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SENATE BILL NO. 970

Offered January 15, 2020

A *BILL to amend and reenact §§ 30-309 and 30-310 of the Code of Virginia, relating to the MEI Project Approval Commission; membership.*

Patron—Howell

Referred to Committee on Rules

Be it enacted by the General Assembly of Virginia:

1. That §§ 30-309 and 30-310 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 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.

B. The Commission shall consist of ~~10~~ 12 members as follows: five 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 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. 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) return on investment, (ii) the time frame for repayment of incentives to the Commonwealth, (iii) average wages of the jobs created by the prospective MEI project or other economic development project, (iv) the amount of capital investment that is required, and (v) the need for enhanced employment opportunities in the prospective location of the prospective MEI project or other economic development project.

2. a. Any time a proposed individual incentive package is to be considered by the Commission, materials outlining (i) the value of the proposed incentives, (ii) assumed return on investment, (iii) the time frame for repayment of incentives to the Commonwealth, (iv) average wages of the jobs created by the prospective MEI project or other economic development project, (v) the amount of capital

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59 investment that is required, and (vi) the need for enhanced employment opportunities in the prospective
60 location of the prospective MEI project or other economic development project, shall be provided to the
61 Commission members not less than 48 hours prior to the scheduled Commission meeting.

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

65 B. An affirmative vote by three of the five members of the Commission from the House of Delegates
66 and ~~two~~ *three* of the ~~three~~ *five* members of the Commission from the Senate shall be required to endorse
67 any incentive package, including but not limited to packages offering tax incentives, for economic
68 development projects (including but not limited to MEI projects) for which (i) one or more of the
69 incentives in the incentive package is not authorized under current law or an amendment by the General
70 Assembly is being sought to one or more currently existing incentives included as part of the incentive
71 package or (ii) the aggregate amount of incentives to be provided by the Commonwealth in the incentive
72 package including grants, tax incentives such as credits and exemptions, general or nongeneral funds,
73 proceeds from bonds, rights to lease property at below fair market value, or any other incentives from
74 the Commonwealth is in excess of \$10 million in value. Such vote shall also be required to endorse any
75 economic development project in which a business relocates or expands its operations in one or more
76 Virginia localities and simultaneously closes its operations or substantially reduces the number of its
77 employees in another Virginia locality.