



February 16, 2009

VANNO Crossover Report

Greetings Virginia Nonprofits!

This week marked the halfway point of the 2009 General Assembly session, also called "crossover." All bills must pass their original house (House of Delegates or Senate) by crossover, or it is automatically dead for the year.

VANNO continues to monitor legislation affecting the nonprofit community in this year's General Assembly session in Richmond.

Below is a brief summary of what has been introduced and the status of bills still working their way through the process. At the end of the list, you will find those bills previously included that have either been voted down, left in committee without a vote or "tabled" for this year.

For more details as to the content and status of any legislation, please visit the Virginia General Assembly's [Legislative Information System](#) or VANNO's legislative profile at [Richmond Sunlight](#). You may also find out who your Senator and Delegate is and contact your legislators directly at the [General Assembly website](#).

As before, VANNO's leadership is also continuing its efforts to formulate appropriate positions on select pieces of legislation that stand to affect the interests of Virginia's nonprofits in a significant way. To that end, I invite you to share with me any concerns or comments you may have about any of these and other legislative initiatives affecting Virginia's nonprofits. Please email me at [info@vanno.org](mailto:info@vanno.org).

With best wishes,

Deborah Barfield Williamson  
Executive Director

**PASSED BOTH HOUSE AND SENATE – AWAITING FURTHER ACTION**

**HB2330 Sales and use tax exemption; nonprofit schools.**

Exempts any non-profit school that is accredited by an entity approved by the Department of Education and any school licensed by the Department of

Education as a school for students with disabilities from the requirement to submit an audit to the Department of Taxation to obtain a sales and use tax exemption, if the school submits a federal 990 tax form.

**UPDATE:** This bill has passed both the House and Senate, with a slightly amended version being passed by the Senate. The amended version now needs to be re-affirmed by the House of Delegates before going to the Governor for his signature.

## **PASSED HOUSE OF DELEGATES – NOW IN SENATE**

### **HB1711 Civil immunity for charitable food donations and distributions**

Provides that any charitable organization engaged in a food distribution program for needy persons shall be exempt from civil liability arising from any injury or death resulting from the nature, age, condition, or packaging of the distributed food.

**UPDATE:** This bill has been referred to the Senate Courts of Justice Committee.

### **HB1779 Sales and use tax; exemption of sales by nonprofit entities**

Provides that a nonprofit entity that is otherwise entitled to the occasional sale exemption shall be entitled to such exemption regardless of the number of times it makes sales throughout the year.

**UPDATE:** This bill has been referred to the Senate Finance Committee

### **HB1796 Unsolicited bulk electronic mail (spam); penalty**

Creates a Class 1 misdemeanor when a person (1) uses a computer or computer network with the intent to falsify or forge electronic mail transmission information or other routing information in any manner in connection with the transmission of unsolicited commercial electronic mail ("spam") through or into the computer network of an electronic mail service provider or its subscribers; or (2) knowingly sells, gives, or otherwise distributes or possesses with the intent to sell, give, or distribute software that (i) is primarily designed or produced for the purpose of facilitating or enabling the falsification of the transmission information or other routing information of spam; (ii) has only limited commercially significant purpose or use other than to facilitate or enable the falsification of the transmission information or other routing information of spam; or (iii) is marketed by that person acting alone or with another for use in facilitating or enabling the falsification of the transmission information or other routing information of spam. A person is guilty of a Class 6 felony if, in addition to the elements of the Class 1 misdemeanor offense, the volume of spam transmitted exceeds a certain limit or the revenue generated exceeds a certain amount. This bill parallels the existing spam law but limits application to commercial electronic mail. Commercial electronic mail is defined in the bill as electronic mail, the primary purpose of which is the commercial advertisement or promotion of a commercial product or service (including content on an Internet website

operated for a commercial purpose).

**UPDATE:** This bill passed the House of Delegates and has been referred to the Senate Courts of Justice Committee

**HB1883 Secretary of the Commonwealth; lobbyist disclosure**

Redesigns the Lobbyist Disclosure Statement to clarify information requested and increase compliance.

**UPDATE:** This bill passed the House of Delegates and has been referred to the Senate Courts of Justice Committee.

**HB1983 Emergency response; liability**

Provides civil immunity for private and charitable organizations providing resources and assistance, without compensation, pursuant to a governor-declared emergency or during a formal emergency management training exercise, and at the request of the State Department of Emergency Management or a local emergency management employee. The immunity would not apply in instances of gross negligence, recklessness, or willful misconduct.

**UPDATE:** This bill has been referred to the Senate Courts of Justice Committee.

**HB2214 Pharmacies; bulk donation programs**

Provides that a pharmacy participating in bulk donation programs may charge a reasonable dispensing or administrative fee to offset the cost of dispensing donated medications, not to exceed the actual costs of such dispensing.

**UPDATE:** Passed the Senate Education and Health Committee and is now on the Senate floor.

**HB2445 Stock and nonstock corporations**

Conforms provisions of the Stock and Nonstock Corporation Acts regarding names, mergers, and terminations with similar provisions applicable to other business entity forms, and makes technical amendments.

**UPDATE:** This bill has been referred to the Senate Commerce and Labor Committee.

**HB2458 Posting of charity care policies**

Requires all hospitals to post information related to charity care, including specific eligibility criteria and procedures for applying for charity care, on a website maintained by the hospital, and in public areas of the hospital.

**UPDATE:** This bill passed the House of Delegates and has been referred to the Senate Education and Health Committee.

**PASSED SENATE – NOW IN HOUSE OF DELEGATES**

**SB949 Organ donation; Virginia Donor Registry and Public Awareness Fund**

Changes the name of the Virginia Transplant Council Education Fund to the Virginia Donor Registry and Public Awareness Fund, and requires the Department of Motor Vehicles to establish a procedure for driver's license applicants to voluntarily contribute to the Fund. Also makes technical corrections to make certain sections consistent with the Revised Uniform Anatomical Gift Act.

**UPDATE:** This bill has not yet been referred to a House Committee.

**SB969 Unlicensed child day centers; staff-to-child ratio**

Permits unlicensed day centers to reduce the number of staff per child by 50 percent during designated rest or sleep periods. The bill changes the staff-to-child ratio for unlicensed day centers to conform to that of licensed and regulated day centers during designated rest or sleep periods.

**UPDATE:** This bill has passed the House Health, Welfare and Institutions Committee and is now on the floor of the House of Delegates.

**SB1026 Nonprofit Corporation**

Authorizes the Foundation for Virginia's Natural Resources to establish a nonprofit, nonstock corporation to (i) foster collaboration and partnerships; (ii) raise money to finance projects providing environmental education, pollution prevention, and citizen monitoring; and (iii) promote the mission of the Foundation.

**UPDATE:** This bill is now in the House Agriculture, Chesapeake and Natural Resources Committee.

**SB1055 Virginia Housing Partnership Revolving Trust Fund; dedicating revenues**

Establishes special, permanent, nonreverting fund to provide affordable housing in the Commonwealth.

**UPDATE:** This bill passed the Senate, but has not yet been referred to a House Committee.

**SB1112 Virginia Tobacco Settlement Foundation; name change**

Changes the name of the Virginia Tobacco Settlement Foundation to the Virginia Foundation for Healthy Youth and allows for moneys from the Virginia Tobacco Settlement Fund that are obtained primarily from public grants and private funding sources to be used to reduce childhood obesity in the Commonwealth.

**UPDATE:** This bill has been referred to the House General Laws Committee.

**SB1222 Sales and use tax exemption; nonprofit entities**

Provides that nonprofit entities with gross annual revenue of at least \$750,000 in the previous year must file a financial review performed by an independent certified public accountant in order to be eligible for a sales and use tax exemption. However, for those nonprofit entities with gross annual revenue of at least \$1 million in the previous year, the Department of Taxation may require that the entity provide a financial audit performed by an independent certified public accountant in lieu of the financial review.

**UPDATE:** This bill has been referred to the House Finance Committee.

**SJ337 Resolution; federal grant funding**

Encourages the Commonwealth to seek additional federal grant funding for Virginia, and the assistance of the Department of Planning and Budget in helping state and local entities maximize federal grant funding opportunities.

**UPDATE:** This bill has been referred to the House Rules Committee.

**Bills Killed or Not Expecting Additional Action This Session**

**HB1702 Charitable gaming; use of proceeds**

Provides that the percentage, determined by the Charitable Gaming Board, which an organization must use for charitable purposes, is based on net receipts of the organization and not its gross receipts from charitable gaming.

**HB2025 Charitable gaming; use of proceeds; audit fee**

Allows proceeds from charitable gaming to be used for those expenses relating to the acquisition, construction, maintenance, or repair of any interest in real or personal property involved in the operation of the organization and used for lawful religious, charitable, community, or educational purposes. Currently, proceeds may be used only for real property. The bill also based the annual audit fee on net receipts and not gross receipts.

**HB2048 Child day programs; exemption from licensure**

Amends existing exemptions from licensure for child day programs.

**HB2053 Charitable gaming; prohibited acts; exceptions**

Provides that where a qualified organization that (i) is exempt from taxation pursuant to § 501 (c) of the Internal Revenue Code and (ii) owns the building or other premises utilized in whole or in part for the purpose of conducting bingo games, such organization may conduct more frequent operations of bingo games, not to exceed four calendar days in any calendar week. The bill also increases bingo prize amounts, allows nonmembers of an organization to operate bingo games provided they are under the direct supervision of a member, and limits to 50 the number of bingo games in a session.

**SB543 Sales and use tax exemption; nonprofit schools**

Exempts any non-profit school that is accredited by an entity approved by the Department of Education and any school licensed by the Department of Education as a school for students with disabilities from the requirement to submit an audit to the Department of Taxation to obtain a sales and use tax exemption, if the school files a federal 990 tax form with the Internal Revenue Service and provides a copy to the Department of Taxation.

**SB1092 Civil immunity for charitable food donations and distributions**

Provides that any charitable organization engaged in a food distribution program for needy persons shall be exempt from civil liability arising from any injury or death resulting from the nature, age, condition, or packaging of the distributed food.

**SB1121 Division of Charitable Gaming; conduct of fifty-fifty certain raffles**

Authorizes a qualified organization to conduct a raffle commonly referred to as a fifty-fifty raffle subject to certain limitations. The bill also provides that the proceeds from the from a fifty-fifty raffle shall not be included in determining the gross receipts for the qualified organization provided the gaming (i) is limited exclusively to members of the organization and their guests, (ii) is not open to the general public, and (iii) there is no public solicitation or advertisement made regarding such gaming.

**SB1221 Tax credits for donations to nonprofit organizations providing educational funding**

Establishes a tax credit beginning in taxable year 2009 for businesses donating cash or personal property to nonprofit organizations providing funding (i) in the form of scholarships to students who would have been eligible for the free and reduced lunch program under federal law, but who attend nonpublic elementary or secondary schools, or (ii) in support of innovative educational programs in public schools. Nonprofit organizations to which donations are made would be required to contribute at least 90 percent of their annual receipts for such scholarships or innovative educational programs. The tax credit would equal 80 percent of the donation made by the business. No business would be issued more than \$80,000 in tax credit for donations made in a taxable year.