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# VIRGINIA STATE BUDGET

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2016 Session

## Budget Bill - HB29 (Introduced)

Bill Order » Office of Veterans and Defense Affairs » Item 458

Secretary of Veterans and Defense Affairs

Item 458	First Year - FY2015	Second Year - FY2016
<b>Economic Development Services (53400)</b>	<b>\$3,138,400</b>	<b>\$2,350,000</b> <b>\$2,600,000</b>
Financial Assistance for Economic Development (53410)	\$3,138,400	\$2,350,000 \$2,600,000
Fund Sources:		
General	\$0	\$250,000
Dedicated Special Revenue	\$3,138,400	\$2,350,000

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Authority: Discretionary Inclusion

A.1. In accordance with Chapter 653 of the 2008 Virginia Acts of Assembly, this item includes the Commonwealth's contribution to addressing the encroachment upon the United States Navy Master Jet Base and an auxiliary landing field used in connection with flight operations arising from such Master Jet Base. The Commonwealth's contribution consists of \$3,138,400 from nongeneral funds provided in this item.

2. The Commonwealth's contribution shall be only expensed for purchasing property or development rights and to otherwise convert such property to an appropriate compatible use and to prohibit new uses or development deemed incompatible with air operations at such facilities as established under Chapter 653.

3. Of the total amount provided by the Commonwealth, \$2,092,267 shall be initially allocated to the locality in which the Master Jet Base is located and \$1,046,133 shall be initially allocated to the locality in which the auxiliary landing field for the Master Jet Base is located. Should either locality advise the Secretary of Veterans and Defense Affairs and the Secretary of Finance that it will be unable to use all of its allocated amount during the term of the grant, then the portion that will not be used may be re-allocated to the other locality upon written application for such request to the Secretary of Veterans and Defense Affairs .

B.1. The Secretary of Veterans and Defense Affairs shall develop an annual grant application which shall include, at a minimum, requirements for the Grantee to (1) report expenditures each quarter, (2) retain all invoices, bills, receipts, cancelled checks, proof of payment and similar documentation to substantiate expenditures of grant funding, (3) provide a 50 percent cash match from non-state funds, (4) return excess state grant funding within thirty (30) days after the term of the grant expires, and (5) *for all property purchased using state grant funds pursuant to Chapter 653 of the 2008 Acts of Assembly or Chapter 266 of the 2006 Virginia Acts of Assembly and later sold or leased by the grantee (i) upon disposition of the interest, return to the Commonwealth half of all proceeds received by the grantee from the sale of any properties acquired using grant funds pursuant to Chapter 653 of the 2008 Acts of Assembly or Chapter 266 of the 2006 Virginia Acts of Assembly. 50% of the sales or lease proceeds or 50% of the purchase price initially paid to acquire the grantee's interest in the property, whichever is less; and (ii) if the grantee has sold an easement or rental proceeds to the Commonwealth, the amount returned to the Commonwealth shall be credited against the amount owed to the Commonwealth for any future sale of the land.*

2. Prior to the distribution of any funds, any grantee seeking funding under this Item shall submit a grant application to the Secretary of Veterans and Defense Affairs for consideration.

3. Payments to grantees shall be made in equal quarterly installments. After the initial payment, the Secretary of Veterans and Defense Affairs shall make additional quarterly payments to the grantee based on the quarterly expenditure reports. In making subsequent payments, the Secretary shall ensure the grantee's match funding is being expensed at the appropriate rate and adjust state quarterly payments, as appropriate, to account for any surplus state funding not yet spent from previous quarterly payments.

4. Notwithstanding the provisions of paragraph 3. above, the Secretary of Veterans and Defense Affairs may approve a request by the grantee for additional state funding in a particular quarterly payment if supporting documentation is provided.

5. The Secretary of Veterans and Defense Affairs may extend the term of the FY 2014 grant to June 30, 2015, if in the Secretary's opinion such extension is warranted to meet the purposes of this appropriation.

C. The Commonwealth shall have the right to make inspections and copies of the books and records of the grantees at any time. The grantees shall undergo an audit for the grant period and provide a copy of the audit report to the Secretary of Veterans and Defense Affairs .

D. 1. In addition to the amounts provided in paragraph A.1. of this item, an amount estimated at \$2,100,000 from dedicated special revenues shall be provided to the locality in which the United States Navy Master Jet Base auxiliary landing field is located, for the purpose of purchasing property or development rights and otherwise converting such property to an appropriate compatible use and prohibiting new uses or development which is deemed incompatible with air operations arising from such Master Jet Base. In addition, \$250,000 from dedicated special revenues shall be provided to a locality in which a U.S. Air Force Base is located to purchase property in the Clear Zone and Accident Potential Zones and mitigate adverse impacts on military operations and employment levels caused by encroachment of incompatible uses, in advance of further actions by the federal Base Realignment and Closure Commission or any similar federal actions. The provisions of paragraph B. of this item shall apply to the distribution of the funds in this paragraph.

*2. In the event that dedicated special revenues exceed the amounts needed to fund the requirements in D.1 above, any excess dedicated special fund revenue up to \$2,500,000 is hereby appropriated to provide additional assistance to the locality in which the United States Navy Master Jet Base auxiliary landing field is located for the purpose of purchasing property or development rights and otherwise converting such property to an appropriate compatible use and prohibiting new uses or development which is deemed incompatible with air operations arising from such Master Jet Base.*

E. The Secretary of Veterans and Defense Affairs may submit project requests that improve, expand, develop, or redevelop a federal or state military installation or its supporting infrastructure, to enhance its military value to the MEI Project Approval Commission established pursuant to § 30-309, Code of Virginia, for its consideration. The authority of the Commission to consider and evaluate such projects shall be in addition to the authorities provided to the MEI Project Approval Commission and § 30-310, Code of Virginia.

*F. Included in this appropriation is \$250,000 in the second year from the general fund to support the recommendations of the Governor's Commission on Military Installations and Defense Activities.*