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## HOUSE BILL NO. 2348

Offered January 9, 2019

Prefiled January 8, 2019

*A BILL to amend and reenact §§ 2.2-1611 and 2.2-2240.3 of the Code of Virginia, relating to economic development investments and grants; minimum wage requirements.*

Patron—Herring

Referred to Committee on Appropriations

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

**1. That §§ 2.2-1611 and 2.2-2240.3 of the Code of Virginia are amended and reenacted as follows:**

**§ 2.2-1611. Small Business Jobs Grant Fund Program; composition; general qualifications.**

A. There is hereby created the Small Business Jobs Grant Fund 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.

B. To be eligible for assistance under the Program, a company shall:

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 35 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 ~~4.35~~ 1.75 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;

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.

**§ 2.2-2240.3. Definitions; Virginia Jobs Investment Program and Fund; composition; general qualifications.**

A. As used in this section and §§ 2.2-2240.4, 2.2-2240.5, and 2.2-2240.6, unless the context requires a different meaning:

"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" shall 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 the Program.

"Fund" means the Virginia Jobs Investment Program Fund created in this section.

"Program" means the Virginia Jobs Investment Program created in this section.

B. There is hereby created the Virginia Jobs Investment 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.

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

1. The Virginia New Jobs Program;

2. The Workforce Retraining Program; and

3. The Small Business New Jobs and Retraining Programs.

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

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 Authority;

2. Pay a minimum entry-level wage rate per hour of at least ~~4.35~~ 1.75 times the federal minimum

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59 wage. In areas that have an unemployment rate of one and one-half times the statewide average  
60 unemployment rate, the wage rate minimum may be waived by the Authority. Only full-time positions  
61 that qualify for benefits shall be eligible for assistance;

62 3. Meet such additional criteria as may be set forth by the Authority.

63 E. There is hereby established in the state treasury a special nonreverting fund to be known as the  
64 Virginia Jobs Investment Program Fund (the Fund). The Fund shall consist of any moneys appropriated  
65 thereto by the General Assembly from time to time and designated for the Fund. Any moneys deposited  
66 to or remaining in the Fund during or at the end of each fiscal year or biennium, including interest  
67 thereon, shall not revert to the general fund but shall remain in the Fund and be available for allocation  
68 under this article in ensuing fiscal years. Moneys in the Fund shall be used solely for grants to eligible  
69 businesses as permitted by the Program. The total amount of funds provided to eligible businesses under  
70 the Program for any year, shall not exceed the amount appropriated by the General Assembly to the  
71 Fund for such year, plus any carryover from previous years. Expenditures and disbursements from the  
72 Fund shall be made by the State Treasurer on warrants issued by the Comptroller upon written request  
73 signed by the President and Chief Executive Officer or his designee. The Fund shall be administered by  
74 the President and Chief Executive Officer.