

1996 SESSION

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HOUSE JOINT RESOLUTION NO. 255

Offered January 22, 1996

Memorializing Congress to pass legislation providing states and localities with additional flexibility relating to the issuance of tax-exempt industrial development bonds to promote economic development.

Patrons—Cantor, Bryant, Drake and Kilgore

Referred to Committee on Rules

WHEREAS, tax-exempt industrial development bonds play a critical role in promoting economic development in the Commonwealth; and

WHEREAS, these bonds are used by local industrial development authorities and corporations to create jobs and bring investment to the Commonwealth; and

WHEREAS, in 1995, these bonds, amounting to \$134 million, played a role in creating 2,500 jobs; and

WHEREAS, the Virginia Small Business Financing Authority, which facilitates the administration of the industrial development bond program for the Commonwealth, finds that federal restrictions on the issuance of these bonds hinders business development; and

WHEREAS, particularly restrictive is the \$10 million cap and the limitation that bond proceeds cannot be used to finance associated office and warehouse space needed by businesses expanding in or relocating to Virginia; and

WHEREAS, Congressman Phil English has introduced House Resolution No. 2617 to increase the cap to \$20 million and to remove many of the unnecessary restrictions on the use of industrial development bonds; and

WHEREAS, the Joint Subcommittee to Study Capital Access and Business Financing, created pursuant to House Joint Resolution No. 591 (1995) and Senate Joint Resolution No. 370 (1995), has expressed its support for HR 2617; now, therefore, be it

RESOLVED, by the House of Delegates, the Senate concurring, That Congress be urged to pass legislation (HR 2617) providing states and localities with additional flexibility relating to the issuance of tax-exempt industrial development bonds to promote economic development and foster economic growth across the Commonwealth; and, be it

RESOLVED FURTHER, That the Clerk of the House of Delegates prepare a copy of this resolution for presentation to the President of the United States, the Speaker of the United States House of Representatives, the President of the United States Senate, and the Virginia Congressional Delegation in order that they may be apprised of the sense of the General Assembly of Virginia.

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