

1734 14. For taxable years beginning before January 1, 2015, the gain derived from the sale or exchange  
1735 of real property or the sale or exchange of an easement to real property which results in the real  
1736 property or the easement thereto being devoted to open-space use, as that term is defined in §  
1737 58.1-3230, for a period of time not less than 30 years. To the extent that a subtraction is taken in  
1738 accordance with this subdivision, no tax credit under this chapter for donating land for its preservation  
1739 shall be allowed for three years following the year in which the subtraction is taken.

1740 15. Fifteen thousand dollars of military basic pay for military service personnel on extended active  
1741 duty for periods in excess of 90 days; however, the subtraction amount shall be reduced dollar-for-dollar  
1742 by the amount by which the taxpayer's military basic pay exceeds \$15,000 and shall be reduced to zero  
1743 if such military basic pay amount is equal to or exceeds \$30,000.

1744 16. The first \$15,000 of salary for each federal and state employee whose total annual salary from all  
1745 employment for the taxable year is \$15,000 or less.

1746 17. Unemployment benefits taxable pursuant to § 85 of the Internal Revenue Code.

1747 18. a. Any amount received as military retirement income by an individual awarded the  
1748 Congressional Medal of Honor.

1749 b. For taxable years beginning on and after January 1, 2022, but before January 1, 2023, up to  
1750 \$10,000 of military benefits; for taxable years beginning on and after January 1, 2023, but before  
1751 January 1, 2024, up to \$20,000 of military benefits; for taxable years beginning on and after January 1,  
1752 2024, but before January 1, 2025, up to \$30,000 of military benefits; and for taxable years beginning on  
1753 and after January 1, 2025, up to \$40,000 of military benefits. For purposes of this subdivision b,  
1754 "military benefits" means any (i) military retirement income received for service in the Armed Forces of  
1755 the United States, (ii) qualified military benefits received pursuant to § 134 of the Internal Revenue  
1756 Code, (iii) benefits paid to the surviving spouse of a veteran of the Armed Forces of the United States  
1757 under the Survivor Benefit Plan program established by the U.S. Department of Defense, and (iv)  
1758 military benefits paid to the surviving spouse of a veteran of the Armed Forces of the United States.  
1759 The subtraction allowed by this subdivision b shall be allowed only for military benefits received by an  
1760 individual age 55 or older. No subtraction shall be allowed pursuant to this subdivision b if a credit,  
1761 exemption, subtraction, or deduction is claimed for the same income pursuant to subdivision a or any  
1762 other provision of Virginia or federal law.

1763 19. Items of income attributable to, derived from, or in any way related to (i) assets stolen from,  
1764 hidden from, or otherwise lost by an individual who was a victim or target of Nazi persecution or (ii)  
1765 damages, reparations, or other consideration received by a victim or target of Nazi persecution to  
1766 compensate such individual for performing labor against his will under the threat of death, during World  
1767 War II and its prelude and direct aftermath. This subtraction shall not apply to assets acquired with such  
1768 items of income or with the proceeds from the sale of assets stolen from, hidden from, or otherwise lost  
1769 to, during World War II and its prelude and direct aftermath, a victim or target of Nazi persecution. The  
1770 provisions of this subdivision shall only apply to an individual who was the first recipient of such items  
1771 of income and who was a victim or target of Nazi persecution, or a spouse, surviving spouse, or child  
1772 or stepchild of such victim.

1773 As used in this subdivision:

1774 "Nazi regime" means the country of Nazi Germany, areas occupied by Nazi Germany, those  
1775 European countries allied with Nazi Germany, or any other neutral European country or area in Europe  
1776 under the influence or threat of Nazi invasion.

1777 "Victim or target of Nazi persecution" means any individual persecuted or targeted for persecution by  
1778 the Nazi regime who had assets stolen from, hidden from, or otherwise lost as a result of any act or  
1779 omission in any way relating to (i) the Holocaust, (ii) World War II and its prelude and direct aftermath,  
1780 (iii) transactions with or actions of the Nazi regime, (iv) treatment of refugees fleeing Nazi persecution,

1781 or (v) the holding of such assets by entities or persons in the Swiss Confederation during World War II  
1782 and its prelude and aftermath. A "victim or target of Nazi persecution" also includes any individual  
1783 forced into labor against his will, under the threat of death, during World War II and its prelude and  
1784 direct aftermath.

1785 20. The military death gratuity payment made after September 11, 2001, to the survivor of deceased  
1786 military personnel killed in the line of duty, pursuant to 10 U.S.C. Chapter 75; however, the subtraction  
1787 amount shall be reduced dollar-for-dollar by the amount that the survivor may exclude from his federal  
1788 gross income in accordance with § 134 of the Internal Revenue Code.

1789 21. The death benefit payments from an annuity contract that are received by a beneficiary of such  
1790 contract, provided that (i) the death benefit payment is made pursuant to an annuity contract with an  
1791 insurance company and (ii) the death benefit payment is paid solely by lump sum. The subtraction under  
1792 this subdivision shall be allowed only for that portion of the death benefit payment that is included in  
1793 federal adjusted gross income.

1794 22. Any gain recognized from the sale of launch services to space flight participants, as defined in  
1795 49 U.S.C. § 70102, or launch services intended to provide individuals with the training or experience of  
1796 a launch, without performing an actual launch. To qualify for a deduction under this subdivision, launch  
1797 services must be performed in Virginia or originate from an airport or spaceport in Virginia.

1798 23. Any gain recognized as a result of resupply services contracts for delivering payload, as defined  
1799 in 49 U.S.C. § 70102, entered into with the Commercial Orbital Transportation Services division of the  
1800 National Aeronautics and Space Administration or other space flight entity, as defined in § 8.01-227.8,  
1801 and launched from an airport or spaceport in Virginia.

1802 24. Any income taxed as a long-term capital gain for federal income tax purposes, or any income  
1803 taxed as investment services partnership interest income (otherwise known as investment partnership  
1804 carried interest income) for federal income tax purposes. To qualify for a subtraction under this  
1805 subdivision, such income shall be attributable to an investment in a "qualified business," as defined in  
1806 § 58.1-339.4, or in any other technology business approved by the Secretary of Administration, provided  
1807 that the business has its principal office or facility in the Commonwealth and less than \$3 million in  
1808 annual revenues in the fiscal year prior to the investment. To qualify for a subtraction under this  
1809 subdivision, the investment shall be made between the dates of April 1, 2010, and June 30, 2020. No  
1810 taxpayer who has claimed a tax credit for an investment in a "qualified business" under § 58.1-339.4  
1811 shall be eligible for the subtraction under this subdivision for an investment in the same business.

1812 25. For taxable years beginning on and after January 1, 2014, any income of an account holder for  
1813 the taxable year taxed as (i) a capital gain for federal income tax purposes attributable to such person's  
1814 first-time home buyer savings account established pursuant to Chapter 12 (§ 36-171 et seq.) of Title 36  
1815 and (ii) interest income or other income for federal income tax purposes attributable to such person's  
1816 first-time home buyer savings account.

1817 Notwithstanding the statute of limitations on assessments contained in § 58.1-312, any subtraction  
1818 taken under this subdivision shall be subject to recapture in the taxable year or years in which moneys  
1819 or funds withdrawn from the first-time home buyer savings account were used for any purpose other  
1820 than the payment of eligible costs by or on behalf of a qualified beneficiary, as provided under  
1821 § 36-174. The amount subject to recapture shall be a portion of the amount withdrawn in the taxable  
1822 year that was used for other than the payment of eligible costs, computed by multiplying the amount  
1823 withdrawn and used for other than the payment of eligible costs by the ratio of the aggregate earnings in  
1824 the account at the time of the withdrawal to the total balance in the account at such time.

1825 However, recapture shall not apply to the extent of moneys or funds withdrawn that were (i)  
1826 withdrawn by reason of the qualified beneficiary's death or disability; (ii) a disbursement of assets of the  
1827 account pursuant to a filing for protection under the United States Bankruptcy Code, 11 U.S.C. §§ 101  
1828 through 1330; or (iii) transferred from an account established pursuant to Chapter 12 (§ 36-171 et seq.)  
1829 of Title 36 into another account established pursuant to such chapter for the benefit of another qualified  
1830 beneficiary.

1831 For purposes of this subdivision, "account holder," "eligible costs," "first-time home buyer savings  
1832 account," and "qualified beneficiary" mean the same as those terms are defined in § 36-171.

1833 26. For taxable years beginning on and after January 1, 2015, any income for the taxable year  
1834 attributable to the discharge of a student loan solely by reason of the student's death. For purposes of  
1835 this subdivision, "student loan" means the same as that term is defined under § 108(f) of the Internal  
1836 Revenue Code.

1837 27. a. Income, including investment services partnership interest income (otherwise known as  
1838 investment partnership carried interest income), attributable to an investment in a Virginia venture  
1839 capital account. To qualify for a subtraction under this subdivision, the investment shall be made on or  
1840 after January 1, 2018, but before December 31, 2023. No subtraction shall be allowed under this  
1841 subdivision for an investment in a company that is owned or operated by a family member or an  
1842 affiliate of the taxpayer. No subtraction shall be allowed under this subdivision for a taxpayer who has

1843 claimed a subtraction under subdivision 24 or a tax credit under § 58.1-339.4 for the same investment.

1844 b. As used in this subdivision 27:

1845 "Qualified portfolio company" means a company that (i) has its principal place of business in the  
1846 Commonwealth; (ii) has a primary purpose of production, sale, research, or development of a product or  
1847 service other than the management or investment of capital; and (iii) provides equity in the company to  
1848 the Virginia venture capital account in exchange for a capital investment. "Qualified portfolio company"  
1849 does not include a company that is an individual or sole proprietorship.

1850 "Virginia venture capital account" means an investment fund that has been certified by the  
1851 Department as a Virginia venture capital account. In order to be certified as a Virginia venture capital  
1852 account, the operator of the investment fund shall register the investment fund with the Department prior  
1853 to December 31, 2023, (i) indicating that it intends to invest at least 50 percent of the capital committed  
1854 to its fund in qualified portfolio companies and (ii) providing documentation that it employs at least one  
1855 investor who has at least four years of professional experience in venture capital investment or  
1856 substantially equivalent experience. "Substantially equivalent experience" includes, but is not limited to,  
1857 an undergraduate degree from an accredited college or university in economics, finance, or a similar  
1858 field of study. The Department may require an investment fund to provide documentation of the  
1859 investor's training, education, or experience as deemed necessary by the Department to determine  
1860 substantial equivalency. If the Department determines that the investment fund employs at least one  
1861 investor with the experience set forth herein, the Department shall certify the investment fund as a  
1862 Virginia venture capital account at such time as the investment fund actually invests at least 50 percent  
1863 of the capital committed to its fund in qualified portfolio companies.

1864 28. a. Income attributable to an investment in a Virginia real estate investment trust. To qualify for a  
1865 subtraction under this subdivision, the investment shall be made on or after January 1, 2019, but before  
1866 December 31, 2024. No subtraction shall be allowed for an investment in a trust that is managed by a  
1867 family member or an affiliate of the taxpayer. No subtraction shall be allowed under this subdivision for  
1868 a taxpayer who has claimed a subtraction under subdivision 24 or 27 or a tax credit under § 58.1-339.4  
1869 for the same investment.

1870 b. As used in this subdivision 28:

1871 "Distressed" means satisfying the criteria applicable to a locality described in subdivision E 2 of  
1872 § 2.2-115.

1873 "Double distressed" means satisfying the criteria applicable to a locality described in subdivision E 3  
1874 of § 2.2-115.

1875 "Virginia real estate investment trust" means a real estate investment trust, as defined in 26 U.S.C.  
1876 § 856, that has been certified by the Department as a Virginia real estate investment trust. In order to be  
1877 certified as a Virginia real estate investment trust, the trustee shall register the trust with the Department  
1878 prior to December 31, 2024, indicating that it intends to invest at least 90 percent of trust funds in  
1879 Virginia and at least 40 percent of trust funds in real estate in localities that are distressed or double  
1880 distressed. If the Department determines that the trust satisfies the preceding criteria, the Department  
1881 shall certify the trust as a Virginia real estate investment trust at such time as the trust actually invests  
1882 at least 90 percent of trust funds in Virginia and at least 40 percent of trust funds in real estate in  
1883 localities that are distressed or double distressed.

1884 29. For taxable years beginning on and after January 1, 2019, any gain recognized from the taking of  
1885 real property by condemnation proceedings.

1886 30. For taxable years beginning before January 1, 2021, up to \$100,000 of all grant funds received  
1887 by the taxpayer under the Rebuild Virginia program established by the Governor and administered by  
1888 the Department of Small Business and Supplier Diversity.

1889 31. For taxable years beginning on and after January 1, 2022, any compensation for wrongful  
1890 incarceration awarded pursuant to the procedures established under Article 18.2 (§ 8.01-195.10 et seq.)  
1891 of Chapter 3 of Title 8.01.

1892 **§ 58.1-322.02. (Effective pursuant to Va. Const., Art. IV, § 13) Virginia taxable income;  
1893 subtractions.**

1894 In computing Virginia taxable income pursuant to § 58.1-322, to the extent included in federal  
1895 adjusted gross income, there shall be subtracted:

1896 1. Income derived from obligations, or on the sale or exchange of obligations, of the United States  
1897 and on obligations or securities of any authority, commission, or instrumentality of the United States to  
1898 the extent exempt from state income taxes under the laws of the United States, including, but not  
1899 limited to, stocks, bonds, treasury bills, and treasury notes but not including interest on refunds of  
1900 federal taxes, interest on equipment purchase contracts, or interest on other normal business transactions.

1901 2. Income derived from obligations, or on the sale or exchange of obligations, of the Commonwealth  
1902 or of any political subdivision or instrumentality of the Commonwealth.

1903 3. Benefits received under Title II of the Social Security Act and other benefits subject to federal

1904 income taxation solely pursuant to § 86 of the Internal Revenue Code.

1905 4. Up to \$20,000 of disability income, as defined in § 22(c)(2)(B)(iii) of the Internal Revenue Code; however, any person who claims a deduction under subdivision 5 of § 58.1-322.03 may not also claim a subtraction under this subdivision.

1908 5. The amount of any refund or credit for overpayment of income taxes imposed by the Commonwealth or any other taxing jurisdiction.

1910 6. The amount of wages or salaries eligible for the federal Work Opportunity Credit which was not deducted for federal purposes on account of the provisions of § 280C(a) of the Internal Revenue Code.

1912 7. Any amount included therein less than \$600 from a prize awarded by the Virginia Lottery.

1913 8. The wages or salaries received by any person for active and inactive service in the National Guard of the Commonwealth of Virginia, not to exceed the amount of income derived from 39 calendar days of such service or \$3,000, whichever amount is less; however, only those persons in the ranks of O3 and below shall be entitled to the deductions specified in this subdivision.

1917 9. Amounts received by an individual, not to exceed \$1,000 for taxable years beginning on or before December 31, 2019, and \$5,000 for taxable years beginning on or after January 1, 2020, as a reward for information provided to a law-enforcement official or agency, or to a nonprofit corporation created exclusively to assist such law-enforcement official or agency, in the apprehension and conviction of perpetrators of crimes. This subdivision shall not apply to the following: an individual who is an employee of, or under contract with, a law-enforcement agency, a victim or the perpetrator of the crime for which the reward was paid, or any person who is compensated for the investigation of crimes or accidents.

1925 10. The amount of "qualified research expenses" or "basic research expenses" eligible for deduction for federal purposes, but which were not deducted, on account of the provisions of § 280C(c) of the Internal Revenue Code and which shall be available to partners, shareholders of S corporations, and members of limited liability companies to the extent and in the same manner as other deductions may pass through to such partners, shareholders, and members.

1930 11. Any income received during the taxable year derived from a qualified pension, profit-sharing, or stock bonus plan as described by § 401 of the Internal Revenue Code, an individual retirement account or annuity established under § 408 of the Internal Revenue Code, a deferred compensation plan as defined by § 457 of the Internal Revenue Code, or any federal government retirement program, the contributions to which were deductible from the taxpayer's federal adjusted gross income, but only to the extent the contributions to such plan or program were subject to taxation under the income tax in another state.

1937 12. Any income attributable to a distribution of benefits or a refund from a prepaid tuition contract or savings trust account with the *Virginia College Savings Commonwealth Savers Plan*, created pursuant to Chapter 7 (§ 23.1-700 et seq.) of Title 23.1. The subtraction for any income attributable to a refund shall be limited to income attributable to a refund in the event of a beneficiary's death, disability, or receipt of a scholarship.

1942 13. All military pay and allowances, to the extent included in federal adjusted gross income and not otherwise subtracted, deducted, or exempted under this section, earned by military personnel while serving by order of the President of the United States with the consent of Congress in a combat zone or qualified hazardous duty area that is treated as a combat zone for federal tax purposes pursuant to § 112 of the Internal Revenue Code.

1947 14. For taxable years beginning before January 1, 2015, the gain derived from the sale or exchange of real property or the sale or exchange of an easement to real property which results in the real property or the easement thereto being devoted to open-space use, as that term is defined in § 58.1-3230, for a period of time not less than 30 years. To the extent that a subtraction is taken in accordance with this subdivision, no tax credit under this chapter for donating land for its preservation shall be allowed for three years following the year in which the subtraction is taken.

1953 15. Fifteen thousand dollars of military basic pay for military service personnel on extended active duty for periods in excess of 90 days; however, the subtraction amount shall be reduced dollar-for-dollar by the amount by which the taxpayer's military basic pay exceeds \$15,000 and shall be reduced to zero if such military basic pay amount is equal to or exceeds \$30,000.

1957 16. The first \$15,000 of salary for each federal and state employee whose total annual salary from all employment for the taxable year is \$15,000 or less.

1959 17. Unemployment benefits taxable pursuant to § 85 of the Internal Revenue Code.

1960 18. a. Any amount received as military retirement income by an individual awarded the Congressional Medal of Honor.

1962 b. For taxable years beginning on and after January 1, 2022, but before January 1, 2023, up to \$10,000 of military benefits; for taxable years beginning on and after January 1, 2023, but before January 1, 2024, up to \$20,000 of military benefits; for taxable years beginning on and after January 1, 2024, but before January 1, 2025, up to \$30,000 of military benefits; and for taxable years beginning on

**1966** and after January 1, 2025, up to \$40,000 of military benefits. For purposes of this subdivision b, "military benefits" means any (i) military retirement income received for service in the Armed Forces of the United States, (ii) qualified military benefits received pursuant to § 134 of the Internal Revenue Code, (iii) benefits paid to the surviving spouse of a veteran of the Armed Forces of the United States under the Survivor Benefit Plan program established by the U.S. Department of Defense, and (iv) military benefits paid to the surviving spouse of a veteran of the Armed Forces of the United States. The subtraction allowed by this subdivision b shall be allowed only for military benefits received by an individual age 55 or older. No subtraction shall be allowed pursuant to this subdivision b if a credit, exemption, subtraction, or deduction is claimed for the same income pursuant to subdivision a or any other provision of Virginia or federal law.

**1976** 19. Items of income attributable to, derived from, or in any way related to (i) assets stolen from, hidden from, or otherwise lost by an individual who was a victim or target of Nazi persecution or (ii) damages, reparations, or other consideration received by a victim or target of Nazi persecution to compensate such individual for performing labor against his will under the threat of death, during World War II and its prelude and direct aftermath. This subtraction shall not apply to assets acquired with such items of income or with the proceeds from the sale of assets stolen from, hidden from, or otherwise lost to, during World War II and its prelude and direct aftermath, a victim or target of Nazi persecution. The provisions of this subdivision shall only apply to an individual who was the first recipient of such items of income and who was a victim or target of Nazi persecution, or a spouse, surviving spouse, or child or stepchild of such victim.

**1986** As used in this subdivision:

**1987** "Nazi regime" means the country of Nazi Germany, areas occupied by Nazi Germany, those **1988** European countries allied with Nazi Germany, or any other neutral European country or area in Europe **1989** under the influence or threat of Nazi invasion.

**1990** "Victim or target of Nazi persecution" means any individual persecuted or targeted for persecution by **1991** the Nazi regime who had assets stolen from, hidden from, or otherwise lost as a result of any act or **1992** omission in any way relating to (i) the Holocaust, (ii) World War II and its prelude and direct aftermath, **1993** (iii) transactions with or actions of the Nazi regime, (iv) treatment of refugees fleeing Nazi persecution, **1994** or (v) the holding of such assets by entities or persons in the Swiss Confederation during World War II **1995** and its prelude and aftermath. A "victim or target of Nazi persecution" also includes any individual **1996** forced into labor against his will, under the threat of death, during World War II and its prelude and **1997** direct aftermath.

**1998** 20. The military death gratuity payment made after September 11, 2001, to the survivor of deceased **1999** military personnel killed in the line of duty, pursuant to 10 U.S.C. Chapter 75; however, the subtraction **2000** amount shall be reduced dollar-for-dollar by the amount that the survivor may exclude from his federal **2001** gross income in accordance with § 134 of the Internal Revenue Code.

**2002** 21. The death benefit payments from an annuity contract that are received by a beneficiary of such **2003** contract, provided that (i) the death benefit payment is made pursuant to an annuity contract with an **2004** insurance company and (ii) the death benefit payment is paid solely by lump sum. The subtraction under **2005** this subdivision shall be allowed only for that portion of the death benefit payment that is included in **2006** federal adjusted gross income.

**2007** 22. Any gain recognized from the sale of launch services to space flight participants, as defined in **2008** 49 U.S.C. § 70102, or launch services intended to provide individuals with the training or experience of **2009** a launch, without performing an actual launch. To qualify for a deduction under this subdivision, launch **2010** services must be performed in Virginia or originate from an airport or spaceport in Virginia.

**2011** 23. Any gain recognized as a result of resupply services contracts for delivering payload, as defined in **2012** 49 U.S.C. § 70102, entered into with the Commercial Orbital Transportation Services division of the **2013** National Aeronautics and Space Administration or other space flight entity, as defined in § 8.01-227.8, **2014** and launched from an airport or spaceport in Virginia.

**2015** 24. Any income taxed as a long-term capital gain for federal income tax purposes, or any income **2016** taxed as investment services partnership interest income (otherwise known as investment partnership **2017** carried interest income) for federal income tax purposes. To qualify for a subtraction under this **2018** subdivision, such income shall be attributable to an investment in a "qualified business," as defined in **2019** § 58.1-339.4, or in any other technology business approved by the Secretary of Administration, provided **2020** that the business has its principal office or facility in the Commonwealth and less than \$3 million in **2021** annual revenues in the fiscal year prior to the investment. To qualify for a subtraction under this **2022** subdivision, the investment shall be made between the dates of April 1, 2010, and June 30, 2020. No **2023** taxpayer who has claimed a tax credit for an investment in a "qualified business" under § 58.1-339.4 **2024** shall be eligible for the subtraction under this subdivision for an investment in the same business.

**2025** 25. For taxable years beginning on and after January 1, 2014, any income of an account holder for **2026** the taxable year taxed as (i) a capital gain for federal income tax purposes attributable to such person's

2027 first-time home buyer savings account established pursuant to Chapter 12 (§ 36-171 et seq.) of Title 36  
2028 and (ii) interest income or other income for federal income tax purposes attributable to such person's  
2029 first-time home buyer savings account.

2030 Notwithstanding the statute of limitations on assessments contained in § 58.1-312, any subtraction  
2031 taken under this subdivision shall be subject to recapture in the taxable year or years in which moneys  
2032 or funds withdrawn from the first-time home buyer savings account were used for any purpose other  
2033 than the payment of eligible costs by or on behalf of a qualified beneficiary, as provided under  
2034 § 36-174. The amount subject to recapture shall be a portion of the amount withdrawn in the taxable  
2035 year that was used for other than the payment of eligible costs, computed by multiplying the amount  
2036 withdrawn and used for other than the payment of eligible costs by the ratio of the aggregate earnings in  
2037 the account at the time of the withdrawal to the total balance in the account at such time.

2038 However, recapture shall not apply to the extent of moneys or funds withdrawn that were (i)  
2039 withdrawn by reason of the qualified beneficiary's death or disability; (ii) a disbursement of assets of the  
2040 account pursuant to a filing for protection under the United States Bankruptcy Code, 11 U.S.C. §§ 101  
2041 through 1330; or (iii) transferred from an account established pursuant to Chapter 12 (§ 36-171 et seq.)  
2042 of Title 36 into another account established pursuant to such chapter for the benefit of another qualified  
2043 beneficiary.

2044 For purposes of this subdivision, "account holder," "eligible costs," "first-time home buyer savings  
2045 account," and "qualified beneficiary" mean the same as those terms are defined in § 36-171.

2046 26. For taxable years beginning on and after January 1, 2015, any income for the taxable year  
2047 attributable to the discharge of a student loan solely by reason of the student's death. For purposes of  
2048 this subdivision, "student loan" means the same as that term is defined under § 108(f) of the Internal  
2049 Revenue Code.

2050 27. a. Income, including investment services partnership interest income (otherwise known as  
2051 investment partnership carried interest income), attributable to an investment in a Virginia venture  
2052 capital account. To qualify for a subtraction under this subdivision, the investment shall be made on or  
2053 after January 1, 2018, but before December 31, 2023. No subtraction shall be allowed under this  
2054 subdivision for an investment in a company that is owned or operated by a family member or an  
2055 affiliate of the taxpayer. No subtraction shall be allowed under this subdivision for a taxpayer who has  
2056 claimed a subtraction under subdivision 24 or a tax credit under § 58.1-339.4 for the same investment.

2057 b. As used in this subdivision 27:

2058 "Qualified portfolio company" means a company that (i) has its principal place of business in the  
2059 Commonwealth; (ii) has a primary purpose of production, sale, research, or development of a product or  
2060 service other than the management or investment of capital; and (iii) provides equity in the company to  
2061 the Virginia venture capital account in exchange for a capital investment. "Qualified portfolio company"  
2062 does not include a company that is an individual or sole proprietorship.

2063 "Virginia venture capital account" means an investment fund that has been certified by the  
2064 Department as a Virginia venture capital account. In order to be certified as a Virginia venture capital  
2065 account, the operator of the investment fund shall register the investment fund with the Department prior  
2066 to December 31, 2023, (i) indicating that it intends to invest at least 50 percent of the capital committed  
2067 to its fund in qualified portfolio companies and (ii) providing documentation that it employs at least one  
2068 investor who has at least four years of professional experience in venture capital investment or  
2069 substantially equivalent experience. "Substantially equivalent experience" includes, but is not limited to,  
2070 an undergraduate degree from an accredited college or university in economics, finance, or a similar  
2071 field of study. The Department may require an investment fund to provide documentation of the  
2072 investor's training, education, or experience as deemed necessary by the Department to determine  
2073 substantial equivalency. If the Department determines that the investment fund employs at least one  
2074 investor with the experience set forth herein, the Department shall certify the investment fund as a  
2075 Virginia venture capital account at such time as the investment fund actually invests at least 50 percent  
2076 of the capital committed to its fund in qualified portfolio companies.

2077 28. a. Income attributable to an investment in a Virginia real estate investment trust. To qualify for a  
2078 subtraction under this subdivision, the investment shall be made on or after January 1, 2019, but before  
2079 December 31, 2024. No subtraction shall be allowed for an investment in a trust that is managed by a  
2080 family member or an affiliate of the taxpayer. No subtraction shall be allowed under this subdivision for  
2081 a taxpayer who has claimed a subtraction under subdivision 24 or 27 or a tax credit under § 58.1-339.4  
2082 for the same investment.

2083 b. As used in this subdivision 28:

2084 "Distressed" means satisfying the criteria applicable to a locality described in subdivision E 2 of  
2085 § 2.2-115.

2086 "Double distressed" means satisfying the criteria applicable to a locality described in subdivision E 3  
2087 of § 2.2-115.

2088 "Virginia real estate investment trust" means a real estate investment trust, as defined in 26 U.S.C.

2089 § 856, that has been certified by the Department as a Virginia real estate investment trust. In order to be  
 2090 certified as a Virginia real estate investment trust, the trustee shall register the trust with the Department  
 2091 prior to December 31, 2024, indicating that it intends to invest at least 90 percent of trust funds in  
 2092 Virginia and at least 40 percent of trust funds in real estate in localities that are distressed or double  
 2093 distressed. If the Department determines that the trust satisfies the preceding criteria, the Department  
 2094 shall certify the trust as a Virginia real estate investment trust at such time as the trust actually invests  
 2095 at least 90 percent of trust funds in Virginia and at least 40 percent of trust funds in real estate in  
 2096 localities that are distressed or double distressed.

2097 29. For taxable years beginning on and after January 1, 2019, any gain recognized from the taking of  
 2098 real property by condemnation proceedings.

2099 30. For taxable years beginning before January 1, 2021, up to \$100,000 of all grant funds received  
 2100 by the taxpayer under the Rebuild Virginia program established by the Governor and administered by  
 2101 the Department of Small Business and Supplier Diversity.

2102 31. For taxable years beginning on and after January 1, 2022, any compensation for wrongful  
 2103 incarceration awarded pursuant to the procedures established under Article 18.2 (§ 8.01-195.10 et seq.)  
 2104 of Chapter 3 of Title 8.01.

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

2105 In computing Virginia taxable income pursuant to § 58.1-322, there shall be deducted from Virginia  
 2106 adjusted gross income as defined in § 58.1-321:

2107 1. a. The amount allowable for itemized deductions for federal income tax purposes where the  
 2108 taxpayer has elected for the taxable year to itemize deductions on his federal return, but reduced by the  
 2109 amount of income taxes imposed by the Commonwealth or any other taxing jurisdiction and deducted  
 2110 on such federal return and increased by an amount that, when added to the amount deducted under  
 2111 § 170 of the Internal Revenue Code for mileage, results in a mileage deduction at the state level for  
 2112 such purposes at a rate of 18 cents per mile; or

2113 2114 b. Provided that the taxpayer has not itemized deductions for the taxable year on his federal income  
 2115 tax return: (i) for taxable years beginning before January 1, 2019, and on and after January 1, 2026,  
 2116 \$3,000 for single individuals and \$6,000 for married persons (one-half of such amounts in the case of a  
 2117 married individual filing a separate return) and (ii) for taxable years beginning on and after January 1,  
 2118 2019, but before January 1, 2026, \$4,500 for single individuals and \$9,000 for married persons (one-half  
 2119 of such amounts in the case of a married individual filing a separate return). For purposes of this  
 2120 section, any person who may be claimed as a dependent on another taxpayer's return for the taxable year  
 2121 may compute the deduction only with respect to earned income.

2122 2. a. A deduction in the amount of \$930 for each personal exemption allowable to the taxpayer for  
 2123 federal income tax purposes.

2124 2125 b. Each blind or aged taxpayer as defined under § 63(f) of the Internal Revenue Code shall be  
 2126 entitled to an additional personal exemption in the amount of \$800.

2127 The additional deduction for blind or aged taxpayers allowed under this subdivision shall be  
 2128 allowable regardless of whether the taxpayer itemizes deductions for the taxable year for federal income  
 2129 tax purposes.

2130 3. A deduction equal to the amount of employment-related expenses upon which the federal credit is  
 2131 based under § 21 of the Internal Revenue Code for expenses for household and dependent care services  
 2132 necessary for gainful employment.

2133 4. An additional \$1,000 deduction for each child residing for the entire taxable year in a home under  
 2134 permanent foster care placement as defined in § 63.2-908, provided that the taxpayer can also claim the  
 2135 child as a personal exemption under § 151 of the Internal Revenue Code.

2136 5. a. A deduction in the amount of \$12,000 for individuals born on or before January 1, 1939.

2137 2138 b. A deduction in the amount of \$12,000 for individuals born after January 1, 1939, who have  
 2139 attained the age of 65. This deduction shall be reduced by \$1 for every \$1 that the taxpayer's adjusted  
 2140 federal adjusted gross income exceeds \$50,000 for single taxpayers or \$75,000 for married taxpayers.  
 2141 For married taxpayers filing separately, the deduction shall be reduced by \$1 for every \$1 that the total  
 2142 combined adjusted federal adjusted gross income of both spouses exceeds \$75,000.

2143 For the purposes of this subdivision, "adjusted federal adjusted gross income" means federal adjusted  
 2144 gross income minus any benefits received under Title II of the Social Security Act and other benefits  
 2145 subject to federal income taxation solely pursuant to § 86 of the Internal Revenue Code, as amended.

2146 6. The amount an individual pays as a fee for an initial screening to become a possible bone marrow  
 2147 donor, if (i) the individual is not reimbursed for such fee or (ii) the individual has not claimed a  
 2148 deduction for the payment of such fee on his federal income tax return.

2149 7. a. A deduction shall be allowed to the purchaser or contributor for the amount paid or contributed  
 2150 during the taxable year for a prepaid tuition contract or college savings trust account entered into with  
 2151 the Virginia College Savings Commonwealth Savers Plan, pursuant to Chapter 7 (§ 23.1-700 et seq.) of

2150 Title 23.1. Except as provided in subdivision b, the amount deducted on any individual income tax  
2151 return in any taxable year shall be limited to \$4,000 per prepaid tuition contract or college savings trust  
2152 account. No deduction shall be allowed pursuant to this subdivision 7 if such payments or contributions  
2153 are deducted on the purchaser's or contributor's federal income tax return. If the purchase price or annual  
2154 contribution to a college savings trust account exceeds \$4,000, the remainder may be carried forward  
2155 and subtracted in future taxable years until the purchase price or college savings trust contribution has  
2156 been fully deducted; however, except as provided in subdivision b, in no event shall the amount  
2157 deducted in any taxable year exceed \$4,000 per contract or college savings trust account.  
2158 Notwithstanding the statute of limitations on assessments contained in § 58.1-312, any deduction taken  
2159 hereunder shall be subject to recapture in the taxable year or years in which distributions or refunds are  
2160 made for any reason other than (i) to pay qualified higher education expenses, as defined in § 529 of the  
2161 Internal Revenue Code or (ii) the beneficiary's death, disability, or receipt of a scholarship. For the  
2162 purposes of this subdivision, "purchaser" or "contributor" means the person shown as such on the  
2163 records of the **Virginia College Savings Commonwealth Savers Plan** as of December 31 of the taxable  
2164 year. In the case of a transfer of ownership of a prepaid tuition contract or college savings trust account,  
2165 the transferee shall succeed to the transferor's tax attributes associated with a prepaid tuition contract or  
2166 college savings trust account, including, but not limited to, carryover and recapture of deductions.

2167 b. A purchaser of a prepaid tuition contract or contributor to a college savings trust account who has  
2168 attained age 70 shall not be subject to the limitation that the amount of the deduction not exceed \$4,000  
2169 per prepaid tuition contract or college savings trust account in any taxable year. Such taxpayer shall be  
2170 allowed a deduction for the full amount paid for the contract or contributed to a college savings trust  
2171 account, less any amounts previously deducted.

2172 8. The total amount an individual actually contributed in funds to the Virginia Public School  
2173 Construction Grants Program and Fund, established in Chapter 11.1 (§ 22.1-175.1 et seq.) of Title 22.1,  
2174 provided that the individual has not claimed a deduction for such amount on his federal income tax  
2175 return.

2176 9. An amount equal to 20 percent of the tuition costs incurred by an individual employed as a  
2177 primary or secondary school teacher licensed pursuant to Chapter 15 (§ 22.1-289.1 et seq.) of Title 22.1  
2178 to attend continuing teacher education courses that are required as a condition of employment; however,  
2179 the deduction provided by this subdivision shall be available only if (i) the individual is not reimbursed  
2180 for such tuition costs and (ii) the individual has not claimed a deduction for the payment of such tuition  
2181 costs on his federal income tax return.

2182 10. The amount an individual pays annually in premiums for long-term health care insurance,  
2183 provided that the individual has not claimed a deduction for federal income tax purposes, or, for taxable  
2184 years beginning before January 1, 2014, a credit under § 58.1-339.11. For taxable years beginning on  
2185 and after January 1, 2014, no such deduction for long-term health care insurance premiums paid by the  
2186 individual during the taxable year shall be allowed if the individual has claimed a federal income tax  
2187 deduction for such taxable year for long-term health care insurance premiums paid by him.

2188 11. Contract payments to a producer of quota tobacco or a tobacco quota holder, or their spouses, as  
2189 provided under the American Jobs Creation Act of 2004 (P.L. 108-357), but only to the extent that such  
2190 payments have not been subtracted pursuant to subsection D of § 58.1-402, as follows:

2191 a. If the payment is received in installment payments, then the recognized gain may be subtracted in  
2192 the taxable year immediately following the year in which the installment payment is received.

2193 b. If the payment is received in a single payment, then 10 percent of the recognized gain may be  
2194 subtracted in the taxable year immediately following the year in which the single payment is received.  
2195 The taxpayer may then deduct an equal amount in each of the nine succeeding taxable years.

2196 12. An amount equal to 20 percent of the sum paid by an individual pursuant to Chapter 6  
2197 (§ 58.1-600 et seq.), not to exceed \$500 in each taxable year, in purchasing for his own use the  
2198 following items of tangible personal property: (i) any clothes washers, room air conditioners,  
2199 dishwashers, and standard size refrigerators that meet or exceed the applicable energy star efficiency  
2200 requirements developed by the U.S. Environmental Protection Agency and the U.S. Department of  
2201 Energy; (ii) any fuel cell that (a) generates electricity using an electrochemical process, (b) has an  
2202 electricity-only generation efficiency greater than 35 percent, and (c) has a generating capacity of at least  
2203 two kilowatts; (iii) any gas heat pump that has a coefficient of performance of at least 1.25 for heating  
2204 and at least 0.70 for cooling; (iv) any electric heat pump hot water heater that yields an energy factor of  
2205 at least 1.7; (v) any electric heat pump that has a heating system performance factor of at least 8.0 and  
2206 a cooling seasonal energy efficiency ratio of at least 13.0; (vi) any central air conditioner that has a  
2207 cooling seasonal energy efficiency ratio of at least 13.5; (vii) any advanced gas or oil water heater that  
2208 has an energy factor of at least 0.65; (viii) any advanced oil-fired boiler with a minimum annual  
2209 fuel-utilization rating of 85; (ix) any advanced oil-fired furnace with a minimum annual fuel-utilization  
2210 rating of 85; and (x) programmable thermostats.

2211 13. The lesser of \$5,000 or the amount actually paid by a living donor of an organ or other living

2212 tissue for unreimbursed out-of-pocket expenses directly related to the donation that arose within 12  
 2213 months of such donation, provided that the donor has not taken a medical deduction in accordance with  
 2214 the provisions of § 213 of the Internal Revenue Code for such expenses. The deduction may be taken in  
 2215 the taxable year in which the donation is made or the taxable year in which the 12-month period  
 2216 expires.

2217 14. For taxable years beginning on and after January 1, 2013, the amount an individual age 66 or  
 2218 older with earned income of at least \$20,000 for the year and federal adjusted gross income not in  
 2219 excess of \$30,000 for the year pays annually in premiums for (i) a prepaid funeral insurance policy  
 2220 covering the individual or (ii) medical or dental insurance for any person for whom individual tax filers  
 2221 may claim a deduction for such premiums under federal income tax laws. As used in this subdivision,  
 2222 "earned income" means the same as that term is defined in § 32(c) of the Internal Revenue Code. The  
 2223 deduction shall not be allowed for any portion of such premiums paid for which the individual has (a)  
 2224 been reimbursed, (b) claimed a deduction for federal income tax purposes, (c) claimed a deduction or  
 2225 subtraction under another provision of this section, or (d) claimed a federal income tax credit or any  
 2226 income tax credit pursuant to this chapter.

2227 15. For taxable years beginning on and after January 1, 2018, but before January 1, 2022, 20 percent  
 2228 of business interest disallowed as a deduction pursuant to § 163(j) of the Internal Revenue Code. For  
 2229 taxable years beginning on and after January 1, 2022, 30 percent of business interest disallowed as a  
 2230 deduction pursuant to § 163(j) of the Internal Revenue Code. For purposes of this subdivision, "business  
 2231 interest" means the same as that term is defined under § 163(j) of the Internal Revenue Code.

2232 16. For taxable years beginning on and after January 1, 2019, the actual amount of real and personal  
 2233 property taxes imposed by the Commonwealth or any other taxing jurisdiction not otherwise deducted  
 2234 solely on account of the dollar limitation imposed on individual deductions by § 164(b)(6)(B) of the  
 2235 Internal Revenue Code.

2236 17. For taxable years beginning before January 1, 2021, up to \$100,000 of the amount that is not  
 2237 deductible when computing federal adjusted gross income solely on account of the portion of  
 2238 subdivision B 10 of § 58.1-301 related to Paycheck Protection Program loans.

2239 **§ 58.1-322.03. (Effective pursuant to Va. Const. Art. IV, § 13; contingent expiration date)  
 2240 Virginia taxable income; deductions.**

2241 In computing Virginia taxable income pursuant to § 58.1-322, there shall be deducted from Virginia  
 2242 adjusted gross income as defined in § 58.1-321:

2243 1. a. The amount allowable for itemized deductions for federal income tax purposes where the  
 2244 taxpayer has elected for the taxable year to itemize deductions on his federal return, but reduced by the  
 2245 amount of income taxes imposed by the Commonwealth or any other taxing jurisdiction and deducted  
 2246 on such federal return and increased by an amount that, when added to the amount deducted under  
 2247 § 170 of the Internal Revenue Code for mileage, results in a mileage deduction at the state level for  
 2248 such purposes at a rate of 18 cents per mile; or

2249 b. Provided that the taxpayer has not itemized deductions for the taxable year on his federal income  
 2250 tax return: (i) for taxable years beginning before January 1, 2019, and on and after January 1, 2026,  
 2251 \$3,000 for single individuals and \$6,000 for married persons (one-half of such amounts in the case of a  
 2252 married individual filing a separate return) and (ii) for taxable years beginning on and after January 1,  
 2253 2019, but before January 1, 2026, \$4,500 for single individuals and \$9,000 for married persons (one-half  
 2254 of such amounts in the case of a married individual filing a separate return). For purposes of this  
 2255 section, any person who may be claimed as a dependent on another taxpayer's return for the taxable year  
 2256 may compute the deduction only with respect to earned income.

2257 2. a. A deduction in the amount of \$930 for each personal exemption allowable to the taxpayer for  
 2258 federal income tax purposes.

2259 b. Each blind or aged taxpayer as defined under § 63(f) of the Internal Revenue Code shall be  
 2260 entitled to an additional personal exemption in the amount of \$800.

2261 The additional deduction for blind or aged taxpayers allowed under this subdivision shall be  
 2262 allowable regardless of whether the taxpayer itemizes deductions for the taxable year for federal income  
 2263 tax purposes.

2264 3. A deduction equal to the amount of employment-related expenses upon which the federal credit is  
 2265 based under § 21 of the Internal Revenue Code for expenses for household and dependent care services  
 2266 necessary for gainful employment.

2267 4. An additional \$1,000 deduction for each child residing for the entire taxable year in a home under  
 2268 permanent foster care placement as defined in § 63.2-908, provided that the taxpayer can also claim the  
 2269 child as a personal exemption under § 151 of the Internal Revenue Code.

2270 5. a. A deduction in the amount of \$12,000 for individuals born on or before January 1, 1939.

2271 b. A deduction in the amount of \$12,000 for individuals born after January 1, 1939, who have  
 2272 attained the age of 65. This deduction shall be reduced by \$1 for every \$1 that the taxpayer's adjusted

2273 federal adjusted gross income exceeds \$50,000 for single taxpayers or \$75,000 for married taxpayers.  
2274 For married taxpayers filing separately, the deduction shall be reduced by \$1 for every \$1 that the total  
2275 combined adjusted federal adjusted gross income of both spouses exceeds \$75,000.

2276 For the purposes of this subdivision, "adjusted federal adjusted gross income" means federal adjusted  
2277 gross income minus any benefits received under Title II of the Social Security Act and other benefits  
2278 subject to federal income taxation solely pursuant to § 86 of the Internal Revenue Code, as amended.

2279 6. The amount an individual pays as a fee for an initial screening to become a possible bone marrow  
2280 donor, if (i) the individual is not reimbursed for such fee or (ii) the individual has not claimed a  
2281 deduction for the payment of such fee on his federal income tax return.

2282 7. a. A deduction shall be allowed to the purchaser or contributor for the amount paid or contributed  
2283 during the taxable year for a prepaid tuition contract or college savings trust account entered into with  
2284 the *Virginia College Savings Commonwealth Savers Plan*, pursuant to Chapter 7 (§ 23.1-700 et seq.) of  
2285 Title 23.1. Except as provided in subdivision b, the amount deducted on any individual income tax  
2286 return in any taxable year shall be limited to \$4,000 per prepaid tuition contract or college savings trust  
2287 account. No deduction shall be allowed pursuant to this subdivision 7 if such payments or contributions  
2288 are deducted on the purchaser's or contributor's federal income tax return. If the purchase price or annual  
2289 contribution to a college savings trust account exceeds \$4,000, the remainder may be carried forward  
2290 and subtracted in future taxable years until the purchase price or college savings trust contribution has  
2291 been fully deducted; however, except as provided in subdivision b, in no event shall the amount  
2292 deducted in any taxable year exceed \$4,000 per contract or college savings trust account.  
2293 Notwithstanding the statute of limitations on assessments contained in § 58.1-312, any deduction taken  
2294 hereunder shall be subject to recapture in the taxable year or years in which distributions or refunds are  
2295 made for any reason other than (i) to pay qualified higher education expenses, as defined in § 529 of the  
2296 Internal Revenue Code or (ii) the beneficiary's death, disability, or receipt of a scholarship. For the  
2297 purposes of this subdivision, "purchaser" or "contributor" means the person shown as such on the  
2298 records of the *Virginia College Savings Commonwealth Savers Plan* as of December 31 of the taxable  
2299 year. In the case of a transfer of ownership of a prepaid tuition contract or college savings trust account,  
2300 the transferee shall succeed to the transferor's tax attributes associated with a prepaid tuition contract or  
2301 college savings trust account, including, but not limited to, carryover and recapture of deductions.

2302 b. A purchaser of a prepaid tuition contract or contributor to a college savings trust account who has  
2303 attained age 70 shall not be subject to the limitation that the amount of the deduction not exceed \$4,000  
2304 per prepaid tuition contract or college savings trust account in any taxable year. Such taxpayer shall be  
2305 allowed a deduction for the full amount paid for the contract or contributed to a college savings trust  
2306 account, less any amounts previously deducted.

2307 8. The total amount an individual actually contributed in funds to the Virginia Public School  
2308 Construction Grants Program and Fund, established in Chapter 11.1 (§ 22.1-175.1 et seq.) of Title 22.1,  
2309 provided that the individual has not claimed a deduction for such amount on his federal income tax  
2310 return.

2311 9. An amount equal to 20 percent of the tuition costs incurred by an individual employed as a  
2312 primary or secondary school teacher licensed pursuant to Chapter 15 (§ 22.1-289.1 et seq.) of Title 22.1  
2313 to attend continuing teacher education courses that are required as a condition of employment; however,  
2314 the deduction provided by this subdivision shall be available only if (i) the individual is not reimbursed  
2315 for such tuition costs and (ii) the individual has not claimed a deduction for the payment of such tuition  
2316 costs on his federal income tax return.

2317 10. The amount an individual pays annually in premiums for long-term health care insurance,  
2318 provided that the individual has not claimed a deduction for federal income tax purposes, or, for taxable  
2319 years beginning before January 1, 2014, a credit under § 58.1-339.11. For taxable years beginning on  
2320 and after January 1, 2014, no such deduction for long-term health care insurance premiums paid by the  
2321 individual during the taxable year shall be allowed if the individual has claimed a federal income tax  
2322 deduction for such taxable year for long-term health care insurance premiums paid by him.

2323 11. Contract payments to a producer of quota tobacco or a tobacco quota holder, or their spouses, as  
2324 provided under the American Jobs Creation Act of 2004 (P.L. 108-357), but only to the extent that such  
2325 payments have not been subtracted pursuant to subsection D of § 58.1-402, as follows:

2326 a. If the payment is received in installment payments, then the recognized gain may be subtracted in  
2327 the taxable year immediately following the year in which the installment payment is received.

2328 b. If the payment is received in a single payment, then 10 percent of the recognized gain may be  
2329 subtracted in the taxable year immediately following the year in which the single payment is received.  
2330 The taxpayer may then deduct an equal amount in each of the nine succeeding taxable years.

2331 12. An amount equal to 20 percent of the sum paid by an individual pursuant to Chapter 6  
2332 (§ 58.1-600 et seq.), not to exceed \$500 in each taxable year, in purchasing for his own use the  
2333 following items of tangible personal property: (i) any clothes washers, room air conditioners,  
2334 dishwashers, and standard size refrigerators that meet or exceed the applicable energy star efficiency

2335 requirements developed by the U.S. Environmental Protection Agency and the U.S. Department of  
2336 Energy; (ii) any fuel cell that (a) generates electricity using an electrochemical process, (b) has an  
2337 electricity-only generation efficiency greater than 35 percent, and (c) has a generating capacity of at least  
2338 two kilowatts; (iii) any gas heat pump that has a coefficient of performance of at least 1.25 for heating  
2339 and at least 0.70 for cooling; (iv) any electric heat pump hot water heater that yields an energy factor of  
2340 at least 1.7; (v) any electric heat pump that has a heating system performance factor of at least 8.0 and  
2341 a cooling seasonal energy efficiency ratio of at least 13.0; (vi) any central air conditioner that has a  
2342 cooling seasonal energy efficiency ratio of at least 13.5; (vii) any advanced gas or oil water heater that  
2343 has an energy factor of at least 0.65; (viii) any advanced oil-fired boiler with a minimum annual  
2344 fuel-utilization rating of 85; (ix) any advanced oil-fired furnace with a minimum annual fuel-utilization  
2345 rating of 85; and (x) programmable thermostats.

2346 13. The lesser of \$5,000 or the amount actually paid by a living donor of an organ or other living  
2347 tissue for unreimbursed out-of-pocket expenses directly related to the donation that arose within 12  
2348 months of such donation, provided that the donor has not taken a medical deduction in accordance with  
2349 the provisions of § 213 of the Internal Revenue Code for such expenses. The deduction may be taken in  
2350 the taxable year in which the donation is made or the taxable year in which the 12-month period  
2351 expires.

2352 14. For taxable years beginning on and after January 1, 2013, the amount an individual age 66 or  
2353 older with earned income of at least \$20,000 for the year and federal adjusted gross income not in  
2354 excess of \$30,000 for the year pays annually in premiums for (i) a prepaid funeral insurance policy  
2355 covering the individual or (ii) medical or dental insurance for any person for whom individual tax filers  
2356 may claim a deduction for such premiums under federal income tax laws. As used in this subdivision,  
2357 "earned income" means the same as that term is defined in § 32(c) of the Internal Revenue Code. The  
2358 deduction shall not be allowed for any portion of such premiums paid for which the individual has (a)  
2359 been reimbursed, (b) claimed a deduction for federal income tax purposes, (c) claimed a deduction or  
2360 subtraction under another provision of this section, or (d) claimed a federal income tax credit or any  
2361 income tax credit pursuant to this chapter.

2362 15. For taxable years beginning on and after January 1, 2018, but before January 1, 2022, 20 percent  
2363 of business interest disallowed as a deduction pursuant to § 163(j) of the Internal Revenue Code. For  
2364 taxable years beginning on and after January 1, 2022, 30 percent of business interest disallowed as a  
2365 deduction pursuant to § 163(j) of the Internal Revenue Code. For purposes of this subdivision, "business  
2366 interest" means the same as that term is defined under § 163(j) of the Internal Revenue Code.

2367 16. For taxable years beginning on and after January 1, 2019, the actual amount of real and personal  
2368 property taxes imposed by the Commonwealth or any other taxing jurisdiction not otherwise deducted  
2369 solely on account of the dollar limitation imposed on individual deductions by § 164(b)(6)(B) of the  
2370 Internal Revenue Code.

2371 17. For taxable years beginning before January 1, 2021, up to \$100,000 of the amount that is not  
2372 deductible when computing federal adjusted gross income solely on account of the portion of  
2373 subdivision B 10 of § 58.1-301 related to Paycheck Protection Program loans.

2374 18. For taxable years beginning on and after January 1, 2022, but before January 1, 2025, the lesser  
2375 of \$500 or the actual amount paid or incurred for eligible educator qualifying expenses. For purposes of  
2376 this subdivision, "eligible educator" means an individual who for at least 900 hours during the taxable  
2377 year in which the credit under this section is claimed served as a teacher licensed pursuant to Chapter  
2378 15 (§ 22.1-289.1 et seq.) of Title 22.1, instructor, student counselor, principal, special needs personnel,  
2379 or student aide serving accredited public or private primary and secondary school students in Virginia,  
2380 and "qualifying expenses" means 100 percent of the amount paid or incurred by an eligible educator  
2381 during the taxable year for participation in professional development courses and the purchase of books,  
2382 supplies, computer equipment (including related software and services), other educational and teaching  
2383 equipment, and supplementary materials used directly in that individual's service to students as an  
2384 eligible educator, provided that such purchases were neither reimbursed nor claimed as a deduction on  
2385 the eligible educator's federal income tax return for such taxable year.

2386 **§ 58.1-322.03. (Contingently effective pursuant to Acts 2022, Sp. Sess. I, c. 2, cl. 7) Virginia  
2387 taxable income; deductions.**

2388 In computing Virginia taxable income pursuant to § 58.1-322, there shall be deducted from Virginia  
2389 adjusted gross income as defined in § 58.1-321:

2390 1. a. The amount allowable for itemized deductions for federal income tax purposes where the  
2391 taxpayer has elected for the taxable year to itemize deductions on his federal return, but reduced by the  
2392 amount of income taxes imposed by the Commonwealth or any other taxing jurisdiction and deducted  
2393 on such federal return and increased by an amount that, when added to the amount deducted under  
2394 § 170 of the Internal Revenue Code for mileage, results in a mileage deduction at the state level for  
2395 such purposes at a rate of 18 cents per mile; or

2396 b. Provided that the taxpayer has not itemized deductions for the taxable year on his federal income  
2397 tax return: (i) for taxable years beginning before January 1, 2019, and on and after January 1, 2026,  
2398 \$3,000 for single individuals and \$6,000 for married persons (one-half of such amounts in the case of a  
2399 married individual filing a separate return); (ii) for taxable years beginning on and after January 1, 2019,  
2400 but before January 1, 2022, \$4,500 for single individuals and \$9,000 for married persons (one-half of  
2401 such amounts in the case of a married individual filing a separate return); and (iii) for taxable years  
2402 beginning on and after January 1, 2022, but before January 1, 2026, \$8,000 for single individuals and  
2403 \$16,000 for married persons (one-half of such amounts in the case of a married individual filing a  
2404 separate return). For purposes of this section, any person who may be claimed as a dependent on  
2405 another taxpayer's return for the taxable year may compute the deduction only with respect to earned  
2406 income.

2407 2. a. A deduction in the amount of \$930 for each personal exemption allowable to the taxpayer for  
2408 federal income tax purposes.

2409 b. Each blind or aged taxpayer as defined under § 63(f) of the Internal Revenue Code shall be  
2410 entitled to an additional personal exemption in the amount of \$800.

2411 The additional deduction for blind or aged taxpayers allowed under this subdivision shall be  
2412 allowable regardless of whether the taxpayer itemizes deductions for the taxable year for federal income  
2413 tax purposes.

2414 3. A deduction equal to the amount of employment-related expenses upon which the federal credit is  
2415 based under § 21 of the Internal Revenue Code for expenses for household and dependent care services  
2416 necessary for gainful employment.

2417 4. An additional \$1,000 deduction for each child residing for the entire taxable year in a home under  
2418 permanent foster care placement as defined in § 63.2-908, provided that the taxpayer can also claim the  
2419 child as a personal exemption under § 151 of the Internal Revenue Code.

2420 5. a. A deduction in the amount of \$12,000 for individuals born on or before January 1, 1939.

2421 b. A deduction in the amount of \$12,000 for individuals born after January 1, 1939, who have  
2422 attained the age of 65. This deduction shall be reduced by \$1 for every \$1 that the taxpayer's adjusted  
2423 federal adjusted gross income exceeds \$50,000 for single taxpayers or \$75,000 for married taxpayers.  
2424 For married taxpayers filing separately, the deduction shall be reduced by \$1 for every \$1 that the total  
2425 combined adjusted federal adjusted gross income of both spouses exceeds \$75,000.

2426 For the purposes of this subdivision, "adjusted federal adjusted gross income" means federal adjusted  
2427 gross income minus any benefits received under Title II of the Social Security Act and other benefits  
2428 subject to federal income taxation solely pursuant to § 86 of the Internal Revenue Code, as amended.

2429 6. The amount an individual pays as a fee for an initial screening to become a possible bone marrow  
2430 donor, if (i) the individual is not reimbursed for such fee or (ii) the individual has not claimed a  
2431 deduction for the payment of such fee on his federal income tax return.

2432 7. a. A deduction shall be allowed to the purchaser or contributor for the amount paid or contributed  
2433 during the taxable year for a prepaid tuition contract or college savings trust account entered into with  
2434 the *Virginia College Savings Commonwealth Savers Plan*, pursuant to Chapter 7 (§ 23.1-700 et seq.) of  
2435 Title 23.1. Except as provided in subdivision b, the amount deducted on any individual income tax  
2436 return in any taxable year shall be limited to \$4,000 per prepaid tuition contract or college savings trust  
2437 account. No deduction shall be allowed pursuant to this subdivision 7 if such payments or contributions  
2438 are deducted on the purchaser's or contributor's federal income tax return. If the purchase price or annual  
2439 contribution to a college savings trust account exceeds \$4,000, the remainder may be carried forward  
2440 and subtracted in future taxable years until the purchase price or college savings trust contribution has  
2441 been fully deducted; however, except as provided in subdivision b, in no event shall the amount  
2442 deducted in any taxable year exceed \$4,000 per contract or college savings trust account.  
2443 Notwithstanding the statute of limitations on assessments contained in § 58.1-312, any deduction taken  
2444 hereunder shall be subject to recapture in the taxable year or years in which distributions or refunds are  
2445 made for any reason other than (i) to pay qualified higher education expenses, as defined in § 529 of the  
2446 Internal Revenue Code or (ii) the beneficiary's death, disability, or receipt of a scholarship. For the  
2447 purposes of this subdivision, "purchaser" or "contributor" means the person shown as such on the  
2448 records of the *Virginia College Savings Commonwealth Savers Plan* as of December 31 of the taxable  
2449 year. In the case of a transfer of ownership of a prepaid tuition contract or college savings trust account,  
2450 the transferee shall succeed to the transferor's tax attributes associated with a prepaid tuition contract or  
2451 college savings trust account, including, but not limited to, carryover and recapture of deductions.

2452 b. A purchaser of a prepaid tuition contract or contributor to a college savings trust account who has  
2453 attained age 70 shall not be subject to the limitation that the amount of the deduction not exceed \$4,000  
2454 per prepaid tuition contract or college savings trust account in any taxable year. Such taxpayer shall be  
2455 allowed a deduction for the full amount paid for the contract or contributed to a college savings trust  
2456 account, less any amounts previously deducted.

2457 8. The total amount an individual actually contributed in funds to the Virginia Public School

2458 Construction Grants Program and Fund, established in Chapter 11.1 (§ 22.1-175.1 et seq.) of Title 22.1,  
2459 provided that the individual has not claimed a deduction for such amount on his federal income tax  
2460 return.

2461 9. An amount equal to 20 percent of the tuition costs incurred by an individual employed as a  
2462 primary or secondary school teacher licensed pursuant to Chapter 15 (§ 22.1-289.1 et seq.) of Title 22.1  
2463 to attend continuing teacher education courses that are required as a condition of employment; however,  
2464 the deduction provided by this subdivision shall be available only if (i) the individual is not reimbursed  
2465 for such tuition costs and (ii) the individual has not claimed a deduction for the payment of such tuition  
2466 costs on his federal income tax return.

2467 10. The amount an individual pays annually in premiums for long-term health care insurance,  
2468 provided that the individual has not claimed a deduction for federal income tax purposes, or, for taxable  
2469 years beginning before January 1, 2014, a credit under § 58.1-339.11. For taxable years beginning on  
2470 and after January 1, 2014, no such deduction for long-term health care insurance premiums paid by the  
2471 individual during the taxable year shall be allowed if the individual has claimed a federal income tax  
2472 deduction for such taxable year for long-term health care insurance premiums paid by him.

2473 11. Contract payments to a producer of quota tobacco or a tobacco quota holder, or their spouses, as  
2474 provided under the American Jobs Creation Act of 2004 (P.L. 108-357), but only to the extent that such  
2475 payments have not been subtracted pursuant to subsection D of § 58.1-402, as follows:

2476 a. If the payment is received in installment payments, then the recognized gain may be subtracted in  
2477 the taxable year immediately following the year in which the installment payment is received.

2478 b. If the payment is received in a single payment, then 10 percent of the recognized gain may be  
2479 subtracted in the taxable year immediately following the year in which the single payment is received.  
2480 The taxpayer may then deduct an equal amount in each of the nine succeeding taxable years.

2481 12. An amount equal to 20 percent of the sum paid by an individual pursuant to Chapter 6  
2482 (§ 58.1-600 et seq.), not to exceed \$500 in each taxable year, in purchasing for his own use the  
2483 following items of tangible personal property: (i) any clothes washers, room air conditioners,  
2484 dishwashers, and standard size refrigerators that meet or exceed the applicable energy star efficiency  
2485 requirements developed by the U.S. Environmental Protection Agency and the U.S. Department of  
2486 Energy; (ii) any fuel cell that (a) generates electricity using an electrochemical process, (b) has an  
2487 electricity-only generation efficiency greater than 35 percent, and (c) has a generating capacity of at least  
2488 two kilowatts; (iii) any gas heat pump that has a coefficient of performance of at least 1.25 for heating  
2489 and at least 0.70 for cooling; (iv) any electric heat pump hot water heater that yields an energy factor of  
2490 at least 1.7; (v) any electric heat pump that has a heating system performance factor of at least 8.0 and  
2491 a cooling seasonal energy efficiency ratio of at least 13.0; (vi) any central air conditioner that has a  
2492 cooling seasonal energy efficiency ratio of at least 13.5; (vii) any advanced gas or oil water heater that  
2493 has an energy factor of at least 0.65; (viii) any advanced oil-fired boiler with a minimum annual  
2494 fuel-utilization rating of 85; (ix) any advanced oil-fired furnace with a minimum annual fuel-utilization  
2495 rating of 85; and (x) programmable thermostats.

2496 13. The lesser of \$5,000 or the amount actually paid by a living donor of an organ or other living  
2497 tissue for unreimbursed out-of-pocket expenses directly related to the donation that arose within 12  
2498 months of such donation, provided that the donor has not taken a medical deduction in accordance with  
2499 the provisions of § 213 of the Internal Revenue Code for such expenses. The deduction may be taken in  
2500 the taxable year in which the donation is made or the taxable year in which the 12-month period  
2501 expires.

2502 14. For taxable years beginning on and after January 1, 2013, the amount an individual age 66 or  
2503 older with earned income of at least \$20,000 for the year and federal adjusted gross income not in  
2504 excess of \$30,000 for the year pays annually in premiums for (i) a prepaid funeral insurance policy  
2505 covering the individual or (ii) medical or dental insurance for any person for whom individual tax filers  
2506 may claim a deduction for such premiums under federal income tax laws. As used in this subdivision,  
2507 "earned income" means the same as that term is defined in § 32(c) of the Internal Revenue Code. The  
2508 deduction shall not be allowed for any portion of such premiums paid for which the individual has (a)  
2509 been reimbursed, (b) claimed a deduction for federal income tax purposes, (c) claimed a deduction or  
2510 subtraction under another provision of this section, or (d) claimed a federal income tax credit or any  
2511 income tax credit pursuant to this chapter.

2512 15. For taxable years beginning on and after January 1, 2018, but before January 1, 2022, 20 percent  
2513 of business interest disallowed as a deduction pursuant to § 163(j) of the Internal Revenue Code. For  
2514 taxable years beginning on and after January 1, 2022, 30 percent of business interest disallowed as a  
2515 deduction pursuant to § 163(j) of the Internal Revenue Code. For purposes of this subdivision, "business  
2516 interest" means the same as that term is defined under § 163(j) of the Internal Revenue Code.

2517 16. For taxable years beginning on and after January 1, 2019, the actual amount of real and personal  
2518 property taxes imposed by the Commonwealth or any other taxing jurisdiction not otherwise deducted

2519 solely on account of the dollar limitation imposed on individual deductions by § 164(b)(6)(B) of the  
2520 Internal Revenue Code.

2521 17. For taxable years beginning before January 1, 2021, up to \$100,000 of the amount that is not  
2522 deductible when computing federal adjusted gross income solely on account of the portion of  
2523 subdivision B 10 of § 58.1-301 related to Paycheck Protection Program loans.

2524 18. For taxable years beginning on and after January 1, 2022, but before January 1, 2025, the lesser  
2525 of \$500 or the actual amount paid or incurred for eligible educator qualifying expenses. For purposes of  
2526 this subdivision, "eligible educator" means an individual who for at least 900 hours during the taxable  
2527 year in which the credit under this section is claimed served as a teacher licensed pursuant to Chapter  
2528 15 (§ 22.1-289.1 et seq.) of Title 22.1, instructor, student counselor, principal, special needs personnel,  
2529 or student aide serving accredited public or private primary and secondary school students in Virginia,  
2530 and "qualifying expenses" means 100 percent of the amount paid or incurred by an eligible educator  
2531 during the taxable year for participation in professional development courses and the purchase of books,  
2532 supplies, computer equipment (including related software and services), other educational and teaching  
2533 equipment, and supplementary materials used directly in that individual's service to students as an  
2534 eligible educator, provided that such purchases were neither reimbursed nor claimed as a deduction on  
2535 the eligible educator's federal income tax return for such taxable year.

2536 **§ 58.1-322.03. (Contingently effective pursuant to Acts 2022, Sp. Sess. I, c. 2, cl. 8) Virginia  
2537 taxable income; deductions.**

2538 In computing Virginia taxable income pursuant to § 58.1-322, there shall be deducted from Virginia  
2539 adjusted gross income as defined in § 58.1-321:

2540 1. a. The amount allowable for itemized deductions for federal income tax purposes where the  
2541 taxpayer has elected for the taxable year to itemize deductions on his federal return, but reduced by the  
2542 amount of income taxes imposed by the Commonwealth or any other taxing jurisdiction and deducted  
2543 on such federal return and increased by an amount that, when added to the amount deducted under  
2544 § 170 of the Internal Revenue Code for mileage, results in a mileage deduction at the state level for  
2545 such purposes at a rate of 18 cents per mile; or

2546 b. Provided that the taxpayer has not itemized deductions for the taxable year on his federal income  
2547 tax return: (i) for taxable years beginning before January 1, 2019, and on and after January 1, 2026,  
2548 \$3,000 for single individuals and \$6,000 for married persons (one-half of such amounts in the case of a  
2549 married individual filing a separate return); (ii) for taxable years beginning on and after January 1, 2019,  
2550 but before January 1, 2022, \$4,500 for single individuals and \$9,000 for married persons (one-half of  
2551 such amounts in the case of a married individual filing a separate return); and (iii) for taxable years  
2552 beginning on and after January 1, 2022, but before January 1, 2026, \$8,000 for single individuals and  
2553 \$16,000 for married persons (one-half of such amounts in the case of a married individual filing a  
2554 separate return). For purposes of this section, any person who may be claimed as a dependent on  
2555 another taxpayer's return for the taxable year may compute the deduction only with respect to earned  
2556 income.

2557 2. a. A deduction in the amount of \$930 for each personal exemption allowable to the taxpayer for  
2558 federal income tax purposes.

2559 b. Each blind or aged taxpayer as defined under § 63(f) of the Internal Revenue Code shall be  
2560 entitled to an additional personal exemption in the amount of \$800.

2561 The additional deduction for blind or aged taxpayers allowed under this subdivision shall be  
2562 allowable regardless of whether the taxpayer itemizes deductions for the taxable year for federal income  
2563 tax purposes.

2564 3. A deduction equal to the amount of employment-related expenses upon which the federal credit is  
2565 based under § 21 of the Internal Revenue Code for expenses for household and dependent care services  
2566 necessary for gainful employment.

2567 4. An additional \$1,000 deduction for each child residing for the entire taxable year in a home under  
2568 permanent foster care placement as defined in § 63.2-908, provided that the taxpayer can also claim the  
2569 child as a personal exemption under § 151 of the Internal Revenue Code.

2570 5. a. A deduction in the amount of \$12,000 for individuals born on or before January 1, 1939.

2571 b. A deduction in the amount of \$12,000 for individuals born after January 1, 1939, who have  
2572 attained the age of 65. This deduction shall be reduced by \$1 for every \$1 that the taxpayer's adjusted  
2573 federal adjusted gross income exceeds \$50,000 for single taxpayers or \$75,000 for married taxpayers.  
2574 For married taxpayers filing separately, the deduction shall be reduced by \$1 for every \$1 that the total  
2575 combined adjusted federal adjusted gross income of both spouses exceeds \$75,000.

2576 For the purposes of this subdivision, "adjusted federal adjusted gross income" means federal adjusted  
2577 gross income minus any benefits received under Title II of the Social Security Act and other benefits  
2578 subject to federal income taxation solely pursuant to § 86 of the Internal Revenue Code, as amended.

2579 6. The amount an individual pays as a fee for an initial screening to become a possible bone marrow  
2580 donor, if (i) the individual is not reimbursed for such fee or (ii) the individual has not claimed a

2581 deduction for the payment of such fee on his federal income tax return.

2582 7. a. A deduction shall be allowed to the purchaser or contributor for the amount paid or contributed  
 2583 during the taxable year for a prepaid tuition contract or college savings trust account entered into with  
 2584 the *Virginia College Savings Commonwealth Savers Plan*, pursuant to Chapter 7 (§ 23.1-700 et seq.) of  
 2585 Title 23.1. Except as provided in subdivision b, the amount deducted on any individual income tax  
 2586 return in any taxable year shall be limited to \$4,000 per prepaid tuition contract or college savings trust  
 2587 account. No deduction shall be allowed pursuant to this subdivision 7 if such payments or contributions  
 2588 are deducted on the purchaser's or contributor's federal income tax return. If the purchase price or annual  
 2589 contribution to a college savings trust account exceeds \$4,000, the remainder may be carried forward  
 2590 and subtracted in future taxable years until the purchase price or college savings trust contribution has  
 2591 been fully deducted; however, except as provided in subdivision b, in no event shall the amount  
 2592 deducted in any taxable year exceed \$4,000 per contract or college savings trust account.  
 2593 Notwithstanding the statute of limitations on assessments contained in § 58.1-312, any deduction taken  
 2594 hereunder shall be subject to recapture in the taxable year or years in which distributions or refunds are  
 2595 made for any reason other than (i) to pay qualified higher education expenses, as defined in § 529 of the  
 2596 Internal Revenue Code or (ii) the beneficiary's death, disability, or receipt of a scholarship. For the  
 2597 purposes of this subdivision, "purchaser" or "contributor" means the person shown as such on the  
 2598 records of the *Virginia College Savings Commonwealth Savers Plan* as of December 31 of the taxable  
 2599 year. In the case of a transfer of ownership of a prepaid tuition contract or college savings trust account,  
 2600 the transferee shall succeed to the transferor's tax attributes associated with a prepaid tuition contract or  
 2601 college savings trust account, including, but not limited to, carryover and recapture of deductions.

2602 b. A purchaser of a prepaid tuition contract or contributor to a college savings trust account who has  
 2603 attained age 70 shall not be subject to the limitation that the amount of the deduction not exceed \$4,000  
 2604 per prepaid tuition contract or college savings trust account in any taxable year. Such taxpayer shall be  
 2605 allowed a deduction for the full amount paid for the contract or contributed to a college savings trust  
 2606 account, less any amounts previously deducted.

2607 8. The total amount an individual actually contributed in funds to the Virginia Public School  
 2608 Construction Grants Program and Fund, established in Chapter 11.1 (§ 22.1-175.1 et seq.) of Title 22.1,  
 2609 provided that the individual has not claimed a deduction for such amount on his federal income tax  
 2610 return.

2611 9. An amount equal to 20 percent of the tuition costs incurred by an individual employed as a  
 2612 primary or secondary school teacher licensed pursuant to Chapter 15 (§ 22.1-289.1 et seq.) of Title 22.1  
 2613 to attend continuing teacher education courses that are required as a condition of employment; however,  
 2614 the deduction provided by this subdivision shall be available only if (i) the individual is not reimbursed  
 2615 for such tuition costs and (ii) the individual has not claimed a deduction for the payment of such tuition  
 2616 costs on his federal income tax return.

2617 10. The amount an individual pays annually in premiums for long-term health care insurance,  
 2618 provided that the individual has not claimed a deduction for federal income tax purposes, or, for taxable  
 2619 years beginning before January 1, 2014, a credit under § 58.1-339.11. For taxable years beginning on  
 2620 and after January 1, 2014, no such deduction for long-term health care insurance premiums paid by the  
 2621 individual during the taxable year shall be allowed if the individual has claimed a federal income tax  
 2622 deduction for such taxable year for long-term health care insurance premiums paid by him.

2623 11. Contract payments to a producer of quota tobacco or a tobacco quota holder, or their spouses, as  
 2624 provided under the American Jobs Creation Act of 2004 (P.L. 108-357), but only to the extent that such  
 2625 payments have not been subtracted pursuant to subsection D of § 58.1-402, as follows:

2626 a. If the payment is received in installment payments, then the recognized gain may be subtracted in  
 2627 the taxable year immediately following the year in which the installment payment is received.

2628 b. If the payment is received in a single payment, then 10 percent of the recognized gain may be  
 2629 subtracted in the taxable year immediately following the year in which the single payment is received.  
 2630 The taxpayer may then deduct an equal amount in each of the nine succeeding taxable years.

2631 12. An amount equal to 20 percent of the sum paid by an individual pursuant to Chapter 6  
 2632 (§ 58.1-600 et seq.), not to exceed \$500 in each taxable year, in purchasing for his own use the  
 2633 following items of tangible personal property: (i) any clothes washers, room air conditioners,  
 2634 dishwashers, and standard size refrigerators that meet or exceed the applicable energy star efficiency  
 2635 requirements developed by the U.S. Environmental Protection Agency and the U.S. Department of  
 2636 Energy; (ii) any fuel cell that (a) generates electricity using an electrochemical process, (b) has an  
 2637 electricity-only generation efficiency greater than 35 percent, and (c) has a generating capacity of at least  
 2638 two kilowatts; (iii) any gas heat pump that has a coefficient of performance of at least 1.25 for heating  
 2639 and at least 0.70 for cooling; (iv) any electric heat pump hot water heater that yields an energy factor of  
 2640 at least 1.7; (v) any electric heat pump that has a heating system performance factor of at least 8.0 and  
 2641 a cooling seasonal energy efficiency ratio of at least 13.0; (vi) any central air conditioner that has a

2642 cooling seasonal energy efficiency ratio of at least 13.5; (vii) any advanced gas or oil water heater that  
2643 has an energy factor of at least 0.65; (viii) any advanced oil-fired boiler with a minimum annual  
2644 fuel-utilization rating of 85; (ix) any advanced oil-fired furnace with a minimum annual fuel-utilization  
2645 rating of 85; and (x) programmable thermostats.

2646 13. The lesser of \$5,000 or the amount actually paid by a living donor of an organ or other living  
2647 tissue for unreimbursed out-of-pocket expenses directly related to the donation that arose within 12  
2648 months of such donation, provided that the donor has not taken a medical deduction in accordance with  
2649 the provisions of § 213 of the Internal Revenue Code for such expenses. The deduction may be taken in  
2650 the taxable year in which the donation is made or the taxable year in which the 12-month period  
2651 expires.

2652 14. For taxable years beginning on and after January 1, 2013, the amount an individual age 66 or  
2653 older with earned income of at least \$20,000 for the year and federal adjusted gross income not in  
2654 excess of \$30,000 for the year pays annually in premiums for (i) a prepaid funeral insurance policy  
2655 covering the individual or (ii) medical or dental insurance for any person for whom individual tax filers  
2656 may claim a deduction for such premiums under federal income tax laws. As used in this subdivision,  
2657 "earned income" means the same as that term is defined in § 32(c) of the Internal Revenue Code. The  
2658 deduction shall not be allowed for any portion of such premiums paid for which the individual has (a)  
2659 been reimbursed, (b) claimed a deduction for federal income tax purposes, (c) claimed a deduction or  
2660 subtraction under another provision of this section, or (d) claimed a federal income tax credit or any  
2661 income tax credit pursuant to this chapter.

2662 15. For taxable years beginning on and after January 1, 2018, but before January 1, 2022, 20 percent  
2663 of business interest disallowed as a deduction pursuant to § 163(j) of the Internal Revenue Code. For  
2664 taxable years beginning on and after January 1, 2022, 30 percent of business interest disallowed as a  
2665 deduction pursuant to § 163(j) of the Internal Revenue Code. For purposes of this subdivision, "business  
2666 interest" means the same as that term is defined under § 163(j) of the Internal Revenue Code.

2667 16. For taxable years beginning on and after January 1, 2019, the actual amount of real and personal  
2668 property taxes imposed by the Commonwealth or any other taxing jurisdiction not otherwise deducted  
2669 solely on account of the dollar limitation imposed on individual deductions by § 164(b)(6)(B) of the  
2670 Internal Revenue Code.

2671 17. For taxable years beginning before January 1, 2021, up to \$100,000 of the amount that is not  
2672 deductible when computing federal adjusted gross income solely on account of the portion of  
2673 subdivision B 10 of § 58.1-301 related to Paycheck Protection Program loans.

2674 18. For taxable years beginning on and after January 1, 2022, but before January 1, 2025, the lesser  
2675 of \$500 or the actual amount paid or incurred for eligible educator qualifying expenses. For purposes of  
2676 this subdivision, "eligible educator" means an individual who for at least 900 hours during the taxable  
2677 year in which the credit under this section is claimed served as a teacher licensed pursuant to Chapter  
2678 15 (§ 22.1-289.1 et seq.) of Title 22.1, instructor, student counselor, principal, special needs personnel,  
2679 or student aide serving accredited public or private primary and secondary school students in Virginia,  
2680 and "qualifying expenses" means 100 percent of the amount paid or incurred by an eligible educator  
2681 during the taxable year for participation in professional development courses and the purchase of books,  
2682 supplies, computer equipment (including related software and services), other educational and teaching  
2683 equipment, and supplementary materials used directly in that individual's service to students as an  
2684 eligible educator, provided that such purchases were neither reimbursed nor claimed as a deduction on  
2685 the eligible educator's federal income tax return for such taxable year.

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

2687 A. If an individual is entitled to an income tax refund for the taxable year, that individual may  
2688 designate on his Virginia individual income tax return a contribution to one or more *Virginia College*  
2689 *Commonwealth Savers* Plan accounts established under Chapter 7 (§ 23.1-700 et seq.) of Title  
2690 23.1, in the amount of the entire individual income tax refund or a portion thereof.

2691 B. 1. The Department of Taxation shall send each contribution made pursuant to subsection A to the  
2692 *Virginia College Savings Commonwealth Savers* Plan with the following information:

2693 a. The amount of the individual income tax refund or that portion of the refund that the individual  
2694 has chosen to contribute;

2695 b. The taxpayer's name, Social Security number or taxpayer identification number, address, and  
2696 telephone number; and

2697 c. The *Virginia College Savings Commonwealth Savers* Plan account number or numbers into which  
2698 the contributions will be deposited.

2699 2. If a contribution to a *Virginia College Savings Commonwealth Savers* Plan account is designated  
2700 in an individual income tax return filed jointly by married individuals, the Department of Taxation shall  
2701 send the information described in subdivision 1 for both spouses to the *Virginia College Savings*  
2702 *Commonwealth Savers* Plan.

2703 C. 1. If the taxpayer owns a single *Virginia College Savings Commonwealth Savers* Plan account, the

2704 Virginia College Savings Commonwealth Savers Plan shall deposit the contribution made pursuant to  
2705 subsection A into that account.

2706 2. If the taxpayer owns more than one Virginia College Savings Commonwealth Savers Plan account,  
2707 the Virginia College Savings Commonwealth Savers Plan shall allocate the contribution made pursuant  
2708 to subsection A between or among the accounts in equal amounts, or as otherwise designated by the  
2709 taxpayer.

2710 3. If the taxpayer does not own an existing Virginia College Savings Commonwealth Savers Plan  
2711 account and does not wish to open an account, contributions made pursuant to subsection A shall be  
2712 returned to the taxpayer by the Virginia College Savings Commonwealth Savers Plan.

2713 D. For the purpose of determining interest on an overpayment or refund under § 58.1-1833, no  
2714 interest shall accrue after the Department of Taxation sends the contribution to the Virginia College  
2715 Savings Commonwealth Savers Plan.

2716 E. Any taxpayer designating that a refund be contributed to a Virginia College Savings  
2717 Commonwealth Savers Plan account shall, by making such designation, be deemed to authorize the  
2718 Department of Taxation to provide all necessary information, including the information specified in  
2719 subdivision B 1, to the Virginia College Savings Commonwealth Savers Plan.