

2005 SESSION

LEGISLATION NOT PREPARED BY DLS
INTRODUCED

059896324

HOUSE BILL NO. 2919

Offered January 21, 2005

A *BILL to amend and reenact §§ 3.1-1109 and 15.2-5510 of the Code of Virginia, to amend the Code of Virginia by adding a section numbered 58.1-439.15:01, relating to payments to tobacco farmers of domestic leaf tobacco.*

Patron—Hogan

Referred to Committee on Finance

Be it enacted by the General Assembly of Virginia:

1. That §§ 3.1-1109 and 15.2-5510 of the Code of Virginia are amended and reenacted, and that the Code of Virginia is amended by adding a section numbered 58.1-439.15:01 as follows:

§ 3.1-1109. Powers and duties of the Commission.

A. The Commission shall have the power and duty to:

1. Adopt, use, and alter at will an official seal;

2. Make bylaws for the management and regulation of its affairs;

3. Maintain an office at such place or places within this Commonwealth as it may designate;

4. Accept, hold, and administer moneys, grants, securities, or other property transferred, given, or bequeathed to the Commission, absolutely or in trust, for the purposes for which the Commission is created;

5. Determine how moneys in the Fund are to be distributed and to authorize grants, loans, or other distributions of moneys in the Fund for the purposes set forth in this chapter;

6. Make and execute contracts and all other instruments and agreements necessary or convenient for the exercise of its powers and functions;

7. Invest its funds as provided in this chapter or permitted by applicable law; and

8. *Accept and coordinate actions related to the assignments of escrow payments to the Commonwealth by small tobacco product manufacturers and to oversee or assist in the payments made by the Commonwealth or from other revenues to the domestic leaf tobacco farmers who have a contract with the small tobacco product manufacturers who have executed an assignment with the Commonwealth; and*

8- 9. Do any lawful act necessary or appropriate to carry out the powers herein granted or reasonably implied, including use of whatever lawful means may be necessary and appropriate to recover any payments wrongfully made from the Fund.

B. The Commission shall undertake studies and gather information and data in order to determine (i) the economic consequences of the reduction in or elimination of quota for tobacco growers, (ii) the potential for alternative cash crops, and (iii) any other matters the Commission believes will affect tobacco growers in the Commonwealth.

C. The Commission shall submit a report annually to the Governor and the General Assembly.

§ 15.2-5510. Southside Virginia Tourism Development Authority created.

A. There is hereby established a Tourism Development Authority for the West Piedmont and the Southside Planning District Commissions that shall be known as the Southside Virginia Tourism Development Authority. The Authority shall inventory attractions and events and market, promote, expand and develop the tourism industries of these tobacco-producing localities as a whole, *including but not limited to participating and providing assistance to the payment from the Commonwealth to tobacco farmers who have contracts for the sale of domestic leaf to small tobacco product manufacturers.*

B. On the local level, the governing body of each county and city shall appoint one member to represent the member's locality on the Southside Virginia Tourism Development Authority.

§ 58.1-439.15:01. Short title.

A. "Small Tobacco Product Manufacturers' Incentive Act."

B. Definitions.

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

"Small tobacco product manufacturer" means an entity that after the date of enactment of this act directly (and not exclusively through any affiliate) manufactures fewer than five billion cigarettes annually in the Commonwealth, whose cigarettes contain a minimum of 75 percent tobacco grown in the United States and who entered into an assignment with the Commonwealth in accordance with § 3.1-336.2:1.

C. For taxable years beginning on and after January 1, 2006, small tobacco product manufacturers

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59 *shall submit to the Department of Taxation the names of tobacco farmers, as defined in § 3.1-1106, from*
60 *who the small tobacco product manufacturers have a contract to purchase domestic tobacco leaf is*
61 *purchased and the Commonwealth shall annually forward payment to such tobacco farmers an amount*
62 *not to the amount of escrow funds assigned to the Commonwealth pursuant to § 3.1-336.2:1 for*
63 *calendar year 2006. If the amounts paid to the tobacco farmers herein do not exceed the price*
64 *contained in the contract, the small tobacco product manufacturer shall bear responsibility for the*
65 *balance due in accordance with the terms of the contract.*

66 *D. The payments to tobacco farmers herein shall be made once annually on a date selected by the*
67 *small tobacco product manufacturer.*

68 **2. That the Department of Taxation shall within 280 days promulgate regulations governing the**
69 **payments to tobacco farmers who contract to sell tobacco product manufacturers.**