10102881D

HOUSE BILL NO. 318

Offered January 13, 2010

Prefiled January 11, 2010

A BILL to amend and reenact § 15.2-5000 of the Code of Virginia, relating to manufacturing facilities.

Patron—Alexander

Referred to Committee on Counties, Cities and Towns

Be it enacted by the General Assembly of Virginia:

1. That § 15.2-5000 of the Code of Virginia is amended and reenacted as follows:

§ 15.2-5000. Definitions.

As used in this chapter:

"Exempt project" for the purposes of the industrial development portion of the state ceiling means the following facilities:

1. Sewage, solid waste and qualified hazardous waste disposal facilities; and facilities for the local furnishing of electric energy or gas;

2. Certain facilities for the furnishing of water (including irrigation systems);

3. Mass commuting facilities;

4. Local district heating and cooling facilities.

"Industrial development bond" means those obligations issued by the Commonwealth and its issuing authorities which constitute manufacturing and exempt facility private activity bonds and the private use portion of governmental projects over the fifteen million-dollar threshold amount.

"Issuing authority" means any political subdivision, governmental unit, authority, or other entity of the Commonwealth which is empowered to issue private activity bonds.

"Local housing authority" means any issuer of multifamily housing bonds or single family housing bonds, created and existing under the laws of the Commonwealth, excluding the Virginia Housing Development Authority.

"Manufacturing facility" means *(i)* any facility which is used in the manufacturing or production of tangible personal property, including the processing resulting in a change of condition of such property, *(ii) any facility which is used in the creation or production of intangible property as described in § 197(d)(1)(C)(iii) of the Internal Revenue Code of 1986, as amended, to be any patent, copyright, formula, process, design, pattern, knowhow, format, or other similar item, or (iii) any facility which is functionally related and subordinate to a manufacturing facility if such facility is located on the same site as the manufacturing facility*.

"Multifamily housing bond" means any obligation which constitutes an exempt facility bond under federal law for the financing of a qualified residential rental project within the meaning of § 142 of the Internal Revenue Code of 1986, as amended.

"Private activity bond" means a part or all of any bond (or other instrument) required to obtain an allocation from the state's volume cap pursuant to § 146 of the Internal Revenue Code of 1986, as amended, in order to be tax exempt, including but not limited to the following:

1. Exempt project bonds,

2. Manufacturing facility bonds,

3. Industrial development bonds,

4. Multifamily housing bonds,

5. Single family housing bonds,

6. Any other bond eligible for a tax exemption as a private activity bond pursuant to § 141 of the Internal Revenue Code of 1986, as amended.

"Single family housing bonds" means any obligation described as a qualified mortgage bond under § 143 of the Internal Revenue Code of 1986, as amended.

"State ceiling" means the maximum amount of private activity bonds that the Commonwealth of Virginia may issue in a calendar year as limited by federal law under the Internal Revenue Code of 1986, as amended. #