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HOUSE BILL NO. 495**AMENDMENT IN THE NATURE OF A SUBSTITUTE**(Proposed by the House Committee on Appropriations
on February 10, 1996)

(Patron Prior to Substitute—Delegate Dickinson)

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.

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 for the manufacture of wafers or activities ancillary or supportive of such manufacture in such 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 used" or "uses wafers" 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 during such calendar year 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 subject to appropriations by the General Assembly, (ii) shall not exceed \$60 million in the aggregate, and (iii) shall be paid, as provided in subsections E and F, 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 for such calendar year absent this subsection C. The aggregate amount of the grants under this section for a particular year shall not exceed the following:

<i>Year of Sale or Use</i>	<i>Amount</i>
<i>2002</i>	<i>\$12 million</i>
<i>2003</i>	<i>\$24 million, less the aggregate amount of grants to which all qualified manufacturers were entitled for wafers sold or used during the calendar year</i>

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

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

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

104 *F. As a condition of receipt of a grant, a qualified manufacturer shall make available to the*
105 *Secretary or his designee for inspection upon his request all relevant and applicable documents to*
106 *determine whether the manufacture and sale or use of the wafers meets the requirements for the receipt*
107 *of grants as set forth in this section and subject to a memorandum of understanding between a qualified*
108 *manufacturer and the Commonwealth. The Comptroller shall not draw any warrants to issue checks for*
109 *this program without a specific legislative appropriation as specified in conditions and restrictions on*
110 *expenditures in the Appropriation Act. All such documents appropriately identified by the qualified*
111 *manufacturer shall be considered confidential and proprietary.*