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# VIRGINIA STATE BUDGET

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1999 Session

## Budget Bill - HB1450 (Chapter 935)

Bill Order » Central Appropriations » Item 547

Central Appropriations

Item 547	First Year - FY1999	Second Year - FY2000
<b>Economic Contingency (75800)</b>	<b>\$44,625,912</b>	<b>\$7,248,649</b>
	<b>\$46,352,456</b>	<b>\$16,665,900</b>
Fund Sources:		
General	\$44,625,912	\$7,248,649
	\$46,352,456	\$16,665,900

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Authority: Discretionary Inclusion.

A. The Governor is hereby authorized to allocate sums from this appropriation, in addition to an amount not to exceed \$1,000,000 from the unappropriated balance derived by subtracting the general fund appropriations from the projected general fund revenues in this act, to provide for supplemental funds pursuant to paragraph B hereof. Transfers from this Item shall be made only when (1) sufficient funds are not available within the agency's appropriation and (2) additional funds must be provided prior to the end of the next General Assembly Session.

B. The Governor is hereby authorized to allocate such sums from this appropriation as he may determine to be needed for the following purposes:

1. To address the six conditions listed in § 4-1.03 a 3 of this act.
2. To provide for unbudgeted and unavoidable increases in costs to state agencies for essential commodities and services which cannot be absorbed within agency appropriations.
3. To secure federal funds in the event that additional matching funds are needed for Virginia to participate in the federal Superfund program. In the event that the Environmental Protection Agency should declare the abandoned Kim-Stan solid waste site as a national priority site under the Superfund program, the Governor shall provide such matching funds as may be necessary to initiate the timely remediation of this site.

C. The Department of Planning and Budget shall submit a quarterly report of any disbursements made from, commitments made against, and requests made for such sums authorized for allocation pursuant to paragraph B to the Chairmen of the House Appropriations and Senate Finance Committees. This report shall identify each of the conditions specified in paragraph B for which the transfer is made.

D. Any unexpended balance remaining in this Item on June 30, 1999, shall be carried forward on the books of the Comptroller and shall be available for expenditure in the second year of the current biennium. Any unexpended balance remaining in this Item on June 30, 2000, shall be carried forward on the books of the Comptroller and shall be available for expenditures in the next biennium.

E.1. This appropriation includes ~~\$30,450,000~~ \$32,200,000 the first year to be used at the discretion of the Governor, subject to prior consultation with the Chairmen of the House Appropriations and Senate Finance Committees, to attract economic development prospects to locate or expand in Virginia. Funds appropriated for the purposes of this paragraph shall be deposited to the Governor's Development Opportunity Fund, as established in § 2.1-51.6:5,

Code of Virginia, on July 1 of each fiscal year.

2. The Governor may allocate these funds as grants or loans to political subdivisions. Loans shall be approved by the Governor and made in accordance with procedures established by the Virginia Economic Development Partnership and approved by the State Comptroller. Loans shall be interest-free unless otherwise determined by the Governor and shall be repaid to the general fund of the state treasury. The Governor may establish the interest rate to be charged, otherwise, any interest charged shall be at market rates as determined by the State Treasurer and shall be indicative of the duration of the loan. The Virginia Economic Development Partnership shall be responsible for monitoring repayment of such loans and reporting the receivables to the State Comptroller as required.

3. Funds may be used for public and private utility extension or capacity development on and off site; road, rail, or other transportation access costs beyond the funding capability of existing programs; site acquisition; grading, drainage, paving, and other activity required to prepare a site for construction; construction or build-out of publicly-owned buildings; grants or loans to an Industrial Development Authority, Housing and Redevelopment Authority, or other political subdivision pursuant to their duties or powers; training; or anything else permitted by law.

~~4. In addition to any award provided pursuant to this paragraph E, the Governor is hereby authorized to increase the general fund appropriation in this Item by an amount not to exceed \$3,000,000 from the unappropriated balance derived by subtracting the general fund appropriations from the projected general fund revenues in this act, to assist the City of Norfolk in attracting a major employer investing over \$21,000,000 and creating some 330 jobs.~~

*5. Out of the amounts from the community revitalization portion of the Tobacco Indemnification and Revitalization Fund, pursuant to House Bill 2635 and Senate Bill 1165 (1999), shall be made available \$2,000,000 to the Virginia Economic Development Partnership to provide for economic development incentive rebates to assist Virginia companies with the production and marketing of tobacco products that have been determined to significantly reduce the carcinogen levels in tobacco products. Such allocation from the Fund shall be based on the percentage of flue-cured and burley tobacco used in the process. In providing such rebates, the Partnership shall develop criteria and guidelines, including the method of payment, that provide assistance to companies that manufacture and sell products that reduce the carcinogenic tobacco-specific nitrosamines (TSNA's) levels in tobacco products. The Partnership shall submit the criteria and guidelines to the Chairmen of the House Appropriations and Senate Finance Committees no later than August 1, 1999.*

*6. Out of the amounts in this Item for the Development Opportunity Fund shall be made available \$1,800,000 in the second year to assist the City of Danville to retain a major employer. Such payment shall be contingent upon an affirmative decision by such employer not to relocate its tobacco processing facility to North Carolina, and shall be in the form of a loan. Funds shall be used to assist such employer in making a capital investment in upgrading their Virginia facility. If necessary, the Governor is authorized to repay this amount to the Development Opportunity Fund from the flue-cured tobacco region's allocation of the community revitalization portion of the Tobacco Indemnification and Revitalization Fund, pursuant to House Bill 2635 and Senate Bill 1165 (1999).*

*7. Out of the amount in this Item shall be provided \$3,000,000 the first year to assist the City of Norfolk in attracting a major employer investing over \$21,000,000 and creating some 330 jobs.*

F. The Governor is authorized to transfer ~~\$112,500~~ \$79,000 the first year and ~~\$2,662,500~~ \$1,218,750 the second year to the Department of Mines, Minerals and Energy for solar photovoltaic manufacturing incentive grants in accordance with § 45.1-392, Code of Virginia.

G. This appropriation includes \$2,608,200 the first year for matching funds as required by the Water Resources Development Act of 1986 (Public Law 99-662), as amended, for a 50-foot-deep draft anchorage construction

project proposed by the U.S. Army corps of Engineers. In the event the dredging project is not completed by June 30, 2001, the unexpended balances are hereby reappropriated for completion of the project. If the construction of the anchorage project occurs, future maintenance costs of \$515,000 will be provided beginning six years after completion of the construction.

H. This appropriation includes \$250,000 the first year and \$250,000 the second year as matching funds as required by the Water Resources Development Act of 1986 (Public Law 99-662), as amended, for a study of the eastward expansion of the federally owned Craney Island Dredged Material Management Area. The study is the result of a resolution passed on September 24, 1997, by the U.S. House of Representatives, Committee on Transportation and Infrastructure. Matching funds for the study shall be provided through FY 2001 when the study is expected to be concluded.

I. Out of the amounts for this Item shall be provided \$250,000 the first year and \$250,000 the second year from the general fund to the Innovative Technology Authority for the Virginia Commercial Space Flight Authority. The appropriations shall be used for operating expenses, including managing the financing and development of the Spaceport and other necessary business development functions.

J. This appropriation includes \$1,800,000 the first year and ~~\$2,600,000~~ the second year from the general fund for distribution by the State Council of Higher Education to the need-based resident undergraduate financial assistance programs of the public institutions of higher education. The General Assembly's objective for financial assistance is to meet 50 percent of remaining need of eligible students. The State Council in the first year ~~and the second year~~ shall distribute, consistent with this objective, the total of the financial aid appropriations of the public institutions according to latest available student information.

K. This appropriation includes a reduction of \$844,788 the first year and a reduction of \$1,713,851 the second year from the general fund for distribution by the Department of Planning and Budget among the public institutions of higher education to reflect more recent data on faculty participation in optional retirement programs. A lower than actual rate of participation was used in developing the base for calculating faculty salary increases.

L.1. The President of the Center for Innovative Technology (CIT) shall assist the Virginia Economic Development Partnership in issuing a loan from the Governor's Development Opportunity Fund, not to exceed \$2,800,000 in FY 1999 for the design, development, operation, and testing of a pressure-based, ballast water microorganism control system in Hampton Roads. Appropriate performance measures shall be developed by the Center for Innovative Technology with the assistance of Old Dominion University, through the Center for Advanced Ship Repair and Maintenance (CASRM).

2. These conditions shall be met before a loan can be made: (1) a local government, local industrial development authority, or political subdivision shall sponsor the project; (2) the applicant shall follow the protocols used in CIT's Technology Awards Program, specifically the provisions concerning technical feasibility and business plans; (3) the terms, repayment schedule, amount of interest, and use of the loan shall be articulated in a memorandum of agreement to be approved by the Governor between the loan applicant, the sponsoring political subdivision, and the Virginia Economic Development Partnership; and (4) preference shall be given to applicants with cash or in-kind match.

M. Out of the amounts in this Item, the Governor may transfer up to \$100,000 to the Virginia Marine Products Board for the promotion of Virginia seafood.

N. This appropriation includes \$8,000,000 the first year and ~~\$3,200,000~~ \$12,980,000 the second year from the general fund to be used for the purposes as provided for in § 3 of Senate Bill 442, 1998 Session of the General Assembly Chapter 790, Acts of Assembly of 1998. ~~In addition to the second year appropriation and upon certification to the Governor from the Secretary of Commerce and Trade that a qualified shipbuilder has met the conditions for reimbursement as set forth in § 3 of Senate Bill 442, 1998 Session of the General Assembly, the~~

~~Governor shall submit to the 1999 Session of the General Assembly amendments to the 1998 Appropriation Act (House Bill 30) providing for an additional grant award payable to such qualified builder in an amount not to exceed \$30,000,000, in the aggregate, for the period July 1, 1999, through June 30, 2000. These funds shall be disbursed to the local industrial development authority, as specified in Chapter 790, only to the extent that they are necessary to meet payment obligations related to the design and construction of the Advanced Shipbuilding and Carrier Integration Center, and only to the extent that such payment obligations are consistent with the provisions of the Memorandum of Agreement required by the cited chapter.~~

*O. The Governor is hereby authorized to expend in the second year an amount not to exceed \$3,000,000 from this Item to assist the County of Pulaski in attracting a major manufacturer investing over \$50,000,000 and creating more than 1,200 jobs.*

*P. The Governor is hereby authorized to expend in the second year an amount not to exceed \$3,000,000 from this Item to assist the City of Norfolk in attracting a major employer investing over \$21,000,000 and creating some 330 jobs.*

*Q. Out of the amounts for this Item shall be provided \$600,000 the second year from the general fund to the City of Suffolk for the Constant's Wharf Development Project. This appropriation shall be matched by nonstate funding.*

*R. Out of this appropriation, there shall be provided \$50,000 the second year from the general fund to construct a U.S. Customs Port of Entry at the New River Valley Airport, contingent upon a local match of the same amount.*

*S. The Governor is hereby authorized to transfer from fiscal year 1999 unrestricted and unreserved agency balances up to \$305,000 to the Science Museum of Virginia as required for critical operating needs.*

*T. The Governor is hereby authorized to transfer up to \$267,000 from unrestricted and unreserved agency balances at the end of fiscal year 1999 to the Tuition Assistance Grant appropriation in the State Council of Higher Education, should the students attending the Appalachian School of Law become eligible for Tuition Assistance Grants in the second year.*

*U. The Department of Planning and Budget may transfer up to \$10,044 the first year and \$322,251 and 5.00 FTE positions the second year from this Item to the Department of Personnel and Training for implementation of the Integrated Human Resource Information System (IHRIS), provided that the review by the Secretary of Technology as required by Item 513.10 finds that the IHRIS will be implemented in a manner consistent with the plans upon which previous funding was appropriated.*

*V. In the event Major League Baseball grants a franchise to an ownership group to locate a Major League Baseball team in Virginia, the Governor is hereby authorized to develop a financing plan, which has regard for the recommendations of House Document 7 (1997) by the Joint Subcommittee Studying Funding of a Baseball Stadium. At the next session of the General Assembly following the award of such franchise to a team to play its home games in the Commonwealth, the Governor shall submit to that General Assembly a detailed financing plan to carry out the Commonwealth's commitment, if any, to finance construction of a Major League Baseball Stadium.*

*W. The Department of Planning and Budget shall transfer from fiscal year 1999 up to \$7,400,000 in unrestricted and unreserved balances in Items 319, 324, 326, and 333 to the Medical College of Virginia Hospital Authority in the second year for the provision of indigent care. It is the intent of the General Assembly that should these balances not materialize in whole or in part, the Governor shall, in his amendments to the 1999-2000 budget for consideration during the 2000 session of the General Assembly, recommend an amount representing the difference between \$7,400,000 and the total amount of the actual balances.*