

VIRGINIA ACTS OF ASSEMBLY — CHAPTER

An Act to amend and reenact §§ 30-309 through 30-312 of the Code of Virginia, relating to the MEI Project Approval Commission.

[S 587]

Approved

Be it enacted by the General Assembly of Virginia:

1. That §§ 30-309 through 30-312 of the Code of Virginia are amended and reenacted as follows:

§ 30-309. MEI Project Approval Commission; membership; terms; compensation and expenses; definition.

A. The MEI Project Approval Commission (the Commission) is established as an advisory commission in the legislative branch of state government. The purpose of the Commission shall be to review financing for individual incentive packages, including but not limited to packages offering tax incentives, for economic development, *film, and episodic television* projects (including but not limited to MEI projects) for which (i) one or more of the incentives in the incentive package is not authorized under current law or an amendment by the General Assembly is being sought to one or more currently existing incentives included as part of the incentive package or (ii) the aggregate amount of incentives to be provided by the Commonwealth in the incentive package including grants, tax incentives such as credits and exemptions *related to economic development or the film or television industry*, general or nongeneral funds, proceeds from bonds, rights to lease property at below fair market value, or any other incentives from the Commonwealth is in excess of \$10 million in value. *However, no review shall be required for a project if the only incentives to be provided to a potential project are nondiscretionary tax credits or exemptions available to any qualified taxpayer under existing law.*

B. The Commission shall consist of ~~10~~ 14 members as follows: ~~five~~ seven members of the House Committee on Appropriations or the House Committee on Finance appointed by the chair of the House Committee on Appropriations and ~~three~~ five members of the Senate Committee on Finance appointed by the chair of the Senate Committee on Finance. In addition, the Secretaries of Finance and Commerce and Trade shall serve as ex officio, nonvoting members of the Commission.

C. Members shall serve terms coincident with their terms of office. Vacancies for unexpired terms shall be filled in the same manner as the original appointments. Members may be reappointed for successive terms.

D. The members of the Commission shall elect a chairman and vice-chairman annually. A majority of the voting members of the Commission shall constitute a quorum. The meetings of the Commission shall be held at the call of the chairman or whenever the majority of the members so request.

E. Legislative members of the Commission shall receive such compensation as provided in § 30-19.12, and nonlegislative members shall receive such compensation as provided in § 2.2-2813.

F. As used in this chapter, "MEI project" means the same as that term is defined in § 2.2-2260.

§ 30-310. Review of incentive packages.

A. 1. The Commission shall review individual incentive packages, including but not limited to packages offering tax incentives, for economic development, *film, and episodic television* projects (including but not limited to MEI projects) for which (i) one or more of the incentives in the incentive package is not authorized under current law or an amendment by the General Assembly is being sought to one or more currently existing incentives included as part of the incentive package or (ii) the aggregate amount of incentives to be provided by the Commonwealth in the incentive package including grants, tax incentives such as credits and exemptions, general or nongeneral funds, proceeds from bonds, rights to lease property at below fair market value, or any other incentives from the Commonwealth is in excess of \$10 million in value. *However, no review shall be required for a project if the only incentives to be provided to a potential project are nondiscretionary tax credits or exemptions available to any qualified taxpayer under existing law.* The Commission shall also review economic development projects in which a business relocates or expands its operations in one or more Virginia localities and simultaneously closes its operations or substantially reduces the number of its employees in another Virginia locality. The Commission shall recommend approval or denial of such packages and projects to the General Assembly. Factors that shall be considered by the Commission in its review shall include; but not be limited to ~~(i)~~ (a) return on investment, ~~(ii)~~ (b) the time frame for repayment of incentives to the Commonwealth, ~~(iii)~~ (c) average wages of the jobs created by the prospective MEI project or other economic development project, ~~(iv)~~ (d) the amount of capital investment that is required, and ~~(v)~~ (e) the need for enhanced employment opportunities in the prospective location of the prospective MEI project

ENROLLED

SB587ER

57 or other economic development project.

58 2. a. Any time a proposed individual incentive package is to be considered by the Commission,
 59 materials outlining (i) the value of the proposed incentives; (ii) assumed return on investment; (iii) the
 60 time frame for repayment of incentives to the Commonwealth; (iv) average wages of the jobs created
 61 by the prospective ~~MEI project or other~~ economic development, *film, or episodic television* project; (v)
 62 the amount of capital investment that is required; ~~and~~; (vi) the need for enhanced employment
 63 opportunities in the prospective location of the prospective ~~MEI project or other~~ economic development,
 64 *film, or episodic television* project; (vii) *the total amount of state incentives received by the sponsor of*
 65 *the economic development, film, or episodic television project in the past; and (viii) a list of all other*
 66 *existing, nondiscretionary tax credits or exemptions for which the sponsor of the economic development,*
 67 *film, or episodic television project may qualify* shall be provided to the ~~Commission members~~ staff of
 68 the House Committee on Appropriations and Senate Committee on Finance not less than ~~48 hours~~ five
 69 business days prior to the scheduled Commission meeting. Staff shall also be provided with an
 70 aggregate list of all discretionary incentives currently committed by the Commonwealth for the next 10
 71 years, including anticipated requests for appropriations to satisfy such commitments during that time.

72 b. The timing of any request for an endorsement of a proposed individual incentive package should
 73 be scheduled so that the MEI Commission could, at its discretion, have up to seven days subsequent to
 74 the presentation of the incentive package prior to endorsing or rejecting such proposal.

75 B. An affirmative vote by ~~three~~ four of the ~~five~~ seven members of the Commission from the House
 76 of Delegates and ~~two~~ three of the ~~three~~ five members of the Commission from the Senate shall be
 77 required to endorse any incentive package, including but not limited to packages offering tax incentives,
 78 for economic development, *film, and episodic television* projects (including but not limited to MEI
 79 projects) for which (i) one or more of the incentives in the incentive package is not authorized under
 80 current law or an amendment by the General Assembly is being sought to one or more currently
 81 existing incentives included as part of the incentive package or (ii) the aggregate amount of incentives to
 82 be provided by the Commonwealth in the incentive package including grants, tax incentives such as
 83 credits and exemptions, general or nongeneral funds, proceeds from bonds, rights to lease property at
 84 below fair market value, or any other incentives from the Commonwealth is in excess of \$10 million in
 85 value. Such vote shall also be required to endorse any economic development project in which a
 86 business relocates or expands its operations in one or more Virginia localities and simultaneously closes
 87 its operations or substantially reduces the number of its employees in another Virginia locality. *However,*
 88 *no vote shall be required for a project if the only incentives to be provided to a potential project are*
 89 *nondiscretionary tax credits or exemptions available to any qualified taxpayer under existing law.*

90 **§ 30-311. Staff; cooperation from other state agencies.**

91 Administrative staff support shall be provided by the staffs of the House Committee on
 92 Appropriations and the Senate Finance Committee. Additional assistance as needed shall be provided by
 93 the Auditor of Public Accounts, *the Division of Legislative Services*, the Virginia Economic
 94 Development Authority, or the Virginia Public Building Authority.

95 **§ 30-312. Commission report to General Assembly.**

96 The *chairman of the* Commission shall report annually by the first day of each General Assembly
 97 Regular Session on all endorsed incentive packages for which an offer has been made and publicly
 98 announced. Staff identified in § 30-311 shall assist the commission in preparing such report, which shall
 99 contain the following information: (i) the industrial sector of the MEI project or other economic
 100 development project, (ii) known competitor states, (iii) employment creation and capital investment
 101 expectations, (iv) anticipated average annual wage of the new jobs, (v) local and state returns on
 102 investment as prepared by the Virginia Economic Development Partnership Authority, (vi) expected time
 103 frame for repayment of the incentives to the Commonwealth in the form of direct and indirect general
 104 tax revenues, (vii) details of the proposed incentive package, including the breakdown of the components
 105 into various uses and an expected timeline for payments, and (viii) draft legislation or amendments to
 106 the Appropriation Act that propose financing for the endorsed incentive package through the Virginia
 107 Public Building Authority or any other proposed funding or financing mechanisms.