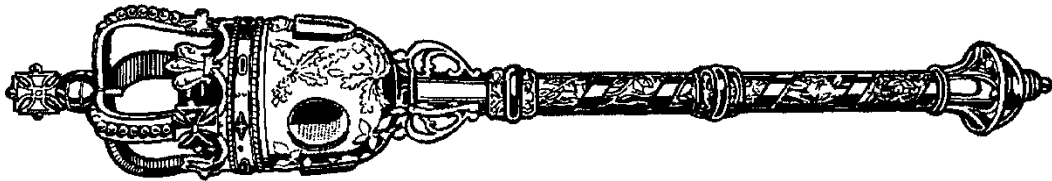


*Report of the
House Appropriations
Subcommittee*

on

*Economic Development,
Agriculture and Natural Resources*



House Bill 1500

February 3, 2013

REPORT OF THE SUBCOMMITTEE
on
Economic Development, Agriculture and Natural
Resources

Mr. Chairman and Members of the Committee:

During the 2010, 2011 and 2012 Sessions, the General Assembly adopted major initiatives designed to enhance our economic development toolbox in the Commonwealth. These actions - taken in tight economic times - were undertaken with the knowledge that the best way to expand Virginia's tax base is to incentivize business expansion and reduce the costs of doing business in the Commonwealth.

Over the past three years we have worked hard to make job creation the top priority of state government. Both the Governor and the Chairman have been generous with resources for this subcommittee, realizing that job creation is critical to Virginia's future. I am pleased to report that the results of these investments can now be seen, with more and more businesses choosing to move to and expand their operations in the Commonwealth. Virginia truly is and will continue to be the best place to grow and start a business in the nation.

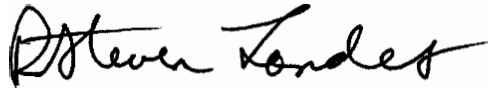
Between July 1, 2010, and June 30, 2012, 700 economic development projects have been announced across the Commonwealth. These projects accounted for 45,107 new direct jobs and \$7.29 billion in new planned private capital investment. Virginia's unemployment rate has dropped from a high of 7.3% in January 2010 to 5.5% this past month. During this time, the Commonwealth has proudly welcomed newcomers Amazon.com to the Richmond area, Green Mountain Coffee Roasters to Isle of Wight County, and Bechtel's and Intelsat's headquarters relocation to Fairfax County.

I also am very pleased to report the successes we have seen from our investments in agriculture and forestry, Virginia's two largest industries. Having recognized the increased importance of the export market for Virginia's agriculture products, funding we provided for new offices has increased Virginia's agriculture exports to more than \$2.35 billion last year, with the highest sales coming from nation's like Morocco and China where we previously had no representation.

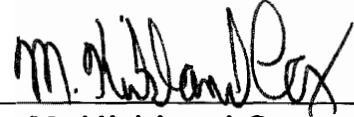
In the area of Natural Resources, Mr. Chairman, I am very pleased to note that the Subcommittee's recommendations also build upon the investments Virginia has made in the health of its rivers and streams during the past 10 years. I am pleased to recommend the addition of \$216 million in bonds to address the continued improvement of wastewater treatment plants, the completion of combined sewer overflow projects in Richmond and Lynchburg, and other water quality improvements. In particular, I am very pleased to note that in exchange for the bond funding provided for the City of Lynchburg, the City Council has pledged not to seek any further funding from the Commonwealth. In addition, I am very pleased to recommend the addition of \$470,000 in funding for the operations of soil and water conservation districts, \$254,000 for the maintenance of 104 soil and water conservation dams, and the provision of \$675,000 for the equipment and staffing needed to open Powhatan State Park.

In closing, I would like to thank Chairman Putney and the members of the Subcommittee for their hard work and support during the Session in putting the Subcommittee budget together. Committee staff will review the report and the attached listing of our recommendations at this time, and I hope it will be your pleasure to adopt our Subcommittee Report.

Respectfully Submitted by the House Appropriations Subcommittee
on Economic Development, Agriculture & Natural Resources:



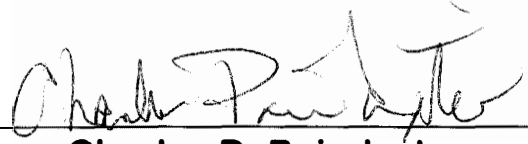
R. Steven Landes, Chairman



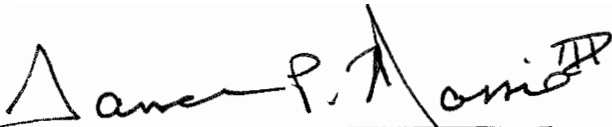
M. Kirkland Cox



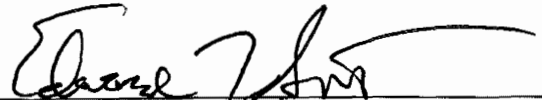
Beverly J. Sherwood



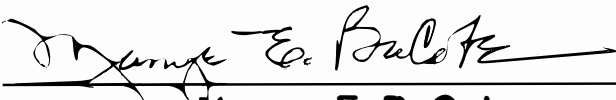
Charles D. Poindexter



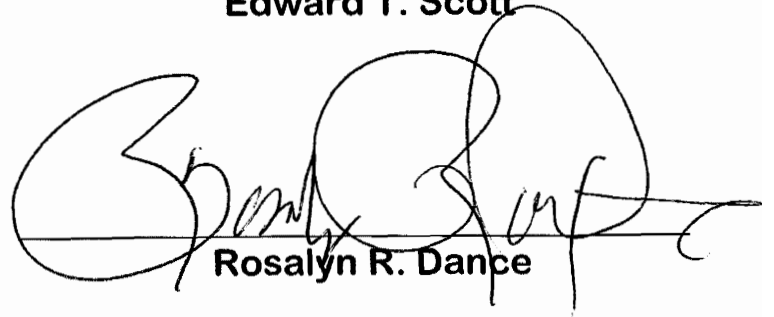
James P. Massie, III



Edward T. Scott



Mamy E. BaCote



Rosalyn R. Dance

Budget Amendment Recommendations

| HB 1500 | 2012-14 BIENNIAL TOTAL | | |
|------------------|------------------------|---------------------------|------------|
| <u>Amendment</u> | General <u>Fund</u> | Nongeneral <u>Fund</u> | <u>FTE</u> |

AGRICULTURE AND FORESTRY

Virginia Department Of Agriculture and Consumer Services

| | | |
|---|----------------|------------------|
| Restore Portion of PDR Matching Grant Program Reduction | 150,000 | |
| Beehive Grant Funding | 125,000 | |
| Virginia Pesticide Control Act Funding | Language | |
| Clarifying Language - Forestry Accts Receivable System | Language | |
| Long-Term Mitigation Funding | | 9,840,690 |
| Increase Reforestation of Timberlands Funding | 250,000 | |
| Secretarial Total: | 525,000 | 9,840,690 |

COMMERCE & TRADE

Secretary of Commerce and Trade

| | | |
|---|----------|--|
| Review of VJIP Program Funds and Potential Relocation | Language | |
|---|----------|--|

Economic Development Incentive Payments

| | | |
|--|----------|--|
| Use of Site Development Funds in Rural Areas | Language | |
|--|----------|--|

Department Of Business Assistance

| | | |
|--|----------|--|
| Amend VJIP Lanugage to Conform with 2012 Legislation | Language | |
|--|----------|--|

Department Of Housing And Community Development

| | | |
|---|-------------|--|
| Reflect HB 2059 - Communities of Opportunity Tax Credit | 200,000 | |
| Shift Fund Source for FY 14 Fort Monroe to GOF | (5,065,150) | |
| Reduce Increase for Main Street Program | (250,000) | |
| Falls Church Community Revitalization Effort | 50,000 | |

Department of Labor and Industry

| | | |
|----------------------------------|---------|--|
| Restore Payment of Wage Division | 308,206 | |
|----------------------------------|---------|--|

Virginia Economic Development Partnership

| | | |
|--|-----------|--|
| Cooperative Marketing Plan to Target Emerging Industries | Language | |
| Eliminate New Initiative | (481,500) | |
| Reduce New Regional Collaboration Initiative | (200,000) | |
| Investigation of Bridge Loans & Export Insurance | Language | |

Virginia Employment Commission

| | | |
|--|-----------|--|
| Eliminate Online Job Recruitment Pilot | (500,000) | |
|--|-----------|--|

Virginia Tourism Authority

| | | |
|--|--------------------|----------|
| Support Cooperative Advertising Shift to DC Market | 50,000 | |
| Secretarial Total: | (5,888,444) | - |

Part 3

| | | |
|--|----------|--|
| Increase Angel Investor Tax Credit Cap | Language | |
|--|----------|--|

Part 4

| | | |
|---|----------|--|
| Add Additional Localities to Port Economic Development Zone | Language | |
| Amend Language Regarding MEI Commission | Language | |

Budget Amendment Recommendations

| HB 1500 | 2012-14 BIENNIAL TOTAL | | |
|------------------|------------------------|-------------------|------------|
| <u>Amendment</u> | <u>General</u> | <u>Nongeneral</u> | <u>FTE</u> |
| | <u>Fund</u> | <u>Fund</u> | |

NATURAL RESOURCES

Secretary of Natural Resources

Eliminate Reserve Fund Prohibition Language Language

Department of Conservation and Recreation

Provision of Funding for High Hazard Dam 231,706

Funding for Maintenance of SWCD Dams 254,000

Funding for SWCD Operations 470,000

Correct Fiscal Year for WQIF Deposit Language

Distribution of SWCD Funding Report Language

Reallocation of WQIF Funding to Include WQIF Reserve Language

Reestablish Stormwater Bond Authority in Capital Outlay Language

Bay Restoration Advisory Committee Recommendations - 366,822

Provide Funding for Powhatan State Park 675,000

Daniel Boone Wilderness Trail Interpretative Center Language

Department of Environmental Quality

Provide Funding for Retirement of W.E. Skelton Debt 85,000

Appomattox River Water Authority Language

Reestablish Bond Authority in Capital Outlay Language

Funding for Combined Sewer Overflow Projects Language

Equalize IT Funding to General Assembly Action (41,194)

Eliminate Waste Tire Fund Fee Language Language

Department of Game and Inland Fisheries

Provide for Permitting, Site Work, and Other Soft Costs 2,143,158

Lake Anna Advisory Committee Funding Uses Language

Amendments to House Bill 1500, as Introduced

Commerce - Economic Development Subcommittee

Item 92 #1h

| Agriculture And Forestry | FY 12-13 | FY 13-14 | |
|--|-----------------|-----------------|----|
| Department Of Agriculture And Consumer Services | \$0 | \$150,000 | GF |

Language:

Page 74, line 27, strike "\$17,549,649" and insert "\$17,699,649".

Explanation:

(This amendment restores \$150,000 in funding for the purchase of development rights grant program that awards grants to localities through the Office of Farmland Preservation. The budget, as introduced, proposed to reduce the program from \$1.2 million to \$800,000 in the second year. This would leave \$950,000 for the program in the second year.)

Commerce - Economic Development Subcommittee

Item 94 #1h

| Agriculture And Forestry | FY 12-13 | FY 13-14 | |
|--|-----------------|-----------------|----|
| Department Of Agriculture And Consumer Services | \$125,000 | \$0 | GF |

Language:

Page 77, line 2, strike "\$3,326,320" and insert "\$3,451,320".

Page 77, line 11, strike "A.1." and insert "A."

Page 77, line 11, unstrike "\$125,000 the first year and".

Page 77, line 19, after "Program." strike the remainder of the line.

Page 77, strike lines 20 through 25 and insert:

"Any moneys remaining in the Beehive Grant Fund at the end of fiscal years 2013 and 2014 shall not revert to the general fund but shall remain in the Fund and be available for allocation in the ensuing fiscal years."

Explanation:

(This amendment eliminates a proposal included in the Governor's amendments which would have removed the funding for the new Beehive Grant Program that was established pursuant to legislation adopted by the 2012 General Assembly. The Department of Agriculture and Consumer Services already has received requests for grants under this program in excess of the amounts available.)

Commerce - Economic Development Subcommittee

Item 94 #2h

Agriculture And Forestry

Department Of Agriculture And
Consumer Services

Language

Language:

Page 77, after line 25, insert:

"B. The Office of Pesticide Services will provide a plan for administering the Pesticide Control Act Fund to the Board of Agriculture and Consumer Services by October 15, 2013. Annually, the Office of Pesticide Services will publish a report on the activities, educational programs, research, and grants administered through the Pesticide Control Act Fund to the Board of Agriculture and Consumer Services by October 15 of each year."

Explanation:

(This amendment provides for a review of the uses of the Virginia Pesticide Act Fund with a report being submitted to the Board and Agriculture and Consumer Services October 15 of each year.)

Commerce - Economic Development Subcommittee

Item 102 #1h

Agriculture And Forestry

Department Of Forestry

Language

Language:

Page 80, line 38, strike "Included in the amounts for this item,".

Page 80, strike lines 39 and 40 and insert:

"Out of this appropriation, up to \$240,000 over the biennium from the general fund may be used for replacement of the Department of Forestry's accounts receivable fiscal system."

Explanation:

(This amendment authorizes the use of up to \$240,000 of the amounts appropriated for the Reforestation of Timberland Program over the 2012-2014 biennium toward the replacement of the Department of Forestry's accounts receivable system. Language in Chapter 3 allows the use of up to \$120,000 in each year toward the project. The timeline for the development of the system has shifted.

Amendments to House Bill 1500, as Introduced

The amendment adjusts the language authorizing the use of these funds to give the agency greater flexibility between fiscal years. The amendment does not change the total amount of funding available for replacement of the system.)

Commerce - Economic Development Subcommittee

Item 102 #2h

Agriculture And Forestry

FY 12-13

FY 13-14

Department Of Forestry

\$9,840,690

\$0 NGF

Language:

Page 79, line 47, strike "\$27,241,266" and insert "\$37,081,956".

Page 81, after line 3, insert:

"K.1.a. There is hereby created in the state treasury a special nonreverting fund to be known as the Virginia State Forest Mitigation and Acquisition Fund, which shall be administered by the Department of Forestry. The fund shall be established on the books of the Comptroller. All amounts appropriated and such other funds as may be made available to the fund from any other source, public or private, shall be paid into the state treasury and credited to the fund. Interest earned on moneys in the fund shall remain in the fund and be credited to it. Any moneys remaining in the fund, including interest thereon, at the end of each fiscal year shall not revert to the general fund but shall remain in the fund. Moneys in the fund shall be used solely for the i) long term management and stewardship of any mitigation plan, and ii) acquisition of additional state forest lands or conservation easements to be administered by the Department of Forestry.

b. There is hereby created in the state treasury a special nonreverting fund to be known as the Long Term Mitigation Fund, a subfund of the Virginia State Forest Mitigation and Acquisition Fund which shall be administered by the Department of Forestry. The subfund shall be established on the books of the Comptroller. All amounts appropriated and such other funds as may be made available to the subfund from any other source, public or private, shall be paid into the state treasury and credited to the subfund. Interest earned on moneys in the subfund shall remain in the subfund and be credited to it. Any moneys remaining in the subfund, including interest thereon, at the end of each fiscal year shall not revert to the general fund but shall remain in the subfund. Moneys in the subfund shall be used solely for the long term management and stewardship of any mitigation plan administered by the Department of Forestry.

2.a. Included in this appropriation is an amount estimated at \$9,840,690 in the first

Amendments to House Bill 1500, as Introduced

year from dedicated special revenue, to be deposited into the Virginia State Forest Mitigation Acquisition Fund, contingent upon ratification of a stream mitigation purchase and sale agreement between the Department of Forestry and Henrico County. This amount represents the proceeds from the stream mitigation transaction, which is based upon the Cumberland State Forest Stream Buffer Preservation Stewardship Plan. Such agreement shall be limited to fulfill no more than 75 percent of the required stream credits for the Cobbs Creek Reservoir project. All additional required credits shall be acquired from other sources. With the exception of the amounts prescribed in paragraph K.2.b of this item, these funds shall be used solely for forest land or conservation easement acquisition.

b. Out of these amounts, a minimum of 7 percent, or such amount as agreed to by the parties in the purchase and sale agreement shall be deposited into the Long Term Mitigation Fund, and shall be used only for long term management in accordance with the terms of the final mitigation plan, as approved by the U.S. Army Corps of Engineers, the State Water Control Board, and any other applicable authorities.

3. For any such future mitigation projects, no state forest land shall be used to provide compensatory mitigation for wetland or stream impacts of any public or private project until such time as due consideration has been given to the availability of mitigation credits available from private sources. State forest land means all sites, roadways, game food patches, ponds, lakes, streams, rivers, beaches, and lakes to which the Department of Forestry holds title for use, development, and administration."

Explanation:

(This amendment establishes a special fund for the deposit of dedicated special revenue received as part of the mitigation of the Cobbs Creek Reservoir project and puts certain restrictions on the amount of credits for this and similar future projects.)

Commerce - Economic Development Subcommittee

Item 102 #3h

Agriculture And Forestry
Department Of Forestry

FY 12-13
\$0

FY 13-14
\$250,000 GF

Language:

Page 79, line 48, strike "\$27,410,741" and insert "\$27,660,741".

Page 80, line 36, strike the second "\$697,570" and insert "\$947,570".

Explanation:

Amendments to House Bill 1500, as Introduced

(This amendment provides an additional \$250,000 to the Reforestation of Timberlands Program from the general fund in the second year to come closer to matching the tax paid by the forest industry for reforestation efforts. The provisions of §§ 10.1-1176 and 58.1-1605, Code of Virginia, require a \$1.00 for \$1.00 match for industry efforts.)

Commerce - Economic Development Subcommittee

Item 104 #1h

Commerce And Trade

Secretary Of Commerce And Trade

Language

Language:

Page 82, after line 33, insert:

"C. The Secretary shall convene a working group which shall include the Director, Virginia Economic Development Partnership, the Director of the Department of Business Assistance, local economic development representatives, and representatives from Virginia's business community to determine whether the Virginia Jobs Investment Program Funds are best managed within the Department of Business Assistance or within the Virginia Economic Development Partnership or whether the separate sub-funds would be more effectively utilized by the two separate agencies whose missions focus on different sectors of the Commonwealth's business community. The Secretary shall report to the Chairmen of the House Appropriations and Senate Finance Committees by October 30, 2013 on the findings of this examination, including any proposals to shift funds among the two entities, and any administrative impediments to such a proposal. Such report shall also contain an accounting of how the funding has been distributed for the last four fiscal years by region, industry sector, size of company, size of grant and agency through whom the incentive request was generated."

Explanation:

(This amendment directs the Secretary of Commerce and Trade, in conjunction with the VEDP and DBA to review the uses of the sub-funds contained within the Virginia Jobs Investment Fund and report to the General Assembly on any proposal to shift portions of the funding to VEDP in order to better reflect uses of the funds, respectively, to recruit new businesses and to help small and existing businesses within the Commonwealth.)

Commerce - Economic Development Subcommittee

Item 105 #1h

Commerce And Trade

Economic Development Incentive
Payments

Language

Language:

Page 84, line 47, after "Virginia" insert:

"or in the performance of site and site development work in communities that are not tobacco-dependent communities eligible for assistance from the Tobacco Indemnification and Community Revitalization Commission, to accommodate a project anticipated to have a capital investment in real and tangible personal property exceeding \$50,000,000, create more than 100 full-time jobs, and likely have a substantial direct and indirect economic impact on surrounding communities".

Explanation:

(This amendment will allow the Virginia Economic Development Partnership to make grants from the existing site development planning fund created pursuant to § 2.2-2260, or, for smaller development projects in non-tobacco dependent communities, meet lower investment and job creation thresholds if such projects are critical to the economic health of such jurisdictions.)

Commerce - Economic Development Subcommittee

Item 107 #1h

Commerce And Trade

Department Of Business Assistance

Language

Language:

Page 87, strike lines 23 through 33 and insert:

"A.1. Out of this appropriation, \$7,867,220 the first year and \$7,713,643 the second year from the general fund is provided for the Virginia Jobs Investment Program at the Department of Business Assistance. Of this amount, \$1,570,628 the first year and \$1,413,829 the second year may be used for operating expenses. The remaining \$6,296,592 the first year and \$6,299,814 the second year shall be available for eligible businesses. Except as provided for in § 2.2-904.2, beginning in the second year, the appropriation provided for the Virginia Jobs Investment Program for eligible businesses shall be deposited to the Virginia Jobs Investment Program Fund, pursuant to § 2.2-903.1 D., Code of Virginia. It is the intent of the General Assembly that a minimum of 10 percent of the amounts provided for the Virginia Jobs Investment Program each year shall be transferred to the Small Business Jobs Grant Fund established pursuant to § 2.2-904.2, Code of Virginia, and shall only be used

Amendments to House Bill 1500, as Introduced

for the purposes of that section."

Page 87, line 38, after "Program" insert "Fund".

Explanation:

(This amendment updates the language governing the Virginia Jobs Investment Program to reflect legislation adopted by the 2012 General Assembly Session that codified the long-standing program. It is technical in nature.)

Commerce - Economic Development Subcommittee

Item 108 #1h

Commerce And Trade

FY 12-13

FY 13-14

Department Of Housing And
Community Development

\$0

\$200,000 GF

Language:

Page 88, line 39, strike "\$47,049,112" and insert "\$47,249,112".

Page 90, after line 17, insert:

"H. Included in the amounts for this item is \$200,000 from the general fund in the second year for a competitive grant program to fund housing mobility counselors to work with participants of the Communities of Opportunity Program."

Explanation:

(This amendment is a companion to House Bill 2059, which was adopted by the House. That legislation reduces the annual cap on the existing Communities of Opportunity Tax Credit program by \$200,000, freeing up \$200,000 in general fund revenue in the second year and redirects those funds to the Department of Housing and Community Development. This amendment appropriates that amount to the Department of Housing and Community Development for competitive grant program to fund housing mobility counselors to work with participants of the Communities of Opportunity Program. This is a pilot program serving the Richmond MSA which seeks to enable low-income families who have Housing Choice vouchers a chance to move into low-poverty, high opportunity neighborhoods by giving tax credits to landlords renting homes in such neighborhoods to tenants with the vouchers. The counselors would be used to match tenants with vouchers with participating landlords, assist with lease-up activities and act as intermediaries between these tenants and their landlords. A companion amendment to the Front Page of the budget reduces the revenue loss associated with the tax credit for a net zero cost.)

Commerce - Economic Development Subcommittee

Item 109 #1h

Amendments to House Bill 1500, as Introduced

| | | | |
|--|-----------------|-----------------|----|
| Commerce And Trade | FY 12-13 | FY 13-14 | |
| Department Of Housing And Community Development | \$0 | (\$5,065,150) | GF |

Language:

Page 90, line 19, strike "\$45,490,328" and insert "\$40,425,178".

Page 92, line 14, strike: "and \$5,065,150 the second year".

Page 92, line 14, after "general fund" insert:

"and \$5,065,150 the second year from the amounts appropriated in Item 105 A. of this act"

Explanation:

(This amendment eliminates the separate general fund appropriation for Fort Monroe in the second year and instead funds the Authority at the same level from balances in the Governor's Development Opportunity Fund.)

Commerce - Economic Development Subcommittee Item 109 #2h

| | | | |
|--|-----------------|-----------------|----|
| Commerce And Trade | FY 12-13 | FY 13-14 | |
| Department Of Housing And Community Development | \$0 | \$50,000 | GF |

Language:

Page 90, line 19, strike "\$45,490,328" and insert "\$45,540,328".

Page 92, after line 52, insert:

"L. Out of the amounts in this item, \$50,000 the second year from the general fund shall be provided to the City of Falls Church for a community revitalization effort for the Tinner Hill Historic Park and Creative Cauldron."

Explanation:

(This amendment provides \$50,000 the second year from the general fund to the Department of Housing and Community Development for a community revitalization effort in a historic district in the City of Falls Church.)

Commerce - Economic Development Subcommittee Item 116 #1h

| | | | |
|----------------------------------|-----------------|-----------------|-----|
| Commerce And Trade | FY 12-13 | FY 13-14 | |
| Department Of Labor And Industry | \$0 | \$308,206 | GF |
| | 0.00 | 6.00 | FTE |

Language:

Page 94, line 14, strike "\$9,229,729" and insert "\$9,537,935".

Explanation:

(This amendment restores \$308,206 and 6 FTE positions to enforce the Virginia Payment of Wage Act, § 40.1-29, Code of Virginia. This restoration of funding for payment of wage investigators will ensure workers who are not properly paid have a way to seek restitution for earned wages.)

Commerce - Economic Development Subcommittee

Item 123 #1h

Commerce And Trade

Virginia Economic Development
Partnership

Language

Language:

Page 98, after line 39, insert:

"O. The Department of Business Assistance (DBA), the Innovative and Entrepreneurship Investment Authority (IEIA), the Virginia Tourism Corporation (VTC), and the Virginia Economic Development Partnership (VEDP) shall cooperatively develop a marketing campaign to attract and recognize entrepreneurs, small businesses, and emerging industry businesses. This campaign shall include developing (i) a welcome program to facilitate speedy completion of necessary business start-up functions, including licensing, facilities location, employee relocation guides, and business support services; (ii) a recruitment campaign to target industry segments for pursuit, to identify potential incentives for the establishment, location, or relocation of these companies, and to showcase assets such as economic incentives and regional living condition profiles and asset profiles, including universities, technology councils, venture firms, and research institutes; and (iii) an operational plan and schedule to carry out such a campaign. The DBA, IEIA, VTC, and VEDP shall report to the Governor and the Chairmen of the House Appropriations and Senate Finance Committees by November 1, 2013 on any recommendations to implement such a program and enumerate any impediments or costs associated with these activities."

Explanation:

(This amendment directs the state's primary economic development agencies to work collectively to develop a marketing plan to target small and emerging

Amendments to House Bill 1500, as Introduced

industries to the Commonwealth and report to the General Assembly by November 1 on improvements required to increase the Commonwealth's ability to attract and retain such firms in Virginia.)

Commerce - Economic Development Subcommittee Item 123 #2h

| | | | |
|---|-----------------|-----------------|----|
| Commerce And Trade | FY 12-13 | FY 13-14 | |
| Virginia Economic Development Partnership | \$0 | (\$481,500) | GF |

Language:

Page 97, line 18, strike "\$17,824,746" and insert "\$17,343,246".

Page 98, strike lines 37 through 39.

Explanation:

(This amendment eliminates a proposed new initiative to promote international trade as an alternative market for defense companies located in Virginia.)

Commerce - Economic Development Subcommittee Item 123 #3h

| | |
|---|----------|
| Commerce And Trade | |
| Virginia Economic Development Partnership | Language |

Language:

Page 98, after line 39 insert:

"O. The Virginia Economic Development Partnership shall investigate additional ways in which they might encourage the export of products and services from the Commonwealth to international markets, including researching potential methods through which to support broader availability of bridge loans and shipment insurance for Virginia exporters."

Explanation:

(This amendment directs the VEDP to assist Virginia companies in finding ways to expand the availability of bridge loans and shipment insurance for Virginia exporters.)

Commerce - Economic Development Subcommittee Item 124 #1h

Amendments to House Bill 1500, as Introduced

| | | | |
|--------------------------------|-----------------|-----------------|----|
| Commerce And Trade | FY 12-13 | FY 13-14 | |
| Virginia Employment Commission | \$0 | (\$500,000) | GF |

Language:

Page 98, line 46, strike "\$609,747,894" and insert "\$609,247,894".
Page 99, strike line 30 through line 36.

Explanation:

(This amendment eliminates a proposed general fund appropriation for the Virginia Employment Commission to implement a one-year pilot program for an online job recruitment site that links companies and job-seekers through social media and mobile networks. The VEC receives no other general fund support and these types of services are readily available through the private sector.)

Commerce - Economic Development Subcommittee Item 129 #1h

| | | | |
|----------------------------|-----------------|-----------------|----|
| Commerce And Trade | FY 12-13 | FY 13-14 | |
| Virginia Tourism Authority | \$0 | \$50,000 | GF |

Language:

Page 100, line 44, strike "\$19,238,612" and insert "\$19,288,612".
Page 102, line 9, strike "\$280,012" and insert "\$330,012".
Page 102, line 12, strike "\$80,012" and insert "\$130,012".
Page 102, line 21, strike "Northern"
Page 102, line 22, after "markets" insert:

"through the "See Virginia First," a partnership operated by the Virginia Association of Broadcasters, in association with its affiliates in other states in the region, provided that the Association can obtain contributions of at least \$1,492,632 in television, radio and station-related internet advertising value to promote tourism in Virginia."

Explanation:

(This amendment adds language to a set-aside for tourism marketing in the Washington D.C. and Baltimore, Maryland markets to ensure that the state leverages the funds to receive matching advertising contributions for its expenditures.)

Commerce - Economic Development Subcommittee Item 3-6.04 #1h

Adjustments and Modifications to Fees

Amendments to House Bill 1500, as Introduced

Qualified Equity and Subordinated Debt Investment Tax Credit

Language

Language:

Page 492, line 8, after "2012," insert:

"and before December 31, 2012,"

Page 492, line 9, after "\$4,000,000." insert:

"For taxable years beginning on or after January 1, 2013, and before December 31, 2013 the amount of the Qualified Equity and Subordinated Debt Investment Tax Credit available under § 58.1-339.4, Code of Virginia, shall be limited to \$4,500,000. For taxable years beginning on or after January 1, 2014, and before December 31, 2014 the amount of the Qualified Equity and Subordinated Debt Investment Tax Credit available under § 58.1-339.4, Code of Virginia, shall be limited to \$5,000,000."

Explanation:

(This amendment increases the annual issuance cap on credits through the Qualified Equity and Subordinated Debt Investments Tax Credit, also known as the angel investor tax credit, to \$4.5 million for tax year 2013 and to \$5.0 million for tax year 2014.)

Commerce - Economic Development Subcommittee

Item 4-14.00 #1h

Effective Date

Effective Date

Language

Language:

Page 544, line 24, after "New Kent," insert "Page,".

Page 544, line 25, before "Southampton" insert "Shenandoah,".

Page 544, line 25, after "Emporia" insert "Franklin".

Explanation:

(This amendment increases the list of eligible localities under the Port of Virginia Economic and Infrastructure Development Zone from 36 to 39 jurisdictions by adding Page and Shenandoah counties, which are located near the Virginia Inland Port and the City of Franklin, which is inside the County of Southampton which already was included in the Zone. This language is included in the budget as the legislation was not adopted as stand-alone legislation during the 2012 Session but included in Part 4 of the budget through a Governor's amendment at the Reconvened Session.)

Effective Date

Effective Date

Language

Language:

Page 545, after line 41, insert:

"4. That § 30-310 of the Code of Virginia is amended and reenacted as follows:
§ 30-310. Review of incentive packages.

A. 1. The Commission shall review individual incentive packages, including but not limited to packages offering tax incentives, for economic development 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 (ii) an amendment by the General Assembly is being sought to one or more currently existing incentives included as part of the incentive package. The Commission shall recommend approval or denial of such packages to the General Assembly. Factors that shall be considered by the Commission in its review shall include, but not be limited to (i) return on investment, (ii) the time frame for repayment of incentives to the Commonwealth, (iii) average wages of the jobs created by the prospective MEI project or other economic development project, (iv) the amount of capital investment that is required, and (v) the need for enhanced employment opportunities in the prospective location of the prospective MEI project or other economic development project.

2. a. *Any time a proposed individual incentive package is to be considered by the Commission, materials outlining (i) the value of the proposed incentives, (ii) assumed return on investment, (iii) the time frame for repayment of incentives to the Commonwealth, (iv) average wages of the jobs created by the prospective MEI project or other economic development project, (v) the amount of capital investment that is required, and (vi) the need for enhanced employment opportunities in the prospective location of the prospective MEI project or other economic development project, shall be provided to the Commission members not less than forty-eight hours prior to the scheduled Commission meeting.*

b. *The timing of any request for an endorsement of a proposed individual incentive package should be scheduled so that the MEI Commission could, at its discretion, have up to seven days subsequent to the presentation of the incentive package prior to endorsing or rejecting such proposal.*

Amendments to House Bill 1500, as Introduced

B. An affirmative vote by three of the five members of the Commission from the House of Delegates and two of the three members of the Commission from the Senate shall be required to endorse any incentive package, including but not limited to packages offering tax incentives, for economic development 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 (ii) an amendment by the General Assembly is being sought to one or more currently existing incentives included as part of the incentive package."

Page 545, line 42, strike "4." and insert "5."

Page 545, line 43, strike "and" and insert ", "

Page 545, line 43, after "third" insert ", and fourth".

Explanation:

(This amendment amends the provisions of the Major Economic Investment Commission to require that any proposals submitted to the Commission be made at least 48 hours in advance of the Commission meeting to allow time for proper consideration of the members prior to endorsing or rejecting a proposed incentive package.)

Natural Resources Subcommittee

Item 358 #1h

Natural Resources

Secretary Of Natural Resources

Language

Language:

Page 317, strike lines 32 and 33.

Explanation:

(This amendment eliminates the language stating that no deposit shall be made to the Water Quality Improvement Fund Reserve. Created by the General Assembly in 2004 to eliminate the wide fluctuations in the amount of funding available for Virginia's water quality initiatives, the reserve has been used to ensure continuing funding for the implementation of the agricultural best management practices outlined in the Commonwealth's watershed implementation plan.)

Natural Resources Subcommittee

Item 360 #1h

Amendments to House Bill 1500, as Introduced

| | | | |
|---|-----------------|-----------------|----|
| Natural Resources | FY 12-13 | FY 13-14 | |
| Department Of Conservation And Recreation | \$0 | \$231,706 | GF |

Language:

Page 318, line 16, strike "\$56,405,430" and insert "\$56,637,136".

Page 320, line 18, after "\$258,290" insert:

"the first year and \$231,706 the second year from the general fund".

Explanation:

(This amendment provides additional funding in the second year for the rehabilitation of a high hazard, recreational use dam that includes within its dam break inundation zone numerous residences, several rural roads, and U.S. 460. While the Department of Conservation and Recreation's staff report the dam is generally well maintained, the special order was based on an inadequate spillway. The requested amount would fully repair the spillway and permit the facility to comply with Virginia's dam safety regulations.)

Natural Resources Subcommittee

Item 360 #2h

| | | | |
|---|-----------------|-----------------|----|
| Natural Resources | FY 12-13 | FY 13-14 | |
| Department Of Conservation And Recreation | \$0 | \$254,000 | GF |

Language:

Page 318, line 16, strike "\$56,405,430" and insert "\$56,659,430".

Page 320, after line 20, insert:

"4. Included in the amounts provided for this item, \$254,000 the second year from the general fund is included to increase the level of funding appropriated for the maintenance of the 104 dams owned by soil and water conservation districts by \$1,000 per dam."

Explanation:

(This amendment provides \$254,000 from the general fund to increase the funding for the maintenance of dams owned by soil and water conservation districts from \$2,000 per dam to \$3,000 per dam.)

Natural Resources Subcommittee

Item 360 #3h

Amendments to House Bill 1500, as Introduced

Natural Resources

Department Of Conservation And
Recreation

Language

Language:

Page 321, line 9, strike "second" and insert "first".

Explanation:

(This amendment corrects the language regarding the Water Quality Improvement Fund to reflect the deposit in the first year.)

Natural Resources Subcommittee

Item 360 #4h

Natural Resources

Department Of Conservation And
Recreation

FY 12-13

\$0

FY 13-14

\$366,822 NGF

Language:

Page 318, line 16, strike "\$56,405,430" and insert "\$56,772,252".

Page 321, line 6, after "year", insert:

"and \$366,822 the second year".

Explanation:

(This amendment allocates the revenue collected from the sale of "Friend of the Chesapeake Bay" license plates in the form of grant to nonprofit environmental organizations. For fiscal year 2014, the Chesapeake Bay Restoration Fund Advisory Committee is recommending that 68 grants be allocated to nonprofit organizations ranging in size from \$700 to \$14,000. About half of these grants are issued to state agencies, localities, public schools, soil and water conservation districts, and state park friends groups. The remainder are provided to nonprofit environmental organizations.)

Natural Resources Subcommittee

Item 360 #5h

Natural Resources

Department Of Conservation And
Recreation

FY 12-13

\$0

FY 13-14

\$470,000 GF

Language:

Amendments to House Bill 1500, as Introduced

Page 318, line 16, strike "\$56,405,430" and insert "\$56,875,430".

Page 318, line 44, strike "\$300,000" and insert "\$600,000".

Page 319, line 46, after "E.", insert "1."

Page 319, after line 50, insert:

"2. Out of the amounts for this item, \$470,000 the second year from the general fund is provided to increase the operational support appropriated for each of the 47 soil and water conservation districts from \$80,539 per district to \$90,539 per district."

Explanation:

(This amendment increases the operational funding for each of the 47 soil and water conservation districts. The soil and water conservation districts are the key delivery system for implementation of agricultural best management practices and controlling nonpoint sources of water pollution in Virginia.)

Natural Resources Subcommittee

Item 360 #6h

Natural Resources

Department Of Conservation And
Recreation

Language

Language:

Page 319, after line 19, insert:

"4. The department shall provide a quarterly report to the Chairmen of the House Appropriations and Senate Finance Committees of how appropriations for each soil and water conservation district have been dispersed in the current quarter and the planned disbursements for the upcoming quarter by district for the following: (i) the federal Conservation Reserve Enhancement Program, (ii) the use of Agricultural Best Management Cost-Share Program funds within the Chesapeake Bay watershed, (iii) the use of Agricultural Best Management Cost-Share Program funds within the Southern Rivers area, and (iv) the amount of Technical Assistance funding."

Explanation:

(This amendment requires the Department of Conservation and Recreation to report the amounts distributed to soil and water conservation districts in the current quarter and the upcoming quarter by district for the federal Conservation Reserve Enhancement Program, the use of Agricultural Best Management Cost-Share Program funds within the Chesapeake Bay watershed, the use of Agricultural Best Management Cost-Share Program funds within the Southern Rivers area, and the amount of Technical Assistance funding provided. These reports are to be provided to the Chairmen of House Appropriations and Senate Finance Committees.)

Natural Resources Subcommittee

Item 360 #7h

Natural Resources

Department Of Conservation And
Recreation

Language

Language:

Page 321, line 13, after "and", strike "\$2,300,000" and insert "\$1,000,000".

Page 321, line 16, after ".", insert:

"Pursuant to paragraph B. of Item 358, \$1,300,000 is designated for deposit to the reserve within the Virginia Water Quality Improvement Fund."

Explanation:

(This amendment reduces the allocation of grants for the establishment of local stormwater permitting programs to ensure that a deposit is made to the Water Quality Improvement Fund reserve as required by the Appropriation Act since 2004.)

Natural Resources Subcommittee

Item 360 #8h

Natural Resources

Department Of Conservation And
Recreation

Language

Language:

Page 321, line 46, after "O.", strike remainder of the line.

Page 321, strike lines 47 through 50.

Page 321, line 51, strike "Virginia."

Explanation:

(This amendment strikes language regarding the issuance of bonds for stormwater improvement project. A companion amendment found in Capital Project Expenses provides the debt authorization for these projects.)

Natural Resources Subcommittee

Item 361 #1h

Natural Resources

Department Of Conservation And
Recreation

FY 12-13

\$300,000

FY 13-14

\$375,000 GF

Amendments to House Bill 1500, as Introduced

Language:

Page 322, line 4, strike "\$56,258,252" and insert "\$56,558,252".

Page 322, line 5, strike "\$56,338,180" and insert "\$56,713,180".

Page 323, after line 19, insert:

"G. Out of the amounts appropriated for this item, \$300,000 the first year from the general fund is provided for the one-time equipment costs and \$375,000 the second year from the general fund is provided for the operating costs of the recently completed Powhatan State Park."

Explanation:

(This amendment provides one-time equipment costs in the first year and the operating costs in the second year for the recently completed Powhatan State Park.)

Natural Resources Subcommittee

Item 361 #2h

Natural Resources

Department Of Conservation And
Recreation

Language

Language:

Page 323, after line 19:

"G. Upon completion of the construction of the Daniel Boone Wilderness Trail Interpretative Center, the Division of State Parks may accept transfer of the facility, 153 acres of land, and \$450,000 for maintenance of completed facility for operation as a satellite facility to Natural Tunnel State Park."

Explanation:

(This amendment provides language authorizing the transfer of the Daniel Boone Wilderness Trail Interpretative Center to the Division of State Parks. As part of an agreement between the Virginia Coalfield Economic Development Authority, Appalachian Regional Commission, the Scott County Economic Development Authority, the Daniel Boone Wilderness Trail Association, Eastman Credit Union, and the Virginia Tobacco Commission, \$3.5 to \$4.0 will be spent to construct the Daniel Boone Wilderness Trail Interpretative Center. The language states that upon completion, the partnership will transfer the Daniel Boone Wilderness Trail Interpretative Center, 153 acres of land, including Kane's Gap, through which Daniel Boone and other settlers passed, and \$450,000 for maintenance of the facility to the Division of State Parks.)

Amendments to House Bill 1500, as Introduced

Natural Resources Subcommittee

Item 366 #1h

Natural Resources

FY 12-13

FY 13-14

Department Of Environmental
Quality

\$0

\$85,000 GF

Language:

Page 325, line 33, strike "\$56,591,198" and insert "\$56,676,198".

Page 327, after line 9, insert:

"G. Out of this appropriation, \$85,000 the second year from the general fund is designated to help with the costs of a new wastewater treatment facility at the W. E. Skelton 4-H Educational Conference Center at Smith Mountain Lake."

Explanation:

(This amendment provides funding for the state's share of costs associated with the construction of a wastewater treatment plant at the W. E. Skelton 4-H Educational Conference Center at Smith Mountain Lake. The state originally provided support for this project in 2006. Due to cost overruns additional funding is being provided for this project.)

Natural Resources Subcommittee

Item 366 #2h

Natural Resources

Department Of Environmental
Quality

Language

Language:

Page 326, line 30, strike, "\$165,000,000" and insert "\$170,000,000".

Page 327, after line 9, insert,

"5. Up to \$5,000,000 for the Appomattox River Water Authority, to increase the supply of drinking water for the counties of Dinwiddie, Prince George, and Chesterfield, the cities of Colonial Heights and Petersburg, and the U.S. Army Garrison at Fort Lee, and to improve streamflow within the Appomattox River. The amount provided shall be matched by local contributions from any one or more of the affected local governments totalling \$5,000,000."

Explanation:

(This amendment provides bond proceeds to improve the supply of drinking water available to the counties of Dinwiddie, Prince George, and Chesterfield, the cities of Colonial Heights and Petersburg, and Fort Lee from the Appomattox River

Amendments to House Bill 1500, as Introduced

Water Authority. The language requires that the total amount authorized be matched by any combination of a single locality or multiple localities.)

Natural Resources Subcommittee

Item 366 #3h

Natural Resources

Department Of Environmental
Quality

Language

Language:

Page 326, strike lines 29 through 33.
Page 326, line 34, strike "2." and insert "F.1."
Page 326, line 44, strike "3." and insert "2."
Page 327, line 1, strike "4." and insert "3."

Explanation:

(This amendment strikes language regarding the amount of bonds authorized for wastewater treatment plant upgrades, combined sewer overflow projects, and other natural resource projects. A companion amendment found in Capital Project Expenses provides the debt authorization for these projects.)

Natural Resources Subcommittee

Item 366 #4h

Natural Resources

Department Of Environmental
Quality

Language

Language:

Page 326, line 44, strike "\$59,000,000" and insert "\$70,000,000".
Page 326, line 51, strike "\$19,000,000" and insert "\$30,000,000".
Page 326, line 52, after ".", insert:

"As a condition of the additional bond authorization provided to the City of Lynchburg, and pursuant to the authorization issued by the City Council of the City of Lynchburg during its meeting on January 29, 2013, the City of Lynchburg shall not seek further funding from the Commonwealth for any costs associated with the completion of its combined sewer overflow project."

Explanation:

(This amendment provides language increasing the authorization for the amount

Amendments to House Bill 1500, as Introduced

of bonds to be paid to the City of Lynchburg for completion of their combined sewer overflow project. With the amount provided, the city will be able to complete its combined sewer overflow project within the next ten years. The City of Lynchburg issued a letter authorized by the City Council that the City of Lynchburg will not seek additional funding from the Commonwealth for any costs associated with its combined sewer overflow project.)

Natural Resources Subcommittee

Item 367 #1h

Natural Resources

Department Of Environmental
Quality

FY 12-13

(\$20,597)

FY 13-14

(\$20,597) GF

Language:

Page 327, line 11, strike "\$25,125,655" and insert "\$25,105,058".

Page 327, line 11, strike "\$24,754,792" and insert "\$24,734,195".

Explanation:

(This amendment equalizes the level of general fund support provided in each year of the biennium to the Department of Environmental Quality for the payment of VITA charges with the total funding provided to the agency by the 2011 Session of the General Assembly. During the 2011 Session of the General Assembly, \$800,000 per year from the general fund was provided for the Department of Environmental Quality to offset the impact of VITA's service costs on the agency's budget. However, the amount provided by the General Assembly was administratively reduced from \$800,000 to \$112,775 for both fiscal year 2013 and fiscal year 2014. This action reinstates the \$800,000 amount originally approved by the General Assembly.)

Natural Resources Subcommittee

Item 367 #2h

Natural Resources

Department Of Environmental
Quality

Language

Language:

Page 327, line 34, strike "It is".

Page 327, strike lines 35 and 36.

Amendments to House Bill 1500, as Introduced

Explanation:

(This amendment eliminates language that stated it was the intent of the General Assembly to eliminate the waste tire fee. The waste tire fee is imposed on each tire sold to clear away tire dumps across the state.)

Natural Resources Subcommittee

Item 370 #1h

Natural Resources

FY 12-13

FY 13-14

Department Of Game And Inland
Fisheries

\$439,000

\$1,704,158 NGF

Language:

Page 328, line 19, strike "\$6,278,472" and insert "\$6,717,472".

Page 328, line 19, strike "\$6,278,472" and insert "\$7,982,630".

Explanation:

(This amendment provides additional nongeneral fund appropriation to cover the soft costs related to the construction of the agency's new headquarters facility. Soft costs include environmental impact and site assessments, contingency fees, and furniture and equipment relocation expenses, which qualify to be expended through the operating budget. The agency has sufficient nongeneral fund cash balances and anticipated revenue to support this appropriation.)

Natural Resources Subcommittee

Item 370 #2h

Natural Resources

Department Of Game And Inland
Fisheries

Language

Language:

Page 328, after line 37, insert:

"C. Funds previously appropriated to the Lake Anna Advisory Committee for hydrilla control and removal, may be used at the discretion of the Lake Anna Advisory Committee upon issues related to maintaining the health, safety, and welfare of Lake Anna."

Explanation:

(This amendment provides authority for the Lake Anna Advisory Committee to

Amendments to House Bill 1500, as Introduced

use funding previously provided for hydrilla control for maintaining the health, safety, and welfare of Lake Anna. The Lake Anna Advisory Committee is composed of representatives from the counties of Lousia, Orange, and Spotsylvania, citizen appointees from each of the three jurisdictions, and one representative of Dominion Virginia Power. The Lake Anna Advisory Committee meets monthly. The advisory committee states that it could not spend all of the previous appropriation on hydrilla removal.)

Natural Resources Subcommittee

Item 372 #1h

| Natural Resources | FY 12-13 | FY 13-14 | |
|----------------------------------|-----------------|-----------------|----|
| Department Of Historic Resources | \$0 | \$300,000 | GF |

Language:

Page 329, line 9, strike "\$5,944,497" and insert "\$6,244,497".

Page 330, line 22, strike the second "\$1,000,000" and insert "\$1,300,000".

Explanation:

(This amendment provides \$300,000 from the general fund in the second year to protect Civil War historic sites. According to the National Park Service, Virginia has a significant number of Civil War battlefields that are currently endangered by development. Civil War battlefields promote tourism, especially now during the Sesquicentennial of the Civil War and preserve open space in many of areas of Virginia.)

Natural Resources Subcommittee

Item 374 #1h

| Natural Resources | FY 12-13 | FY 13-14 | |
|-----------------------------|-----------------|-----------------|----|
| Marine Resources Commission | \$0 | (\$500,000) | GF |

Language:

Page 331, line 6, strike "\$19,534,142" and insert "\$19,034,142".

Page 331, line 44, strike "\$2,500,000" and insert "\$2,000,000".

Explanation:

(This amendment reduces the total amount provided for oyster replenishment in the second year of the introduced budget from \$2.5 million to \$2.0 million. The General Assembly provided \$500,000 in each year of the biennium as part of the existing Appropriation Act.)

Amendments to House Bill 1500, as Introduced

Natural Resources Subcommittee

Item 374 #2h

| Natural Resources | FY 12-13 | FY 13-14 | |
|-----------------------------|-----------------|-----------------|----|
| Marine Resources Commission | \$0 | (\$221,572) | GF |

Language:

Page 331, line 6, strike "\$19,534,142" and insert "\$19,312,570".

Explanation:

(This amendment eliminates the general fund support that had been proposed in the introduced budget to backfill positions previously supported by federal funds. Without the federal funds, the positions may not have been created.)

Natural Resources Subcommittee

Item

C-39.40 #2h

| Central Appropriations | FY 12-13 | FY 13-14 | |
|-------------------------------|-----------------|-----------------|-----|
| Central Capital Outlay | \$0 | \$216,000,000 | NGF |

Language:

Page 473, after line 3, insert:

"C-39.40. Comprehensive Capital Outlay Program

Fund Sources: Bond Proceeds \$0. \$216,000,000".

"A. 1. The capital projects in paragraph B. of this item are hereby authorized and may be financed in whole or in part through bonds of the Virginia Public Building Authority pursuant to § 2.2-2263, Code of Virginia. The aggregate principle amounts will not exceed \$200,000,000 plus amounts to fund related issuance costs, and other financing expenses, in accordance with § 2.2-2263 of the Code of Virginia.

2. The appropriations for said capital projects are contained in this item and are subject to the conditions in § 2-0 F of this act.

3. Agencies and institutions shall submit cash flows requirements for each project to the Director, Department of Planning and Budget and the Director, Department of General Services. The cash flows shall indicate quarterly cash needs to the projects completion.

4. Beginning July 1, 2013, the Director, Department of Planning and Budget and the Director, Department of General Services shall provide a quarterly progress report to the Chairmen of the House Appropriations and Senate Finance Committees on the projects in this item.

Amendments to House Bill 1500, as Introduced

B.

| Agency | Project Title |
|---|---------------------------------------|
| Department of Conservation and Recreation | Stormwater Local Assistance Fund |
| Department of Environmental Quality | Combined Sewer Overflow Matching Fund |
| Department of Environmental Quality | Nutrient Removal Grants |

C. Out of this appropriation, \$5,000,000 is designated as the state share for the Appomattox River Water Authority, to increase the supply of drinking water for the counties of Dinwiddie, Prince George, and Chesterfield, the cities of Colonial Heights and Petersburg, and the U.S. Army Garrison at Fort Lee, and to improve streamflow within the Appomattox River. The remaining amount for this project will be provided by matched funds from any one or more of the affected local governments or the Appomattox River Water Authority."

Explanation:

(This amendment authorizes the bonds for stormwater, wastewater and combined sewer overflow projects.)
