

1 HOUSE BILL NO. 1457
 2 AMENDMENT IN THE NATURE OF A SUBSTITUTE
 3 (Proposed by the House Committee on Appropriations
 4 on _____)
 5 (Patron Prior to Substitute--Delegate Carr)

6 A BILL to amend and reenact § 2.2-5101 of the Code of Virginia, relating to Virginia Investment
 7 Performance Grants.

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

9 **1. That § 2.2-5101 of the Code of Virginia is amended and reenacted as follows:**

10 **§ 2.2-5101. Virginia Investment Performance Grants.**

11 A. For purposes of this section:

12 "Aggregate amount of Grants payable" means the total amount of Grant money payable to all
 13 Grant recipients in any fiscal year pursuant to this section, including Grants awarded prior to July 1, 2024,
 14 and Grants awarded or on or after July 1, 2024.

15 "Grant" means a Virginia Investment Performance Grant awarded pursuant to this section and paid
 16 from the Investment Performance Grant subfund of the Fund.

17 B. Subject to the appropriation by the General Assembly of sufficient moneys to the Investment
 18 Performance Grant subfund, any eligible manufacturer or research and development service that is not
 19 eligible for a major eligible employer grant under § 2.2-5102 shall be eligible to apply for an investment
 20 performance grant as provided in this section a Grant.

21 ~~B.~~ C. The Partnership shall establish an application process by which eligible manufacturers and
 22 research and development services may apply for a ~~grant under this section~~ Grant. An application for a
 23 ~~grant~~ Grant under this section shall not be approved until the Partnership has verified that the required
 24 capital investment has been completed.

25 ~~C.~~ D. The amount of the ~~investment performance grant~~ Grant that an eligible manufacturer or
 26 research and development service shall be eligible to receive ~~under this section~~ shall be determined by the

27 Secretary, based on the recommendation of the Partnership, and contingent upon approval by the
28 Governor. The determination of the appropriate amount of ~~an investment performance grant~~ a Grant shall
29 be based on ~~the application of~~ guidelines that establish criteria for correlating the amount of a ~~grant~~ Grant
30 to the relative value to the Commonwealth of the eligible investment.

31 ~~D. E.~~ The Partnership shall assist the Secretary in developing objective guidelines ~~that shall be~~
32 ~~used in awarding investment performance grants~~ to be used in awarding Grants. No ~~grant~~ Grant shall be
33 awarded until the Secretary has provided copies of such guidelines for review to the Chairmen of the
34 House Committee on Appropriations and the Senate Committee on Finance and Appropriations. The
35 preparation of the guidelines shall be exempt from the requirements of Article 2 (§ 2.2-4006 et seq.) of
36 the Administrative Process Act. The guidelines shall require determinations regarding the amount of
37 ~~investment performance grants~~ Grants to address:

- 38 1. The number of new jobs created by the capital investment;
- 39 2. The wages paid for the new jobs and the amount by which wages exceed the average
40 manufacturing wage for the locality or region;
- 41 3. The extent to which the capital investment produces (i) measurable increases in capacity,
42 productivity, or both; (ii) measurable decreases in the production of flawed product; or (iii) measurable
43 advances in knowledge, research, or the application of research findings for the creation of new or
44 significantly improved products or processes that support manufacturing;
- 45 4. The amount of the capital investment;
- 46 5. The net present value of benefits to Virginia;
- 47 6. The amount of other incentives offered by the Commonwealth and the locality; and
- 48 7. The importance of the manufacturing or research and development facility to the economy of
49 the locality or region.

50 The guidelines shall also address the eligibility of manufacturers or research and development
51 services that make a capital investment in phases over a period of years, and limits on eligibility for
52 multiple ~~grants~~ Grants by the same manufacturer or research and development service within stated
53 periods of time.

54 ~~E. The amount of an investment performance grant to any eligible manufacturer under this section~~
55 ~~shall not exceed \$3 million or 10 percent of the amount appropriated by the General Assembly to the~~
56 ~~Investment Performance Grant subfund in the year that the terms of a grant are determined. For all eligible~~
57 ~~projects awarded grants on or after July 1, 2005, and before July 1, 2009, the amount of an investment~~
58 ~~performance grant to any recipient under this section shall not exceed \$1.5 million. For eligible projects~~
59 ~~awarded grants on or after July 1, 2009, the amount of an investment performance grant to any recipient~~
60 ~~under this section shall not exceed \$3 million, except for eligible projects that demonstrate extraordinary~~
61 ~~characteristics described in guidelines implementing this chapter the amount of an investment~~
62 ~~performance grant to any such recipient under this section shall not exceed \$5 million.~~

63 ~~F. For all eligible projects awarded grants before July 1, 2005, the aggregate amount of investment~~
64 ~~performance grants approved under this section in any year shall not exceed \$6 million, and the aggregate~~
65 ~~amount of grants outstanding to all eligible manufacturers under this section for all years shall at no time~~
66 ~~exceed \$30 million. For all such grants awarded prior to that date, the annual obligations of the~~
67 ~~Commonwealth to make grant payments to individual eligible manufacturers under this section shall not~~
68 ~~exceed \$600,000. For all eligible projects awarded grants on or after July 1, 2005, and before July 1, 2009,~~
69 ~~the aggregate amount of investment performance grants approved under this section in any year shall not~~
70 ~~exceed \$3 million, and the aggregate amount of such grants awarded after that date and outstanding at any~~
71 ~~time shall not exceed \$15 million. For all such grants awarded on or after that date, the annual obligations~~
72 ~~of the Commonwealth to make grant payments to individual recipients under this section shall not exceed~~
73 ~~\$300,000. For all eligible projects awarded grants on or after July 1, 2009, and before July 1, 2015, the~~
74 ~~aggregate amount of investment performance grants approved under this section in any year shall not~~
75 ~~exceed \$6 million, and the aggregate amount of such grants awarded on or after July 1, 2009, and before~~
76 ~~July 1, 2015, and outstanding at any time shall not exceed \$30 million. For all such grants awarded on or~~
77 ~~after July 1, 2009, and before July 1, 2015, the annual obligations of the Commonwealth to make grant~~
78 ~~payments to individual recipients under this section shall not exceed \$1 million. For all eligible projects~~
79 ~~awarded grants on or after July 1, 2015, but before July 1, 2019, the aggregate amount of investment~~
80 ~~performance grants approved under this section in any year shall not exceed \$6 million, and the aggregate~~

81 amount of such grants awarded on or after July 1, 2015, but before July 1, 2019, and outstanding at any
82 time shall not exceed \$20 million. For all such grants awarded on or after July 1, 2015, but before July 1,
83 2019, the annual obligations of the Commonwealth to make grant payments to individual recipients under
84 this section shall not exceed \$1 million. For all eligible projects awarded grants on or after July 1, 2019,
85 the aggregate amount of investment performance grants approved under this section in any year shall not
86 exceed \$4 million, and the aggregate amount of such grants awarded on or after July 1, 2019, and
87 outstanding at any time shall not exceed \$20 million. For all such grants awarded on or after July 1, 2019,
88 the annual obligations of the Commonwealth to make grant payments to individual recipients under this
89 section shall not exceed \$1 million. At no time shall the aggregate amount of Grants payable to all Grant
90 recipients in any fiscal year exceed \$6 million.

91 G. Any eligible manufacturer or research and development service shall be eligible to receive a
92 grant from the Fund Grant in five equal, annual installments beginning in the ~~third~~ first year after the
93 completion and verification of the capital investment and any pledged job creation requirements ~~is are~~
94 completed and the Partnership has verified that the requirements applicable to such grant have been
95 satisfied. Any eligible manufacturer or research and development service located in a fiscally distressed
96 area of the State, as defined in the guidelines implementing this chapter, shall be eligible to begin receiving
97 grants in the second year after the capital investment is completed and verified. No Grant awarded
98 pursuant to this section to an eligible manufacturer or research and development service shall exceed \$5
99 million in total across all fiscal years, and no annual payment to any eligible manufacturer or research and
100 development service shall exceed \$1 million.

101 **2. That the provisions of this act shall not impact the obligations of the Commonwealth under any**
102 **existing agreements for the payment of grants under § 2.2-5101 of the Code of Virginia that were**
103 **entered into prior to the effective date of this act. However, such obligations under existing**
104 **agreements entered into prior to the effective date of this act shall be included in calculating the**
105 **aggregate amount of Grants that may be payable in any fiscal year pursuant to subsection F of §**
106 **2.2-5101 of the Code of Virginia, as amended by this act.**

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