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SENATE BILL NO. 717**AMENDMENT IN THE NATURE OF A SUBSTITUTE**(Proposed by the Senate Committee on Finance
on February 9, 2016)

(Patron Prior to Substitute—Senator Marsden)

A *BILL to amend the Code of Virginia by adding in Title 3.2 a chapter numbered 46.1, consisting of sections numbered 3.2-4614 and 3.2-4615, relating to vineyards; Vineyards and Orchards Grant Program and Fund.*

Be it enacted by the General Assembly of Virginia:

1. That the Code of Virginia is amended by adding in Title 3.2 a chapter numbered 46.1, consisting of sections numbered 3.2-4614 and 3.2-4615, as follows:

CHAPTER 46.1.**VINEYARDS AND ORCHARDS.****§ 3.2-4614. Vineyards and Orchards Grant Fund.**

A. *There is hereby created in the state treasury a special nonreverting fund to be known as the Vineyards and Orchards Grant Fund. The Fund shall be established on the books of the Comptroller.*

B. *All funds appropriated for such purpose and any gifts, donations, grants, bequests, and other funds received on its behalf shall be paid into the state treasury and credited to the Fund. Interest earned on moneys in the Fund shall remain in the Fund and be credited to it. Any moneys remaining in the Fund, including interest thereon, at the end of each fiscal year shall not revert to the general fund but shall remain in the Fund.*

C. *Moneys in the Fund shall be used solely for the purpose of administering and funding the Vineyards and Orchards Grant Program pursuant to § 3.2-4615. Expenditures and disbursements from the Fund, which shall be in the form of grants, shall be made by the State Treasurer on warrants issued by the Comptroller upon written request signed by the Commissioner. Grants from the Fund shall only be made to applications to the Vineyards and Orchards Grant Program pursuant to § 3.2-4615.*

§ 3.2-4615. Vineyards and Orchards Grant Program.

A. *As used in this chapter, unless the context requires a different meaning:*

"Fund" means the Vineyards and Orchards Grant Fund established pursuant to § 3.2-4614.

"Grant" means a grant issued pursuant to the Vineyards and Orchards Grant Program.

"Individual" means a Virginia farm cidery, Virginia farm winery, orchard, or vineyard.

"Orchard" means agricultural lands located in the Commonwealth consisting of at least one contiguous acre dedicated to the planting of fruit trees that are used in or intended to be used in the production of wine or cider by a Virginia farm winery as well as any other plants or other improvements thereon.

"Program" means the Vineyards and Orchards Grant Program established in this section.

"Vineyard" means agricultural lands located in the Commonwealth consisting of at least one contiguous acre dedicated to the growing of grapes that are used in or intended to be used in the production of wine by a Virginia farm winery as well as any plants or other improvements thereon.

"Virginia farm cidery" means a Virginia farm winery that produces cider.

"Virginia farm winery" means an establishment located in the Commonwealth that is licensed as a Virginia farm winery pursuant to § 4.1-207.

B. *Beginning January 1, 2017, any individual who purchases materials or supplies for vines or fruit trees for use in establishing a new vineyard or orchard or expanding an existing vineyard or orchard may apply for a grant from the Fund.*

C. *An individual shall apply to the Department for a grant to be reimbursed for up to 50 percent of the cost of approved (i) vines or fruit trees or (ii) materials, supplies, or other expenses, for use in establishing or expanding a vineyard or orchard. Grants shall be issued on an annual basis beginning July 1, 2018, and shall give priority first to applications that propose to expand a vineyard or orchard of five acres or less, second to applications that propose to expand a vineyard or orchard of more than five acres, and third to applications that propose to establish a new vineyard or orchard in accordance with the guidelines developed by the Department.*

D. *The Department shall develop guidelines setting forth the general requirements of qualifying for a grant and for the administration of grants, including monetary limits for grant issuance per individual.*

E. *The Commissioner shall establish an advisory committee to support the Department in the administration of the Program. The advisory committee shall be composed of individuals, representatives of industry trade organizations, and the Virginia Cooperative Extension.*

F. *The Department shall compile, maintain, and distribute electronically information on the Program and on vineyard and orchard management.*