

BUSINESS AND NONINSTRUCTIONAL OPERATIONS

State Funds: Literary Fund P 4-16.1

The board supports the use of State Literary Fund loans whenever appropriate, but reserves the right to approve all applications for such funds.

Legal Reference:

Code of Va., § 22.1-148. Restrictions upon making loans; retirement of previous loans.—"A. No loan from the Literary Fund shall exceed 100 percent of the cost of the building, addition thereto, and site on account of which such loan is made. No loan shall be made from the Literary Fund to aid in the erection of a building or addition to cost less than \$500. Whenever a loan is made from the Literary Fund for the purpose of enlarging a building, any part of the proceeds of such loan may, in the discretion of the Board, be used to retire any previous loan or loans on such building although not matured at the time of such additional loan. No loan shall be made from the Literary Fund in any case in which the payment of same with interest would, in the judgment of the Board of Education, entail too heavy a charge upon the revenues of the county, city or town comprising the school division to which such loan is granted. The Board may refuse to make any loan from the Literary Fund to any school board which is in default in the payment of any part of the principal of any previous loan from the Literary Fund or which for the two years next preceding the loan has been more than six months in default in the payment of interest due on any loan from the Literary Fund.

B. Any school division which has an application for a Literary Fund loan for an approved school project pending before the Board of Education shall not be denied or delayed in obtaining such loan solely for the reason that alternative financing had been obtained to begin or complete construction on such project." (1994)

Code of Va., § 22.1-154. Examination of title to property on application for loan. "A. Whenever application is made by a school board for a loan from the Literary Fund, the title to the real estate on which the building has been or is to be erected shall be examined and approved by the appropriate Commonwealth's attorney or city or county attorney or by other competent attorney. The abstract shall be filed with the clerk of the circuit court having jurisdiction in the school division, and a certificate from the attorney making the abstract showing the school board or its governing body has a fee simple title to such lot or parcel of ground shall accompany the application. The certificate of the examining attorney shall contain a brief synopsis of any encumbrances on the property.

B. In lieu of an abstract and certificate, as provided in subsection A of this section, a policy of insurance insuring the fee simple title of the real estate on which the building has been or is to be erected, issued by an insurance company authorized to do business in this Commonwealth shall be sufficient for the purposes of this section.: (1987)

BUSINESS AND NONINSTRUCTIONAL OPERATIONS

State Funds: Literary Fund continued)

Code of Va., § 22.1-146. Power of Board to make loans from fund for erection, etc., of school buildings and fueling facilities for school buses.--"The Board of Education is authorized to make loans or, subject to the approval of the General Assembly, loan interest rate subsidy payments from the Literary Fund to the school boards of the several school divisions making application therefore in the manner prescribed by law for the purpose of (i) erecting, altering or enlarging school buildings in such school divisions; (ii) for equipping school buses for alternative fuel conversions and for construction of school bus fueling facilities for supplying compressed natural gas or other alternative fuels; and (iii) for the refinancing or redemption of negotiable notes, bonds, and other evidences of indebtedness or obligations incurred by the locality on behalf of a school division which has an application for a Literary Fund loan for an approved school project pending before the Board of Education. For the purpose of this section, "alternative fuels" means motor fuels other than gasoline and diesel fuel."
(1994)

Adopted by School Board: September 18, 1984