

## 1 VIRGINIA ACTS OF ASSEMBLY — CHAPTER

2 *An Act to amend the Code of Virginia by adding a section numbered 2.2-904.01 and to repeal*  
3 *§ 2.2-904.2 of the Code of Virginia, relating to the Virginia Department of Business Assistance's*  
4 *Small Business Jobs Grant Fund Program.*

5 [H 767]

6 Approved

7 **Be it enacted by the General Assembly of Virginia:**8 **1. That the Code of Virginia is amended by adding a section numbered 2.2-904.01 as follows:**9 *§ 2.2-904.01. Small Business Jobs Grant Fund Program.*10 *A. The Department shall develop as a component of the Virginia Jobs Investment Program the Small*  
11 *Business Jobs Grant Fund Program to assist Virginia small businesses job creation.*12 *B. In addition to the requirements of subsection C of § 2.2-903.1 regarding company eligibility, to be*  
13 *eligible for assistance under the Program a company must (i) create a minimum of five net new full*  
14 *time positions and (ii) make a new capital investment of at least \$100,000.*15 *The Secretary of Commerce and Trade may waive these requirements, but shall promptly provide*  
16 *written notice of any such waiver to the Chairmen of the Senate Finance and House Appropriations*  
17 *Committees, which notice shall include a justification for any waiver of these requirements.*18 *C. There is hereby created in the state treasury a permanent nonreverting fund to be known as the*  
19 *Small Business Jobs Grant Fund (the Fund). The Fund shall consist of (i) transfers from the Virginia*  
20 *Jobs Investment Program funded in the general appropriation act currently in effect and (ii) any other*  
21 *moneys designated for deposit to the Fund from any source, public or private. Interest earned on*  
22 *moneys in the Fund shall remain in the Fund and be credited to it. Any moneys remaining in the Fund,*  
23 *including interest thereon, at the end of each fiscal year shall not revert to the general fund but shall*  
24 *remain in the Fund. The Fund shall be managed and administered as a part of the Virginia Jobs*  
25 *Investment Program established within the Department.*26 *D. Moneys in the Fund shall be used solely for the purpose of providing grants to small businesses*  
27 *that create at least five new full-time positions within any 24-month period. A small business meeting*  
28 *the conditions of this section shall be eligible to receive a grant from the Fund ranging from \$500 to*  
29 *\$2,000 per each new full-time position that has been created based on criteria established by the*  
30 *Department pursuant to subsection F.*31 *In awarding grants, priority shall be given to small businesses creating new full-time positions in*  
32 *areas with an annual average unemployment rate of more than 125 percent of the statewide average*  
33 *unemployment rate.*34 *E. Grant payments under this section shall be conditional upon the small business substantially*  
35 *retaining (i) the number of full-time positions in its base year plus (ii) the number of new full-time*  
36 *positions for which grants are to be paid. In no case shall the retention period, as determined by the*  
37 *Department, for any new full-time position for which a grant is to be paid be less than 12 months.*38 *No grant shall be awarded or paid for any new full-time position created prior to July 1, 2010. No*  
39 *grant shall be awarded or paid for any new full-time position created solely as a result of a merger,*  
40 *acquisition, or similar business combination or a change in business form unless such new full-time*  
41 *position is moved into the Commonwealth from outside of the Commonwealth.*42 *F. The Department shall establish criteria for determining the amount of the grant to be awarded for*  
43 *each eligible new full time position created by a small business that will be based on the level of*  
44 *education, training, and experience required for the job. Such criteria shall also (i) prohibit a small*  
45 *business from receiving more than one grant under this section for the same position and (ii) require*  
46 *the employee to be employed in the new full-time position for at least 90 days prior to the award of the*  
47 *grant.*48 *G. The Department shall determine the qualifications, terms, and conditions for the use of the Fund*  
49 *and the accounts thereof. In connection with applications for claims made against the Fund, the*  
50 *Department may require the production of any document, instrument, certificate, or legal opinion or any*  
51 *other information it deems necessary or convenient. All claims made against the Fund shall be approved*  
52 *by the Department.*53 *H. As used in this section:*54 *"Base year" means the calendar year immediately preceding the 24-month period in which a small*  
55 *business creates new full-time positions making it eligible for grants under this section.*56 *"New full-time position" means employment of a resident of the Commonwealth for an indefinite*

57 *duration in the Commonwealth at a small business requiring (i) a minimum of 35 hours of an*  
58 *employee's time per week for the entire normal year of the small business's operation, which "normal*  
59 *year" must consist of at least 48 weeks, or (ii) a minimum of 1,680 hours per year. Seasonal,*  
60 *temporary, or contract positions or positions created when a job function is shifted from an existing*  
61 *location in the Commonwealth shall not qualify as a new full-time position.*

62 *"Small business" means an independently owned and operated business that has been organized*  
63 *pursuant to Virginia law or maintains a principal place of business in Virginia and has 250 or fewer*  
64 *employees in its base year.*

65 **2. That § 2.2-904.2 of the Code of Virginia is repealed.**