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SENATE JOINT RESOLUTION NO. 351
AMENDMENT IN THE NATURE OF A SUBSTITUTE

(Proposed by the House Committee on Rules
on February 19, 2001)

(Patron Prior to Substitute—Senator Norment)

Continuing the Joint Subcommittee Studying Economic Incentives to Promote the Growth and Competitiveness of Virginia's Shipbuilding Industry.

WHEREAS, Senate Joint Resolution 171 (1998) established the Joint Subcommittee Studying Economic Incentives to Promote the Growth and Competitiveness of Virginia's Shipbuilding Industry; and

WHEREAS, the joint subcommittee was directed to examine, among other things, whether, and at what level, tax benefits or other economic incentives would be an effective tool in ensuring the continued health of Virginia's maritime industries; and

WHEREAS, the joint subcommittee in its first year examined information on a wide variety of topics including the economic condition of Virginia's shipbuilding and ship repair firms, and reasons for the declining levels of employment in the industry; and

WHEREAS, Senate Joint Resolution 436 (1999) continued the joint subcommittee for a second year; and

WHEREAS, the joint subcommittee in its second year recommended legislation providing for investment performance grants to certain eligible ship repair companies; and

WHEREAS, Senate Joint Resolution 177 (2000) continued the joint subcommittee for a third year; and

WHEREAS, the joint subcommittee in its third year recommended legislation providing for investment performance grants to certain eligible ship repair companies, funding for the implementation and administration of an apprenticeship program to enhance the skills of shipyard workers, and funding for the development of a coordinated and centralized marketing program to market the competitive advantages of Virginia's ports and shipyards; and

WHEREAS, due to the continuing complexity of the issues, the joint subcommittee has not been able to complete its study of all issues it was authorized to study under Senate Joint Resolution 171 (1998), Senate Joint Resolution 436 (1999), and Senate Joint Resolution 177 (2000), and all possible strategies to allow the industry to overcome the market conditions and governmental procurement policies that are responsible for much of the industry's problems; and

WHEREAS, the continuing study by the joint subcommittee is vital to gain a complete understanding of what must be accomplished to ensure that Virginia and its shipbuilding and ship repair businesses maintain their position as a leader in shipbuilding and related industries; and

WHEREAS, the continuing study by the joint subcommittee of issues having an adverse impact on the economic health of Virginia's shipbuilding industry is vital to the long-term economic health of the shipbuilding industry; and

WHEREAS, the members agree that the joint subcommittee should be continued for one more year; now, therefore, be it

RESOLVED by the Senate, the House of Delegates concurring, That the Joint Subcommittee Studying Economic Incentives to Promote the Growth and Competitiveness of Virginia's Shipbuilding Industry be continued. In its fourth year, the joint subcommittee shall continue to examine, in addition to such other issues as it deems advisable, (i) state regulation of tributyltin (TBT), (ii) establishing a state commission to promote and provide marketing assistance to the industry, (iii) the Commonwealth's tax structure and its impact on the shipyard industry, and (iv) incentive grants for capital investments by shipyards. The joint subcommittee shall be composed of 16 members, which shall include 10 legislative members, four nonlegislative citizen members and two ex officio members as follows: four members of the Senate, to be appointed by the Senate Committee on Privileges and Elections; six members of the House of Delegates, to be appointed by the Speaker of the House, in accordance with the principles of proportional representation contained in the Rules of the House of Delegates; one citizen representing the shipbuilding industry and one citizen familiar with the operations of the Norfolk Navy Shipyard, to be appointed by the Senate Committee on Privileges and Elections; and one citizen representing the shipping industry and one citizen recommended by the Board of Commissioners of the Virginia Port Authority, to be appointed by the Speaker of the House; and the Secretary of Commerce and Trade or his designee and the Tax Commissioner or his designee to serve ex officio, with full voting privileges.

The Division of Legislative Services shall continue to provide staff support for the study.

All agencies of the Commonwealth shall provide assistance to the joint subcommittee, upon request.

The direct costs of this study shall not exceed \$14,500.

HOUSE SUBSTITUTE

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60 The joint subcommittee shall complete its work in time to submit its written findings and
61 recommendations by November 30, 2001, to the Governor and the 2002 Session of the General
62 Assembly as provided in the procedures of the Division of Legislative Automated Systems for the
63 processing of legislative documents.

64 Implementation of this resolution is subject to subsequent approval and certification by the Joint
65 Rules Committee. The Committee may withhold expenditures or delay the period for the conduct of the
66 study.