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**HOUSE BILL NO. 495**

Offered January 18, 1996

*A BILL to amend the Code of Virginia by adding in Title 59.1 a chapter numbered 22.3, consisting of a section numbered 59.1-284.13, relating to an incentive grant program to encourage the manufacturing of semiconductor wafers in Virginia.*

Patrons—Dickinson; Senator: Stosch

Referred to Committee on Appropriations

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

**1. That the Code of Virginia is amended by adding in Title 59.1 a chapter numbered 22.3, consisting of a section numbered 59.1-284.13, as follows:**

**CHAPTER 22.3.****SEMICONDUCTOR MANUFACTURING PERFORMANCE GRANT PROGRAM.**

*§ 59.1-284.13. Semiconductor Manufacturing Performance Grant Program.*

*A. As used in this section:*

*"Eligible county" means any county in Virginia with a population of at least 13, 800 but not more than 14, 800.*

*"Manufactures wafers" means the transformation of raw wafers into finished wafers (probed or unprobed).*

*"Qualified manufacturer" means any manufacturer of semiconductor products who (i) has made a capital investment of at least \$1 billion in buildings and equipment located in an eligible county and (ii) manufactures wafers for fast static random access memories and microprocessors, and other semiconductor products.*

*"Secretary" means the Secretary of Commerce and Trade or his designee.*

*"Wafer" or "wafers" means semiconductor wafers eight inches or larger in diameter using 0.5 micron (or less) technology.*

*"Wafers sold or used" means (i) the consigning or transferring of processed wafers to any manufacturing or processing facility of the qualified manufacturer for probe, assembly, or test or (ii) the consigning or transferring of wafers to a manufacturing or processing facility of a subsidiary or other affiliated corporation, a joint venture, a partner, or an independent contractor of the qualified manufacturer.*

*B. Any qualified manufacturer who, from January 1, 2002, through December 31, 2008, sells or uses wafers that it manufactured in an eligible county shall be entitled to receive an annual semiconductor manufacturing performance grant in the amount of \$250 per wafer manufactured by it in that county and sold or used by it for fast static random access memories, microprocessors or any other semiconductor products. The grants under this section (i) shall be paid from a fund to be entitled the Semiconductor Manufacturing Performance Grant Fund, (ii) shall not exceed \$60 million in the aggregate, and (iii) shall be paid, as provided in subsection E below, to the qualified manufacturer during the calendar year immediately following the calendar year in which a particular wafer was sold or used.*

*C. If applications for grants under this section for wafers sold or used during a particular calendar year exceed the aggregate amount listed below for that year, each eligible applicant's grant for the year shall equal the amount of the grant to which the applicant would be entitled absent this subsection C times a fraction. The numerator of that fraction shall equal the amount listed or described below for the year, and the denominator shall equal the aggregate dollar amount of grants to which all applicants would be entitled absent this subsection C. The aggregate amount of the grants under this section for a particular year shall not exceed the following:*

Year of Sale or Use	Amount
2002	\$12 million
2003	\$24 million, less the aggregate amount of grants to which all qualified manufacturers were entitled for wafers sold or

59 used during the calendar year  
60 2002  
61 2004 \$36 million, less the aggregate  
62 amount of grants to which all  
63 qualified manufacturers were  
64 entitled for wafer sold or used  
65 during the calendar years 2002  
66 and 2003  
67 2005 \$48 million, less the aggregate  
68 amount of grants to which all  
69 qualified manufacturers were  
70 entitled for wafers sold or  
71 used during the calendar years  
72 2002 through 2004  
73 2006 \$60 million, less the aggregate  
74 amount of grants to which all  
75 qualified manufacturers were  
76 entitled for wafers sold or  
77 used during the calendar years  
78 2002 through 2005  
79 2007 \$60 million, less the aggregate  
80 amount of grants to which all  
81 qualified manufacturers were  
82 entitled for wafers sold or  
83 used during the calendar years  
84 2002 through 2006  
85 2008 \$60 million, less the aggregate  
86 amount of grants to which all  
87 qualified manufacturers were  
88 entitled for wafers sold or  
89 used during the calendar years  
90 2002 through 2007  
91

92 *D. Any qualified manufacturer entitled to apply for a grant under this section shall provide evidence,*  
93 *satisfactory to the Secretary, of the number of wafers manufactured by it in an eligible county that were*  
94 *sold or used by it during a particular calendar year. The application and evidence shall be filed with*  
95 *the Secretary in person or by mail no later than March 31 (or such later date determined by the*  
96 *Secretary in his sole discretion) each year following the calendar year in which the wafers were sold or*  
97 *used. Failure to meet the filing deadline shall render the applicant ineligible to receive a grant for the*  
98 *wafers sold or used during such calendar year. For filings by mail, the postmark cancellation shall*  
99 *govern the date of the filing determination.*

100 *E. Within ninety days after the filing deadline in subsection D, the Secretary shall certify to (i) the*  
101 *Comptroller and (ii) each applicant the amount of the grant to which such applicant is entitled under*  
102 *this section for wafers sold or used by it during the immediately preceding calendar year. Payment of*  
103 *such grant shall be made by check issued by the Treasurer of Virginia on warrant of the Comptroller*  
104 *within sixty days of such certification.*

105 *F. The Secretary, upon presenting appropriate credentials, may examine the records, books, invoices,*  
106 *bills of lading and other applicable documents to determine whether the manufacturing and sale or use*  
107 *of the wafers meet the requirements for grants set forth in this section.*