

SENATE BILL NO. 1248

AMENDMENT IN THE NATURE OF A SUBSTITUTE

(Proposed by the Senate Committee on Rules

on February 3, 2023)

(Patron Prior to Substitute--Senator Lucas)

A BILL to amend and reenact § 30-310 of the Code of Virginia, relating to MEI Project Approval Commission; board-level gender and diversity requirements.

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

**1. That § 30-310 of the Code of Virginia is amended and reenacted as follows:**

**§ 30-310. Review of incentive packages.**

A. 1. a. The Commission shall review individual incentive packages, including but not limited to packages offering tax incentives, for economic development, film, and episodic television projects (including but not limited to MEI projects) for which (i) one or more of the incentives in the incentive package is not authorized under current law or an amendment by the General Assembly is being sought to one or more currently existing incentives included as part of the incentive package or (ii) the aggregate amount of incentives to be provided by the Commonwealth in the incentive package including grants, tax incentives such as credits and exemptions, general or nongeneral funds, proceeds from bonds, rights to lease property at below fair market value, or any other incentives from the Commonwealth is in excess of \$10 million in value. However, no review shall be required for a project if the only incentives to be provided to a potential project are nondiscretionary tax credits or exemptions available to any qualified taxpayer under existing law. The Commission shall also review economic development projects in which a business relocates or expands its operations in one or more Virginia localities and simultaneously closes its operations or substantially reduces the number of its employees in another Virginia locality. The Commission shall recommend approval or denial of such packages and projects to the General Assembly. Factors that shall be considered by the Commission in its review shall include but not be limited to (a) return on investment, (b) the time frame for repayment of incentives to the Commonwealth, (c) average

27 wages of the jobs created by the prospective MEI project or other economic development project, (d) the  
28 amount of capital investment that is required, and (e) the need for enhanced employment opportunities in  
29 the prospective location of the prospective MEI project or other economic development project.

30 b. The Commission shall not recommend approval of any project for a business that does not meet  
31 and commit to maintaining a balanced board of directors based upon gender and racial diversity, such that  
32 at least 30 percent of such board of directors shall consist of women and historically underrepresented  
33 groups. Any business seeking approval of a project from the Commission shall be required to submit a  
34 board diversity disclosure to the Commission that specifies the number and percentage of diverse directors  
35 on the board of directors of such business who self-identify as female or represent a national, racial, ethnic,  
36 indigenous, or cultural identity in the country of the business's principal executive offices. Such board  
37 diversity disclosure shall be updated and submitted annually to the Commission and the Chairs of the  
38 House Committee on Appropriations and Senate Committee on Finance and Appropriations.

39 2. a. Any time a proposed individual incentive package is to be considered by the Commission,  
40 materials outlining (i) the value of the proposed incentives; (ii) assumed return on investment; (iii) the  
41 time frame for repayment of incentives to the Commonwealth; (iv) average wages of the jobs created by  
42 the prospective economic development, film, or episodic television project; (v) the amount of capital  
43 investment that is required; (vi) the need for enhanced employment opportunities in the prospective  
44 location of the prospective economic development, film, or episodic television project; (vii) the total  
45 amount of state incentives received by the sponsor of the economic development, film, or episodic  
46 television project in the past;~~and~~ (viii) a list of all other existing, nondiscretionary tax credits or  
47 exemptions for which the sponsor of the economic development, film, or episodic television project may  
48 qualify; and (ix) a board diversity disclosure shall be provided to the staff of the House Committee on  
49 Appropriations and Senate Committee on Finance and Appropriations not less than five business days  
50 prior to the scheduled Commission meeting. Staff shall also be provided with an aggregate list of all  
51 discretionary incentives currently committed by the Commonwealth for the next 10 years, including  
52 anticipated requests for appropriations to satisfy such commitments during that time.

