

1 VIRGINIA ACTS OF ASSEMBLY — CHAPTER

2 An Act to amend and reenact § 58.1-439.20 of the Code of Virginia, relating to the Neighborhood  
3 Assistance Act tax credits.

4 [S 680]  
5 Approved

6 **Be it enacted by the General Assembly of Virginia:**

7 **1. That § 58.1-439.20 of the Code of Virginia is amended and reenacted as follows:**

8 § 58.1-439.20. Proposals; regulations; tax credits authorized; amount for programs.

9 A. Any neighborhood organization may submit a proposal, other than education proposals, to the  
10 Commissioner of the State Department of Social Services requesting an allocation of tax credits for use  
11 by business firms making donations to the neighborhood organization. Neighborhood organizations may  
12 submit education proposals to the Superintendent of Public Instruction requesting an allocation of tax  
13 credits for use by business firms making donations to the neighborhood organization.

14 The proposal shall set forth the program to be conducted by the neighborhood organization, the  
15 impoverished people to be assisted, the estimated amount to be donated to the program, and the plans  
16 for implementing the program.

17 B. The State Board of Social Services and the Board of Education are hereby authorized to adopt  
18 regulations (or, alternatively, guidelines in the case of the Board of Education) for the approval or  
19 disapproval of such proposals by neighborhood organizations and for determining the value of the  
20 donations. Such regulations or guidelines shall contain a requirement that an annual audit, review, or  
21 compilation as required by OMB Circular No. A-133 as may be applicable to nonprofit organizations be  
22 provided by the neighborhood organization as a prerequisite for approval. Such regulations or guidelines  
23 *by the Board of Education shall also provide that at least 50 percent of the persons served by the*  
24 *neighborhood organization are impoverished people as defined in § 58.1-439.18 and such regulations by*  
25 *the State Board of Social Services shall provide that at least 40 percent of the persons served by the*  
26 *neighborhood organization are low-income persons as defined in § 58.1-439.18.* Such regulations or  
27 guidelines shall provide for the equitable allocation of the available amount of tax credits among the  
28 approved proposals submitted by neighborhood organizations. The regulations or guidelines shall also  
29 provide that at least 10 percent of the available amount of tax credits each year shall be allocated to  
30 qualified programs proposed by neighborhood organizations not receiving allocations in the preceding  
31 year; however, if the amount of tax credits for qualified programs requested by such neighborhood  
32 organizations is less than 10 percent of the available amount of tax credits, the unallocated portion of  
33 such 10 percent of the available amount of tax credits shall be allocated to qualified programs proposed  
34 by other neighborhood organizations.

35 C. If the Commissioner of the State Department of Social Services or the Superintendent of Public  
36 Instruction approves a proposal submitted by a neighborhood organization, the organization shall make  
37 the allocated tax credit amounts available to business firms making donations to the approved program.  
38 A neighborhood organization shall not assign or transfer an allocation of tax credits to another  
39 neighborhood organization without the approval of the Commissioner of the State Department of Social  
40 Services or the Superintendent of Public Instruction, as applicable.

41 Notwithstanding any other provision of law, (i) no more than an aggregate of \$0.5 million in tax  
42 credits shall be approved in a fiscal year to a neighborhood organization or to a grouping of  
43 neighborhood organization affiliates for all education proposals, and (ii) no more than an aggregate of  
44 \$0.5 million in tax credits shall be approved in a fiscal year to a neighborhood organization or to a  
45 grouping of neighborhood organization affiliates for all other proposals combined.

46 D. The total amount of tax credits granted for programs approved under this article for each fiscal  
47 year shall not exceed \$11.9 million allocated as follows: \$4.9 million for education proposals for  
48 approval by the Superintendent of Public Instruction and \$7 million for all other proposals for approval  
49 by the Commissioner of the State Department of Social Services. If the amount of tax credits requested  
50 by neighborhood organizations and approved by the Superintendent for education proposals is less than  
51 \$4.9 million, then the balance of such amount shall be allocated to programs for approval by the  
52 Commissioner of the State Department of Social Services. The Superintendent and the Commissioner of  
53 the State Department of Social Services shall work cooperatively for purposes of ensuring that  
54 neighborhood organization proposals are submitted to the proper state agency. The Superintendent and  
55 the Commissioner of the State Department of Social Services may request the assistance of the  
56 Department of Taxation for purposes of determining whether or not anticipated donations for which tax

57 credits are requested by a neighborhood organization likely qualify as a charitable donation under federal  
58 tax laws and regulations.

59 E. Actions of (i) the State Department of Social Services, or the Commissioner of the same, or (ii)  
60 the Superintendent or the Department of Education relating to the review of neighborhood organization  
61 proposals and the allocation of tax credits to proposals shall be exempt from the provisions of the  
62 Administrative Process Act (§ 2.2-4000 et seq.). Decisions of (a) the State Department of Social  
63 Services, or the Commissioner of the same, or (b) the Superintendent or the Department of Education  
64 shall be final and not subject to review or appeal.

65 F. The issuance of tax credits under this article shall expire on July 1, 2014.