



**Virginia Legislative Update
February 18, 2010**

HB/SB 29 and 30. 2010 Biennium Budget. The budget bills remain under consideration in both houses. We remain concerned about the amendment introduced by Delegate Lingamfelter (*HB 30, Item 4-605 #1h*). This amendment would make mandatory what is now a voluntary requirement that nonprofits, who are compensated by the Commonwealth of VA, utilize the on-line E-Verify system in their hiring practices. The system allegedly compares an employee's I-9 information with over 444 million records in the Social Security Administration databases and more than 60 million records maintained by the Department of Homeland Security immigration databases. Some of our constituents have expressed concern that this amendment would place an additional, onerous administrative burden on nonprofit employers that would impose on staff time, increase compliance requirements without achieving any efficiency, and threaten an organization's financial resources. Please contact VANNO Executive Director Deborah Williamson at dwilliamson@vanno.org with your input on this amendment.

The following pieces of legislation survived the "crossover" deadline of February 16—which means they passed the side of the legislature in which they were introduced and are now being considered by the other side of the legislature.

HB 1213. Department of Historic Resources; historic preservation grants. Clarifies and makes several technical and procedural changes to the authority of the Department of Historic Resources to supervise state moneys appropriated to organizations, including localities and private entities, and related to historic preservation. *Still in Senate Committee on Agriculture, Chesapeake and Natural Resources*

HB 436 (Companion to SB 291). Donations by localities; energy efficiency. Provides that a locality may make gifts and donations to any nonprofit organization, association, or agency that is engaged in providing energy efficiency services or promoting energy efficiency within or without the boundaries of the locality. *Still in Senate Committee on Local Government*

SB 291 (Companion to HB 436). Donations by localities; energy efficiency. Provides that a locality may make gifts and donations to any nonprofit organization, association, or agency that is engaged in providing energy efficiency services or promoting energy efficiency within or without the boundaries of the locality. *Still in House Committee on Counties, Cities, & Towns.*

HB 1245. Surplus property of local school boards. Authorizes elected local school boards to donate obsolete personal property to a Virginia nonprofit charitable organization. *Assigned to Senate Subcommittee on Public Education. (Version now under consideration is no longer applicable to surplus property.)*

HJ 182. Recognizing the important contributions of philanthropy and private foundations and encouraging the formation and creation of these entities in the Commonwealth of Virginia. *Still in Senate Committee on Rules.*

SB 633. Neighborhood assistance tax credits; impoverished people. Changes the definition of "impoverished people" for education proposals under the Neighborhood Assistance Act Tax Credit program from 180 percent to 200 percent of the current federal poverty guidelines. As a condition of eligibility for a neighborhood assistance tax credit, current law requires that at least 50 percent of the persons served by a neighborhood organization are impoverished people. *Reported out of House Subcommittee on Finance.*

HB 717 (Companion SB 614). Civil War Site Preservation Fund established. Establishes the Civil War Site Preservation Fund for the purpose of awarding grants to private nonprofit organizations to preserve endangered Virginia Civil War historic sites. The grants would be awarded for the fee simple purchase of, or the purchase of protective interests in, Civil War historic sites listed in the "Report on the Nation's Civil War Battlefields." The bill sets out eligibility criteria for receiving a matching grant from the fund. The Director of the Department of Historic Resources is responsible for administering the fund. *Still in Senate Committee on Agriculture, Conservation and Natural Resources*

SB 614 (Companion HB 717). Civil War Site Preservation Fund established. Establishes the Civil War Site Preservation Fund for the purpose of awarding grants to private nonprofit organizations to preserve endangered Virginia Civil War historic sites. The grants would be awarded for the fee simple purchase of, or purchase of protective interests in Civil War historic sites listed in the "Report on the Nation's Civil War Battlefields." The bill sets out eligibility criteria for receiving a matching grant from the fund. The Director of the Department of Historic Resources is responsible for administering the fund. *Referred to House Committee on Agriculture, Chesapeake and Natural Resources. . (Version now under consideration further clarifies purposes of grants and qualification criteria for subject properties.)*

HB 1039 (Companion SB 224). Notification of breach of medical information. Requires notification to residents of the Commonwealth if their unredacted or unencrypted medical information or health insurance information is the subject of a database breach. The notification required by this section would apply only to entities not subject to federal medical information database breach notification regulations. This bill would become effective January 1, 2011. *Reported from Senate Committee on Education and Health with substitute. (Version now under consideration extends effective date to January 1, 2011.)*

SB 224 (Companion HB 1039). Notification of breach of medical information. Requires notification to residents of the Commonwealth if their unredacted or unencrypted medical

information or insurance information is the subject of a database breach. The notification required by this section would apply only to entities not subject to federal medical information database breach notification regulations. *Referred from House Committee on Health, Welfare and Institutions to House Committee on Science and Technology. (Version now under consideration extends effective date to January 1, 2011.)*

HB 710. Health care data and reporting; ranking of health care providers. Requires the Department of Health to take steps to increase public awareness of data and information related to health care quality that is available through a website maintained by a nonprofit organization with which the Department has entered into a contract, and guidance regarding how such data and information can be used to inform decisions about health care providers and services. *Assigned to Senate Subcommittee on Healthcare. (Version now under consideration shifts responsibility from the contracting nonprofit agency to the Department of Health.)*

SB 563. Charitable organizations; exemptions to reporting requirements. Adds veterans' posts or organizations to those groups that are exempt from submitting annual registration statements. *Still in House Committee on General Laws*

HB 612. Corporations; payment of annual registration fees. Requires that payments of annual registration fees assessed against a corporation be applied to the corporation's oldest unpaid annual registration fee assessment or penalty. The measure provides that annual registration fees shall be due in the anniversary month of the date when the corporation was incorporated, or authorized to transact business or conduct its affairs in the Commonwealth if it is a foreign corporation. The measure also clarifies the procedure by which a corporation's corporate existence or authority to transact business or conduct its affairs in the Commonwealth is automatically terminated if it fails to pay its annual registration fee by the last day of the fourth month following the fee's due date. *Still in Senate Committee on Commerce and Labor*

SB 116. Virginia Consumer Protection Act; religious bodies. Provides that any transaction that involves the advertisement, sale, lease, or license, or the offering for sale, lease or license, of goods or services to a church or other religious body constitutes a "consumer transaction" for purposes of the Virginia Consumer Protection Act. *Still in House Committee on Commerce and Labor.*

HB 495 (Companion SB 117). Serving of meals by churches. Exempts churches serving meals consisting of food prepared in the homes of members or in the kitchen of the church from licensure requirements applicable to restaurants. *Reported from Senate Committee on Education and Health.*

SB 117 (Companion HB 495). Serving of meals by churches. Exempts churches serving meals consisting of food prepared in the homes of members or in the kitchen of the church from licensure requirements applicable to restaurants. *Still in House Committee on General Laws.*

HB 524 (Companion SB 507). Secretary of the Commonwealth; lobbyist disclosure. Redesigns the Lobbyist's Disclosure Statement to clarify information requested and increase compliance. Among other things, the redesigned form requires a lobbyist to include a list of all

House of Delegates or Senate bills for which he has lobbied and changes the manner in which entertainment and gift expenses are reported. The bill also provides that a lobbyist who files the statement electronically is not required to provide a paper copy. In addition, the bill provides that the Secretary of the Commonwealth shall review the lobbyist disclosure statements for completeness and accuracy and if a statement is not properly completed, the entire filing will be rejected and returned to the lobbyist. The lobbyist must submit a revised statement within 30 days from receipt of the returned statement. *Still in Senate Committee on Rules*

SB 282. Landlord and Tenant; eviction procedure; acceptance of redemption tenders.

Provides that when a tenant presents on or before the first return date on an action for unlawful detainer a redemption tender from a local government's eviction prevention agency, a church or other religious institution, or a nonprofit organization in the amount of all current rent, reasonable late charges, attorney fees, and court costs, the court shall continue the action for 10 days. *Still in House Committee on General Laws.*

HB 950. Charitable gaming; regulations of the Charitable Gaming Board; prohibited acts

Limits the number of bingo games per session to no more than 55; requires the Charitable Gaming Board to adopt regulations prescribing the condition by which nonmembers of an organization may participate in the conduct of bingo so long as the nonmembers are under the direct supervision of a bona fide member of the organization during the bingo game. The bill increases the number of Lucky 7 and other progressive bingo games from one to six per session; and eliminates winner-take-all games. The bill also requires that the Department of Agriculture and Consumer Services shall report to the chairs of the House Committee on General Laws and the Senate Committee on General Laws and Technology on or before December 1, 2010 concerning the Department's efforts to increase the number of Department-approved independent laboratory testers in order to expedite the Department's approval process for new charitable games. The bill is a recommendation of the Special Subcommittees of the House Committee on General Laws and the Senate Committee on General Laws and Technology. *Referred to Senate Committee on General Laws and Technology. (Version now under consideration increases limit on number of games per session and eliminates minimum time interval of 30 minutes between games.)*

HB 507. Regulation of certain transportation services. Provides that a local transportation service that operates as a nonprofit organization and that primarily serves senior citizens and disabled citizens shall be exempted from all local regulation of taxi services and other for-hire transportation services. *Referred to Senate Committee on Local Government.*

SB 644 (Companion to HB 677). Specialized Biotechnology Research Performance Grant Program; established.

Establishes the Specialized Biotechnology Research Performance Grant Program for nonprofit entities engaged in research, development, and production related to molecular diagnostics and drug development that enter into a performance-based memorandum of understanding with the Commonwealth prior to June 30, 2010. Grants would be paid to an eligible entity based in Fairfax County that commits in the memorandum of understanding and fulfills its obligation to (i) make a new capital investment of at least \$200 million, (ii) create at least 415 new full-time jobs, and (iii) meet any other criteria set forth in the memorandum of

understanding. Grants from the program to a qualified entity shall not exceed \$22 million in the aggregate. *Referred to House Committee on Commerce and Labor*

HB 114. Provides that campaign contributions made through a stored value card may never be accepted. The bill defines the term "stored value card." The bill also adds a provision applicable to candidate campaign committees that the candidate or committee cannot accept any contribution that is not attributable to an identified person and if received, such amounts must be contributed to charity. *Passed House. Referred to Senate Committee on Privileges and Elections.*

HB 928 Virginia Universities Clean Energy Development and Economic Stimulus Foundation. Creates the Virginia Universities Clean Energy Development and Economic Stimulus Foundation as a body corporate and a political subdivision of the Commonwealth. The Foundation shall identify, obtain, disburse, and administer funding for (i) research and development of alternative fuels, clean energy production, and related technologies; (ii) support of economic development projects in disadvantaged rural areas; and (iii) the provision of assistance in the commercialization of alternative fuels and clean energy technologies. Funding shall be awarded only to those proposed projects that best meet the established criteria and purposes of this act. *Passed House. Referred to Senate Committee on Education and Health.*

HB 141. Land preservation tax credit. Provides that only those nonprofit organizations that hold a conservation easement acquired pursuant to the Virginia Conservation Easement Act are ineligible to receive land preservation tax credits for donations of qualifying real property. *Passed House. Referred to Senate Committee on Finance.*

HB 1224. Neighborhood Assistance Act Tax Credit. Makes localities' health care programs eligible to receive tax credits that can be transferred to professionals donating their services to the programs. *Passed House. Referred to Senate Committee on Finance.*

HJ 27. Study; indigent health care in the Commonwealth; report. Directs the Joint Commission on Health Care to (i) determine the volume of indigent health care provided by private, specialty, and not-for-profit hospitals in the Commonwealth; (ii) determine the financial cost of indigent health care to private, specialty, and not-for-profit hospitals in the Commonwealth; and (iii) identify and analyze potential tax and other incentives that may be offered to private and specialty hospitals and other health care providers to encourage the provision of care to indigent individuals. *Passed House. Referred to Senate Committee on Rules.*

SB 653. Certificate of public need; exception. Allows the Commissioner of Health to accept and approve a request to amend the conditions of a certificate of public need issued to a continuing care provider registered with the State Corporation Commission in which nursing facility or extended care services are provided to allow such continuing care provider to continue to admit community patients, other than contract holders, to its nursing facility beds through December 31, 2013, if the following conditions are met: (i) the facility is located in the City of Norfolk and operated as a not-for-profit and (ii) the facility's contract holder occupancy rate is

less than 85 percent at the time of such application. *Passed Senate. Referred to House Committee on Health, Welfare and Institutions. (Version now under consideration limits applicability only to facilities in the City of Norfolk.)*

HB 965. Office of the Attorney General; Department of Agriculture and Consumer Affairs; powers and duties relating to consumer protection laws. Transfers investigative and consumer complaint and dispute resolution functions for certain consumer protection laws from the Office of Consumer Affairs within the Department of Agriculture and Consumer Affairs to the Division of Consumer Counsel within the Office of the Attorney General. *Passed House. Referred to Senate Committee on General Laws and Technology.*

HB 960. Local housing fund. Provides that any locality may establish by resolution a housing fund, the purpose of which will be to assist for-profit or nonprofit housing developers or organizations to develop or preserve affordable housing for low and moderate income persons. *Passed House. Referred to Senate Committee on Local Government.*

HB 599. Income tax; Public/Private Education Investment Tax Credit. Creates income tax credits for business entities and individual taxpayers who make contributions to eligible public school foundations and eligible scholarship foundations. For individual taxpayers, the amount of the annual credit is 100 percent of the contribution but may not exceed \$800 for individual taxpayers and \$1,200 for married taxpayers filing jointly. The amount of the annual credit for business entities is 90 percent of the contribution with no limit on the dollar amount. The public school foundations are required to disburse annually 90 percent of the contributions for capital improvement projects approved by the local school board and for extracurricular activities. The scholarship foundations are required to disburse 90 percent of the contributions for qualified educational expenses through scholarships. There is a \$20 million cap on total tax credits awarded annually, with \$10 million allocated for contributions made to public school foundations and \$10 million allocated for contributions made to scholarship foundations. The credit would be effective for taxable years beginning on and after January 1, 2011. *Passed House. Referred to Senate Committee on Finance.*

HB 677 (Companion to SB 644). Specialized Biotechnology Research Performance Grant Program; established. Establishes the Specialized Biotechnology Research Performance Grant Program for nonprofit entities engaged in research, development, and production related to molecular diagnostics and drug development that enter into a performance-based memorandum of understanding with the Commonwealth prior to June 30, 2010. Grants would be paid to an eligible entity based in Fairfax County that commits in the memorandum of understanding and fulfills its obligation to (i) make a new capital investment of at least \$200 million, (ii) create at least 415 new full-time jobs, and (iii) meet any other criteria set forth in the memorandum of understanding. Grants from the program to a qualified entity shall not exceed \$22 million in the aggregate. *Passed House. Referred to Senate Committee on Commerce and Labor.*

These pieces of legislation did not survive the “crossover” deadline. Unless otherwise indicated, they will need to be reintroduced to the 2011 General Assembly for further consideration.

HB 1046. Income tax; nonprofit charitable donations for Energy Star qualified products tax credit. Grants an income tax credit for taxable years beginning on or after January 1, 2010, to individual taxpayers and business taxpayers that make a cash donation to charitable nonprofit organizations that use the donation to construct, purchase, or lease Energy Star qualified products for their headquarters on or after January 1, 2010. The amount of the credit equals 50 percent of such equipment expenditures but not more than \$25,000 total.

HB 470. Condominium Act; Property Owners' Association Act; foreclosure on lien for unpaid assessments; priority of certain liens. Provides that a property owners' or condominium association may conduct a foreclosure sale on a lien for unpaid assessments subject to the lien of a first trust. The bill also provides that such portion of the unpaid assessments directly attributable to the maintenance and upkeep of the common areas and such other areas of association responsibility expressly provided for in the declaration, including capital expenditures shall be prior to all other liens and encumbrances. The bill contains technical amendments.

HB 917. Business entity fees for veterans. Reduces the fee for filing articles of organization of a domestic limited liability company and the charter fee for a domestic corporation to \$25 if each member and manager, or director and shareholder, as applicable, is a veteran. The annual registration fees for such entities are also reduced to \$25 for each entity's first two years of existence.

SB 281. Child labor; animal welfare organizations. Authorizes the participation by children of any age in all activities of any nonprofit entity organized to provide for the care and welfare of animals. However, children aged 13 and younger may participate only if accompanied by a parent. **(Stricken at request of patron on 2/15/10).**

HB 425. Income tax; voluntary contributions of income tax refunds. Provides for a new check-off for tax refund contributions made by individual and corporate taxpayers for pre-approved nonprofit human services programs throughout the Commonwealth. The check-off will be added to the waiting list, if the bill is enacted.

HB 1222. Voluntary Solar Resource Development Fund; grant program. Requires electric utilities to provide customers with the option to make voluntary contributions to the Voluntary Solar Resource Development Fund, which is established by this measure. Moneys in the Fund will be allocated by the State Corporation Commission as grants for projects that involve the acquisition, installation, or operation of photovoltaic devices, solar water heating devices, or solar space heating devices at a residence, structure occupied by a nonprofit organization, or commercial establishment.

HB 1030. Charitable gaming; oversight by the Department of Agriculture and Consumer Services. Limits the oversight by the Department of Agriculture and Consumer Services over charitable gaming in Virginia to the (i) issuance and renewal of permits to conduct charitable gaming, (ii) registration of bingo managers and callers, and (iii) licensing of charitable gaming suppliers. The bill likewise limits the regulatory authority of the Charitable Gaming Board to the above three areas. The bill requires every organization that conducts charitable gaming to obtain a permit from the Department. The bill contains numerous technical amendments.

HB 1078. Charitable gaming; reports and audits; exceptions. Exempts volunteer fire departments and rescue squads from filing quarterly reports of their charitable gaming activity with the Department of Agriculture and Consumer Services. The bill also exempts these entities from having their annual reports audited by the Department of Agriculture and Consumer Services.

HJ 48. Study; joint subcommittee to study the extent and cost of hunger and malnutrition in the Commonwealth; report. Establishes a joint subcommittee to study the extent and cost of hunger and malnutrition in the Commonwealth, including the scope and nature of hunger in the Commonwealth, the impacts of hunger on the Commonwealth, and promising practices for reducing hunger.

HB 955. Workers' compensation; occupational disease presumption. Adds salaried and volunteer lifesaving and rescue squad members to the list of public safety personnel who are entitled to a presumption that hypertension and heart disease are occupational diseases suffered in the line of duty that are covered under the Workers' Compensation Act.

SB 507 (Companion HB 524). Secretary of the Commonwealth; lobbyist disclosure. Redesigns the Lobbyist's Disclosure Statement to clarify information requested and increase compliance. Among other things, the redesigned form (i) requires a lobbyist to include a list of all House of Delegates or Senate bills and procurement transactions for which he has lobbied as well as the expenses related to such lobbying activity and (ii) changes the manner in which entertainment and gift expenses are reported. The bill also provides that a lobbyist who files the statement electronically is not required to provide a paper copy. In addition, the bill provides that the Secretary of the Commonwealth shall review the lobbyist disclosure statements for completeness and accuracy and if a statement is not properly completed, the entire filing will be rejected and returned to the lobbyist. The lobbyist must submit a revised statement within 30 days from receipt of the returned statement. *Continued to 2011 in Senate Committee on Rules.*

HB 261. Low-profit limited liability companies. Provides for the designation of a type of limited liability company as low-profit limited liability company. A low-profit limited liability company is a limited liability company that significantly furthers the accomplishment of a charitable or educational purpose, would not have been formed but for the entity's relationship to the accomplishment of charitable or educational purposes, does not have as a significant purpose the production of income or the appreciation of property, and does not have a political or legislative purpose. *Continued to 2011 in House Commerce and Labor Committee.*