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**HOUSE BILL NO. 2807**

Offered January 10, 2007

Prefiled January 10, 2007

A *BILL to amend and reenact § 59.1-549 of the Code of Virginia, relating to allocation of enterprise zone grants.*

Patrons—Byron and Putney; Senator: Newman

Referred to Committee on Commerce and Labor

**Be it enacted by the General Assembly of Virginia:****1. That § 59.1-549 of the Code of Virginia is amended and reenacted as follows:**

§ 59.1-549. Policies and procedures for allocation of enterprise zone incentive grants.

A. Qualified business firms and qualified zone investors shall be eligible to receive enterprise zone incentive grants provided for in this chapter to the extent that they apply for and are approved for grant allocations through the Department.

B. If the total amount of grants for which qualified business firms are eligible under § 59.1-547 exceeds the annual appropriation for such grants, then the amount of grant that each qualified business firm is eligible for shall be prorated in a proportional manner. *The total unpaid portion of all eligible grants shall be placed in a request to the General Assembly by the Department asking for additional funding in the next July 1 budget. If the General Assembly approves additional moneys for such purpose, any firm with an unfunded balance may apply for its share of such additional moneys in the next request cycle. To qualify, the firm must have a viable business at the same address and in the same enterprise zone and employ five or more full-time employees. Any amount remaining from such prior year underfunding appropriation may be applied by the Department to fund new grants.*

C. If the total amount of grants for which qualified business firms are eligible under § 59.1-547 is less than the annual appropriation for such grants, then any amount remaining after all eligible grants have been allocated shall be made available to meet any unmet eligible grant requests pursuant to § 59.1-548.

D. If the total amount of grants for which qualified zone investors are eligible under § 59.1-548 exceeds the annual appropriation for such grants, then the amount of grant for which each qualified zone investor is eligible shall be prorated in a proportional manner.

E. If the total amount of grants for which qualified zone investors are eligible under § 59.1-548 is less than the annual appropriation for such grants, then any amount remaining after all eligible grants have been allocated shall be made available to meet any unmet eligible grant requests pursuant to § 59.1-547.

F. Qualified zone businesses and qualified zone investors shall make application to the Department each year for which they seek eligibility for enterprise zone incentive grants. Such application is to be in accordance with regulations promulgated by the Board on forms supplied by the Department and in accordance with dates specified by the Department.

G. The accuracy and validity of information on qualified real property investments, permanent full-time positions, wage rates and provision of health benefits provided in such applications are to be attested to by an independent certified public accountant licensed in Virginia through an agreed-upon procedures engagement conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants, using procedures provided by the Department.

H. Applicants for enterprise zone incentive grants under this chapter must have the local zone administrator verify that the location of their business or property is in the enterprise zone using a form supplied by the Department. The local zone administrator shall make this verification in accordance with dates specified by the Department.

I. The Department may at any time review qualified zone businesses and qualified zone investors to assure that information provided in the application process is accurate.

J. Qualified zone businesses shall maintain all documentation regarding qualification for enterprise zone job creation grants for at least one year after the final year of their five-year grant period. Qualified zone investors shall maintain all documentation regarding qualification for enterprise zone incentive grants for a minimum of three years following the receipt of any grant.

K. Enterprise zone incentive grants that do not have adequate documentation regarding qualified real property investments, permanent full-time positions, wage rates and provision of health benefits may be subject to repayment by the qualified zone business or qualified zone investor.

L. Actions of the Department relating to the approval or denial of applications for enterprise zone

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**59** incentive grants under this chapter shall be exempt from the provisions of the Administrative Process  
**60** Act pursuant to subdivision B 4 of § 2.2-4002.