

SENATE JOINT RESOLUTION NO. 369

Establishing a joint subcommittee to study incentives to promote economic development in the Commonwealth.

Agreed to by the Senate, February 23, 1995

Agreed to by the House of Delegates, February 22, 1995

WHEREAS, competition among states and localities for business expansion and relocation projects has become increasingly intense during the past decade; and

WHEREAS, in order to successfully attract and retain these projects, state and local governments have created a variety of incentives to encourage companies to locate or remain in a particular area; and

WHEREAS, the federal government has also created several tax relief and grant policies to foster growth in economically disadvantaged localities; and

WHEREAS, incentive packages offered to business have become an important factor to many companies concerning where a relocation or expansion will occur; and

WHEREAS, as a result of the perceived importance of incentives, the number of incentives offered and the cost of these incentives to state and local governments continue to increase; and

WHEREAS, the Commonwealth has undertaken several studies to examine the costs and benefits of particular incentives; and

WHEREAS, none of these studies has effectively examined the incentives currently offered by the state to determine their effectiveness and to ensure that they are being targeted most efficiently; and

WHEREAS, "Opportunity Virginia: A Strategic Plan for Jobs and Prosperity" identified the need for a comprehensive study of incentives to promote economic development; and

WHEREAS, there are additional economic development incentives which require further study before being implemented; now, therefore, be it

RESOLVED by the Senate, the House of Delegates concurring, That a joint subcommittee be established to study incentives to promote economic development in the Commonwealth. The joint subcommittee shall conduct a comprehensive study examining the following: (i) various initiatives offered by the state to attract and retain businesses in the Commonwealth in order to promote job creation and investment in Virginia's communities; (ii) the powers of the proposed Virginia Economic Development Partnership, including whether it should be directly involved in assisting with site and project development and what role it should be given in managing state incentives; and (iii) alternative incentive strategies to better utilize existing resources and new incentives.

The joint subcommittee shall be composed of nine members as follows: two members of the Senate to be appointed by the Senate Committee on Privileges and Elections; three members of the House of Delegates to be appointed by the Speaker of the House; two citizens to be appointed by the Governor; and the Secretary of Commerce and Trade and the Secretary of Finance.

The Department of Economic Development shall provide staff support to the joint subcommittee. All agencies of the Commonwealth shall provide assistance to the joint subcommittee, upon request.

The direct cost of this study shall not exceed \$7,500.

The joint subcommittee shall complete its work in time to submit its findings and recommendations to the Governor and the 1996 Session of the General Assembly as provided in the procedures of the Division of Legislative Automated Systems for the processing of legislative documents.

Implementation of this resolution is subject to subsequent approval and certification by the Joint Rules Committee. The Committee may withhold expenditures or delay the period for the conduct of the study.

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