2026 Special Session I

Budget Bill - HB30 (Enrolled)

Bill Order » Office of Commerce and Trade » Item 101

Economic Development Incentive Payments

Item 101	First Year - FY2027	Second Year - FY2028
Economic Development Services (53400)	**$85,909,579**	**$96,361,458**
Financial Assistance for Economic Development (53410)	$85,909,579	$96,361,458
Fund Sources:		
General	$82,359,579	$96,346,458
Dedicated Special Revenue	$3,550,000	$15,000

Authority: Discretionary Inclusion.

A.1. Out of the appropriation for this Item, $19,750,000 the first year and $19,750,000 the second year from the general fund shall be deposited to the Commonwealth's Development Opportunity Fund, as established in § 2.2-115, Code of Virginia. Such funds shall be used at the discretion of the Governor, subject to prior consultation with the Chairmen of the House Appropriations and Senate Finance and Appropriations Committees, to attract economic development prospects to locate or expand in Virginia. If the Governor, pursuant to the provisions of § 2.2-115, E.1., Code of Virginia, determines that a project is of regional or statewide interest and elects to waive the requirement for a local matching contribution, such action shall be included in the report on expenditures from the Commonwealth's Development Opportunity Fund required by § 2.2-115, F., Code of Virginia. Such report shall include an explanation on the jobs anticipated to be created, the capital investment made for the project, and why the waiver was provided.

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. Consideration should be given to economic development projects that 1) are in areas of high unemployment; 2) link commercial development along existing transportation/transit corridors within regions; and 3) are located near existing public infrastructure.

5. It is the intent of the General Assembly that the Virginia Economic Development Partnership shall work with localities awarded grants from the Commonwealth's Development Opportunity Fund to recover such moneys when the economic development projects fail to meet minimal agreed-upon capital investment and job creation targets. All such recoveries shall be deposited and credited to the Commonwealth's Development Opportunity Fund.

B.1. Out of the appropriation for this Item, $294,250 the first year and $4,333,770 the second year from the general fund shall be deposited to the Investment Performance Grant subfund of the Virginia Investment Partnership Grant Fund, and $3,535,000 from nongeneral funds is hereby appropriated to be used to pay investment performance grants in accordance with § 2.2-5101, Code of Virginia. Notwithstanding any other provision of law, any excess funds remaining in the subfund from prior fiscal years for projects previously approved shall be appropriated for expenditure in subsequent fiscal years.

2. Consideration should be given to economic development projects that 1) are in areas of high unemployment; 2) link commercial development along existing transportation/transit corridors within regions; and 3) are located near existing public infrastructure.

C Out of the appropriation for this Item, $4,000,000 the first year and $4,000,000 the second year from the general fund and an amount estimated at $15,000 the first year and $15,000 the second year from nongeneral funds shall be deposited to the Governor's Motion Picture Opportunity Fund, as established in § 2.2-2320, Code of Virginia. These nongeneral fund revenues shall be deposited to the fund from revenues generated by the digital media fee established pursuant to § 58.1-1731, et seq., Code of Virginia. Such funds shall be used at the discretion of the Governor to attract film industry production activity to the Commonwealth.

D.1. Out of the appropriation for this Item, $2,949,000 the first year and $1,789,000 the second year from the general fund shall be deposited to the Virginia Economic Development Incentive Grant subfund of the Virginia Investment Partnership Grant Fund to be used to pay investment performance grants in accordance with § 2.2-5102.1, Code of Virginia. Notwithstanding any other provision of law, any excess funds remaining in the subfund from prior fiscal years for projects previously approved shall be appropriated for expenditure in subsequent fiscal years.

2. Consideration should be given to economic development projects that 1) are in areas of high unemployment; 2) link commercial development along existing transportation/transit corridors within regions; and 3) are located near existing public infrastructure.

E. Out of the appropriation for this Item, $4,669,833 the first year and $4,669,833 the second year from the general fund shall be available for eligible businesses under the Virginia Jobs Investment Program. Pursuant to§ 2.2-2240.3 , Code of Virginia, the appropriation provided for the Virginia Jobs Investment Program for eligible businesses shall be deposited to the Virginia Jobs Investment Program Fund.

F1. Out of the amounts in this Item, $200,000 the first year and $200,000 the second year from the general fund shall be deposited to the Governor's New Airline Service Incentive Fund to assist in the provision of marketing, advertising, or promotional activities by airlines in connection with the launch of new air passenger service at Virginia airports, and to incentivize airlines that have committed to commencing new air passenger service in Virginia, pursuant to the provisions of § 2.2-2320.1, Code of Virginia.

2. Notwithstanding the provisions of § 2.2-2320.1, Code of Virginia, 25 percent of the annual appropriation to the Governor's New Airline Service Incentive Fund shall be set aside for projects in Virginia commercial airports with less than 400,000 enplanements per calendar year for the purposes of economic development in these areas. Enplanement data shall come from the Federal Aviation Administration.

3. Notwithstanding the provisions of § 2.2-2320.1, Code of Virginia, guidance, or criteria to the contrary, an airline

providing international service at least twice a week to an international destination from a Virginia airport may receive an incentive not to exceed $500,000 if such service is year round, or not to exceed $300,000 if such service is seasonal.

G. Out of the appropriation in this Item, $954,500 the first year and $954,500 the second year from the general fund shall be deposited to the Shipping and Logistics Headquarters Grant Fund for grants to be paid in accordance with § 59.1-284.39, Code of Virginia.

H.1. Out of the appropriation in this Item, $30,000,000 the first year, and $20,000,000 the second year from the general fund shall be provided for the Virginia Business Ready Sites Program Fund, and shall be used in accordance with the provisions of § 2.2-2240.2:1., Code of Virginia. As a condition of the grants awarded from these funds, the Virginia Economic Development Partnership Authority shall require grant recipients to provide matching funds.

2. It is the intent of the General Assembly that the Virginia Economic Development Partnership Authority consider investing these funds in economic development sites over 1,000 acres ("mega-sites"), and smaller sites of at least 50 acres. The authority may determine a site of at least 25 contiguous acres to be an eligible site provided that the site is located in a locality with an area of 35 square miles of land or less.

3. Notwithstanding the provisions of § 2.2-2240.2:1., Code of Virginia, the Virginia Economic Development Partnership Authority may reimburse localities, without a local match requirement, for fees associated with rezoning land for the purpose of building a portfolio of strategic economic development sites in Virginia from the funds provided in this paragraph.

4. For purposes of the definition of "eligible site" under the Virginia Business Ready Sites Program Fund set forth in § 2.2-2240.2:1, Code of Virginia, an otherwise eligible site shall not be considered noncontiguous solely because it is bisected by a roadway and other utility related infrastructure.

I. Out of the appropriation in this Item, $7,717,312 the second year from the general fund shall be deposited to the Cloud Computing Cluster Infrastructure Grant Fund for grants to be paid in accordance with § 59.1-284.42, Code of Virginia. The funds provided in this paragraph are directed to a company made eligible for grants from the Cloud Computing Infrastructure Grant Fund in Item 113, Paragraph S., Chapter 1, 2023 Acts of Assembly, Special Session I. The eligibility criteria, methodology for calculating the grant payments owed to the company, and total aggregate cap of grant payments that may be awarded to the eligible company as directed in Item 113, Paragraph S., Chapter 1, 2023 Acts of Assembly, Special Session I, shall continue.

J. Out of the appropriation in this Item, $1,404,243 the first year and $1,495,318 the second year from the general fund shall be deposited to the Financial Services Expansion Grant Fund for grants to be paid in accordance with § 59.1-284.43, Code of Virginia.

K. Out of the appropriation in this Item, $1,395,020 the first year and $4,457,370 the second year from the general fund shall be deposited to the Current and Mature Semiconductor Technology Grant Fund for grants to be paid in accordance with § 59.1-284.44, Code of Virginia.

L. Out of the appropriation in this Item, $691,545 the first year and $867,255 the second year from the general fund shall be deposited to the Lithium-Ion Battery Separator Manufacturing Grant Fund for grants to be paid in accordance with § 59.1-284.45, Code of Virginia.

M. Out of the appropriation in this Item, $5,939,900 the first year and $7,482,600 the second year from the general fund shall be deposited to the Precision Plastic Manufacturing Grant Fund for grants to be paid in accordance with § 59.1-284.41, Code of Virginia.

N. Out of the appropriation in this Item, $450,772 the first year and $2,637,410 the second year from the general

fund shall be deposited to the Active Pharmaceutical Ingredient Manufacturing Grant Fund for grants to be paid in accordance with Chapters 804 and 822, 2026 Acts of Assembly.

O. Out of the appropriation in this Item, $323,230 the first year and $3,659,989 the second year from the general fund shall be deposited to the Power Transformer Manufacturing Grant Fund for grants to be paid in accordance with Chapters 803 and 821, 2026 Acts of Assembly.

P. Out of the appropriation in this Item, $2,837,286 the first year and $10,048,662 the second year from the general fund shall be deposited to the Pharmaceutical Substance Manufacturing Grant Fund for grants to be paid in accordance with Chapters 808 and 809, 2026 Acts of Assembly.

Q. Out of the appropriation in this Item, $2,283,439 the second year from the general fund shall be deposited to the Solid Rocket Motor Manufacturing Grant Fund for grants to be paid in accordance with Chapters 326 and 349, 2026 Acts of Assembly.

R. Out of the appropriation in this Item, $1,500,000 the first year from the general fund is provided to the Virginia Economic Development Partnership Authority (the Authority) to continue support for a non-profit operating a pharmaceutical manufacturing facility in developing a fast-acting insulin. Prior to any funds being disbursed, pursuant to the existing Memorandum of Understanding (MOU) between the non-profit and the Authority, the company shall demonstrate a match of non-state funds equal to the amount provided in this paragraph. At the conclusion of the project, the company shall be required to report to the Authority on the: (i) jobs created as a result of the investment; (ii) estimated savings to residents of the Commonwealth from the purchase of low-cost insulin; and, (iii) estimated potential savings to the Commonwealth as a self-insured employer from the availability of affordable insulin manufactured at a non-profit facility in Virginia. Any balances for the purposes specified in this paragraph which are unexpended on June 30, 2027, and June 30, 2028, shall not revert to the general fund but shall be carried forward and reappropriated.

S.1. The Secretary of Finance shall approve a 20-year, interest-free, state-supported treasury loan in an amount up to $40,000,000 to the City of Newport News to support a capital investment from the United States Navy related to housing infrastructure.

2. The Secretary of Finance shall approve and release the loan under the following conditions: (i) the United States Navy has committed sufficient resources to fund the project; (ii) the City has committed matching funds of cash or in-kind infrastructure improvements for the project equal to the treasury loan amount utilized up to $40,000,000; and (iii) that the proceeds from the treasury loan be drawn down at amounts equal to the in-kind or cash expenditures made by Newport News in support of this project.

3. Contingent upon the completion of the housing infrastructure project, a member of the General Assembly may request the cancelation of any remaining balance owed by the City of Newport News on the treasury loan through an amendment to the appropriations act.

T. Out of the appropriation in this Item, $5,000,000 the first year from the general fund shall be transferred to the Secretary of Commerce and Trade for disbursement to the City of Virginia Beach for the development of Atlantic Park. Such funding shall be contingent upon the execution of a Memorandum of Understanding between the Secretary of Commerce and Trade and the City of Virginia Beach. The funding may be applied to engineering, infrastructure, maintenance, and other related costs to facilitate development and expansion activities. Any balances for the purposes specified in this paragraph which are unexpended on June 30, 2027, and June 30, 2028, shall not revert to the general fund but shall be carried forward and reappropriated. The funds provided in this paragraph shall not be used to supplant any existing appropriations from local, state, or federal entities for the development of Atlantic Park.