



VIRGINIA HOUSE  
APPROPRIATIONS  
COMMITTEE

CHAIRMAN LUKE E. TORIAN

February 18, 2024

REPORT OF THE  
HOUSE APPROPRIATIONS  
SUBCOMMITTEE ON

**COMMERCE,  
AGRICULTURE &  
NATURAL RESOURCES**

House Bill 29 & House Bill 30



**REPORT OF THE SUBCOMMITTEE**  
**ON**  
**COMMERCE, AGRICULTURE AND NATURAL**  
**RESOURCES**

Mr. Chairman and Members of the Committee:

The Commerce, Agriculture, and Natural Resources Subcommittee covers a wide range of topics during its budget work every year. This year is no different. From helping the state to meet its water quality obligations under the Chesapeake Bay Agreement to improving Virginia's portfolio of affordable housing options, our work touches on every corner of the Commonwealth. I would like to take a few moments to highlight some of the key items included in our Subcommittee report.

In the area of Natural Resources, the Subcommittee report contains significant investments to enhance the quality of the Commonwealth's water resources, and to support the resiliency of our communities.

To meet the Commonwealth's obligations under the Chesapeake Bay Agreement, the Subcommittee report supports the deposit of more than \$200 million into the Water Quality Improvement Fund. This investment ensures Virginia will meet the full needs assessment for agricultural best management practices in the next biennium, for a second consecutive biennium. The Subcommittee report also supports further investment in the base funding provided for Soil and Water Conservation districts that will allow them to continue supporting our agricultural community in meeting Virginia's targets for nutrient reductions.

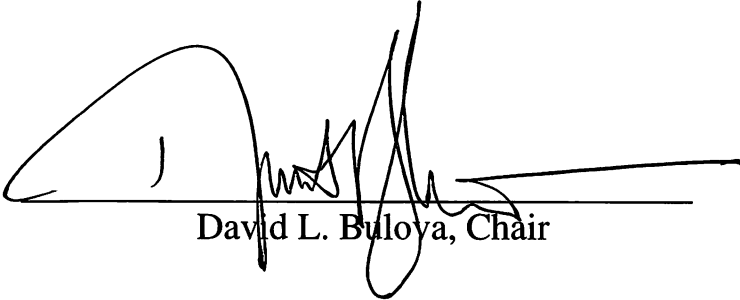
The Subcommittee report also provides for substantial investments in flood resilience. Most substantially, the Subcommittee report provides \$200 million over the biennium for the Community Flood Preparedness Fund to support community-scale flood mitigation projects throughout the Commonwealth to ensure our infrastructure is better able to withstand recurrent flooding.

Our budget package includes an investment of \$187.5 million over the biennium in the Virginia Housing Trust Fund, which helps facilitate the development of affordable housing units across Virginia. We've also capitalized several pilot programs to help improve zoning for housing production, support home ownership for low-income Virginians, and help residents of manufactured home parks acquire the land on which their homes reside.

The Subcommittee report includes a one-time \$30.0 million program designed to assist broadband projects that were funded in the Telecommunications Initiative grant round with costs related to "make ready" work for aerial broadband deployment. It is our hope Mr. Chairman, that these resources will help move these projects forward to connect all Virginians to high speed the Internet.

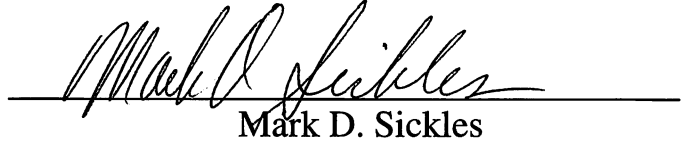
Our Subcommittee report is included in the materials before the Committee, and at this time, I will ask staff to review the report in greater detail with the members. I hope it will be the pleasure of the Committee to adopt the report.

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



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David L. Buloya, Chair



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Mark D. Sickles



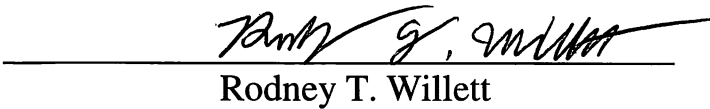
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Betsy B. Carr



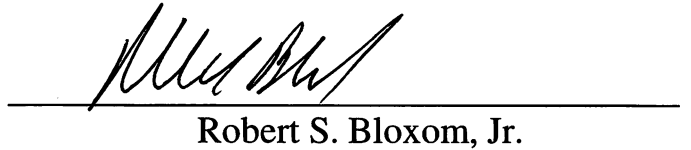
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Paul E. Krizek



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Rodney T. Willett



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Robert S. Bloxom, Jr.

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Daniel W. Marshall, III



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Anne Ferrell Tata



COMMERCE, AGRICULTURE & NATURAL RESOURCES HB 29 Amendments	FISCAL YEAR 2024 TOTAL		
	General Fund	Nongeneral Fund	FTEs
<b>COMMERCE AND TRADE</b>			
<b>Economic Development Incentive Payments</b>			
Adjust FY 24 VEDIG Grant Payments	(\$630,000)	\$0	0.00
Eliminate Language to Override Site Acquisition Fund Code Provisic	Language	\$0	0.00
<b>Department of Housing and Community Development</b>			
Regional Greenhouse Gas Initiative Proceeds	Language	\$0	0.00
<b>Fort Monroe Authority</b>			
Set Out Appropriations for Fort Monroe Authority	Language	\$0	0.00
<b>NATURAL AND HISTORIC RESOURCES</b>			
<b>Department of Conservation and Recreation</b>			
Distribution of December RGGI Auction Proceeds	Language	\$0	0.00
<b>Department of Environmental Quality</b>			
Distribution of December RGGI Auction Proceeds	Language	\$0	0.00
<b>CENTRAL APPROPRIATIONS</b>			
American Rescue Plan Act Funds	Language	\$0	0.00
Provide Flexibility for ARPA-Funded WWTP Projects	Language	\$0	0.00
Restore Administrative Oversight of the Advanced Manufacturing Talent Investment Program to VEDP	Language	\$0	0.00
<b>PART 3</b>			
Clarify VHTC Sunset Date	Language	\$0	0.00
<b>PART 4</b>			
Regional Greenhouse Gas Initiative Participation	Language	\$0	0.00
Virginia Sports and Entertainment Authority	Language	\$0	0.00





COMMERCE HB 30 Amendments	2024-26 BIENNIAL TOTAL		
	General Fund	Nongeneral Fund	FTEs
<b>ADMINISTRATION</b>			
<b>Compensation Board</b>			
HB 1: Increasing the State Minimum Wage	\$373,397		
HB 1: Increasing the State Minimum Wage	\$71,278		
HB 1: Increasing the State Minimum Wage	\$351,492		
HB 1: Increasing the State Minimum Wage	\$35,684		
HB 1: Increasing the State Minimum Wage	\$394,462		
HB 1404: SWaM Procurement Policy	\$250,000		
<b>COMMERCE AND TRADE</b>			
<b>Economic Development Incentive Payments</b>			
Virginia Business Ready Sites Funding	(\$160,000,000)		
Inland Port in Southwest Virginia	(\$10,000,000)		
Motion Picture Opportunity Fund	(\$2,000,000)		
Remove Economic Development Project	(\$2,600,000)		
Adjust Amazon HQ2 Advance Payments	(\$42,500,000)		
Adjust Grant Payments for Wells Fargo	\$463		
Cost Share for Major Federal Government Investment	\$40,000,000		
Clarifying Language for AWS Grant Payment	Language		
Revise Virginia Business Ready Site Eligibility Requirements	Language		
<b>Department of Housing and Community Development</b>			
Increase Support for the Virginia Housing Trust Fund	\$37,500,000		
Revolving Loan Fund for the Purchase of Manufactured Home Parks	Language		
HB 1105: Zoning for Housing Production Act	Language		
Down-Payment Assistance Program	Language		
Increase Support for Virginia Eviction Reduction Program	\$1,400,000		
Support the Division of Housing	\$321,400		
Housing Opportunities Made Equal	\$300,000		
Anticipated Proceeds from Rejoining RGGI		\$100,000,000	
Industrial Revitalization Fund	(\$2,000,000)		
Child Care Center Development Grant Program	(\$15,000,000)		
Provide Base Support for VATI			
Virginia Make Ready Initiative	\$30,000,000		
White Mill Whitewater Channel	\$3,000,000		
Increase VA PDC Funding	\$3,150,000		
Prince William County Workforce Development	\$100,000		

COMMERCE HB 30 Amendments	2024-26 BIENNIAL TOTAL		
	General Fund	Nongeneral Fund	FTEs
Prince William County Community Foundation	\$100,000		
Market 5 Project in Charles City County	\$2,000,000		
Rural and Farmland Layers the State Broadband Availability Map	\$60,000		
Update GO Virginia Reporting Information	Language		
Updated Performance Reporting Language for Broadband Projects	Language		
Designated Uses of BEAD Money	Language		
Prioritize Rooftop and Parking Lot Solar in EZ Grant Applications	Language		
HB 368: Uniform State Building Code Advisory Group	\$10,500		
<b>Department of Energy</b>			
Pursuit of Federal Funding for Coal Remediation	Language		
HB 107: Rural EV Charging Network	\$2,000,000		
Capacity Expansion for Solar and Energy Efficiency Projects	Language		
Redirect Resources for the Virginia Power Innovation Fund	(\$6,000,000)		
<b>Small Business and Supplier Diversity</b>			
HB 1404: SWaM Procurement	\$1,897,605		5.00
<b>Fort Monroe Authority</b>			
Set Out Funding for Fort Monroe Authority	Language		
<b>Virginia Economic Development Partnership</b>			
Innovative Framework Funding	(\$1,500,000)		
Cyber Security Support	\$600,000		
Eliminate Obsolete Language	Language		
HB 1083: Virginia Longitudinal Data System	\$3,061,774		
Support for Taiwan Trade Office	(\$600,000)		
HB 1125: Business Ready Site Permitting Program	\$300,000		
HB 223: Economic Development Sites Program	Language		
Clarify Audit Provisions for VEDP	Language		
<b>Virginia Tourism Authority</b>			
Hampton Roads African American Heritage Travel Guide	\$100,000		
2024 Solheim Cup	\$5,000,000		
Increase Support for Heart of Appalachia Tourism Authority	\$300,000		
Promotion of Virginia Wineries and State Parks	\$400,000		
Tourism Promotion Partnerships	Language		
<b>Virginia Innovation Partnership Authority</b>			
Virginia Life Science Research Initiative	(\$3,579,216)		
Remove Erroneous Language for a Previously Funded Initiative	Language		
Add Language Limiting the Use of CIT Building Proceeds	Language		
Financial Reporting for All Centers of Excellence	Language		

**LABOR**

COMMERCE HB 30 Amendments	2024-26 BIENNIAL TOTAL		
	General Fund	Nongeneral Fund	FTEs
<b>Secretary of Labor</b>			
Secretary of Labor Staffing	(\$260,000)		(1.00)
<b>Department of Labor and Industry</b>			
Child Labor Violation Enforcement	\$200,000		1.00
HB 335: Tipped Employees Workgroup	\$50,000		
HB 139: Wage Standards in Underground Infrastructure Work	\$220,000		1.00
<b>Department of Workforce Development and Advancement</b>			
Agency Operational Costs	(\$1,700,000)		
Redirect Funds for New Healthcare Workforce Training System	(\$1,000,000)		
Workforce Review for HR Strong	Language		
HB 1495: Film and TV Apprenticeship Grant	(\$2,000,000)		
<b>Virginia Employment Commission</b>			
HB 1261: UI Overpayment Forgiveness	\$714,334		3.00
HB 14: Employer UI Separation Reports	\$275,000		
Update Administrative Fee Language	Language		
Update Paid Family and Medical Leave Review	Language		
<b>CENTRAL ACCOUNTS</b>			
HB 1: State Employee Costs for Minimum Wage	\$14,463,586		
Redirect Funding for Proposed Workforce Recruitment Campaign	(\$15,000,000)		
Redirect Proposed Funding for Consultants	(\$500,000)		
<b>INDEPENDENT AGENCIES</b>			
<b>State Corporation Commission</b>			
HB 800: Pole Attachments		\$180,000	1.00
<b>PART 3</b>			
Transfer Funding from Virginia Bioscience Health Research Corporation	Language		
Revert Funds from an Inactive Economic Development Project	Language		
Update Language for VEC Line of Credit	Language		
Clarify VHTC Sunset Date	Language		
Historic Preservation Tax Credit	Language		

AGRICULTURE & NATURAL RESOURCES HB 30 Amendments	2024-26 BIENNIAL TOTAL		
	General Fund	Nongeneral Fund	FTEs
<b>Agriculture and Forestry</b>			
<b>Department of Agriculture and Consumer Services</b>			
HB 892 - Transfer Office of Farmland Preservation from VDACS to Department of Forestry	(\$1,178,140)	(\$120,000)	(1.00)
HB 1460 - Virginia Verified Meat	\$50,000	\$0	0.00
Blue Catfish Infrastructure Grant Program	\$750,000	\$0	0.00
Provide for \$1 million in New AFID Support	(\$1,000,000)	\$0	0.00
Redirect Funds Proposed for New Initiative	(\$2,000,000)	\$0	0.00
Statewide Coordinated Invasive Species Management	\$970,000	\$0	1.00
Wildlife Damage Cooperative Program	\$585,050	\$0	0.00
Disposition of Charitable Gaming Proceeds	Language	\$0	0.00
<b>Department of Forestry</b>			
Department of Forestry Policy Analyst	\$350,000	\$0	1.00
Statewide Coordinated Invasive Species Management	\$1,880,000	\$0	2.00
HB 309 - Forest Conservation Plan	\$1,160,000	\$0	1.00
HB 892 - Transfer Office of Farmland Preservation from VDACS to Department of Forestry	\$1,178,140	\$120,000	1.00
<b>Virginia Racing Commission</b>			
Virginia Horse Center	\$300,000	\$0	0.00
<b>Natural and Historic Resources</b>			
<b>Secretary of Natural and Historic Resources</b>			
Remove Language Limiting Deposits to the WQIF Reserve	Language	\$0	0.00
<b>Department of Conservation and Recreation</b>			
Lake Anna Remediation	\$1,000,000	\$0	0.00
DCR Assistance to SWCDs for VACS Program and Engineering Design	\$700,000	\$0	2.00
SWCD Base Operating Support	\$6,000,000	\$0	0.00
Direct NGF WQIF Deposit to Natural Resources Commitment Fund	Language	\$0	0.00
Increase Support for Natural Heritage Program	\$1,186,704	\$0	5.00
Support SWCD Nutrient Management Planning	\$272,000	\$0	1.00
Restore WQIF Reserve Deposit from Watercraft Fuel Sales	\$2,000,000	\$0	0.00
Maintain Current Capitalization of Resilient Virginia Revolving Loan Fund	(\$25,000,000)	\$0	0.00

AGRICULTURE & NATURAL RESOURCES HB 30 Amendments	2024-26 BIENNIAL TOTAL		
	General Fund	Nongeneral Fund	FTEs
Restore Ten Nongeneral Fund Positions	Language	\$0	10.00
Anticipated Proceeds from Rejoining RGGI	\$0	\$100,000,000	0.00
Technical: Set Out SWCD Base TA Funding Included in Introduced Budget	Language	\$0	0.00
Statewide Coordinated Invasive Species Management	\$500,000	\$0	2.00
Natural Area Preserves Acquisition	Language	\$0	0.00
Natural Tunnel State Park Pool	\$4,000,000	\$0	0.00
HB 1186 - All-Terrain Power Wheelchair Pilot Program	\$0	\$404,400	0.00
SWCD Small Dam Repair	\$2,000,000	\$0	0.00
<b>Department of Environmental Quality</b>			
Move Forward Effective Date of Polystyrene Container Prohibition	Language	\$0	0.00
HB 316 - Virginia Recycling Development Center	\$5,091,520	\$0	4.00
HB 496 - Waste Tire Disposal	\$0	\$852,000	2.50
Redirect Proposed Spending on Dissolved Oxygen Monitoring	(\$8,770,000)	\$0	(1.00)
Mitigation Trading Platform and Wetland In-Lieu Fee Mitigation Pro	\$1,500,000	\$0	3.00
Increase VPDES Administrative Capacity	\$1,350,000	\$0	5.00
Groundwater Well Expansion Support	\$270,000	\$0	1.00
HB 1085 - PFAS Monitoring and Reporting	\$760,320	\$0	3.00
HB 949 - Hazardous Substances Discharges	\$506,880	\$0	2.00
Pay-for-Outcomes Pilot Program	\$20,000,000	\$0	0.00
Study of Harmful Algal Blooms at Smith Mountain Lake	\$75,000	\$0	0.00
<b>Department of Wildlife Resources</b>			
Statewide Coordinated Invasive Species Management	\$0	\$1,550,000	2.00
<b>Department of Historic Resources</b>			
Haller-Gibboney Rock House Museum	\$400,000	\$0	0.00
Burwell-Morgan Mill	\$850,000	\$0	0.00
Semiquincentennial Capital Improvements	(\$15,000,000)	\$0	0.00
Virginia Museum of Transportation	\$1,000,000	\$0	0.00
Level-Fund Virginia Battlefield Preservation Fund	(\$5,000,000)	\$0	0.00
African American Research Fellowship	\$500,000	\$0	0.00
JXN Project	\$950,000	\$0	0.00
National Museum of Americans in Wartime	\$5,000,000	\$0	0.00

AGRICULTURE & NATURAL RESOURCES HB 30 Amendments	2024-26 BIENNIAL TOTAL		
	General Fund	Nongeneral Fund	FTEs
Carver Price Legacy Museum	\$285,000	\$0	0.00
Poplar Forest 1857 Slave Dwelling Emergency Stabilization and Res	\$884,800	\$0	0.00
Valentine Museum	\$500,000	\$0	0.00
Buchanan Theater	\$200,000	\$0	0.00
<b>Marine Resources Commission</b>			
Money Point Site Cleanup	\$3,750,000	\$0	0.00
Potomac River Oyster Revitalization Project	\$200,000	\$0	0.00
<b>Central Appropriations</b>			
Poultry Indemnification	Language	\$0	0.00
<b>PART 3</b>			
Restore Limit on Annual Claim of Land Preservation Tax Credit	Language	\$0	0.00
<b>PART 4</b>			
Regional Greenhouse Gas Initiative Participation	Language	\$0	0.00

*Committee Approved Amendments to House Bill 29, as Introduced*

Item 113 #1h

**Commerce and Trade**

**FY22-23**

**FY23-24**

Economic Development Incentive  
Payments

\$0

(\$630,000) GF

**Language:**

Page 20, line 6, strike "\$412,113,433" and insert "\$411,483,433".

Page 21, line 15, strike "2,869,000" and insert "2,239,000".

**Explanation:**

(This amendment adjusts grants payments from the Virginia Economic Development Incentive Grant to align the most up to date information from the Virginia Economic Development Partnership Authority.)

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Item 113 #2h

**Commerce and Trade**

Economic Development Incentive Payments

Language

**Language:**

Page 24, line 36, after "act" strike remainder the line.

Page 24 strike lines 37 through 39.

**Explanation:**

(This amendment eliminates language allowing for the purchase of land with resources from the Virginia Business Ready Sites Acquisition Fund, which overrides the Code that requires the MEI Commission to review all such purchases.)

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Item 114 #1h

**Commerce and Trade**

Department of Housing and Community Development

Language

**Language:**

Set out Item 114.

Page 24, after line 53, insert:

"Q. Fifty percent of any proceeds generated by Virginia's sale of allowances in the Regional Greenhouse Gas Initiative auctions, including the auction held on December 6, 2023, excluding any funds directly appropriated by the General Assembly in any appropriations act from the Low-Income Energy Efficiency Program Fund (02017) and that are not otherwise already appropriated, shall be appropriated to the Department of

*Committee Approved Amendments to House Bill 29, as Introduced*

Housing and Community Development for the Housing Innovations in Energy Efficiency program."

**Explanation:**

(This amendment requires the appropriation of at least 50 percent of any proceeds generated by the sale of allowance in the Regional Greenhouse Gas Initiative (RGGI) to the Innovations in Energy Efficiency Program. Balances in this RGGI funded program are estimated at \$127.0 million.)

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Item 124 #1h

**Commerce and Trade**

Fort Monroe Authority

Language

**Language:**

Page 25, after line 42, insert:

"C. Out of this appropriation, \$2,500,000 the second year from the general fund is provided for the construction of a permanent monument to commemorate the 400-year anniversary of the First Landing of Africans at Point Comfort in Fort Monroe."

**Explanation:**

(This amendment sets out \$2.5 million provided in House Bill 29, as introduced for the Fort Monroe Authority to finish a permanent monument to commemorate the 400-year anniversary of the First Landing of Africans at Point Comfort in Fort Monroe. In fiscal year 2022, the General Assembly appropriated \$6.0 million for the project.)

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Item 374 #1h

**Natural and Historic Resources**

Department of Conservation and Recreation

Language

**Language:**

Page 173, after line 51, insert:

"Y. Forty-five percent of any proceeds generated by Virginia's sale of allowances in the Regional Greenhouse Gas Initiative auctions, including the auction held on December 6, 2023, that are not otherwise already appropriated, shall be appropriated by the Department of Conservation and Recreation for the Community Flood Preparedness Fund."

**Explanation:**

(This amendment directs 45 percent of the any proceeds generated by the December 6, 2023 RGGI be appropriated for the Community Flood Preparedness Fund.)



Item 381 #1h

**Natural and Historic Resources**

Department of Environmental Quality

Language

**Language:**

Page 174, set out Item 381.

Page 174, after line 15, insert:

"C. Three percent of any proceeds generated by Virginia's sale of allowances in the Regional Greenhouse Gas Initiative auctions, including the auction held on December 6, 2023, that are not otherwise already appropriated, shall be appropriated to the Department of Environmental Quality to cover reasonable administrative expenses of Virginia's participation in the Regional Greenhouse Gas Initiative and to carry out statewide climate change planning and mitigation activities."

**Explanation:**

(This amendment directs three percent of the December 6, 2023 RGGI auction proceeds be provided to the Department of Environmental Quality to support its RGGI-related administrative expenses.)

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Item 486 #1h

**Central Appropriations**

Central Appropriations

Language

**Language:**

Page 193, after line 26, insert:

"4) \$6,000,000 in the second year to the Virginia Tourism Authority (320) to support accelerating inbound visitor demand through a paid media advertising campaign."

Page 198, line 33, strike "5,000,000" and insert "2,000,000".

**Explanation:**

(This amendment provides \$6.0 million in repurposed American Rescue Plan Act Funds to the Virginia Tourism Authority for a marketing campaign to increase inbound visitor demand. It redirects \$3.0 million in unspent federal American Rescue Plan Act funds (ARPA) for the Earn to Learn Nursing Acceleration program in the Virginia Department of Health and allows the program to retain \$2.0 million in ARPA funding, which the Department of Health should be able to deploy by the December 31 deadline. There is also a companion amendment in Item 486.10 which redirects \$3.0 million in unspent ARPA funds for the Department of Social Services to conduct redetermination efforts to the Virginia Tourism Authority's marketing

campaign.)

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Item 486 #2h

**Central Appropriations**

Central Appropriations

Language

**Language:**

Page 486, after line 31, insert:

"13) American Rescue Plan Act of 2021 (ARPA) funds authorized in paragraphs A.2.f. 12) a) and b), Item 486 of Chapter 1, 2023 Acts of Assembly, Special Session I, and paragraph B.2.k.4), Item 479.20 of Chapter 1, 2021 Acts of Assembly, Special Session II, which have been authorized by the Department of Environmental Quality prior to January 1, 2024, to individual facilities listed in the Enhanced Nutrient Removal Certainty Program under § 62.1-44.19:14, Code of Virginia, may be used to reimburse such facilities for costs incurred for nutrient removal and other wastewater treatment facility improvements approved by the Department of Environmental Quality as within the allowed scope of wastewater infrastructure projects under ARPA and applicable federal implementing regulations."

**Explanation:**

(This amendment provides flexibility in the use of ARPA funds previously provided for wastewater treatment facility improvements approved by the Department of Environmental Quality.)

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Item 487.50 #1h

**Central Appropriations**

Central Appropriations

Language

**Language:**

Page 203, unstrike lines 15 and 16.

Page 203, strike line 17.

**Explanation:**

(This amendment removes proposed actions to change the administrative oversight for the Advanced Manufacturing Talent Investment Program and Fund from the Virginia Economic Development Partnership Authority to the Secretary of Labor. This allows the remaining current appropriation for the Advanced Manufacturing Talent Investment Program and Fund project to be distributed to projects based on eligibility. There is a current process and plan in place to distribute the remaining balance to projects to help meet the hiring needs of manufacturers in Hampton Roads and Southwest Virginia.)

Item 3-5.14 #1h

**Adjustments and Modifications to Tax Collections**

Sunset Dates for Income Tax Credits and Sales and Use Tax Exemptions

Language

**Language:**

Page 233, line 15, after "Virginia." insert:

"This requirement shall not apply to § 58.1-439.30 authorizing awards of Virginia housing opportunity tax credits through December 31, 2025."

**Explanation:**

(This amendment ensures the Virginia Housing Opportunity Tax Credit will expire at the end of 2025, consistent with the provisions in the Code of Virginia establishing the program.)

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Item 4-5.12 #1h

Language

**Language:**

Page 272, after line 5, insert:

"§ 4-5.12 REGIONAL GREENHOUSE GAS INITIATIVE PARTICIPATION

As a condition on all appropriations in this act and notwithstanding any other provision of this act, or any other law, no expenditures from general, special, or other nongeneral fund sources from any appropriation by the General Assembly shall be used to take any action that impedes or otherwise interferes with Virginia's rejoining of the Regional Greenhouse Gas Initiative or continued participation therein. As a further condition on all appropriations in this act and notwithstanding any other provision of this act, or any other law, any state agency or authority with responsibilities identified in Code § 10.1-1330 must immediately take all actions necessary to rejoin the Regional Greenhouse Gas Initiative and continue participating therein, and any auction proceeds received from allowance sales are hereby appropriated for the purposes set forth in Code § 10.1-1330(C). Such required actions include, but are not limited to, repealing the final regulation titled 9VAC5-140, Regulation for Emissions Trading Programs published in the Virginia Register on July 31, 2023, reissuing the final regulation titled 9VAC5-140, Regulation for Emissions Trading Programs published in the Virginia Register on August 3, 2020, selling the allowances generated by the reissued regulatory program through auctions run by the Regional Greenhouse Gas Initiative, distributing auction proceeds in accordance with Code § 10.1-1330(C) and appropriations included herein, and providing annual reporting in accordance with Code § 10.1-1330(D). Any regulatory action necessary to effectuate the requirements of this provision is hereby exempted from the provisions of the Administrative

*Committee Approved Amendments to House Bill 29, as Introduced*

Process Act (§ 2.2-4000 et seq.); the Department of Environmental Quality must complete such regulatory action without further action by the Air Pollution Control Board and the reissued regulatory program must take effect no later than 90 days from the effective date of this act.”

**Explanation:**

(This amendment requires the Commonwealth to rejoin the Regional Greenhouse Gas Initiative (RGGI) and directs the appropriate agencies to take the necessary actions to rejoin RGGI.)

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Item 4-14 #1h

**Effective Date**

Language

**Language:**

Page 326, strike lines 20 through 47.

Page 327, strike lines 1 through 53.

Page 328, strike lines 1 through 46.

Page 329, strike lines 1 through 46.

Page 330, strike lines 1 through 44.

Page 331, strike lines 1 through 49.

Page 332, strike lines 1 through 48.

Page 333, strike lines 1 through 15, and insert:

**"27. That the Code of Virginia is amended by adding in Title 15.2 a chapter numbered 58.1, consisting of sections numbered 15.2-5824 through 15.2-5843, and by adding in Title 30 a chapter numbered 67, consisting of a section numbered 30-430, as follows:**

***CHAPTER 58.1.VIRGINIA SPORTS AND ENTERTAINMENT AUTHORITY.***

*§ 15.2-5824. Definitions.*

*As used in this chapter, unless the context requires a different meaning:*

*"Affiliate" means any person that is owned entirely or in part by a company or is an affiliate, assignee, employee, or agent of a company or is otherwise selected by a company to exercise any rights or undertake any obligations of the company that may be granted or established pursuant to this chapter.*

*"Authority" means the Virginia Sports and Entertainment Authority established in this chapter.*

*"District boundaries" means a 70-acre contiguous area located in the City that is bounded by U.S. Route 1 to the west, Four Mile Run stream to the north, the Potomac Yard station and Metrorail track to the east, and East Glebe Road to the south.*

*"Campus" means the land owned by the Authority and buildings, facilities, and other development on land owned by the Authority from which revenues will be generated for the*

***Committee Approved Amendments to House Bill 29, as Introduced***

*Authority. "Campus" includes (i) a professional sports arena; (ii) a performance venue; (iii) a public plaza located between the arena and the performance venue; (iv) retail, food, and beverage developments, whether fixed or mobile; (v) office building development that includes facilities for company headquarters and operations; (vi) facilities for practices and training of one or more professional sports teams; (vii) facilities for broadcast production; (viii) onsite underground parking of at least 2,500 parking spaces; and (ix) related on-site infrastructure necessary or desirable for all such elements of the campus.*

*"Campus naming rights" means all revenues received by any person for the right to name any land, buildings, facilities, or other developments that are part of the campus, other than the professional sports arena. "Campus naming rights" shall not include revenues from the right to name the professional sports arena.*

*"City" means the City of Alexandria.*

*"Company" means a sports and entertainment company that owns one or more professional sports teams and has entered into a lease with the Authority pursuant to § 15.2-5830.*

*"Department" means the Department of Taxation.*

*"District" means the campus and all other land, buildings, facilities, and other development from which revenues will be generated for the Authority. "District" includes (i) hotel developments, including a conference center; (ii) retail, food, and beverage developments, whether fixed or mobile; (iii) office buildings and residential buildings; (iv) parks and other public open spaces; and (v) related on-site infrastructure necessary or desirable for all such elements for the district. "District" includes only land, buildings, facilities, and other development located within the district boundaries.*

*"District corporate income tax revenues" means corporate income tax revenues as estimated by the Tax Commissioner under Article 10 (§ 58.1-400 et seq.) of Chapter 3 of Title 58.1 from the company or any professional sports team or any affiliates thereof based on income generated in the district and including revenues generated in connection with the development and construction of the district. The Tax Commissioner shall calculate such revenues by multiplying the tax payment of any corporation as required under Chapter 3 of Title 58.1 generating income as described herein by the ratio of their gross revenues from the activities as described herein to gross revenues from all activities in Virginia.*

*"District local tax revenues" means (i) all local sales and use tax revenues from taxes levied pursuant to §§ 58.1-605 and 58.1-606 generated by transactions taking place upon the premises of the district; (ii) transient occupancy taxes levied pursuant to Chapter 38 (§ 58.1-3800 et seq.) of Title 58.1 generated by transactions taking place upon the premises of the district; (iii) ticket tax revenues; (iv) license taxes pursuant to Chapter 37 (§ 58.1-3740 et seq.) of Title 58.1 from businesses located in the district; and (v) real and personal property taxes pursuant to Chapters 32 (§ 58.1-3200 et seq.) and 35 (§ 58.1-3500 et seq.) of Title 58.1 from property located in the district.*

*"District pass-through entity tax revenues" means income tax revenues as estimated by the Tax*

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*Commissioner according to the provisions of Article 9 (§ 58.1-390.1 et seq.) of Chapter 3 of Title 58.1 from any pass-through entity, as defined in § 58.1-390.1, generated from the company or any professional sports team or any affiliates thereof based on income generated in the district, including revenues generated in connection with the development and construction of the district.*

*"District personal income tax revenues" means personal income tax revenues as estimated by the Tax Commissioner from individuals under Article 2 (§ 58.1-320 et seq.) of Chapter 3 of Title 58.1 based on salaries, wages, and other income generated through employment or the conduct of a trade or business in the district. The Tax Commissioner shall calculate such revenues by multiplying such income described by the average effective tax rate calculated by the Department for the prior taxable year.*

*"District sales tax revenues" means tax collections under the Virginia Retail Sales and Use Tax Act (§ 58.1-600 et seq.), as limited herein, and as may be amended, generated by construction and transactions taking place within the district. For purposes of this chapter, "district sales tax revenues" shall not include (i) the one percent of the state sales and use tax revenue distributed among the counties and cities of the Commonwealth pursuant to subsection D of § 58.1-638 on the basis of school-age population; (ii) any sales and use tax revenues distributed pursuant to subsection F of § 58.1-638; (iii) the local sales and use tax imposed under §§ 58.1-605 and 58.1-606, which shall be remitted to the Authority under the provisions of subsection B of § 15.2-5835; and (iv) the local sales and use tax imposed under §§ 58.1-605.1 and 58.1-606.1 and used for the construction or renovation of schools.*

*"Eligible expenses" means the reasonable expenses necessary for the Authority to carry out responsibilities set forth under this chapter.*

*"Excess funds" means any moneys available to the Authority in the Fund after the accounts set forth in subsection B of § 15.2-5833 have been sufficiently funded.*

*"Fund" means the Virginia Sports and Entertainment Authority Financing Fund established in this chapter.*

*"Major parties" means the company and its affiliates, the Authority, the City, and the Oversight Commission.*

*"Oversight Commission" means the Sports and Entertainment Authority Oversight Commission established by § 30-430.*

*"Person" means the same as that term is defined in § 1-230, except that "person" does not include the Commonwealth or any of its political subdivisions or any agency or instrumentality thereof.*

*"Professional sports arena" means a state of the art sports and entertainment facility capable of hosting the home games of a professional sports team.*

*"Professional sports team" means a National Basketball Association team or National Hockey League team.*

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*"Sufficiently funded" means that the accounts established pursuant to subsection B of § 15.2-5833 have adequate funds to meet the needs of the Authority to honor its debt service obligations and contractual commitments and to maintain the district, campus, and professional sports arena. Whether the accounts are sufficiently funded shall be determined based on criteria adopted by the Authority in consultation with the Oversight Commission, as well as the terms set forth in bond and other financing documents entered into by the Authority.*

*"Ticket tax revenues" means the tax revenues received by the City from the imposition of an admissions tax at the rate of no less than 10 percent pursuant to Chapter 38 (§ 58.1-3800 et seq.) of Title 58.1 on admission to events taking place upon the premises of the district.*

*"Transaction documents" means any memorandum of understanding, lease agreement, development agreement, operating agreement, bond financing document, debt schedules, or any other long-form documents deemed necessary or desirable by one or more of the major parties to document the terms relating to the development of the district.*

***§ 15.2-5825. Virginia Sports and Entertainment Authority established.***

*There is hereby established a body corporate and politic known as the Virginia Sports and Entertainment Authority. The Authority is a political subdivision of the Commonwealth. It shall be the principal duty of the Authority to ensure the construction and operational and financial viability of the district, to meet the debt service obligations for bonds issued pursuant to this chapter, and to ensure compliance with all terms and conditions of contracts, memoranda of understanding, and other agreements entered into regarding the district.*

***§ 15.2-5826. Membership; chairman; terms.***

*A. The Authority shall consist of 15 members. Five members shall be appointed by the Governor, three nonlegislative citizen members shall be appointed by the Speaker of the House of Delegates, two nonlegislative citizen members shall be appointed by the Senate Committee on Rules, three members shall be appointed by the governing body of the City, one member shall be appointed by Arlington County, and one member shall be appointed by the company. The members of the Authority annually shall elect a chairman and a vice-chairman from their membership; the vice-chairman shall perform the duties of the chairman in the chairman's absence. The appointments of the members by the Governor pursuant to this section shall be confirmed in accordance with § 2.2-107.*

*B. The members appointed by the Governor, the Speaker of the House of Delegates, the Senate Committee on Rules, Arlington County, and the City shall have significant private-sector business experience in one or more of the following industries: public-private partnerships, sports or entertainment, retail or hospitality, commercial construction or development, or financial services.*

*C. After the initial staggering of terms, members shall serve a term of four years. No member shall be eligible to serve for more than two successive terms.*

*D. At the end of a term, a member shall continue to serve until a successor is appointed and*

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*qualifies. A member who is appointed after a term has begun shall serve for the remainder of the term and shall be eligible to be reappointed for a full term at the expiration of such term. Upon the end of the term of a member, or upon the resignation or removal of a member, the original appointing authority shall appoint a member to the Authority. The Governor may remove a member for cause in accordance with § 2.2-108. The members of the Authority shall receive no compensation for their services, but a member may be reimbursed by the Authority for reasonable expenses actually incurred in the performance of the duties of that office.*

*§ 15.2-5827. Quorum; actions of Authority; meetings.*

*The Authority shall meet at least quarterly. Eight members of the Authority shall constitute a quorum for the purpose of conducting business. To be effective, any action of the Authority shall require the affirmative vote of a majority of the quorum present. No vacancy on the Authority shall impair the right of a quorum to exercise all rights and perform all the duties of the Authority. The Authority shall determine the times and places of its regular meetings. Special meetings of the Authority shall be held when requested by two or more members of the Authority. Any such request for a special meeting shall be in writing, and the request shall specify the time and place of the meeting and the matters to be considered at the meeting. Notice of any special meeting shall be provided to members of the Authority no later than five business days prior to such meeting. No matter not specified in the notice shall be considered at such special meeting unless all the members of the Authority are present.*

*§ 15.2-5828. Executive Director appointment; duties.*

*A. The Authority shall select an Executive Director who shall report to, but not be a member of, the Authority. The Executive Director shall have at least 10 years of experience as the head of a government agency, quasi-governmental entity, or sports and entertainment authority similar to the Authority created by this chapter. The Executive Director shall serve as the ex officio secretary of the Authority and shall administer, manage, and direct the Authority's affairs and activities in accordance with the policies adopted by and under the direction and control of the Authority.*

*B. In addition to any other duties set forth in this chapter, the Executive Director shall:*

- 1. Attend all meetings and keep minutes of all proceedings;*
- 2. Approve all accounts for salaries and allowable expenses of the Authority and its independent contractors and approve all expenses incidental to the operation of the Authority;*
- 3. Annually prepare and present a budget for approval by the Authority. Throughout the year, the Executive Director shall monitor the Authority's fiscal performance relative to the budget and regularly deliver financial reports to the Authority regarding such performance;*
- 4. Ensure proper execution of contracts, memoranda of understanding, and other such agreements and commitments of the Authority; and*
- 5. Perform any other duty that the Authority requires for carrying out the provisions of this chapter.*



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*C. Until sufficient funds are generated by the entitlement to tax revenues under § 15.2-5835, the salary of the Executive Director and any staff or other personnel employed by the Authority shall only be paid from funds from the Commonwealth's Development Opportunity Fund established by § 2.2-115 or any other funds made available by the appropriation act.*

*§ 15.2-5829. Powers.*

*A. In addition to the powers set forth elsewhere in this chapter, the Authority may:*

- 1. Adopt and alter an official seal;*
- 2. Sue and be sued in its own name;*
- 3. Adopt bylaws, rules, and regulations to carry out the provisions of this chapter;*
- 4. Maintain an office on the campus. Until such office space is constructed, the Authority shall maintain an office at such place as the Authority may designate;*
- 5. Employ, either as regular employees or independent contractors, consultants, accountants, attorneys, financial experts, agents, managers and other professional personnel, and any other personnel as may be necessary in the judgment of the Authority to carry out its responsibilities as outlined in this chapter, and fix their compensation;*
- 6. Proceed with any undertaking and enter into any contracts or agreements with the Commonwealth or any political subdivision thereof or any person as the Authority deems necessary or desirable to carry out the provisions of this chapter related to development of the district and campus;*
- 7. Review the Authority's responsibilities under contracts, memoranda of understanding, and other similar agreements, and delegate appropriate authority to the Executive Director to ensure that the provisions of such agreements are being efficiently, effectively, and prudently executed by the Executive Director and other staff;*
- 8. Acquire, hold, lease, use, encumber, transfer, or dispose of real and personal property within the district boundaries, including a lease of its property or any interest therein, whatever the condition thereof, whether or not constructed or acquired, that is owned by the Authority to the company or its affiliates or the City to carry out the provisions of this chapter, provided that any lease shall comply with § 15.2-5830;*
- 9. Enter into an agreement to lease land to the City for the City to develop, operate, and own the performance venue;*
- 10. Design, construct, reconstruct, improve, operate, and maintain the district and campus and any of its component buildings and facilities or delegate the rights to the same;*
- 11. Fix, charge, and collect rates, fees, and charges for the use of, or the benefit derived from, the facilities provided, owned, operated, or financed by the Authority. Such rates, fees, and charges may be charged to and collected by such persons and in such manner as the Authority may determine from (i) any person using the facilities and (ii) the owners, tenants, or customers*

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*of the real estate and improvements that are served by, or benefit from the use of, any such facilities, in such manner as shall be authorized by the Authority in connection with the provision of such facilities or may delegate the rights to the same;*

*12. Issue bonds under this chapter;*

*13. Borrow money;*

*14. Receive and accept from any source, private or public, contributions, gifts, or grants of money or property; and*

*15. Do all things necessary or convenient to carry out the powers granted by this chapter.*

*B. In no event shall the Authority:*

*1. Enter into any agreement pursuant to the provisions of this chapter for the development, acquisition, or lease of more than one professional sports arena, campus, or district; and*

*2. Sell or otherwise dispose of any real or personal property located on the campus, except as expressly authorized by an act of the General Assembly enacted after the effective date of this section.*

*§ 15.2-5830. Acquisition of property; facility development and lease agreement.*

*A. The Authority may acquire or otherwise use in its own name, by gift or purchase, any real or personal property, or interests in property, located within the district boundaries and that are necessary or convenient to construct or operate the district and campus.*

*B. In any jurisdiction where planning, zoning, and development regulations may apply, the Authority shall comply with and is subject to those regulations to the same extent as a private commercial or industrial enterprise.*

*C. The Authority shall negotiate and enter into a lease agreement for all or a portion of the buildings and facilities located on the campus if the Authority finds that a company has committed to locate or relocate to the campus and that such company and its affiliates have demonstrated to the satisfaction of the Authority that the company and its affiliates have the experience and financial resources to be able to successfully develop and operate the campus. Such lease agreement shall lease to (i) the company and its affiliates the professional sports arena, public plaza, company headquarters and operations facilities, practice and training facilities, and broadcast production facilities and (ii) the City land to develop, operate, and own the performance venue;*

*D. Any lease agreement for the campus entered into by the Authority with a company or its affiliates shall:*

*1. Provide for the payment of rent to the Authority, which shall be deposited into the Fund;*

*2. Provide for the payment of revenues, if any, generated by the company related to on-site underground parking on the campus to the Authority, which shall be deposited into the Fund;*

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- 3. Provide 100 percent of any campus naming rights revenues to the Authority, which shall be deposited into the Fund;*
- 4. Grant the company and its affiliates operational control of the professional sports arena, public plaza, company headquarters and operations facilities, practice and training facilities, and broadcast production facilities;*
- 5. Permit the Authority to allow the City to develop, operate, and own the performance venue;*
- 6. Establish standards consistent with subsection F concerning the operation and maintenance of, and capital reinvestment in, the campus throughout the term of the lease agreement that are necessary to support the Authority's financial obligations;*
- 7. Have a term of no less than the term of the bonds sold pursuant to § 15.2-5831 for the construction and development of the campus;*
- 8. Provide that, if the company, its affiliates, or any professional sports team owned by the company relocates before the expiration date of any lease entered into, the company will pay any outstanding principal, any outstanding interest, and any other financing costs of all bonds issued under this chapter;*
- 9. Provide for the distribution of campus assets and ongoing revenues from the campus at the end of the lease term. Such distribution shall provide ownership of the professional sports arena to the Authority;*
- 10. Require that in operating the professional sports arena, the company and its affiliates shall promote Virginia tourism, products made by Virginia-based companies, and Virginia cuisine;*
- 11. Provide for at least three intercollegiate sporting events to take place at the professional sports arena per year, involving at least one Virginia-based or Washington, D.C.-based intercollegiate team in each game;*
- 12. Require the company and its affiliates to procure and carry insurance coverage customarily carried by operators of facilities similar to the professional sports arena and any other area of the district. The cost of such insurance shall be borne by the company and its affiliates;*
- 13. Require the Authority to procure and carry insurance coverage customarily carried by lessors of facilities similar to the professional sports arena and any other area of the district. Such insurance coverage shall, to the extent possible, limit the liability of the Authority for damages occurring within the district boundaries. The cost of such insurance shall be borne by the Authority;*
- 14. Require the company or its affiliates to pay the costs of all utilities at facilities leased by the company or its affiliates; and*
- 15. Contain such other terms and conditions as deemed necessary and appropriate by the Authority and agreed to by the company that further the purpose of the Authority related to the financing of the campus.*

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*E. Any development agreement for the facility entered into by the Authority with the company or its affiliates shall require the location, design, fit, and finish of the facility to be consistent with professional sports facilities approved for construction by the professional sports team's league. Such development agreement shall:*

- 1. Identify the location of the professional sports arena and the boundaries of the campus;*
- 2. Set forth the sources of financing to pay the costs of the development and construction of the professional sports arena and the campus, and may specify a minimum principal amount of bonds to be issued by the Authority to finance the facility pursuant to § 15.2-5832;*
- 3. Require the company to provide periodic progress reports to the Authority and the Oversight Commission on the status of the development and construction of the district, campus, and professional sports arena; and*
- 4. Contain such other terms as deemed necessary and appropriate by the Authority and agreed to by the company and its affiliates that further the purposes of the Authority related to the financing of the facility.*

*F. The lease agreement entered into pursuant to this section shall provide the following obligations for operations and maintenance expenditures and capital expenditures on the campus:*

- 1. The Authority shall, to the extent practicable, deposit no less than \$12 million per year in the Operations and Maintenance and Capital Expenditures Account established by subdivision 8 of § 15.2-5833, to be applied to capital expenditures and operations and maintenance expenses in the campus.*
- 2. The Company may request reimbursements from the funds set aside under subdivision 1 of up to \$7 million per year, plus two percent annually beginning with the year after the year in which the professional sports arena holds its first ticketed event. If less than the maximum amount of reimbursements allowed by this subdivision are provided to the company in any year, such surplus amount may be carried over by the company. The company shall submit a separate request for each project for which it requests reimbursement.*
- 3. All requests for expenditures for operations and maintenance and capital expenditures shall be subject to approval by the Authority.*
- 4. All expenses that (i) are not approved by the Authority under subdivision 3; (ii) exceed the annual reimbursement levels under subdivision 2, including any amounts carried over; or (iii) exceed the amounts of funds in the Operations and Maintenance and Capital Expenditures Account established by subdivision 8 of § 15.2-5833 shall be at the cost of the company.*
- 5. The City shall be responsible for 100 percent of costs for operations and maintenance and capital expenditures at the performance venue.*

*§ 15.2-5831. Bond issues.*

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*A. The Authority may at any time, and from time to time, issue bonds to carry out any of the purposes of this chapter. As used in this chapter, "bonds" includes notes of any kind, interim certificates, refunding bonds, and any other evidence of obligation.*

*B. The bonds of any issue shall be payable solely from the property or receipts of the Authority, or other security specifically pledged by the Authority to the payment thereof, including:*

*1. Taxes, fees, charges, lease payments, or other revenues payable to the Authority, including amounts transferred from the Fund;*

*2. Payments by financial institutions, insurance companies, or others pursuant to letters or lines of credit, policies of insurance, or purchase agreements;*

*3. Investment earnings from funds or accounts maintained pursuant to a bond resolution or trust agreement; and*

*4. Proceeds of refunding bonds.*

*C. Bonds shall be authorized by resolution of the Authority and may be secured by a trust agreement by and between the Authority and a corporate trustee or trustees, which may be any trust company or bank having the powers of a trust company within or outside the Commonwealth. The bonds shall:*

*1. Be issued at, above, or below par value, for cash or other valuable consideration, and mature at a time or times, whether as serial bonds or as term bonds or both, not exceeding 40 years from their respective dates of issue;*

*2. Bear interest at the fixed or variable rate or rates determined by the method provided in the resolution or trust agreement;*

*3. Be payable at a time or times, in the denominations and form, and carry the registration and privileges as to conversion and for the replacement of mutilated, lost, or destroyed bonds as the resolution or trust agreement may provide;*

*4. Be payable in lawful money of the United States at a designated place;*

*5. Be subject to the terms of purchase, payment, redemption, refunding, or refinancing that the resolution or trust agreement provides;*

*6. Be executed by the manual or facsimile signatures of the officers of the Authority designated by the Authority. Such signatures shall be valid at delivery even for one who has ceased to hold office; and*

*7. Be sold in the manner and upon the terms determined by the Authority, including private negotiated sale.*

*D. Any resolution or trust agreement may contain provisions that shall be a part of the contract with the holders of the bonds as to:*

*1. Pledging, assigning, or directing the use, investment, or disposition of receipts of the*

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*Authority or proceeds or benefits of any contract and conveying or otherwise securing any property rights;*

*2. The setting aside of loan funding deposits, debt service reserves, capitalized interest accounts, cost of issuance accounts, and sinking funds, and the regulation, investment, and disposition thereof;*

*3. Limitations on the purpose to which the proceeds of sale of any issue of bonds may be applied and restrictions to investments of such proceeds or revenues available to pay debt service;*

*4. Limitations on the issuance of additional bonds and the terms upon which additional bonds may be issued and secured and may rank on a parity with, or be subordinate or superior to, other bonds;*

*5. The refunding or refinancing of outstanding bonds;*

*6. The procedure, if any, by which the terms of any contract with bondholders may be altered or amended and the amount of bonds the holders of which must consent thereto, and the manner in which consent shall be given;*

*7. Defining the acts or omissions that shall constitute a default in the duties of the Authority to bondholders and providing the rights or remedies of such holders in the event of a default that may include provisions restricting individual rights of action by bondholders;*

*8. Providing for guarantees, pledges of property, letters of credit, or other security, or insurance for the benefit of bondholders; and*

*9. Any other matter relating to the bonds which the Authority determines appropriate.*

*E. No member of the Authority nor any person executing the bonds on behalf of the Authority shall be liable personally for the bonds or subject to any personal liability by reason of the issuance of the bonds.*

*F. The Authority may enter into agreements with agents, banks, insurers, or others for the purpose of enhancing the marketability of, or as security for, its bonds.*

*G. A pledge by the Authority of revenues as security for an issue of bonds shall be valid and binding from the time the pledge is made. The revenues pledged shall immediately be subject to the lien of the pledge without any physical delivery or further act, and the lien of any pledge shall be valid and binding against any person having any claim of any kind in tort, contract, or otherwise against the Authority, irrespective of whether the person has notice. No resolution, trust agreement or financing statement, continuation statement, or other instrument adopted or entered into by the Authority need be filed or recorded in any public record other than the records of the Authority in order to perfect the lien against third persons, regardless of any contrary provision of public general or public local law.*

*H. Except to the extent restricted by an applicable resolution or trust agreement, any holder of bonds issued under this chapter or a trustee acting under a trust agreement entered into under*

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*this chapter, may, by any suitable form of legal proceedings, protect and enforce any rights granted under the laws of Virginia or by any applicable resolution or trust agreement.*

*I. The Authority may issue bonds to refund any of its bonds then outstanding, including the payment of any redemption premium and any interest accrued or to accrue to the earliest or any subsequent date of redemption, purchase, or maturity of the bonds. Refunding bonds may be issued for the public purposes of realizing savings in the effective costs of debt service, directly or through a debt restructuring, for alleviating impending or actual default and may be issued in one or more series in an amount in excess of that of the bonds to be refunded.*

*J. The company shall agree, as part of any development and lease agreement entered into pursuant to § 15.2-5830, that the company and its affiliates will not be relocated and that the company will operate on the campus until any bonds issued hereunder to finance and refinance the campus are redeemed or defeased.*

*§ 15.2-5832. Investments in bonds.*

*Any financial institution, any investment company, any insurance company or association, and any personal representative, guardian, trustee, or other fiduciary may legally invest any moneys belonging to it or within its control in any bonds issued by the Authority.*

*§ 15.2-5833. Virginia Sports and Entertainment Authority Financing Fund; use.*

*A. There is hereby created in the state treasury a special nonreverting fund for the Authority to be known as the Virginia Sports and Entertainment Authority Financing Fund. The Fund shall be established on the books of the Comptroller. All revenues to which the Authority is entitled pursuant to § 15.2-5835, all revenues and moneys pledged by the local governing body of the City to be directed to the Fund, all revenues and moneys generated by a lease agreement entered into pursuant to § 15.2-5830, a contribution made by the company or its affiliates toward the development of the campus, any other moneys that may be appropriated by the General Assembly, and any moneys that may be received for the credit of the Fund from any other source shall be paid into the state treasury and credited to the Fund by the Comptroller as soon as practicable following their receipt. 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.*

*B. The amounts dedicated to the Fund pursuant to subsection A shall be distributed to the Authority as soon as practicable for use in accordance with this chapter. The Authority shall establish and deposit revenues into each of the accounts described in subdivisions 1 through 8 and ensure that such accounts are sufficiently funded. The amounts deposited in such accounts shall be in amounts determined by the Authority in the following priority order:*

- 1. Revenue Account;*
- 2. Senior Debt Service Account;*
- 3. Senior Debt Service Reserve Account;*

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- 4. Subordinate Debt Service Account;*
- 5. Subordinate Debt Service Reserve Account;*
- 6. Lease Debt Service Account;*
- 7. Lease Debt Service Reserve Account; and*
- 8. Operations and Maintenance and Capital Expenditure Account.*

*C. To the extent deemed appropriate by the Authority, the receipts of the Fund shall be pledged to and transferred for the payment of debt service on Authority bonds and all reasonable charges and expenses related to Authority borrowing and the management of Authority obligations.*

*D. In addition to the accounts required by subsection B, the Authority shall also establish a Distribution Account. If, in the opinion of the Authority, all accounts listed in subdivisions B 1 through 8 are sufficiently funded, the Authority shall distribute any excess funds back to the Commonwealth and the City, on a quarterly basis as described in subsection E.*

*E. Excess funds distributed back to the Commonwealth and the City from the Distribution Account described in subsection D shall be distributed as follows:*

*1. If the revenues available for distribution equal or exceed the amount of tax revenues pledged by the Commonwealth and by the City for the previous quarter, (i) the Commonwealth and City shall each receive an amount equal to its respective amount of tax revenues pledged and (ii) after the distribution provided by clause (i), the Commonwealth and City shall each receive 50 percent of any remaining revenues.*

*2. If the revenues available for distribution are less than the amount of tax revenues pledged by the Commonwealth and by the City for the previous quarter, the Commonwealth and the City shall each receive a percentage of the total revenues available for distribution based on the proportion of tax revenues paid into the Authority from each source of funds pledged by the Commonwealth and the City to the Authority for the previous quarter.*

*F. Revenues received by the Commonwealth pursuant to subsection E shall be distributed as follows:*

*1. One hundred percent of such funds shall be deposited in the Commonwealth Transportation Fund until an amount has been deposited in such fund equal to the total amount expended by the Commonwealth from all sources for transportation improvements related to the district.*

*2. After the requirements of subdivision 1 have been met, 50 percent of such revenues shall be deposited in the general fund and 50 percent of such revenues shall be deposited in the Housing Trust Fund established by § 36-142.*

*§ 15.2-5834. Additional duties; report.*

*A. In addition to the duties set forth elsewhere in this chapter, the Authority shall:*



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- 1. Keep records as are consistent with sound business practices and accounting records using generally accepted accounting practices;*
- 2. Secure an annual external audit of the books of the Authority and its transactions by a nationally recognized auditing firm with sufficient skills and experience to conduct a thorough audit of the Authority. The results of such audit shall be submitted no later than August 1 each year to the Governor and the Oversight Commission;*
- 3. Be subject to audit and examination at any reasonable time of its accounts and transactions by the Auditor of Public Accounts; and*
- 4. Submit a detailed annual report no later than December 1 each year of its activities and financial standing to the Governor and the Oversight Commission.*

*B. In addition to the report required by subdivision A 4, the Authority shall:*

- 1. No later than June 15 of each year, provide to the members of the Oversight Commission, the Secretary of Commerce and Trade, and the Director of the Department of Planning and Budget, a report of its operating plan for the forthcoming year.*
- 2. No later than August 1 of each year, submit to the entities described in subdivision 1 a detailed expenditure report and a listing of the salaries and bonuses for all authority employees for the most recently concluded fiscal year.*
- 3. Prepare the reports required by subdivisions 1 and 2 in the format approved by the Director of the Department of Planning and Budget, and shall also include the following:*
  - a. All planned and actual revenue and expenditures along with funding sources, including a detailed breakdown of state revenues by tax source, local revenues by tax source, parking revenues, campus naming rights revenues, and other sources;*
  - b. Total investments made in the development of the campus, broken out by type of investment activity; and*
  - c. Cash balances by funding source, including a detailed breakdown of state revenues by tax source, parking revenues, campus naming rights revenues, and other sources, and balances in the accounts established by § 15.2-5833.*
- 4. Require the Executive director to also report quarterly to Authority, the members of the Oversight Commission, the Secretary of Commerce and Trade, and the Director of the Department of Planning and Budget, in a format approved by the Authority, the following:*
  - a. The quarterly financial performance, determined by comparing the budgeted and actual revenues and expenditures to planned revenues and expenditures for the fiscal year;*
  - b. Total investments made in the development of the campus, broken out by type of investment activity; and*
  - c. Cash balances by funding source, including a detailed breakdown of state revenues by tax*

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*source, parking revenues, campus naming rights revenues, and other sources, and balances in the accounts established by § 15.2-5833.*

*Such report shall be submitted no later than 30 days after the conclusion of each quarter.*

*§ 15.2-5835. Entitlement to certain tax revenues.*

*A. 1. The Authority shall be entitled, subject to appropriation and to the limitations of this chapter, to all district sales tax revenues. Revenues received under this subsection shall be applied to debt service on the Authority's bonds. The State Comptroller shall remit such district sales tax revenues to the Fund on a monthly basis, subject to such reasonable processing delays as may be required by the Department. Notwithstanding the foregoing, the State Comptroller shall make such remittances to the Fund, as provided herein, notwithstanding any provisions to the contrary in the Virginia Retail Sales and Use Tax Act (§ 58.1-600 et seq.). Such entitlement shall continue as necessary until the expiration of the entitlement as provided in this chapter.*

*2. The Authority shall be entitled, subject to appropriation and to the limitations of this chapter, to all district personal income tax revenues, district corporate income tax revenues, and district pass-through entity tax revenues. Such revenues shall be applied to payment of debt service on the Authority's bonds. The State Comptroller shall remit all such district tax revenue to the Fund on a quarterly basis, except for pass-through entity tax revenues which shall be remitted to the Fund on a yearly basis, subject to such reasonable processing delays as may be required by the Department. Such entitlement shall continue as necessary until the expiration of the entitlement as provided in this chapter.*

*B. 1. The local governing body of the City shall agree, as a condition of hosting the district, to provide, by resolution or ordinance, the tax entitlement required by subdivision 2.*

*2. The resolution or ordinance described in subdivision 1 shall direct that:*

*a. All district local tax revenues shall be remitted by the City to the Authority, including the tax revenues described in subdivision b;*

*b. The City shall impose an admissions tax at the rate of no less than 10 percent pursuant to Chapter 38 (§ 58.1-3800 et seq.) of Title 58.1 on transactions taking place upon the premises of the campus; and*

*c. The City shall continue to provide the tax entitlement described in this subsection for the duration of any lease agreement entered into pursuant to subsection C of § 15.2-5830.*

*3. The remittances described in this subsection shall be for the same period and under the same conditions as remittances to the Authority paid in accordance with subsection A, mutatis mutandis.*

*C. In the event that any remittances described in subsection B have not been made by the City to the Authority, the Governor shall direct the Comptroller to withhold all further payment to the City of all funds, or of any part of such funds, appropriated and payable by the Commonwealth to the City for any and all purposes until the unpaid sum is obtained.*

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*D. The entitlement to tax revenues provided by subsections A and B shall expire upon the earliest of (i) the date on which all bonds issued pursuant to § 15.2-5831 have been repaid or (ii) the date on which the lease agreement entered into pursuant to subsection C of § 15.2-5830 expires.*

*§ 15.2-5836. Administration by Department of Taxation.*

*A. The Authority shall provide the Department with the name and contact information for a central point of contact at the Authority, who shall provide the following information to the Department:*

*1. A list of names and social security numbers or federal employer identification numbers for the companies, professional sports teams, and affiliates generating district corporate income tax, district pass-through entity tax, or district personal income tax revenues, including employee withholding remitted to the Department pursuant to Article 16 (§ 58.1-460 et seq.) of Chapter 3 of Title 58.1 generated in the district and subject to the entitlement set forth in this section.*

*2. A list of names and social security numbers or federal employer identification numbers for all (i) dealers generating sales and use tax revenues generated by construction and transactions taking place in the district and (ii) contractors purchasing or leasing items used in construction of the district.*

*3. Updated information pursuant to subdivisions 1 and 2 on a monthly basis.*

*B. The Authority shall provide in any memoranda of understanding entered into with any company, professional sports team, affiliate, or dealer that enters into a lease agreement for all or a portion of the building and facilities located in the district and any other agreements entered into regarding the district that the company, professional sports team, affiliate, or dealer shall be subject to the requirements of subsection C.*

*C. Every company, professional sports team, affiliate, and dealer doing business in the district shall file tax returns and make tax payments required pursuant to Chapter 6 (§ 58.1-600 et seq.) and Articles 9 (§ 58.1-390.1 et seq.), 10 (§ 58.1-400 et seq.), and 16 (§ 58.1-460 et seq.) of Chapter 3 of Title 58.1 using an electronic medium in a format prescribed by the Tax Commissioner. In addition, every company, professional sports team, affiliate, dealer, and contractor doing business in the district shall provide the following information to the Department:*

*1. Every dealer that collects district sales tax revenues shall provide information regarding tax collections generated from construction or transactions taking place in the district on the returns filed pursuant to § 58.1-615 as prescribed by the Tax Commissioner.*

*2. Every contractor shall report and remit use tax on the purchase and lease of items used in construction in the district as prescribed by the Tax Commissioner.*

*3. Every company, professional sports team, and affiliate that generates district corporate*

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*income tax revenues shall separately report estimated payments for corporate income taxes generated from the district and shall provide annually to the Department information regarding gross revenues generated from activities on the district and gross revenues from all activities in Virginia.*

*4. Every company, professional sports team, and affiliate that generates district pass-through entity tax revenues shall provide annually to the Department information regarding income in the district, including revenues generated in connection with the development and construction of the district.*

*5. Every company, professional sports team, and affiliate that pays salaries and wages to employees in the district shall register for a separate withholding account and shall remit the wages and salaries withheld from employees for activities performed on the campus separately from all income taxes withheld by such employer.*

*6. Every company, professional sports team, and affiliate that makes payments to an independent contractor attributable to construction or transactions in the district shall provide information regarding such payments to the Department by January 31 in a format prescribed by the Tax Commissioner.*

*7. Notwithstanding any provision of § 58.1-3 to the contrary, the Tax Commissioner shall be authorized to disclose taxpayer information regarding transactions, real or personal property, income, or business of any person to the Authority as may be necessary for the administration of the tax entitlements authorized by this chapter.*

*§ 15.2-5837. Cooperation between the Authority and other political subdivisions.*

*The Authority may enter into agreements with any other political subdivision of the Commonwealth for joint or cooperative action in accordance with § 15.2-1300.*

*§ 15.2-5838. Tort liability.*

*No pecuniary liability of any kind shall be imposed on the Commonwealth or on any other political subdivision of the Commonwealth because of any act, agreement, contract, tort, malfeasance, or nonfeasance by or on the part of the Authority, its independent contractors, or its agents.*

*§ 15.2-5839. Tort claims.*

*For purposes of the Virginia Tort Claims Act (§ 8.01-195.1 et seq.), the Authority is an "agency" within the meaning of § 8.01-195.2 and each of its members and agents is an "employee" within the meaning of such section.*

*§ 15.2-5840. Policy statement.*

*It is hereby found, determined, and declared that the construction and development of the district will result in substantial economic development in the Commonwealth and is in all respects for the benefit of the people of the Commonwealth and is a public purpose and that the Authority will be performing an essential government function in the exercise of the powers*

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*conferred by this chapter.*

*§ 15.2-5841. Audits and reports.*

*A. The Auditor of Public Accounts of the Commonwealth and his legally authorized representatives are hereby authorized and empowered from time to time to examine the accounts and books of the Authority, including its receipts, disbursements, contracts, leases, investments, and any other matters relating to its finances, operation, and affairs.*

*B. The Tax Commissioner shall report to the Oversight Commission and the Chairmen of the Senate Committee on Finance and Appropriations, the House Committee on Appropriations, and the House Committee on Finance, before July 1 of each year, the amount of the entitlement pursuant to § 15.2-5835.*

*C. The governing body of the City shall report to the Oversight Commission and the Chairmen of the Senate Committee on Finance and Appropriations, the House Committee on Appropriations, and the House Committee on Finance, before July 1 of each year, the amount of the entitlement pursuant to § 15.2-5835.*

*§ 15.2-5842. Prohibited use of funds.*

*No funds of the Authority may be used to pay fees or expenses of lobbyists required to register under § 2.2-422.*

*§ 15.2-5843. Exemption of Authority from personnel and procurement statutes.*

*The provisions of the Virginia Personnel Act (§ 2.2-2900 et seq.) and the Virginia Public Procurement Act (§ 2.2-4300 et seq.) shall not apply to the Authority in the exercise of any power conferred under this chapter.*

***CHAPTER 67.SPORTS AND ENTERTAINMENT AUTHORITY OVERSIGHT COMMISSION.***

*§ 30-430. Sports and Entertainment Authority Oversight Commission; membership; terms; compensation and expenses; definition.*

*A. The Sports and Entertainment Authority Oversight Commission (the Commission) is established as an advisory commission in the legislative branch of state government. The purpose of the Commission shall be to review financing and management of the facilities encompassed by the Virginia Sports and Entertainment Authority pursuant (the Authority) to Chapter 58.1 (§ 15.2-5824 et seq.) of Title 15.2. Such review shall include oversight of bonds issued by the Authority; the use of proceeds from such bonds; management of the campus and professional sports arena by the Authority, as those terms are defined in § 15.2-5824; and the distribution of revenues from the Distribution Account described in § 15.2-5833. The Authority shall provide quarterly updates to the Commission regarding the issuance of debt, payment of debt service, development of the campus and professional sports arena, and generation of revenues by the Authority, and any information on any other matters requested by the Commission. The Authority shall provide to the Commission, upon the request of the chairman, any transaction documents or other relevant documents involving the major parties, as that*

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*term is defined in § 15.2-5284, within five business days of such request.*

*B. The Commission shall consist of 14 members as follows: the 12 voting members of the MEI Project Approval Commission, the Speaker of the House of Delegates, and the President Pro Tempore of the Senate.*

*C. Members shall serve terms coincident with their terms of office. Vacancies for unexpired terms shall be filled in the same manner as the original appointments.*

*D. The members of the Commission shall elect a chairman and vice-chairman annually. A majority of the voting members of the Commission shall constitute a quorum. The meetings of the Commission shall be held at the call of the chairman or whenever the majority of the members so request.*

*E. Legislative members of the Commission shall receive such compensation as provided in § 30-19.12.*

*F. Administrative staff support shall be provided by the staffs of the House Committee on Appropriations, the Senate Committee on Finance and Appropriations, and the Division of Legislative Services.*

**28. That the initial appointment of members of the Virginia Sports and Entertainment Authority established by the twenty-seventh enactment of this act shall be staggered as follows: (i) two of the members appointed by the Governor, one of the members appointed by the Speaker of the House of Delegates, one of the members appointed by the Senate Committee on Rules, one of the members appointed by the governing body of the City of Alexandria, and the member appointed by the company shall be appointed for a term of four years; (ii) one of the members appointed by the Governor, one of the members appointed by the Speaker of the House of Delegates, one of the members appointed by the Senate Committee on Rules, and one of the members appointed by the governing body of the City of Alexandria shall be appointed for a term of three years; (iii) one of the members appointed by the Governor, one of the members appointed by the Speaker of the House of Delegates, and one of the members appointed by the governing body of the City of Alexandria shall be appointed for a term of two years; and (iv) one of the members appointed by the Governor and the member appointed by Arlington County shall be appointed for a term of one year. Members appointed to an initial term of less than four years shall be eligible to be reappointed for two full four-year terms.**

**29. That the provisions of the twenty-seventh enactment of this act shall expire if the Virginia Sports and Entertainment Authority established under § 15.2-5825 of the Code of Virginia, as created by the twenty-seventh enactment of this act, has not entered into a lease agreement pursuant to subsection D of § 15.2-5830 of the Code of Virginia, as created by the twenty-seventh enactment of this act, and a development agreement pursuant to subsection E of § 15.2-5830 of the Code of Virginia, as created by the twenty-seventh enactment of this act, before January 1, 2026.**

**30. That the provisions of the twenty-seventh enactment of this act shall expire if the City**

of Alexandria does not enact the tax entitlement described in subsection B of § 15.2-5835 of the Code of Virginia, as created by the twenty-seventh enactment of this act, before January 1, 2026.

31. That no bonds, as defined by § 15.2-5831 of the Code of Virginia, as created by the twenty-seventh enactment of this act, shall be issued by the Virginia Sports and Entertainment Authority (the Authority) established by § 15.2-5825 of the Code of Virginia, as created by the twenty-seventh enactment of this act, for the development of the district, as defined by § 15.2-5824 of the Code of Virginia, as created by the twenty-seventh enactment of this act, prior to (i) the enactment by the City of Alexandria (the City) of the tax entitlement described in subsection B of § 15.2-5835 of the Code of Virginia, as created by the twenty-seventh enactment of this act; (ii) execution of a lease agreement and development agreement as described in § 15.2-5830 of the Code of Virginia, as created by the twenty-seventh enactment of this act; (iii) a cash contribution by the company, as defined by § 15.2-5824 of the Code of Virginia, as created by the twenty-seventh enactment of this act, to the Authority toward the development of the district and professional sports arena, as those terms defined in § 15.2-5824 of the Code of Virginia, as created by the twenty-seventh enactment of this act ; and (iv) execution of a memorandum of understanding between the company and its affiliates, the Authority, and the City that describes the duties of all parties related to the development of the district.

32. That any bonds, as that term is defined in § 15.2-5831 of the Code of Virginia, as created by twenty-seventh enactment of this act , issued pursuant to § 15.2-5831 of the Code of Virginia, as created by the twenty-seventh enactment of this act, shall be subject to review by the Treasury Board established by Article 8 (§ 2.2-2415 et seq. of the Code of Virginia) of Chapter 24 of Title 2.2.

33. That the fourteenth enactment of Chapter 766 of the Acts of Assembly of 2013 is amended and reenacted as follows:

14. That the provisions of this act that generate additional revenue through state taxes or fees for transportation (i) throughout the Commonwealth and in Planning District 8 and Planning District 23 or (ii) in any other Planning District that becomes subject to the state taxes or fees imposed solely in Planning Districts pursuant to this act shall expire on December 31 of any year in which the General Assembly appropriates any of such additional revenues for any non-transportation-related purpose or transfers any of such additional revenues that are to be deposited into the Commonwealth Transportation Fund or any subfund thereof pursuant to general law for a non-transportation-related purpose. In the event a local government of any county or city wherein the additional taxes and fees are levied appropriates or allocates any of such additional revenues to a non-transportation purpose, such locality shall not be the direct beneficiary of any of the revenues generated by the taxes or fees in the year immediately succeeding the year in which revenues were appropriated or allocated to a non-transportation purpose. *Notwithstanding the foregoing, the provisions of this enactment shall not apply to the use of revenues generated by this act to provide funding to an authority created for the purpose of*

*building a professional sports arena in Planning District 8 on or after July 1, 2024.*

**34. That the tenth enactment of Chapters 1230 and 1275 of the Acts of Assembly of 2020 are amended and reenacted as follows:**

**That the provisions of this act generating additional state revenue for transportation shall expire on December 31 of any year in which the General Assembly appropriates or transfers any of such additional revenues for any non-transportation-related purposes. *Notwithstanding the foregoing, the provisions of this enactment shall not apply to the use of revenues generated by this act to provide funding to an authority created for the purpose of building a professional sports arena in Planning District 8 on or after July 1, 2024.***

**35. That the provisions of the twenty-seventh, twenty-eighth, twenty-ninth, thirtieth, thirtieth-first, thirtieth-second, thirtieth-third, and thirtieth-fourth enactment of this act shall not become effective unless reenacted by the 2025 Session of the General Assembly."**

**Page 333, line 20, strike "and".**

**Page 333, line 20, after "twenty-eighth" insert "twenty-ninth, thirtieth, thirtieth-first, thirtieth-second, thirtieth-third, thirtieth-fourth, and thirtieth-fifth."**

**Explanation:**

(This amendment creates the Virginia Sports and Entertainment Authority.)

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