



Report of the Subcommittee on  
Economic Development and  
Natural Resources

(Amendments to SB 850,  
as Introduced

Senate Finance Committee  
Virginia General Assembly

February 8, 2009



SENATE OF VIRGINIA

## Senate Finance Committee

**2009 Report of the Economic Development and  
Natural Resources Subcommittee  
The Honorable Mary Margaret Whipple, Chairman  
February 8, 2009**

Mr. Chairman and Members of the Committee:

As you hear each Subcommittee report today, the central theme is Virginia's struggling economy and the effect of this downturn on state revenues. Like the other Subcommittees, we were tasked with making some very difficult decisions as we worked to identify items for additional reductions to balance the budget. Our recommended amendments reduce general funds for the Agriculture and Forestry, Commerce and Trade and Natural Resources Secretariats by \$15.5 million.

However, this is a time when it is critical that we continue to do the best we can to help stimulate economic growth in the Commonwealth. I believe that the amendments before you continue to honor the Commonwealth's commitment to our business partners in a fiscally responsible and prudent manner while recognizing our current fiscal constraints. We also recommend amendments that will leave \$6.3 million available in the Governor's Opportunity Fund to help stimulate economic development.

I would like to take this opportunity to remind you that Article XI of the Constitution of Virginia requires us to ensure that our citizens enjoy clean air and pure water, and compels us to conserve public lands and historic sites. With this in mind, we have worked hard to avoid additional reductions to the operating budgets of the Agriculture, Forestry and Natural Resources agencies.

On one bright note, we are pleased to recommend funding for the Natural Resources Commitment Fund in the amount of \$18.5 million for agricultural best management practices to reduce water pollution. While this is slightly less than what was in the introduced budget, we believe this level of funding continues to demonstrate our commitment to restore the Chesapeake Bay and reduce pollution in the Commonwealth's rivers, lakes and streams. In addition, the Water Quality Improvement Fund will provide \$1.1 million for nonpoint source and \$400,000 for point source pollution control projects.

In closing, I would like to say that we have a strong faith in Virginia's future, and we believe our recommendations will help make that future better, for our economy, for our environment and for our citizens.

Mr. Chairman, this completes the report of your subcommittee.

**REPORT OF THE SUBCOMMITTEE ON ECONOMIC DEVELOPMENT AND NATURAL RESOURCES (2009 SESSION)**

(Recommended Amendments to SB 850, As Introduced. All \$ General Funds)

Amendment	FY 2009	FY 2010	Biennium
<b>AGRICULTURE AND FORESTRY</b>			
<b>Department of Agriculture and Consumer Services</b>			
Reduce Funding for PDR Programs		(250,000)	(250,000)
Weights and Measures Program; Fund with User Fee		(2,564,047)	(2,564,047)
<b>COMMERCE AND TRADE</b>			
<b>Secretary of Commerce and Trade</b>			
Provide Supplemental Training Funding	Language		
Reduce Governor's Opportunity Fund		(6,225,000)	(6,225,000)
Motion Picture Opportunity Fund with NGF		(200,000)	(200,000)
<b>Department of Business Assistance</b>			
Reduce Jobs Investment Program		(250,000)	(250,000)
<b>Department of Housing and Community Development</b>			
Reduce Fort Monroe FADA Operating Funds		(356,934)	(356,934)
Eliminate PDC Earmarks		(295,426)	(295,426)
<b>Department of Mines, Minerals and Energy</b>			
Reduce Clean Energy Manufacturing Grants		(1,500,000)	(1,500,000)
<b>Virginia Economic Development Partnership</b>			
Reduce VEDP Funding		(650,000)	(650,000)
<b>Virginia Tourism Authority</b>			
Reduce VTA Funding		(500,000)	(500,000)

**REPORT OF THE SUBCOMMITTEE ON ECONOMIC DEVELOPMENT AND NATURAL RESOURCES (2009 SESSION)**

(Recommended Amendments to SB 850, As Introduced. All \$ General Funds)

Amendment	FY 2009	FY 2010	Biennium
<b>NATURAL RESOURCES</b>			
<b>Department of Conservation and Recreation</b>			
Reduce Natural Resource Commitment Fund		(1,500,000)	(1,500,000)
SWCD Computer System	Language		
Friend of the Chesapeake License Plates		NGF	
Cost Effective Financing for Dam Safety	Language		
<b>Department of Environmental Quality</b>			
Hampton Roads Consent Order	Language		
Alexandria Litter Recycling Program	Language		
Isle of Wight Litter Recycling Program	Language		
Henry County Litter Recycling Program	Language		
<b>CENTRAL APPROPRIATIONS</b>			
Aerospace Incentive Grant Higher Education 15% Reduction		(1,290,000)	(1,290,000)
<b>Sub-Total - Economic Development and Natural Resources</b>		(15,581,407)	(15,581,407)

<b>Agriculture And Forestry</b>	<b>FY 08-09</b>	<b>FY 09-10</b>	
Department Of Agriculture And	\$0	(\$2,564,047)	GF
Consumer Services	\$0	\$2,564,047	NGF

**Language:**

Page 94, after line 37, insert:

"A. The Commissioner of Agriculture and Consumer Services shall collect a registration fee of \$22.00 beginning July 1, 2009, and continuing through June 30, 2010, for each weights and measures device used by all entities that are subject to weights and measures regulation pursuant to Chapter 56 of Title 3.2 of the Code of Virginia. All such fees collected shall be used solely for the administration of the weights and measures program.

B.1. The Board of Agriculture and Consumer Services shall promulgate a regulation that will be effective July 1, 2010, establishing a schedule of fees to fund the state weights and measures program administered by the Department of Agriculture and Consumer Services and to fund the motor fuels and lubricating oils program. In developing the regulation, the Board shall seek input from representatives from local government, private sector organizations and the public. The regulation adopted by the Board shall provide the Department sufficient resources to support the program and protect the public without placing an undue regulatory burden on the private sector. In establishing an inspection fee for each type of device, the Board shall consider such factors to include, but not be limited to, projected workloads such as total number of devices subject to regulation, the types and complexity of devices inspected, the frequency of inspection, sampling and testing costs, and cost containment strategies. The Board shall also consider the size and annual sales volume of businesses as a factor in establishing the fees.

2. The provisions of the Administrative Process Act (§ 2.2-4000, et seq.) shall not apply to the adoption of any regulation pursuant to subsection B.1. Notwithstanding any exemption to the contrary, a regulation adopted pursuant to subsection B.1 shall be subject to the requirements set out in §§ 2.2-4007.03, 2.2-4007.04, and 2.2-4007.05, and shall be published in the Virginia Register of Regulations. After the close of the 60-day comment period, the Board may adopt a final regulation. Such regulation shall become effective 15 days after the publication in The Virginia Register, unless the Board has withdrawn or suspended the regulation, or a later date

has been set by the Board. The Board shall also hold at least one public hearing on a proposed regulation during the 60-day comment period. The notice of such public hearing shall include the date, time and place of the hearing.

3. Effective July 1, 2010, fees for the inspection of all weights and measures devices shall be collected by the Department of Agriculture and Consumer Services in accordance with the regulation established pursuant to subsection B.1.

4. Should the Board's regulation be suspended for any reason, the Commissioner of Agriculture and Consumer Services shall collect an annual registration fee of \$22.00, continuing until the Board's regulation becomes effective or is reinstated, for each weights and measures device used by all entities that are subject to weights and measures regulation pursuant to Chapter 56 of Title 3.2 of the Code of Virginia.

C. The Board shall also conduct an analysis of the cost and benefits of privatization of the weights and measures program. This review shall include an analysis of private sector interest and capacity, as well as the ability to ensure adequate consumer protection through a privatized weights and measures inspection program. The analysis shall also consider the ability of the Board to license and certify private sector weights and measures inspectors. The Board shall provide a report on this review to the Governor and the Chairman of the House Appropriations Committee, the House Committee on Agriculture, Chesapeake and Natural Resources, the Senate Finance Committee, and the Senate Committee on Agriculture, Conservation and Natural Resources by November 1, 2009."

**Explanation:**

(This amendment eliminates general funds in the second year and establishes a user-fee to fund the weights and measures program and the motor fuels and lubricating oils program administered by the Department of Agriculture and Consumer Services. An initial annual fee of \$22.00 per device will be enacted beginning July 1, 2009 to level fund the program in the second year. The Board of Agriculture and Consumer Services will develop a fee schedule to replace this initial fee beginning July 1, 2010, based on public input and consideration of such factors as the cost to perform inspections, as well as the size and annual sales levels of various business in establishing a reasonable user-fee. The amendment also requires the Board to evaluate the potential to privatize the program and report the results of their analysis to the Governor and the General Assembly prior to the 2010 Session.)

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**Commerce And Trade**

Secretary Of Commerce And Trade

Language

**Language:**

Page 101, after line 23, insert:

"6. Out of the amounts in this item, up to \$1,500,000 the second year from the general fund may be provided to offset training expenses for a major automotive employer operating a diesel assembly and test facility in the City of Newport News, contingent upon such employer entering into a performance agreement with the Virginia Economic Development Partnership describing the employer's commitments regarding job creation and retention. The funds shall be administered in a manner similar to existing training grant programs such as those permitted by § 2.2-902, Code of Virginia. The major automotive employer shall certify to the Secretary of Commerce and Trade that it has retained at least 500 jobs in the Commonwealth and has taken actions to increase employment by at least 250 new full-time jobs in the Commonwealth."

**Explanation:**

(This amendment would allow up to \$1.5 million from the Governor's Development Opportunity Fund to be used for training funding as an incentive for the location of an automotive supplier, Continental AG, to the Commonwealth. On December 15, 2008, Governor Kaine announced that Continental AG, a global automotive supplier, will consolidate its diesel and gasoline fuel injector manufacturing operations at its Newport News facility. As part of the relocation of its diesel fuel injector manufacturing operations to the Commonwealth and the expansion of the existing gasoline fuel injector business line, Continental AG will create 318 new jobs and invest \$194 million.)

**Natural Resources**

Department Of Conservation And  
Recreation

Language

**Language:**

Page 405, line 7, after "collections." insert:



"Notwithstanding any other provision of law, out of this deposit the Department of Conservation and Recreation is authorized to use up to \$500,000 for completion of the project to modernize, simplify and improve the computerized system utilized by soil and water conservation districts to administer and report on implementation of state agricultural best management practices cost share program as was authorized by Item 358.N of Chapter 847, 2007 Acts of Assembly."

**Explanation:**

(This amendment authorizes the Department of Conservation and Recreation to utilize a portion of the statutorily required deposit to the Water Quality Improvement Fund to be used to continue the project to update SWCD computer systems to track implementation of the agricultural BMP cost share program.)

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Economic Development - Natural Resources  
Subcommittee

Item 361 #4g

**Natural Resources**

Department Of Conservation And  
Recreation

Language

**Language:**

Page 405, after line 27, insert:

"L. The Director, Department of Conservation and Recreation, in consultation with the Virginia Resources Authority, is authorized to make cost effective financing available to Orange County or the dam owner for modifications necessary to the Lake of the Woods dam to meet state dam safety requirements and to reduce the potential loss of life and damage to down stream property for this high hazard dam, with an inundation zone containing multiple dwellings and a major state highway. Notwithstanding § 10.1-603.19, Code of Virginia, such authority may be used to provide financial or other assistance from the Dam Safety, Flood Prevention and Protection Assistance Fund to secure funding or to provide a grant not to exceed \$1,000,000."

**Explanation:**

(This amendment restores language that was inadvertently dropped from the budget bill during final printing. Page B-89 of the executive budget document includes an explanation of the amendment.)

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Economic Development - Natural Resources

Subcommittee

**Natural Resources**

Department Of Environmental  
Quality

Language

**Language:**

Page 408, after line 52, insert:

"G. The Department of Environmental Quality shall ensure that, from available resources, adequate staffing is provided to expeditiously determine compliance with the provisions of the Hampton Roads Special Order by Consent dated September 26, 2007, and to ensure that timeframes established by the Order are also complied with."

**Explanation:**

(This amendment is self-explanatory.)

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Economic Development - Natural Resources  
Subcommittee

**Natural Resources**

Department Of Environmental  
Quality

Language

**Language:**

Page 410, after line 33, insert:

"G. Out of this item, the Department of Environmental Quality shall expend up to \$10,000 from the Litter Control and Recycling Fund for a one-time cooperative agreement with the City of Alexandria for the purposes of developing and implementing a public information and education project to enhance ongoing litter prevention and recycling programs. Moneys deposited into the Litter Control and Recycling Fund shall be expended for this cooperative agreement out of the amount allocated on July 1, 2008, pursuant to § 10.1-1422.01.C.1."

**Explanation:**

(This amendment requires DEQ to utilize an unexpended balance in the Litter Control and Recycling Fund for a cooperative agreement with the City of Alexandria to enhance an ongoing litter control and recycling education project in the City.)

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Economic Development - Natural Resources  
Subcommittee

Item 368 #4s

**Natural Resources**

Department Of Environmental  
Quality

Language

**Language:**

Page 410, after line 33, insert:

"G. Out of this item, the Department of Environmental Quality shall expend up to \$28,000 from the Litter Control and Recycling Fund for a one-time cooperative agreement with Isle of Wight County for the purposes of developing and implementing a public information and education project to enhance ongoing litter prevention and recycling programs. Moneys deposited into the Litter Control and Recycling Fund shall be expended for this cooperative agreement out of the amount allocated on July 1, 2008, pursuant to § 10.1-1422.01.C.1."

**Explanation:**

(This amendment requires DEQ to utilize an unexpended balance in the Litter Control and Recycling Fund for a cooperative agreement with Isle of Wight County to enhance an ongoing litter control and recycling education project in the County.)

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Economic Development - Natural Resources  
Subcommittee

Item 368 #5s

**Natural Resources**

Department Of Environmental  
Quality

Language

**Language:**

Page 410, after line 33, insert:

"G. Out of this item, the Department of Environmental Quality shall expend up to \$10,000 from the Litter Control and Recycling Fund for a one-time cooperative agreement with Henry County for the purposes of developing and implementing a public information and education project to enhance ongoing litter prevention and recycling programs. Moneys deposited into the Litter Control and Recycling Fund shall be expended for this cooperative agreement out of the amount allocated on July 1, 2008, pursuant to § 10.1-1422.01.C.1."

**Explanation:**

(This amendment requires DEQ to utilize an unexpended balance in the Litter

Control and Recycling Fund for a cooperative agreement with Henry County to enhance an ongoing litter control and recycling education project in the County.)

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