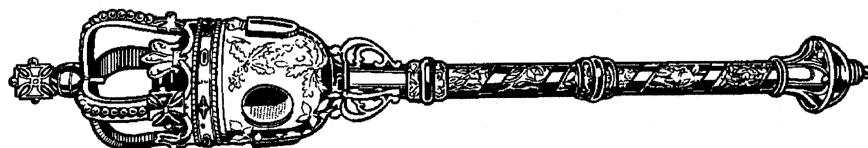


*Report of the  
House Appropriations  
Subcommittee*

*on*

*Commerce, Agriculture,  
Natural Resources, &  
Technology*



*House Bill 1500*

February 5, 2017



**REPORT OF THE SUBCOMMITTEE**  
**on**  
**COMMERCE, AGRICULTURE, NATURAL**  
**RESOURCES, AND TECHNOLOGY**

Mr. Chairman and Members of the Committee:

The scope of this Subcommittee is broad, but I will try to make my remarks brief. It is a difficult charge to balance requests when a Subcommittee tasked with funding 4 Secretarial areas in an era of fiscal constraint. I am very pleased to report that the Subcommittee was able to address a few key priorities in each of the areas.

First, it has been the long-standing policy of this Committee to resort last, not first, to imposing additional fees on the public. To that end, included are amendments removing the proposed fee increases for the VDACS food inspection program, and the Marine Resources Commission's commercial fishing and gear licensing fees. Also contained in the amendments is the elimination of a proposed new fee for silvicultural inspections by the Department of Forestry. In each case, general fund support has been provided to fund these activities instead, ensuring continued stability of these programs.

In the areas of Natural Resources, the Subcommittee recommends appropriating \$8.3 million from the Water Quality Improvement Fund reserve to ensure that even without surplus funds to support WQIF deposits, we maintain our commitment to implementing agricultural best management practices and supporting other nonpoint source pollution control projects. Also included are amendments providing funding for DEQ to contract with outside experts to conduct the Clean Power Study pursuant to legislation adopted by this committee, and funding for the purchase of equipment to help measure land subsidence in Hampton Roads to begin evaluating innovative methods to combat this issue.

Mr. Chairman, next I will touch briefly on the Subcommittee's efforts in the area of Agriculture and Forestry. Virginia's largest industry benefits

from even modest increases in support. I am pleased to report that in addition to eliminating the proposed fee increases, the subcommittee amendments fully restore funding for the Reforestation of Timberlands program, ensuring that we provide the Code-required 100% match to industry contributions to this fund. Also included is the restoration of funding for the coyote and black vulture control funds, modest infusions of dollars that match available federal funds, leveraging our investment.

Moving next to Commerce and Trade - over the past five years we have worked hard to reinvest and make job creation the top priority of state government. However, as the JLARC report issued this fall made abundantly clear, accountability has been lacking at the Virginia Economic Development Partnership. Just Friday this Committee passed House Bill 2174 which will reform the way VEDP does business. This legislation is the first big step toward increasing oversight and accountability when we enter into agreements with our local government and private sector partners to bring new and expanding businesses to the Commonwealth.

In other efforts to support strategic investments in our economic growth, today we recommend restoring \$7.5 million to the "Go Virginia" initiative, so that we may capitalize on the admirable work the regional boards have been doing since this innovative bottom-up approach to growing our regions was adopted last Session.

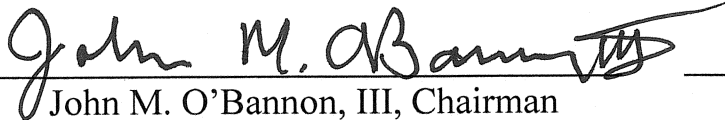
In addition, the amendments before you focus on boosting our research and commercialization efforts by restoring \$2 million in the first year for INOVA, the Global Genomics and Bioinformatics Research Institute. This unprecedented initiative is exactly the kind of new research we want to have in Virginia if the Commonwealth wants to serve as a leader in innovative research that has such high potential to result in groundbreaking breakthroughs in research, and create high-tech, high-paying jobs.

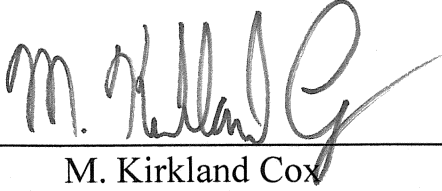
This kind of far-reaching thinking is why the Committee passed House Bill 2245, the Virginia Research and Investment Committee (VRIC) bill that provides FOIA protections for those who submit their ideas and proposals for funding to the VRIC, and transfers the responsibility for charting our future investments in research and commercialization from the Center for Innovative Technology to VRIC. This Research Investment

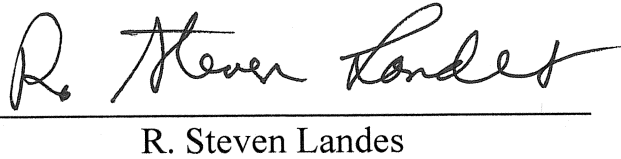
Committee, established last year, will now have the responsibility for revising and updating the Commonwealth Research and Technology Strategic Roadmap.

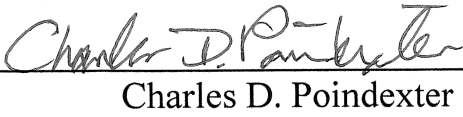
Mr. Chairman, I want to thank you and the members of this Committee for supporting our efforts. Now, I will ask staff to take you through our detailed recommendations, and then I hope it will be your pleasure to adopt our Subcommittee report.

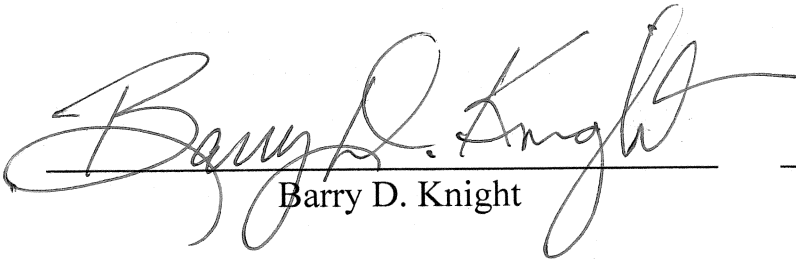
Respectfully Submitted by the House Appropriations Subcommittee on  
Commerce, Agriculture, Natural Resources & Technology:

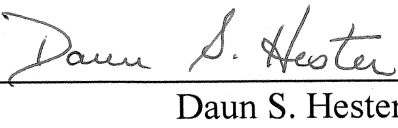
  
John M. O'Bannon, III, Chairman

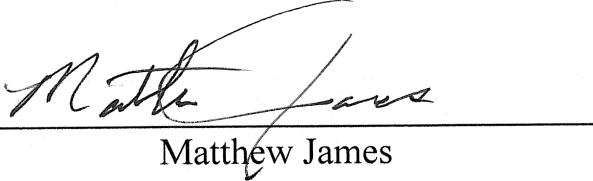
  
M. Kirkland Cox

  
R. Steven Landes

  
Charles D. Poindexter

  
Barry D. Knight

  
Daun S. Hester

  
Matthew James

## Budget Amendment Recommendations

**HB 1500**  
**Amendment**

**2016-18 BIENNIAL TOTAL**

<b>General</b>	<b>Nongeneral</b>	
<b>Fund</b>	<b>Fund</b>	<b>FTE</b>

**AGRICULTURE AND NATURAL RESOURCES**

**Legislature**

Chesapeake Bay Restoration Fund \$ 247,840

**Secretary of Agriculture and Forestry**

Review Options to Expand Viability Farm Wineries Language

**Department Of Agriculture And Consumer Services**

Encourage Focus on VA Grown Products at Farmer's Markets Language

Year 2 Farm Development Grant Program \$ (373,944)

Organics Specialist \$ (259,944)

Reduce AFID Increase for 1 Year \$ (280,000)

Restore Coyote and Vulture Control Funding \$ 288,750

Eliminate Increase in Non-Restaurant Food Inspection Fee \$ 400,000 \$ (480,000)

**Department of Forestry**

Restore Reforestation of Timberlands Funding \$ 300,000

Provide GF to Support Forestry AR System \$ 113,360

Eliminate New Silvicultural Inspection Fee \$ 500,000 \$ (500,000)

Sale of Forestry Lands Language

**Department of Conservation and Recreation**

Appropriate WQIF Reserve for Ag BMPs Language

Encourage Resource Mgmt Plans Language

Review Methods to Stabilize Ag BMP Funding Language

Partial Restoration of Funding for Swift Creek Bike Trail \$ 400,000

Restore Ch. 780 Language on Parkland Acquisition Language

Use of VOF Revenues for Admin Expenses Language

Clarify Existing Filing Fee Applies to Conveyancing Instruments Language

**Department of Environmental Quality**

Extend Date for Use of Appomattox Water Authority Bonds Language

HRSD Extensometer \$ 1,350,000

Fund Study of Impacts Clean Power Plan \$ 350,000

**Department of Historic Resources**

Restore Battlefields Preservation Funding \$ 531,087

**Marine Resources Commission**

Defer Privatization of Oyster Lease Surveying Services \$ 72,879

Eliminate Increase Saltwater Fishing Fees \$ 244,246

Restore Saltwater Fishing Tournament Language

Report on Uses of the Saltwater Recreational Fishing Development Fund Language

**Part 3**

Amend DEQ Funds from Which Reductions Are Taken Language

Technical Correction - Embedded Number Language

DGIF Transfer Language

Remove Language Prohibiting Use of Tax Credit and Deduction Language

Contingent Spending from Any Excess Tax Amnesty Collections Language

Exclude from Tax Amnesty Eligibility Funds Owed Due to Final Court Orders Language

**Part 4/Additional Enactments**

Utilize Any FY 2017 Surplus to Establish Cash Reserve Language

**HB 1500**  
**Amendment**

<b>2016-18 BIENNIAL TOTAL</b>		
<b><u>General</u></b>	<b><u>Nongeneral</u></b>	
<b><u>Fund</u></b>	<b><u>Fund</u></b>	<b><u>FTE</u></b>

**COMMERCE and TECHNOLOGY**

**Economic Development Incentive Payments**

Aerospace Engine Manufacturing Supplier Clusteer Grant Fund	(2,500,000)
Aerospace Engine Manufacturing Supplier Clusteer Grant Fund	Language
Pulp, Paper and Fertilizer Adv. Manf. Performance Grant Program Fund	(3,000,000)
Virginia Biosciences and Health Research Corporation	(2,500,000)
Tourism Grant Incentives Fund	(500,000)

**Department Of Housing And Community Development**

VCEDA Funds to Southwest PDC's		500,000
Virginia Removal or Rehabilitation Derelict Structures Fund	(500,000)	
Virginia Telecommunications Initiative	(250,000)	
Virginia Telecommunications Initiative	Language	
DCHD; City of Chesapeake	Language	
Virginia Growth and Opporuntiy Fund	7,500,000	
Enterprise Zone Grant Program	(164,467)	

**Department of Labor and Industry**

VOSHA Removes Funding for New Inspectors	(1,270,000)	(6.00)
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**Department of Mines, Minerals and Energy**

Remove fuinding for new Solar Intitative	(1,100,000)
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**Virginia Economic Development Partnership**

Eliminates New International Trade Corporation	(6,232,811)	(18.00)
Transfers International Trade Corporation Funding to VEDP	6,232,811	18.00
Eliminates New International Trade Corporation Positions	(817,455)	(5.00)
Eliminates New International Trade Corporation Positions	(150,000)	(1.00)
Business-Ready Sites Program Funds Transfer to Go Virginia	(1,125,000)	
Reporting Language (HB2471)	Language	

**Virginia Tourism Authority**

Restore "See Virginia First" Funding	248,772
Restore "See Virginia First" Funding	65,006
Transfers Hall of Fame from Portsmouth to Va Beach	Language

**Virginia Information technologies Agency**

Directs Preference for Commercial Products in Cloud Services	Language
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*Committee Approved Amendments to House Bill 1500, as Introduced*

Item 6 #2h

**Legislative Department**

**FY16-17**

**FY17-18**

Division of Legislative Services

\$247,840

\$0 NGF

**Language:**

Page 14, line 17, strike "\$6,612,073" and insert "\$6,859,913".

Page 14, after line 30, insert:

"D. Included in this item is \$247,840 the first year from dedicated special revenue to implement the recommendations of the Chesapeake Bay Restoration Fund Advisory Committee."

**Explanation:**

(This amendment appropriates the revenue generated from the special license plates dedicated to restoration of the Chesapeake Bay in accordance with the grants approved by the Chesapeake Bay Restoration Fund Advisory Committee.)

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Item 88 #1h

**Agriculture and Forestry**

Secretary of Agriculture and Forestry

Language

**Language:**

Page 80, after line 6, insert:

"The Secretary of Agriculture and Forestry is directed to convene a panel of stakeholders within and outside of government to (i) review state and local regulations governing noise and traffic related to marketing Virginia wineries through events and activities; (ii) consider the findings of previous relevant studies on Virginia farm wineries; and (iii) develop recommendations as appropriate for how the state can better foster the viability of Virginia farm wineries. The Secretary shall complete the meetings no later than November 15, 2017 and report such recommendations to the Governor and the Chairmen of the House Appropriations and Agriculture, Conservation and Natural Resources Committees and the Chairmen of the Senate Finance and Agriculture, Conservation and Natural Resources Committees no later than November 30, 2017."

**Explanation:**

(This amendment directs the Secretary of Agriculture and Forestry to convene a stakeholders group to review state and local regulations governing Virginia farm wineries and report any recommendations resulting from such a review by November 30, 2017.)

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Item 91 #2h

**Agriculture and Forestry**

Department of Agriculture and Consumer Services

Language

**Language:**

Page 82, after line 54, insert:

"N. The department is directed to survey local farmer's markets across the Commonwealth to determine if any local regulations governing the operations of such markets discourage the sale of Virginia products by the use of a locally-grown perimeter rule that gives preference to out-of-state products over products grown in Virginia. If the department finds any such impediments exist, it shall encourage local farmer's markets to revise their guidelines to ensure that Virginia products are given first preference, regardless of the distance from the particular market. In instances where a local Virginia grown product already is selling at a particular market, competitors from across the state should be allowed to sell their Virginia grown products provided there are no objections submitted by competing Virginia sellers."

**Explanation:**

(This amendment directs VDACS to assess requirements governing vendors at farmer's markets across the Commonwealth to ensure that preference is not being given to out of state vendors over Virginia vendors based on a mileage based perimeter rule when there are no objections submitted by competing Virginia sellers.)

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Item 91 #3h

**Agriculture and Forestry**

**FY16-17**

**FY17-18**

Department of Agriculture and Consumer Services

\$0

(\$373,944) GF

**Language:**

Page 80, line 48, strike "\$20,889,108" and insert "\$20,515,164".

Page 82, line 41, strike "and \$373,944 the second year".

**Explanation:**

(This amendment removes second year funding for a new initiative adopted by the 2016 Session of the General Assembly which provides small grants to assist with the marketing of agriculture. Given the need to reduce general fund expenditures to offset the reduced revenue forecast, the Committee sought to restore cuts to core programs rather than fund new initiatives. The program was not included in the House budget last year, but adopted during Conference.)

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Item 91 #4h

*Committee Approved Amendments to House Bill 1500, as Introduced*

<b>Agriculture and Forestry</b>	<b>FY16-17</b>	<b>FY17-18</b>	
Department of Agriculture and Consumer Services	(\$136,472) 1.00	(\$123,472) 1.00	GF FTE

**Language:**

Page 80, line 48, strike "\$21,202,108" and insert "\$21,065,636".  
 Page 80, line 48, strike "\$20,889,108" and insert "\$20,765,636".

**Explanation:**

(This amendment eliminates funding that had been included in Chapter 780 to fund the hiring of a new organics specialist at VDACS. The position has not been filled, and given that this was a new initiative last year, one of the first sources of funding reductions to balance the general fund budget.)

		Item 92 #1h	
<b>Agriculture and Forestry</b>	<b>FY16-17</b>	<b>FY17-18</b>	
Department of Agriculture and Consumer Services	\$0	(\$280,000)	GF

**Language:**

Page 83, line 2, strike "\$1,995,255" and insert "\$1,715,255".  
 Page 83, line 10, strike "\$1,780,000" and insert "\$1,500,000".

**Explanation:**

(This amendment reduces funding for AFID grants by \$280,000 in the second year, leaving \$1.5 million for the grant component of the program. The program was funded at the \$1.0 million level in the fiscal year 2014-2016 budget.)

		Item 93 #1h	
<b>Agriculture and Forestry</b>	<b>FY16-17</b>	<b>FY17-18</b>	
Department of Agriculture and Consumer Services	\$96,250	\$192,500	GF

**Language:**

Page 83, line 19, strike "\$3,157,110" and insert "\$3,253,360".  
 Page 83, line 19, strike "\$2,934,610" and insert "\$3,127,110".

**Explanation:**

(This amendment restores state support to provide technical assistance to livestock farmers in

*Committee Approved Amendments to House Bill 1500, as Introduced*

dealing with wildlife depredation from coyotes and black vultures. The cuts proposed in House Bill 1500 as introduced eliminated the state match for this program which would have meant an equal loss of dollars from USDA APHIS Wildlife Services for these activities.)

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Item 97 #1h

**Agriculture and Forestry**

**FY16-17**

**FY17-18**

Department of Agriculture and Consumer  
Services

\$0  
\$0

\$400,000 GF  
(\$480,000) NGF

**Language:**

Page 84, line 30, strike "\$9,987,130" and insert "\$9,907,130".

Page 84, line 47, unstrike "\$40" and strike "575".

Page 84, line 48, unstrike "However, any such".

Page 84 unstrike lines 49 through 51.

Page 84, line 52, unstrike "not exceed \$40." and strike the remainder of the line.

Page 84, line 53, strike "Commissioner."

**Explanation:**

(This amendment eliminates a proposed increase in the annual inspection fee for non-restaurant food establishments and restores the general fund support for the program that House Bill 1500 assumed would be covered by revenues generated by the increased fee.)

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Item 101 #1h

**Agriculture and Forestry**

Department of Forestry

Language

**Language:**

Page 87, line 42, after "\$340,000" strike "shall be retained by the department,".

Page 87, strike line 43.

Page 87, line 44, strike "to".

**Explanation:**

(This amendment directs the proceeds from the sale of Department of Forestry property assumed in House Bill 1500 as introduced to the general fund. The amendments had proposed allowing these funds to be retained by the Department of Forestry to offset other general fund reductions. The other amendments to the department contained in the HAC adopted amendments restore some of the other cuts at Forestry.)

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*Committee Approved Amendments to House Bill 1500, as Introduced*

Item 101 #2h

<b>Agriculture and Forestry</b>	<b>FY16-17</b>	<b>FY17-18</b>	
Department of Forestry	\$0	\$300,000	GF

**Language:**

- Page 86, line 17, strike "\$33,100,951" and insert "\$33,400,951".
- Page 87, line 6, unstrike "\$1,833,239" and strike "\$1,533,239".
- Page 87, line 7, unstrike "This appropriation matches the".
- Page 87, unstrike line 8.
- Page 87, line 9, unstrike:  
"Code of Virginia; and meets the provisions of Section 10.1, Code of Virginia."
- Page 87, line 9, strike "This".
- Page 87, strike line 10.
- Page 87, line 11, strike "Code of Virginia."

**Explanation:**

(This amendment restores the 100 percent state match to the revenue generated by the forest industries severance tax to support the Reforestation of Timberlands Program.)

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Item 101 #3h

<b>Agriculture and Forestry</b>	<b>FY16-17</b>	<b>FY17-18</b>	
Department of Forestry	\$0	\$113,360	GF

**Language:**

- Page 86, line 17, strike "\$33,100,951" and insert "\$33,214,311".
- Page 87, line 11, strike:  
"Out of this appropriation, up to \$113,360 the second year from the".
- Page 87, strike line 12 and line 13.

**Explanation:**

(This amendment removes language authorizing use of \$113,360 from the Reforestation of Timberlands (RT) program to replace the accounting system used by the Department and provides a like amount of general fund appropriation to cover this share of the costs. In the fiscal year 2014-16 biennium, the General Assembly authorized use of up to \$147,500 from RT funds for this purpose. The contract with the vendor failed, and the Commonwealth recovered the funding but did not restore them to the RT program. The system is critical to the department, but the RT Incentive Fund should not be used to pay for this system twice.)

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Item 101 #4h

*Committee Approved Amendments to House Bill 1500, as Introduced*

<b>Agriculture and Forestry</b>	<b>FY16-17</b>	<b>FY17-18</b>	
Department of Forestry	\$0	\$500,000	GF
	\$0	(\$500,000)	NGF

**Language:**

Page 86, line 53, after "E.", strike "1."

Page 87, strike lines 1 through 4.

**Explanation:**

(This amendment eliminates the proposed new notification fee contained in the Governor's amendments and replaces the \$500,000 of fee revenue with a like amount of general fund support for the department's silvicultural protection activities. Under current law, § 10.1-1181.2, Code of Virginia, a logger is required to notify the Department of Forestry within three days of starting a timber harvest. There is no fee associated with this notice. The only justification provided for the new fee stemmed from back-filling general fund reductions faced by the department under the Governor's reduction plan.)

Item 106 #1h

<b>Commerce and Trade</b>	<b>FY16-17</b>	<b>FY17-18</b>	
Economic Development Incentive Payments	\$0	(\$2,500,000)	GF

**Language:**

Page 90, line 49, strike "\$72,931,679" and insert "\$70,431,679".

Page 92, line 23, strike "\$2,500,000 from the Aerospace".

Page 92, line 24, strike "Engine Manufacturing Supplier Cluster Grant Fund" and insert: "\$2,500,000 general fund from the Commonwealth's Development Opportunity Fund,".

**Explanation:**

(This amendment redirects \$2,500,000 from the general fund in fiscal year 2018 funding from the Commonwealth's Development Opportunity Fund to be used for grant obligations in accordance with §§ 59.1-284.20, 59.1-284.21, and 59.1-284.22, Code of Virginia.)

Item 106 #2h

<b>Commerce and Trade</b>	<b>FY16-17</b>	<b>FY17-18</b>	
Economic Development Incentive Payments	\$0	(\$3,000,000)	GF

**Language:**

*Committee Approved Amendments to House Bill 1500, as Introduced*

Page 90, line 49, strike "\$72,931,679" and insert "\$69,931,679".

Page 92, line 45, strike "\$5,000,000" and insert, "\$2,000,000".

**Explanation:**

(This amendment reduces fiscal year 2018 funding by \$3,000,000 from the general fund for the Pulp, Paper and Fertilizer Advanced Manufacturing Performance Grant Program Fund to coincide with anticipated investment and job creation performance grant awards.)

Item 106 #3h

<b>Commerce and Trade</b>	<b>FY16-17</b>	<b>FY17-18</b>	
Economic Development Incentive Payments	\$0	(\$2,500,000)	GF

**Language:**

Page 90, line 49, strike "\$72,931,679" and insert "\$70,431,679".

Page 92, line 49, strike "\$5,000,000" and insert "\$2,500,000".

**Explanation:**

(This amendment reduces by \$2,500,000 from the general fund in the second year funding for VBHRC's research initiative to the fiscal year 2017 level.)

Item 106 #4h

<b>Commerce and Trade</b>	<b>FY16-17</b>	<b>FY17-18</b>	
Economic Development Incentive Payments	\$0	(\$500,000)	GF

**Language:**

Page 90, line 49, strike "\$72,931,679" and insert "\$72,431,679".

Page 94, line 4, strike "and \$500,000 the second year".

**Explanation:**

(This amendment reduces the amount by \$500,000 from the general fund the second year for the tourism grant incentives program.)

Item 109 #1h

<b>Commerce and Trade</b>	<b>FY16-17</b>	<b>FY17-18</b>
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*Committee Approved Amendments to House Bill 1500, as Introduced*

Department of Housing and Community Development	\$0	\$500,000	NGF
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**Language:**

Page 96, line 11, strike "\$57,654,601" and insert "\$58,154,601".

Page 99, after line 13, insert:

“Q. In addition to the amounts provided in paragraphs C.1., 2. and 3. of this item, the Virginia Coalfield Economic Development Authority shall provide \$500,000 of its nongeneral fund balances to the Lenowisco Planning District Commission who shall serve as the fiscal agent for coordinated economic development activities in the Lenowisco and Cumberland Plateau Planning Districts.”

**Explanation:**

(This amendment increases funding by \$500,000 from nongeneral fund revenues of the Coalfield Economic Development Authority the general fund the second year for economic development activities in Southwest Virginia. This represents the first of an anticipated three-year need totaling \$1.5 million. The Lenowisco Planning District is the fiscal agent. Funding is intended to benefit the Lenowisco and Cumberland Plateau Planning Districts.)

Item 109 #2h

<b>Commerce and Trade</b>	<b>FY16-17</b>	<b>FY17-18</b>	
Department of Housing and Community Development	\$0	(\$500,000)	GF

**Language:**

Page 96, line 11, strike "\$57,654,601" and insert "\$57,154,601".

Page 98, line 4, strike "\$2,000,000 the second year" and insert: "\$1,500,000 the second year".

**Explanation:**

(This amendment reduces funding by \$500,000 from the general fund second year for the Virginia Removal or Rehabilitation of Derelict Structures Fund.)

Item 109 #3h

<b>Commerce and Trade</b>	<b>FY16-17</b>	<b>FY17-18</b>	
Department of Housing and Community Development	\$0	(\$250,000)	GF

**Language:**

Page 96, line 11, strike "\$57,654,601" and insert "\$57,404,601".



*Committee Approved Amendments to House Bill 1500, as Introduced*

Page 98, line 21, strike “and \$1,250,000” and insert “and \$1,000,000”.

**Explanation:**

(This amendment reduces funding by \$250,000 from the general fund the second year in the Virginia Telecommunications Initiative to the fiscal year 2017 level.)

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Item 109 #4h

**Commerce and Trade**

Department of Housing and Community Development

Language

**Language:**

Page 98, line 29, strike:

"Areas designated to receive funds for construction through the federal".

Page 98, strike line 30.

Page 98, line 31, strike:

"eligible to receive funds through the Virginia Telecommunications Initiative."

**Explanation:**

(This amendment reduces some restrictions and broadens the number of potential funding recipients.)

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Item 109 #5h

**Commerce and Trade**

Department of Housing and Community Development

Language

**Language:**

Page 99, after line, 13 insert:

"Q. The Department of Housing and Community Development, the Department of Environmental Quality, the Department of Transportation and other state agencies deemed necessary by the Director of DHCD shall work with the City of Chesapeake to resolve the residential, industrial, safety and environmental concerns surrounding the City's South Hill neighborhood. The Department of Housing and Community Development shall serve as the coordinating agency and report their findings to the City of Chesapeake, the Office of the Secretary of Commerce and Trade, Chairman of the House Appropriations Committee and the Chairman of the Senate Finance Committee."

**Explanation:**

(This amendment seeks state assistance for the City of Chesapeake to resolve its concerns regarding the South Hill neighborhood.)

*Committee Approved Amendments to House Bill 1500, as Introduced*

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Item 109 #6h

<b>Commerce and Trade</b>	<b>FY16-17</b>	<b>FY17-18</b>	
Department of Housing and Community Development	\$3,600,000	\$3,900,000	GF

**Language:**

Page 96, line 11, strike "\$39,167,730" and insert "\$42,767,730".  
Page 96, line 11, strike "\$57,654,601" and insert "\$61,554,601".  
Page 98, line 39, strike "900,000" and insert "\$4,500,000".  
Page 98, line 40, strike "\$19,650,000" and insert "23,550,000".  
Page 98, line 46, strike "900,000" and insert "4,500,000".  
Page 98, line 46, strike "\$1,350,000" and insert "\$3,500,000".  
Page 98, line 50, strike "6,100,000" and insert "\$7,850,000".

**Explanation:**

(This amendment restores funding to the regional economic development activities of the Virginia Growth and Opportunity Board by \$7,500,000 in the biennium budget as follows: first year from the general fund \$3,600,000 and second year from the general fund \$2,150,000 for organizational and capacity grants, and second year from the general fund \$1,750,000 for per capita grants.)

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Item 110 #1h

<b>Commerce and Trade</b>	<b>FY16-17</b>	<b>FY17-18</b>	
Department of Housing and Community Development	\$0	(\$164,467)	GF

**Language:**

Page 99, line 15, strike "\$12,587,821" and insert "\$12,423,354".  
Page 99, line 23, strike "\$12,314,467" and insert "\$12,150,000".

**Explanation:**

(This amendment reduces funding for the Enterprise Zone Grant Act of \$164,467 from the general fund in the second year to the fiscal year 2017 level.)

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Item 116 #1h

<b>Commerce and Trade</b>	<b>FY16-17</b>	<b>FY17-18</b>	
Department of Labor and Industry	\$0	(\$1,270,000)	GF

*Committee Approved Amendments to House Bill 1500, as Introduced*

**Language:**

Page 100, line 29, strike "\$11,527,485" and insert "\$10,257,485".

**Explanation:**

(This amendment reduces new funding in the Department of Labor and Industry by \$1,270,000 from the general fund the second year, thus restoring to the current level the number of VOSHA inspectors.)

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		Item 120 #1h	
<b>Commerce and Trade</b>	<b>FY16-17</b>	<b>FY17-18</b>	
Department of Mines, Minerals and Energy	\$0	(\$1,100,000)	GF

**Language:**

Page 102, line 7, strike "\$4,104,748" and insert "\$3,004,748".  
Page 102, strike lines 26 through 31.

**Explanation:**

(This amendment eliminates \$1,100,000 from the general fund in fiscal year 2018 funding for the new solar initiative.)

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		Item 125 #1h	
<b>Commerce and Trade</b>	<b>FY16-17</b>	<b>FY17-18</b>	
Virginia Economic Development Partnership	\$0	\$6,232,811	GF

**Language:**

Page 106, line 5, strike "\$19,235,660" and insert "\$25,468,471".

**Explanation:**

(This amendment eliminates language to establish the Virginia International Trade Corporation and transfers \$6,232,811 from the general fund in 2018 funding, thus leaving international trade development and marketing responsibilities in the current location as part of the Virginia Economic Development Partnership.)

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		Item 125 #2h	
<b>Commerce and Trade</b>	<b>FY16-17</b>	<b>FY17-18</b>	



*Committee Approved Amendments to House Bill 1500, as Introduced*

<b>Commerce and Trade</b>	<b>FY16-17</b>	<b>FY17-18</b>	
Virginia International Trade Corporation	\$0	(\$6,232,811)	GF

**Language:**

Page 108, line 4, strike "\$7,200,266" and insert "\$967,455".  
Page 108, strike lines 3 through 15.

**Explanation:**

(This amendment eliminates language to establish the Virginia International Trade Corporation and transfers \$6,232,811 from the general fund in fiscal year 2018 funding, thus leaving international trade development and marketing responsibilities in the current location as part of the Virginia Economic Development Partnership.)

---

Item 125.10 #2h

<b>Commerce and Trade</b>	<b>FY16-17</b>	<b>FY17-18</b>	
Virginia International Trade Corporation	\$0	(\$150,000)	GF

**Language:**

Page 108, line 4, strike "\$7,200,266" and insert "\$7,050,266".

**Explanation:**

(This amendment removes funding for the position transferred to the new Virginia International Trade Corporation from the Office of the Secretary of Commerce and Trade.)

---

Item 125.10 #3h

<b>Commerce and Trade</b>	<b>FY16-17</b>	<b>FY17-18</b>	
Virginia International Trade Corporation	\$0	(\$817,455)	GF

**Language:**

Page 108, line 4, strike "\$7,200,266" and insert "\$6,382,811".

**Explanation:**

(This amendment removes funding for new positions at the Virginia International Trade Corporation.)

---

Item 129 #3h

*Committee Approved Amendments to House Bill 1500, as Introduced*

<b>Commerce and Trade</b>	<b>FY16-17</b>	<b>FY17-18</b>
Virginia Tourism Authority	\$248,772	\$0 GF

**Language:**

Page 109, line 17, strike "\$20,706,518" and insert "\$20,955,290".

Page 110, line 47, strike "\$248,772" and insert "\$497,544".

Page 110, line 52, strike "\$746,316" and insert "\$1,492,632".

**Explanation:**

(This amendment restores funding through an increase of \$248,772 from the general fund and restores the level of required matching contributions in the first year to the See Virginia First program.)

---

Item 129 #4h

<b>Commerce and Trade</b>	<b>FY16-17</b>	<b>FY17-18</b>
Virginia Tourism Authority	\$65,006	\$0 GF

**Language:**

Page 109, line 17, strike "\$20,706,518" and insert "\$20,771,524".

Page 110, line 36, strike "\$265,006" and insert "\$330,012".

Page 110, line 40, strike "\$65,006" and insert "\$130,012".

Page 110, line 42, strike "\$195,018" and insert "390,036".

**Explanation:**

(This amendment restores funding through an increase of \$65,006 from the general fund and restores the level of required matching contributions in the first year to the See Virginia First program.)

---

Item 129 #5h

**Commerce and Trade**

Virginia Tourism Authority

Language

**Language:**

Page 110, line 8, strike "Portsmouth" and insert "Virginia Beach".

**Explanation:**

(This amendment redirects funding for the Virginia Sports Hall of Fame to its new location in the City of Virginia Beach.)

Item 364 #5h

**Natural Resources**

Department of Conservation and Recreation

Language

**Language:**

Page 361, after line 8, insert:

"5. In the second year, \$8,274,474 in the Water Quality Improvement Fund Reserve held by the Department of Conservation and Recreation and established pursuant to Item 363 B is authorized for transfer to the Virginia Natural Resources Commitment Fund, a subfund of the Virginia Water Quality Improvement Fund established under the Water Quality Improvement Act of 1997. Notwithstanding any other provision of law, the monies transferred to the Virginia Natural Resources Commitment Fund shall be distributed by the Department upon approval by the Virginia Soil and Water Conservation Board in accordance with the Board's developed policies, as follows: of the \$8,274,474, a total of \$992,937 shall be appropriated for Technical Assistance for Virginia Soil and Water Conservation Districts, and \$7,281,537 for Agricultural Best Management Practices Cost-Share Assistance where of this amount \$4,368,922 shall be used for matching grants for agricultural best management practices on lands in the Commonwealth exclusively or partly within the Chesapeake Bay watershed and \$2,912,615 shall be used for matching grants for agricultural best management practices on lands in the Commonwealth exclusively outside of the Chesapeake Bay watershed."

**Explanation:**

(This amendment utilizes the dollars deposited in the Virginia Water Quality Reserve Fund for the Virginia Natural Resources Commitment Fund and appropriates them for distribution in the second year for agricultural best management practices cost share program activities. Of the total, the amount reserved for technical assistance matches the share established in Chapter 780 for fiscal year 2017.)

---

Item 364 #8h

**Natural Resources**

Department of Conservation and Recreation

Language

**Language:**

Page 362, after line 40, insert:

"Q. The Department of Conservation and Recreation shall convene a stakeholder group consisting of, but not limited to, designees of the Secretary of Natural Resources, the Secretary of Agriculture and Forestry, the Department of Agriculture and Consumer Services, the Virginia Association of Soil and Water Conservation Districts, the Virginia

*Committee Approved Amendments to House Bill 1500, as Introduced*

Farm Bureau Federation, the Virginia Agribusiness Council, the Chesapeake Bay Commission, and the Chesapeake Bay Foundation to examine the funding, training and resource needs for, and explore new incentives for, additional implementation of Resource Management Plans pursuant to § 10.1-104.7-10.1-104.9, Code of Virginia. The stakeholder group is directed to conduct their review and make recommendations to the Governor and the Chairmen of the House Appropriations and Senate Finance Committees no later than October 1, 2017."

**Explanation:**

(This amendment establishes a stakeholder group to find ways to incentivize broader usage of Resource Management Plans with a report to the General Assembly by October 1, 2017.)

---

Item 364 #9h

**Natural Resources**

Department of Conservation and Recreation

Language

**Language:**

Page 362, after line 40, insert:

"Q. 1. The Department of Conservation and Recreation shall convene a stakeholder group to include, at a minimum: two members of the House of Delegates and one member of the Senate from the membership of the Chesapeake Bay Commission who will be selected by the Joint Rules Committee, representatives of the Virginia Farm Bureau Foundation, the Virginia Association of Soil and Water Conservation Districts, the Virginia Agribusiness Council, and the Chesapeake Bay Foundation, the Director, Department of Conservation and Recreation or his designee, the Secretary of Natural Resources or her designee, and staff from the House Appropriations and Senate Finance Committees to evaluate methods to stabilize the fluctuations in funding for Agricultural Best Management Practices (BMPs).  
2. Such a review shall, at a minimum, (i) consider increasing the portion of any deposit to the Water Quality Improvement Fund (WQIF) directed to the WQIF reserve, (ii) limiting the portion of the WQIF reserve that may be utilized in any given year, (iii) evaluating the combined revenues available from the WQIF and the Natural Resources Commitment Fund as a step in establishing appropriate expenditures from the combined funds in a given fiscal year, and (iv) distributing any funds to be deposited into the WQIF pursuant to the provisions of Chapter 21.1 of Title 10.1, Code of Virginia, across a biennial period. Such review shall also consider the impact on the staffing and technical assistance needs of the Soil and Water Conservation Districts to ensure that staffing requirements do not fluctuate or exceed their annual ability to fully implement and oversee practices with the funding made available.  
3. The Stakeholder Group shall report any recommendations to the Chairmen of the House Appropriations, Senate Finance and House and Senate Agriculture, Conservation and Natural Resources Committees no later than November 15, 2017."



*Committee Approved Amendments to House Bill 1500, as Introduced*

**Explanation:**

(This amendment establishes a stakeholder working group to discuss potential methods to stabilize the flow of funding for Agricultural Best Management Practices to reduce the fluctuations and provide additional surety to the farm community while ensuring the flow of work for the Soil and Water Conservation Districts becomes more stable and predictable.)

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Item 365 #1h

<b>Natural Resources</b>	<b>FY16-17</b>	<b>FY17-18</b>
Department of Conservation and Recreation	\$400,000	\$0 GF

**Language:**

Page 362, line 42, strike "\$58,742,155" and insert "\$59,142,155".

Page 364, unstrike line 7 through line 11.

Page 364, strike "\$635,000" and insert "\$400,000".

Page 364, line 10, strike ";" and insert "."

Page 364, line 10, strike "including the design for trailhead".

Page 364, strike line 11.

Page 364, line 10, after "Plan." insert:

"It is the intent of the General Assembly that this funding shall be expended solely for the construction of trails accessible to disabled riders."

**Explanation:**

(This amendment partially restores funding eliminated in House Bill 1500 for the construction of accessible mountain bike trails for disabled riders. Additional language clarifies the legislative intent of the funding is for trail construction and does not include additional structures.)

---

Item 365 #2h

**Natural Resources**

Department of Conservation and Recreation

Language

**Language:**

Page 364, line 15, strike "new".

Page 364, line 16, after "General Assembly." strike the remainder of the line.

Page 364, strike lines 17 through 21.

**Explanation:**

(This amendment removes new language proposed by the Governor in House Bill 1500

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which is contrary to the General Assembly's expressed intent as evidenced by language included in this paragraph by the 2016 General Assembly which would prohibit the Department of Conservation and Recreation from accepting by gift, transfer or purchase any lands for use as a state park without the approval of the General Assembly. A companion amendment in Capital Outlay eliminates nongeneral fund appropriations for DCR to purchase park land or lands to be designated as natural area preserves.)

---

Item 365 #4h

**Natural Resources**

Department of Conservation and Recreation

Language

**Language:**

Page 363, line 37, after "access" insert:

"Notwithstanding any other provision of law, up to 10 percent, or a maximum of \$100,000 each year, whichever is greater, of the Open Space Land Preservation Trust Fund may be used for the Virginia Outdoor Foundation's administration expenses."

**Explanation:**

(This amendment provides administrative funding to the Virginia Outdoor Foundation to offset costs of grant administration. Currently the VOF is authorized to utilize the lesser of \$100,000 or 10 percent, and given the low interest rates, they have not generated sufficient balances to support their operations.)

---

Item 365 #5h

**Natural Resources**

Department of Conservation and Recreation

Language

**Language:**

Page 363, line 37, after "access" insert:

"Pursuant to § 58.1-817, Code of Virginia, there is hereby imposed a \$1.00 fee on each conveyancing instrument or document recorded in the proper book for filing of land records in those jurisdictions in which open-space easements are held by the Virginia Outdoors Foundation."

**Explanation:**

(This amendment would clarify that the existing deed recordation fee established in 2004 pursuant to § 58.1-817, Code of Virginia, applies to conveyancing instruments and documents recorded in the deed books in the clerks' offices of the circuit courts covered by this provision of law.)

Item 368 #1h

**Natural Resources**

Department of Environmental Quality

Language

**Language:**

Page 366, line 10, strike "2017" and insert "2018".

**Explanation:**

(This amendment provides an additional year for the Appomattox Regional Water Authority to determine whether it intends to utilize bonds authorized by the 2013 General Assembly. In light of the financial stresses facing the Authority, which includes as a member the City of Petersburg, additional time is required to finalize plans for the envisioned project.)

---

Item 370 #3h

**Natural Resources**

**FY16-17**

**FY17-18**

Department of Environmental Quality

\$0

\$1,350,000 GF

**Language:**

Page 367, line 8, strike "\$62,013,511" and insert "\$63,363,511".

Page 368, after line 40, insert:

"J. Out of the amounts appropriated for Financial Assistance for Environmental Resources Management, \$1,350,000 the second year from the general fund is provided to allow the Hampton Roads Sanitation District purchase an extensometer to measure land subsidence."

**Explanation:**

(This amendment provides \$1.35 million from the general fund in the second year to the Department of Environmental Quality to support the Hampton Roads Sanitation District to fund an extensometer to measure land subsidence. This is in support of the HRSD's Sustainable Water Initiative for Tomorrow (SWIFT) project, which is a program to inject treated wastewater into the subsurface to raise groundwater pressures and thus expand and make more sustainable the aquifer system.)

---

Item 371 #1h

**Natural Resources**

**FY16-17**

**FY17-18**

Department of Environmental Quality

\$0

\$350,000 GF

**Language:**

*Committee Approved Amendments to House Bill 1500, as Introduced*

Page 368, line 41, strike "\$27,157,559" and insert "\$27,507,559".

Page 369, after line 8, insert:

"D. Included in the amounts in this item is \$350,000 the second year from the general fund for any contractual costs incurred in the assessment of potential financial and economic impacts on the Commonwealth from implementation of the Environmental Protection Agency's Clean Power Plan pursuant to House Bill 1974 of the 2017 General Assembly."

**Explanation:**

(This amendment provides funding consistent with the fiscal impact of House Bill 1974 of the 2017 General Assembly.)

---

		Item 376 #2h
<b>Natural Resources</b>	<b>FY16-17</b>	<b>FY17-18</b>
Department of Historic Resources	\$207,615	\$323,472 GF

**Language:**

Page 370, line 35, strike "\$5,683,213" and insert "\$5,890,828".

Page 370, line 35, strike "\$5,602,978" and insert "\$5,926,450".

Page 371, line 40, unstrike "\$1,000,000" and strike "\$792,385".

Page 371, line 41, unstrike "\$1,000,000" and strike "\$676,528".

**Explanation:**

(This amendment fully restores funding for the Battlefields Preservation Fund appropriated by the 2016 General Assembly in Chapter 780. The Governor proposed reductions to the program in both years of the biennium in his amendments contained in House Bill 1500.)

---

		Item 378 #1h
<b>Natural Resources</b>	<b>FY16-17</b>	<b>FY17-18</b>
Marine Resources Commission	\$0	\$244,246 GF

**Language:**

Page 372, line 22, strike "\$19,811,753" and insert "\$20,055,999".

Page 373, after line 15, insert:

"H. Notwithstanding any action of the Virginia Marine Resources Commission pursuant to Chapter 4 VAC 20-1090-10 et. seq., or other provisions of law or policy, fees increases proposed to be levied by the Commission for commercial harvest license and gear use fees scheduled to go into effect in December 2017 shall be imposed at the level as they were in effect on January 1, 2016."

*Committee Approved Amendments to House Bill 1500, as Introduced*

**Explanation:**

(This amendment prohibits the Marine Resources Commission from imposing increased fees for commercial fishing activities as adopted by the Commission at its December 2016 meeting. The fees we scheduled to go into effect in December 2017 and have not yet been imposed. A general fund appropriation equal to the revenues assumed to be generated is added in lieu of the fee increases.)

---

			Item 378 #2h
<b>Natural Resources</b>	<b>FY16-17</b>	<b>FY17-18</b>	
Marine Resources Commission	\$0	\$72,879	GF

**Language:**

Page 372, line 22, strike "\$19,811,753" and insert "\$19,884,632".

**Explanation:**

(This amendment would provide funding to defer privatization of oyster ground lease-surveying services and retain the Surveying and Engineering Department at the Marine Resources Commission. The department helps determine which grounds are available and does the surveying, mapping, and platting of subaqueous grounds. Services provided by this department serve as a valuable asset to the \$50.0 million shellfish industry in Virginia. House Bill 1500 as introduced proposes to reduce general fund support for this activity and assumes the industry can hire private contractors to provide the same services.)

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		Item 380 #1h
<b>Natural Resources</b>		
Marine Resources Commission		Language

**Language:**

Page 373, strike lines 38 and 39 and insert:  
"Pursuant to the provisions of § 28.2-206, Code of Virginia, the Commission shall conduct the Virginia Saltwater Sport Fishing Tournament in both years of the biennium."

**Explanation:**

(This amendment eliminates language that would have authorized the VMRC to cease holding the Virginia Saltwater Sport Fishing Tournament effective July 1, 2017.)

---

Item 381 #1h

*Committee Approved Amendments to House Bill 1500, as Introduced*

**Natural Resources**

Marine Resources Commission

Language

**Language:**

Page 374, after line 7, insert:

"D. The Marine Resources Commission shall report by December 15 of each year all projects and expenditures funded from the Virginia Saltwater Recreational Fishing Development Fund. The report shall be submitted to the Chairmen of the House Appropriations and Senate Finance Committees."

**Explanation:**

(This amendment requires the MRC to submit an annual report on the uses of monies in the Virginia Saltwater Recreational Fishing Development Fund by December 15 of each year.)

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		Item 428 #1h
<b>Technology</b>	<b>FY16-17</b>	<b>FY17-18</b>
Innovation and Entrepreneurship Investment Authority	\$0	(\$50,000) GF

**Language:**

Page 412, line 13, strike "\$11,287,740" and insert "\$11,237,740".

Page 414, line 11, strike

"K" and insert "K.1."

After line 13, insert,

"K.2. Out of this amount \$50,000 the second year from the general fund is to be used to offset the costs associated with implementation of House Bill 1815, upon passage and becoming law, as this is a recommendation of the Cyber Security Commission."

**Explanation:**

(This amendment reduces the amount appropriated for the activities of the Cyber Security Commission by \$50,000 from the general fund the second year in order to implement one of its recommendations contained in House Bill 1815.)

---

Item 434 #2h

**Technology**

Virginia Information Technologies Agency

Language

**Language:**

Page 421, line 53, after "agencies.", insert:

*Committee Approved Amendments to House Bill 1500, as Introduced*

“All state offices and agencies shall modernize and protect the Commonwealth's IT information systems, where appropriate, by expeditiously leveraging commercial cloud computing services that comply with rigorous security requirements throughout state government while driving cost savings and achieving new efficiency.”

**Explanation:**

(This amendment requires that all state agencies should purchase off-the-shelf, commercial, cloud-based technology when possible if it meets the IT security standards established by VITA with the intention of conserving state funds.)

---

		Item 478.20 #1h
<b>Central Appropriations</b>	<b>FY16-17</b>	<b>FY17-18</b>
Central Appropriations	\$2,000,000	\$0 GF

**Language:**

Page 474, line 12, strike "\$4,000,000" and insert "\$6,000,000".

**Explanation:**

(This amendment partially restores the proposed reduction to the Global Genomics and Bioinformatics Research Institute.)

---

**Transfers**

Interfund Transfers

Language

**Language:**

Page 520, line 12, strike "\$12,157,965" and insert "\$11,951,845".

Page 520, line 12, strike "\$3,552,303" and insert "\$3,758,423".

Page 524, line 6, strike "\$14,248" and insert "\$20,000".

Page 524, strike lines 8 and 9.

Page 524, strike lines 10 and 11.

Page 524, strike lines 20 and 21.

Page 524, strike lines 22 and 23.

Page 524, line 24, strike "\$42,173" and insert "\$250,000".

Page 524, line 28, strike "\$463" and insert "\$50,000".

Page 524, strike lines 30 and 31.

Page 524, after line 31, insert:

"Department of Environmental Quality 07480 \$206,120 \$206,120".

**Explanation:**

*Committee Approved Amendments to House Bill 1500, as Introduced*

(This amendment changes the nongeneral funds from which funds are being transferred from DEQ to the general fund as part of the budget reduction plan. The changes have no net impact on the general fund, simply realign the reductions to more closely fit funds from which balances are available.)

---

Item 3-1.01 #2h

**Transfers**

Interfund Transfers

Language

**Language:**

Page 525, line 29, strike "\$732,914" and insert "\$723,914".

**Explanation:**

(This amendment contains a technical correction to a transposed embedded number contained in House Bill 1500 as introduced.)

---

Item 3-1.01 #7h

**Transfers**

Interfund Transfers

Language

**Language:**

Page 525, after line 41, insert:

"LL. On or before June 30 each year, the State Comptroller shall transfer \$650,000 the first year and \$650,000 the second year to the general fund from the Department of Game and Inland Fisheries."

**Explanation:**

(This amendment transfers \$650,000 of nongeneral fund resources from the Department of Game and Inland Fisheries to the general fund each year. The Department received a 14.5% increases in its nongeneral fund revenues in the fiscal year 2016-2018 biennium and was not required to offer any savings to offset the general fund budget shortfall. The reduction is equivalent to 1% of the agency's total budget.)

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Item 3-5.16 #1h

**Adjustments and Modifications to Tax Collections**

Prohibit State Income Tax Deduction for Certain Charitable Contributions

Language



**Language:**

Page 531, strike lines 17 through 21.

**Explanation:**

(This amendment eliminates a proposal contained in House Bill 1500 as introduced that would prohibit the use of both the Neighborhood Assistance Act or Educational Scholarship Tax Credits and tax deductions for charitable contributions to the same entities. The Governor assumed this action would generate \$2.0 million to the general fund in fiscal year 2018. Separate legislation is being introduced to the 2017 General Assembly addressing this issue.)

---

Item 3-5.17 #1h

**Adjustments and Modifications to Tax Collections**

Virginia Tax Amnesty Program

Language

**Language:**

Page 532, after line 13, insert:

"G.1. If collections generated by the Virginia Tax Amnesty Program authorized by this item and by House Bill 2246 of the 2017 Session General Assembly exceed the revenue estimate of such program included within the official fiscal year 2018 revenue estimate contained in the first enactment of House Bill 1500 of the 2017 Session of the General Assembly, such amounts shall be utilized for the purposes of establishing a cash reserve to mitigate any potential revenue shortfalls that may arise during the remainder of the biennium.

2. To determine the amounts that are to be deposited into such reserve, the comptroller shall first determine the tax amnesty program revenues that were collected in excess of the revenues forecast from such program in this act.

3. The comptroller shall then reflect the excess revenues as a commitment on the preliminary balance sheet entitled Revenue Cash Reserve to be held solely for the purposes of mitigating any loss of general fund revenues in fiscal year 2018 from the official forecast contained in this act.

4. The comptroller may draw against the balances of the Revenue Cash Reserve for an amount equal to any shortfall in general fund revenue collections from the official forecast contained in this act for fiscal year 2018."

**Explanation:**

(This amendment specifies that if collections from the Tax Amnesty Program authorized by the 2017 General Assembly exceed the estimates embedded in House Bill 1500 as introduced, any excess collections are to be deposited into a cash reserve to be utilized to address any general fund revenue collection shortfall.)

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Item 3-5.17 #2h

**Adjustments and Modifications to Tax Collections**

Virginia Tax Amnesty Program

Language

**Language:**

Page 531, after line 50, insert:

"d. No taxpayer shall be eligible to participate in the Program with respect to any tax liability if it is attributable to an issue that is the subject of a decision of a Virginia court rendered on or after January 1, 2016 pertaining to § 58.1-402(B)(8)(a), Code of Virginia."

**Explanation:**

(This amendment ensures that in instances where tax payments are being withheld pending litigation, that if the Commonwealth prevails in such proceedings, the taxpayer is not eligible for a reduced payment simply because of the timing of the Amnesty program.)

---

Item 4-14 #1h

**Effective Date**

Language

**Language:**

Page 587, after line 34, insert:

"7. A. Notwithstanding the provisions of § 2.2-1514, Code of Virginia, or any other provision of law, any general fund revenues collected and deposited for fiscal year 2017 that are in excess of the official forecast contained in this act, shall be reflected by the Comptroller as committed on the June 30, 2017, preliminary balance sheet pursuant to the provisions of this enactment for the purposes of establishing a cash reserve to mitigate any potential revenue shortfalls that may arise during the remainder of the biennium.

B. To determine the amounts that are to be committed, the Comptroller shall first determine the revenues that were collected in excess of the revenues forecast in this act. He shall then reduce those revenues for the following adjustments:

1. Any amounts that must be restricted such as mandatory deposits to the Revenue Stabilization Fund.
2. Any amounts that normally would be committed or assigned pursuant to GASB standards.
3. Any amounts that must be committed for deposit to the Water Quality Fund from excess general fund revenue collections pursuant to § 10.1-2128 A., Code of Virginia.
4. Any other amounts that are required to be committed or assigned pursuant to any other items or provisions of this act, which would include mandatory carryforwards, unexpended balances in capital projects, and balances required to be carried forward for fiscal year 2018.

C. The amount that remains after deduction of the amounts listed above from the surplus revenues on June 30, 2017, shall be further reduced by fifty percent.

*Committee Approved Amendments to House Bill 1500, as Introduced*

D. The Comptroller shall then reflect the remaining fifty percent as a commitment on the preliminary balance sheet entitled Revenue Cash Reserve to be held solely for the purposes of mitigating any loss of general fund revenues in fiscal year 2018 from the official forecast contained in this act.

E. The Comptroller may draw against the balances of the Revenue Cash Reserve for an amount equal to any shortfall in general fund revenue collections from the official forecast contained in this act for fiscal year 2018."

Page 587, line 35, strike "7" and insert "8".

Page 587, line 35, after "first enactment" strike "and" and insert",".

Page 587, line 35, after "second enactment" insert "and seventh enactment".

**Explanation:**

(This amendment establishes a revenue reserve fund from any excess revenues generated above the official forecast in fiscal year 2017.)

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