

13103230D

## SENATE BILL NO. 1320

Offered January 18, 2013

A *BILL to amend and reenact §§ 2.2-115, 2.2-903.1, 2.2-2319, 2.2-2320, 2.2-5103, 3.2-305, and 3.2-3108 of the Code of Virginia and to amend the Code of Virginia by adding in Article 2 of Chapter 6 of Title 2.2 a section numbered 2.2-621, relating to the job investment and incentive grant programs; information to verify employment status.*

Patron—Ruff

Referred to Committee on General Laws and Technology

**Be it enacted by the General Assembly of Virginia:**

1. That §§ 2.2-115, 2.2-903.1, 2.2-2319, 2.2-2320, 2.2-5103, 3.2-305, and 3.2-3108 of the Code of Virginia are amended and reenacted and that the Code of Virginia is amended by adding in Article 2 of Chapter 6 of Title 2.2 a section numbered 2.2-621 as follows:

**§ 2.2-115. Governor's Development Opportunity Fund.**

A. As used in this section, unless the context requires otherwise:

"New job" means employment of an indefinite duration, created as the direct result of the private investment, for which the firm pays the wages and standard fringe benefits for its employee, requiring a minimum of either (i) 35 hours of the employee's time a week for the entire normal year of the firm's operations, which "normal year" must consist of at least 48 weeks or (ii) 1,680 hours per year.

Seasonal or temporary positions, positions created when a job function is shifted from an existing location in the Commonwealth to the location of the economic development project, positions with suppliers, and multiplier or spin-off jobs shall not qualify as new jobs. The term "new job" shall include positions with contractors provided that all requirements included within the definition of the term are met.

"Prevailing average wage" means that amount determined by the Virginia Employment Commission to be the average wage paid workers in the city or county of the Commonwealth where the economic development project is located. The prevailing average wage shall be determined without regard to any fringe benefits.

"Private investment" means the private investment required under this section.

B. There is created the Governor's Development Opportunity Fund (the Fund) to be used by the Governor to attract economic development prospects and secure the expansion of existing industry in the Commonwealth. The Fund shall consist of any funds appropriated to it by the general appropriation act and revenue from any other source, public or private. The Fund shall be established on the books of the Comptroller, and any funds remaining in the Fund at the end of a biennium shall not revert to the general fund but shall remain in the Fund. Interest earned on the Fund shall be credited to the Fund. The Governor shall report to the Chairmen of the House Committees on Appropriations and Finance and the Senate Committee on Finance as funds are awarded in accordance with this section.

C. Funds shall be awarded from the Fund by the Governor as grants or loans to political subdivisions. The criteria for making such grants or loans shall include (i) job creation, (ii) private capital investment, and (iii) anticipated additional state tax revenue expected to accrue to the state and affected localities as a result of the capital investment and jobs created. Loans shall be approved by the Governor and made in accordance with guidelines established by the Virginia Economic Development Partnership and approved by the Comptroller. Loans shall be interest-free unless otherwise determined by the Governor and shall be repaid to the Fund. The Governor may establish the interest rate to be charged; otherwise, any interest charged shall be at market rates as determined by the State Treasurer and shall be indicative of the duration of the loan. The Virginia Economic Development Partnership shall be responsible for monitoring repayment of such loans and reporting the receivables to the Comptroller as required.

Beginning with the five fiscal years from fiscal year 2006-2007 through fiscal year 2010-2011, and for every five fiscal years' period thereafter, in general, no less than one-third of the moneys appropriated to the Fund in every such five-year period shall be awarded to counties and cities having an annual average unemployment rate that is greater than the final statewide average unemployment rate for the calendar year that immediately precedes the calendar year of the award. However, if such one-third requirement will not be met because economic development prospects in such counties and cities are unable to fulfill the applicable minimum private investment and new jobs requirements set forth in this section, then any funds remaining in the Fund at the end of the five-year period that would have otherwise been awarded to such counties and cities shall be made available for awards in the next

INTRODUCED

SB1320

59 five fiscal years' period.

60 D. Funds may be used for public and private utility extension or capacity development on and off  
61 site; public and private installation, extension, or capacity development of high-speed or broadband  
62 Internet access, whether on or off site; road, rail, or other transportation access costs beyond the funding  
63 capability of existing programs; site acquisition; grading, drainage, paving, and any other activity  
64 required to prepare a site for construction; construction or build-out of publicly or privately owned  
65 buildings; training; or grants or loans to an industrial development authority, housing and redevelopment  
66 authority, or other political subdivision for purposes directly relating to any of the foregoing. However,  
67 in no case shall funds from the Fund be used, directly or indirectly, to pay or guarantee the payment for  
68 any rental, lease, license, or other contractual right to the use of any property.

69 It shall be the policy of the Commonwealth that moneys in the Fund shall not be used for any  
70 economic development project in which a business relocates or expands its operations in one or more  
71 Virginia localities and simultaneously closes its operations or substantially reduces the number of its  
72 employees in another Virginia locality. The Secretary of Commerce and Trade shall enforce this policy  
73 and for any exception thereto shall promptly provide written notice to the Chairmen of the Senate  
74 Finance and House Appropriations Committees, which notice shall include a justification for any  
75 exception to such policy.

76 E. 1. a. Except as provided in this subdivision, no grant or loan shall be awarded from the Fund  
77 unless the project involves a minimum private investment of \$5 million and creates at least 50 new jobs  
78 for which the average wage, excluding fringe benefits, is no less than the prevailing average wage. For  
79 projects, including but not limited to projects involving emerging technologies, for which the average  
80 wage of the new jobs created, excluding fringe benefits, is at least twice the prevailing average wage for  
81 that locality or region, the Governor shall have the discretion to require no less than one-half the  
82 number of new jobs as set forth for that locality in this subdivision.

83 b. Notwithstanding the provisions of subdivision a, a grant or loan may be awarded from the Fund if  
84 the project involves a minimum private investment of \$100 million and creates at least 25 new jobs for  
85 which the average wage, excluding fringe benefits, is no less than the prevailing average wage.

86 2. Notwithstanding the provisions of subdivision 1 a, in localities (i) with an annual unemployment  
87 rate for the most recent calendar year for which such data is available that is greater than the final  
88 statewide average unemployment rate for that calendar year or (ii) with a poverty rate for the most  
89 recent calendar year for which such data is available that exceeds the statewide average poverty rate for  
90 that year, a grant or loan may be awarded from the Fund pursuant to subdivision 1 a if the project  
91 involves a minimum private investment of \$2.5 million and creates at least 25 new jobs for which the  
92 average wage, excluding fringe benefits, is no less than 85 percent of the prevailing average wage.

93 3. Notwithstanding the provisions of subdivisions 1 a and 2, in localities (i) with an annual  
94 unemployment rate for the most recent calendar year for which such data is available that is greater than  
95 the final statewide average unemployment rate for that calendar year and (ii) with a poverty rate for the  
96 most recent calendar year for which such data is available that exceeds the statewide average poverty  
97 rate for that year, a grant or loan may be awarded from the Fund pursuant to such subdivisions if the  
98 project involves a minimum private investment of \$1.5 million and creates at least 15 new jobs for  
99 which the average wage, excluding fringe benefits, is no less than 85 percent of the prevailing average  
100 wage.

101 4. For projects that are eligible under subdivision 2 or 3, the average wage of the new jobs,  
102 excluding fringe benefits, shall be no less than 85 percent of the prevailing average wage. In addition,  
103 for projects in such localities, the Governor may award a grant or loan for a project paying less than 85  
104 percent of the prevailing average wage but still providing customary employee benefits, only after the  
105 Secretary of Commerce and Trade has made a written finding that the economic circumstances in the  
106 area are sufficiently distressed (i.e., high unemployment or underemployment and negative economic  
107 forecasts) that assistance to the locality to attract the project is nonetheless justified. However, the  
108 minimum private investment and number of new jobs required to be created as set forth in this  
109 subsection shall still be a condition of eligibility for an award from the Fund. Such written finding shall  
110 promptly be provided to the chairs of the Senate Committee on Finance and the House Committee on  
111 Appropriations.

112 F. 1. The Virginia Economic Development Partnership shall assist the Governor in developing  
113 objective guidelines and criteria that shall be used in awarding grants or making loans from the Fund.  
114 *The guidelines may require that as a condition of receiving any grant or loan incentive that is based on*  
115 *employment goals, a recipient company must provide copies of employer quarterly payroll reports that*  
116 *have been provided to the Virginia Employment Commission to verify the employment status of any*  
117 *position included in the employment goal.* The guidelines may include a requirement for the affected  
118 locality or localities to provide matching funds which may be cash or in-kind, at the discretion of the  
119 Governor. The guidelines and criteria shall include provisions for geographic diversity and a cap on the  
120 amount of funds to be provided to any individual project. At the discretion of the Governor, this cap

may be waived for qualifying projects of regional or statewide interest. In developing the guidelines and criteria, the Virginia Economic Development Partnership shall use the measure for Fiscal Stress published by the Commission on Local Government of the Department of Housing and Community Development for the locality in which the project is located or will be located as one method of determining the amount of assistance a locality shall receive from the Fund.

2. a. Notwithstanding any provision in this section or in the guidelines, each political subdivision that receives a grant or loan from the Fund shall enter into a contract with each business beneficiary of funds from the Fund. A person or entity shall be a business beneficiary of funds from the Fund if grant or loan moneys awarded from the Fund by the Governor are paid to a political subdivision and (i) subsequently distributed by the political subdivision to the person or entity or (ii) used by the political subdivision for the benefit of the person or entity but never distributed to the person or entity.

b. The contract between the political subdivision and the business beneficiary shall provide in detail (i) the fair market value of all funds that the Commonwealth has committed to provide, (ii) the fair market value of all matching funds (or in-kind match) that the political subdivision has agreed to provide, (iii) how funds committed by the Commonwealth (including but not limited to funds from the Fund committed by the Governor) and funds that the political subdivision has agreed to provide are to be spent, (iv) the minimum private investment to be made and the number of new jobs to be created agreed to by the business beneficiary, (v) the average wage (excluding fringe benefits) agreed to be paid in the new jobs, (vi) the prevailing average wage, and (vii) the formula, means, or processes agreed to be used for measuring compliance with the minimum private investment and new jobs requirements, including consideration of any layoffs instituted by the business beneficiary over the course of the period covered by the contract.

The contract shall state the date by which the agreed upon private investment and new job requirements shall be met by the business beneficiary of funds from the Fund and may provide for the political subdivision to grant up to a 15-month extension of such date if deemed appropriate by the political subdivision subsequent to the execution of the contract. Any extension of such date granted by the political subdivision shall be in writing and promptly delivered to the business beneficiary, and the political subdivision shall simultaneously provide a copy of the extension to the Virginia Economic Development Partnership.

The contract shall provide that if the private investment and new job contractual requirements are not met by the expiration of the date stipulated in the contract, including any extension granted by the political subdivision, the business beneficiary shall be liable to the political subdivision for repayment of a portion of the funds provided under the contract. The contract shall include a formula for purposes of determining the portion of such funds to be repaid. The formula shall, in part, be based upon the fair market value of all funds that have been provided by the Commonwealth and the political subdivision and the extent to which the business beneficiary has met the private investment and new job contractual requirements. Any such funds repaid to the political subdivision that relate to the award from the Governor's Development Opportunity Fund shall promptly be paid over by the political subdivision to the Commonwealth by payment remitted to the State Treasurer. Upon receipt by the State Treasurer of such payment, the Comptroller shall deposit such repaid funds into the Governor's Development Opportunity Fund.

c. The contract shall be amended to reflect changes in the funds committed by the Commonwealth or agreed to be provided by the political subdivision.

d. Notwithstanding any provision in this section or in the guidelines, whenever layoffs instituted by a business beneficiary over the course of the period covered by a contract cause the net total number of the new jobs created to be fewer than the number agreed to, then the business beneficiary shall return the portion of any funds received pursuant to the repayment formula established by the contract.

3. Notwithstanding any provision in this section or in the guidelines, prior to executing any such contract with a business beneficiary, the political subdivision shall provide a copy of the proposed contract to the Attorney General. The Attorney General shall review the proposed contract (i) for enforceability as to its provisions and (ii) to ensure that it is in appropriate legal form. The Attorney General shall provide any written suggestions to the political subdivision within seven days of his receipt of the copy of the contract. The Attorney General's suggestions shall be limited to the enforceability of the contract's provisions and the legal form of the contract.

4. Notwithstanding any provision in this section or in the guidelines, a political subdivision shall not expend, distribute, pledge, use as security, or otherwise use any award from the Fund unless and until such contract as described herein is executed with the business beneficiary.

G. Within the 30 days immediately following June 30 and December 30 of each year, the Governor shall provide a report to the Chairmen of the House Committees on Appropriations and Finance and the Senate Committee on Finance which shall include, but is not limited to, the following information regarding grants and loans awarded from the Fund during the immediately preceding six-month period

for economic development projects: the name of the company that is the business beneficiary of the grant or loan and the type of business in which it engages; the location (county, city, or town) of the project; the amount of the grant or loan committed from the Fund and the amount of all other funds committed by the Commonwealth from other sources and the purpose for which such grants, loans, or other funds will be used; the amount of all moneys or funds agreed to be provided by political subdivisions and the purposes for which they will be used; the number of new jobs agreed to be created by the business beneficiary; the amount of investment in the project agreed to be made by the business beneficiary; the timetable for the completion of the project and new jobs created; the prevailing average wage; and the average wage (excluding fringe benefits) agreed to be paid in the new jobs.

H. The Governor shall provide grants and commitments from the Fund in an amount not to exceed the dollar amount contained in the Fund. If the Governor commits funds for years beyond the fiscal years covered under the existing appropriation act, the State Treasurer shall set aside and reserve the funds the Governor has committed, and the funds shall remain in the Fund for those future fiscal years. No grant or loan shall be payable in the years beyond the existing appropriation act unless the funds are currently available in the Fund.

**§ 2.2-621. Grants by the Commonwealth; certification of employment.**

*Every state agency may require as a condition of receiving any grant or other incentive that is based on employment goals, a recipient company must provide copies of employer quarterly payroll reports that have been provided to the Virginia Employment Commission to verify the employment status of any position included in the employment goal.*

*As used in this section, "state agency" means the same as that term is defined in § 2.2-4347.*

**§ 2.2-903.1. Virginia Jobs Investment Program; composition; general qualifications.**

A. There is hereby created the Virginia Jobs Investment Program (the Program) to support private sector job creation by encouraging the expansion of existing Virginia businesses and the start-up of new business operations in Virginia. The Program shall support existing businesses and economic development prospects by offering funding to offset recruiting and training and retraining costs incurred by companies that are either creating new jobs or implementing technological upgrades and by providing assistance with workforce-related challenges and organizational development workshops.

B. The Program shall consist of the following component programs:

1. The Virginia New Jobs Program;
2. The Workforce Retraining Program;
3. The Small Business New Jobs and Retraining Programs; and
4. The Small Business Jobs Grant Fund Program.

C. To be eligible for assistance under any of the component programs of the Program, a company must:

1. Create or sustain employment for the Commonwealth in a basic sector industry or function, which would include businesses or functions that directly or indirectly derive more than 50 percent of their revenues from out of state sources, as determined by the Department;

2. Pay a minimum entry-level wage rate per hour of at least 1.35 times the federal minimum wage. In areas that have an unemployment rate of one and one-half times the statewide average unemployment rate, the wage rate minimum may be waived by the Department. Only full-time positions that qualify for benefits shall be eligible for assistance; and

3. *Submit copies of employer quarterly payroll reports provided by the company to the Virginia Employment Commission to verify the employment status of each position that has been included in a grant awarded under a component program; and*

4. Meet such additional criteria as may be set forth by the Department.

D. There is hereby established in the state treasury a special nonreverting fund to be known as the Virginia Jobs Investment Program Fund. The Fund shall consist of any moneys appropriated thereto by the General Assembly from time to time and designated for the Fund. Any moneys deposited to or remaining in the Fund during or at the end of each fiscal year or biennium, including interest thereon, shall not revert to the general fund but shall remain in the Fund and be available for allocation under this article in ensuing fiscal years. Moneys in the Fund shall be used solely for grants to eligible businesses as provided in this article, except for assistance under the Small Business Jobs Grant Fund Program. The total amount of funds provided to eligible businesses under this article for any year, except for assistance under the Small Business Jobs Grant Fund Program, shall not exceed the amount appropriated by the General Assembly to the Fund for such year, plus any carryover from previous years. Expenditures and disbursements from the Fund shall be made by the State Treasurer on warrants issued by the Comptroller upon written request signed by the Director or his designee. The Fund shall be administered by the Director.

E. As used in this article:

"Capital investment" means an investment in real property, personal property, or both, at a manufacturing or basic nonmanufacturing facility within the Commonwealth that is or may be

capitalized by the company and that establishes or increases the productivity of the manufacturing facility, results in the utilization of a more advanced technology than is in use immediately prior to such investment, or both.

"Full-time employee" means a natural person employed for indefinite duration in a position requiring a minimum of either (i) 35 hours of the employee's time per week for the entire normal year, which "normal year" must consist of at least 48 weeks, or (ii) 1,680 hours per year. Seasonal or temporary employees shall not qualify as new full-time employees under this article.

**§ 2.2-2319. Cooperative Marketing Fund.**

A. There is established the Cooperative Marketing Fund (Marketing Fund) for the purpose of encouraging, stimulating, and supporting the tourism segment of the economy of the Commonwealth and the direct and indirect benefits that flow from the success of such industry. To create the public-private partnership envisioned by such Marketing Fund, the Marketing Fund shall be established out of the sums appropriated by the General Assembly for the purpose of matching private funds to be used for the promotion, marketing, and advertising of the Commonwealth's many tourist attractions and locations. Proposals shall be eligible for matching grant funds under this section only if they promote, benefit, market and advertise locations or destinations that are (i) solely within the territorial limits of the Commonwealth or (ii) in both the Commonwealth and any adjoining state, in which instance the matching grant funds should be used to promote locations and destinations located within the territorial limits of the Commonwealth. The funds made available in the appropriations act for the Marketing Fund shall be administered and managed by the Authority.

B. In the event more than one person seeks to take advantage of the benefits conferred by this section and the Marketing Fund is insufficient to accommodate all such requests, the matching formula shall be adjusted, to the extent practicable, to afford each request for which there is a valid public purpose an equitable share.

C. All persons seeking to receive or qualify for such matching funds shall apply to the Authority in January of the year preceding the fiscal year for which funds are sought, and to the extent the Governor concurs in such funding request, it shall be reflected in the Governor's Budget Bill filed pursuant to § 2.2-1509. The application shall set forth the applicant's proposals in detail. The Authority shall develop guidelines setting forth the criteria it will weigh in considering such applications; such guidelines may indicate a preference for proposals submitted by nonprofit organizations. *The guidelines may require that as a condition of receiving any grant or other incentive that is based on employment goals, a recipient company must provide copies of employer quarterly payroll reports provided to the Virginia Employment Commission to verify the employment status of any position included in the employment goal.*

**§ 2.2-2320. Governor's Motion Picture Opportunity Fund.**

There is created a Governor's Motion Picture Opportunity Fund (the Fund) to be used, in the sole discretion of the Governor, to support the film and video industries in Virginia by providing the means for attracting production companies and producers who make their projects in the Commonwealth using Virginia employees, goods and services. The Fund shall consist of any moneys appropriated to it in the general appropriation act or revenue from any other source. The Fund shall be established on the books of the Comptroller and any moneys remaining in the Fund at the end of a biennium shall not revert to the general fund but shall remain in the Fund. Interest earned on the Fund shall be credited to the Fund.

The Fund shall be used by the Governor to assist production companies or producers that meet the eligibility requirements set forth in the guidelines. The Authority shall assist the Governor in the development of guidelines for the use of the Fund. *The guidelines may require that as a condition of receiving any grant or loan incentive that is based on employment goals, a recipient company must provide copies of employer quarterly payroll reports provided to the Virginia Employment Commission to verify the employment status of any position included in the employment goal.* The guidelines should include provisions for geographic diversity and a cap on the amount of money available for a certain project. The types of projects eligible for consideration will be feature films, children's programs, documentaries, television series or other television programs designed to fit a thirty-minute or longer format slot. Projects not eligible are industrial, corporate or commercial projects, education programs not intended for rebroadcast, adult films, music videos and news shows or reports.

**§ 2.2-5103. Requirements for grants generally.**

A. Any eligible manufacturer, eligible company, or research and development service eligible to apply for a grant under this chapter shall provide evidence, satisfactory to the Secretary, of the amount of the capital investment, the number of new jobs created as a result of the capital investment and such other evidence that requirements of this chapter have been satisfied. An eligible manufacturer, eligible company, or research and development service whose application has been approved shall continue to comply with the requirements for grant eligibility during the grant payment period. The Partnership shall verify that the conditions for approval of any grant have been satisfied. *The Partnership may require that as a condition of receiving any grant or loan incentive that is based on employment goals, a*

305 *recipient manufacturer, company, or research and development service must submit copies of employer*  
306 *quarterly payroll reports provided to the Virginia Employment Commission to verify the employment*  
307 *status of any position included in the employment goal.*

308 B. Prior to any grant payment, the Partnership shall certify to (i) the Comptroller and (ii) each  
309 applicant the amount of the grant to which such applicant is entitled. Subject to the appropriation by the  
310 General Assembly of sufficient moneys to the appropriate subfund, payment of such grant shall be made  
311 from the subfund by check issued by the State Treasurer on warrant of the Comptroller within 60 days  
312 of certification.

313 C. As a condition of receipt of a grant, a major eligible employer or eligible company shall make  
314 available to the Partnership for inspection upon request all relevant and applicable documents to  
315 determine whether the requirements for the receipt of grants as set forth in this chapter have been  
316 satisfied. All such documents appropriately identified by the major eligible employer or eligible  
317 company shall be considered confidential and proprietary.

318 D. Within 30 days of each calendar quarter, the Secretary shall provide a report to the chairmen of  
319 the House Committee on Appropriations and the Senate Committee on Finance that shall include, but is  
320 not limited to, the following information: the name of the eligible manufacturer, eligible company, or  
321 research and development service determined to be eligible for a grant; the product it manufactures, the  
322 nature of the research, or the products it produces or services it provides, as applicable; the locality of  
323 the manufacturing, research and development, or other facility; the amount of the grant made or  
324 committed from the Fund; the number of new jobs created or projected to be created; the amount of the  
325 manufacturer's, eligible company's, or research and development service's capital investment; and the  
326 timetable for the completion of the capital investment and new jobs created or employment creation, as  
327 applicable.

328 E. The Secretary shall provide grants and commitments from the Fund in an amount not to exceed  
329 the dollar amount contained in the Fund. If funds are committed for years beyond the fiscal years  
330 covered under the existing appropriation act, the State Treasurer shall set aside and reserve such funds  
331 as have been committed, and such funds shall remain in the Fund for those future fiscal years. No grant  
332 shall be payable in the years beyond the existing appropriation act unless such funds are currently  
333 available in the Fund.

334 **§ 3.2-305. Guidelines and criteria for awarding grants from Fund.**

335 The Secretary of Agriculture and Forestry, in consultation with the Virginia Economic Development  
336 Partnership, the Virginia Department of Agriculture and Consumer Services, and the Virginia  
337 Department of Forestry, shall assist the Governor in developing objective guidelines and criteria that  
338 shall be used in awarding grants from the Fund. The guidelines may include a requirement for the  
339 affected localities to provide matching funds, which may be cash or in-kind, at the discretion of the  
340 Governor. *The guidelines may require that as a condition of receiving any grant incentive that is based*  
341 *on employment goals, a recipient company must provide copies of employer quarterly payroll reports*  
342 *provided to the Virginia Employment Commission to verify the employment status of any position*  
343 *included in the employment goal.* The guidelines and criteria shall include provisions for geographic  
344 diversity, a requirement that a project purchase a minimum percentage of Virginia-grown or  
345 Virginia-produced agricultural or forestal products to which its processes are adding value, and a cap on  
346 the amount of funds to be provided to any individual project.

347 **§ 3.2-3108. Distribution of Fund.**

348 The Fund shall be distributed by the Commission for the following purposes:

349 1. The compensation of Virginia tobacco farmers for the decline or elimination of the tobacco quota  
350 based on averaging the basic burley and flue-cured quota as allocated by the USDA for the crop years  
351 1995 through 1998.

352 To the extent quota holders in Virginia are not otherwise compensated by a national tobacco  
353 community trust fund or a federal tobacco loss assistance program that is based on substantially the  
354 same distribution criteria established by the Commission for indemnification payments and to the extent  
355 moneys are available in the Fund, the Fund shall be used to compensate quota holders in an amount  
356 equal to the total lost asset value in quota incurred annually by such quota holders.

357 To the extent active tobacco producers in Virginia are not otherwise compensated by a national  
358 tobacco community trust fund or a federal tobacco loss assistance program that is based on substantially  
359 the same distribution criteria established by the Commission for indemnification payments and to the  
360 extent moneys are available in the Fund, the Fund shall be used to compensate active tobacco producers  
361 for the economic loss resulting from any annual quota reduction.

362 For the purposes of this section, the total asset loss value in quota and economic losses for tobacco  
363 farmers in Virginia shall be estimated to be \$1.2 billion.

364 The Commission may establish criteria for determining economic loss resulting from any annual  
365 quota reduction, including any similar criteria established pursuant to the creation of a national tobacco  
366 community trust fund;

2. The stimulation of economic growth and development in tobacco-dependent communities in an equitable manner throughout the southside and southwest regions of the Commonwealth, to assist such communities in reducing their dependency on, or finding alternative uses for, tobacco and tobacco-related business; and

3. Scientific research performed at one of the Commonwealth's National Cancer Institute-designated research institutes designed to advance the treatment and prevention of cancers that directly impact the citizens of tobacco-dependent communities throughout the southside and southwest regions of the Commonwealth.

*The Commission may require that as a condition of receiving any grant or loan incentive that is based on employment goals, a recipient company must provide copies of employer quarterly payroll reports provided to the Virginia Employment Commission to verify the employment status of any position included in the employment goal.*