

VIRGINIA ACTS OF ASSEMBLY — CHAPTER

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An Act to amend and reenact §§ 2.2-206.2, 2.2-1111, 2.2-5101, 2.2-5102, 30-309, 30-310, and 45.1-394 of the Code of Virginia and to repeal Chapters 22.3 (§§ 59.1-284.13 through 59.1-284.15:1) and 22.8 (§§ 59.1-284.25, 59.1-284.26, and 59.1-284.27) of Title 59.1 of the Code of Virginia, relating to performance and incentive grants; review of incentives.

[H 1842]

Approved

Be it enacted by the General Assembly of Virginia:

1. That §§ 2.2-206.2, 2.2-1111, 2.2-5101, 2.2-5102, 30-309, 30-310, and 45.1-394 of the Code of Virginia are amended and reenacted as follows:

§ 2.2-206.2. Economic incentive grant programs; responsibilities of the Secretary.

A. By July 15 of each year, the agencies listed in subdivisions B 1 through 7 shall report the information outlined in subsection C to the Secretary of Commerce and Trade for the three prior calendar or fiscal years, as applicable, so that the Secretary may develop and issue a report on the effectiveness of economic development incentive grant programs administered by the Commonwealth in meeting performance goals and stimulating economic activity.

By September 15 of each year, the Secretary shall submit the draft report to the Joint Legislative Audit and Review Commission for its review of the accuracy of the information contained in the report and the effectiveness of the evaluation methods.

The Joint Legislative Audit and Review Commission shall provide its comments on the content of the report and the Secretary's analysis to the Secretary, and such comments shall be included as an appendix to the final report, which shall be submitted to the Chairmen of the House Appropriations and Senate Finance Committees by November 15 of each year.

B. The report shall include a review of allocations from the following economic development incentive programs and funds for the previous three calendar or fiscal years, as applicable, as follows:

1. Virginia Economic Development Partnership: Advanced Shipbuilding Training Facility Grant Program, Aerospace Engine Manufacturing Performance Grant Program, Clean Energy Manufacturing Incentive Grant Program *as it was in effect prior to July 1, 2015*, Governor's Development Opportunity Fund, Investment Partnership Grant subfund, Major Eligible Employer Grant subfund, Semiconductor Memory or Logic Wafer Manufacturing Performance Grant Program *as it was in effect prior to July 1, 2016*, Specialized Biotechnology Research Performance Grant Program, Economic Development Incentive Grant subfund, and any customized incentive grants;

2. Virginia Economic Development Partnership Authority: Virginia Jobs Investment Program;

3. Department of Housing and Community Development: Enterprise Zone Job Creation and Real Property Investment Grant Programs;

4. Tobacco Indemnification and Community Revitalization Commission: Tobacco Region Opportunity Fund;

5. Virginia Tourism Authority: Governor's Motion Picture Opportunity Fund;

6. Virginia Port Authority: Port of Virginia Economic and Infrastructure Development Grant Program; and

7. Innovation and Entrepreneurship Investment Authority: Growth Acceleration Program.

C. The report shall assess the effectiveness of allocations made for each program listed in subsection B. Each agency administering programs outlined in subsection B shall submit the applicable data regarding jobs, wages, capital investment, and any other related information requested by the Secretary of Commerce and Trade for purposes of evaluating economic development incentive programs in meeting their performance goals and stimulating economic activity.

For each program, the report shall include (i) an explanation of the overall goals of the program, describing whether the program is focused on job creation and capital investment or investments are governed by ancillary goals of community development and revitalization or the development of a particular industry sector in the Commonwealth; (ii) for each of the previous three calendar or fiscal years, as applicable, summary information, including the total amount of grant funding made available for the program, the total dollar amount of the grants awarded, the total number of grants awarded, the average dollar amount approved per job and average wage expected, where applicable, and any grant amounts repaid; (iii) for each of the three previous calendar or fiscal years, as applicable, for projects that have reached completion or a performance milestone, an aggregate comparison of the projects' performance measures, including the actual number of jobs created, the actual average wages paid, and

57 the actual amount of capital investment, with the expected number of jobs, assumed average wage, and
 58 planned capital investment when the grant awards were made, and the proportion of projects that met or
 59 exceeded the project-specific goals relevant to the program; (iv) for each of the three previous calendar
 60 or fiscal years, as applicable, for all projects that have reached completion or a performance milestone,
 61 an aggregate assessment of the projects' actual rate of return on the Commonwealth's investment
 62 compared with the expected rate of return when the grant awards were made; (v) for each of the three
 63 previous calendar or fiscal years, as applicable, for all projects that have reached completion or a
 64 performance milestone, an aggregate estimate of the projects' total economic impact measured by the
 65 Virginia Economic Development Partnership Authority on the basis of estimated state tax revenues
 66 generated directly or indirectly by the projects, where applicable; and (vi) for all projects that reached
 67 completion five calendar or fiscal years, as applicable, prior to the year of the report, an aggregate final
 68 comparison of jobs reported by companies at the time of completion and jobs at the end of the most
 69 recent calendar year, and an aggregate final comparison of the projects' rate of return at the time of
 70 completion and a five-year rate of return based on the most recent job levels.

71 **§ 2.2-1111. Purchases to be made in accordance with the Virginia Public Procurement Act**
 72 **(§ 2.2-4300 et seq.) and regulations of Division; exempt purchases.**

73 A. All purchases made by any department, division, officer or agency of the Commonwealth shall be
 74 made in accordance with the Virginia Public Procurement Act (§ 2.2-4300 et seq.) and such regulations
 75 as the Division may prescribe.

76 B. The regulations adopted by the Division shall:

77 1. Include a purchasing plan that shall be on file at the Division and shall be available to the public
 78 upon request;

79 2. Require that before any public body procures any computer system, equipment or software, it shall
 80 consider whether the proposed system, equipment or software is capable of producing products that
 81 facilitate the rights of the public to access official records under the Freedom of Information Act
 82 (§ 2.2-3700 et seq.) or other applicable law;

83 3. Require state public bodies to procure only shielded outdoor light fixtures and provide for waivers
 84 of this requirement when the Division determines that a bona fide operational, temporary, safety or
 85 specific aesthetic need is indicated or that such fixtures are not cost effective over the life cycle of the
 86 fixtures. For the purposes of this subdivision, "shielded outdoor light fixture" means an outdoor light
 87 fixture that is (i) fully shielded so that no light rays are emitted by the installed fixture above the
 88 horizontal plane or (ii) constructed so that no more than two percent of the total luminaire lumens in the
 89 zone of 90 to 180 degrees vertical angle is permitted, if the related output of the luminaire is greater
 90 than 3200 lumens. In adopting regulations under this subdivision, the Division shall consider national
 91 standards for outdoor lighting as adopted by the Illuminating Engineering Society of North America
 92 (IESNA).

93 For any project initiated on or after July 1, 2003, the Virginia Department of Transportation shall
 94 design all lighting systems in accordance with current IESNA standards and recommended practices. The
 95 lighting system shall utilize fixtures that minimize glare, light trespass, and skyglow, all as defined by
 96 the IESNA, while still providing a comfortable, visually effective, safe, and secure outdoor environment
 97 in a cost-effective manner over the life cycle of the lighting system;

98 4. Establish the conditions under which a public body may use, as a basis for the procurement of
 99 goods and nonprofessional services, a particular vendor's contract-pricing that has been negotiated and
 100 accepted by the U.S. General Services Administration;

101 5. Establish procurement preferences for products containing recycled oil (including reprocessed and
 102 rerefined oil products) and recycled antifreeze no later than December 31, 2002;

103 6. Establish conditions under which a public body shall demonstrate a good faith effort to ensure that
 104 state contracts or subcontracts for goods or services that involve the manual packaging of bulk supplies
 105 or the manual assemblage of goods where individual items weigh less than 50 pounds be offered to
 106 employment services organizations as defined in § 2.2-4301 that offer transitional or supported
 107 employment services serving individuals with disabilities; and

108 7. Establish the conditions under which state public bodies may procure diesel fuel containing, at a
 109 minimum, two percent, by volume, biodiesel fuel or green diesel fuel, as defined in § 59.1-284.25 *as*
 110 *such section was in effect on June 30, 2015*, for use in on-road internal combustion engines. The
 111 conditions shall take into consideration the availability of such fuel and the variability in cost of
 112 biodiesel fuel with respect to unblended diesel fuel.

113 C. The Division may make, alter, amend or repeal regulations relating to the purchase of materials,
 114 supplies, equipment, nonprofessional services, and printing, and may specifically exempt purchases
 115 below a stated amount or particular agencies or specified materials, equipment, nonprofessional services,
 116 supplies and printing.

117 **§ 2.2-5101. Virginia Investment Performance Grants.**

118 A. Subject to the appropriation by the General Assembly of sufficient moneys to the Investment
 119 Performance Grant subfund, any eligible manufacturer or research and development service that is not
 120 eligible for a major eligible employer grant under § 2.2-5102 shall be eligible for an investment
 121 performance grant as provided in this section.

122 B. The Partnership shall establish an application process by which eligible manufacturers and
 123 research and development services may apply for a grant under this section. An application for a grant
 124 under this section shall not be approved until the Partnership has verified that the capital investment has
 125 been completed.

126 C. The amount of the investment performance grant that an eligible manufacturer or research and
 127 development service shall be eligible to receive under this section shall be determined by the Secretary,
 128 based on the recommendation of the Partnership, and contingent upon approval by the Governor. The
 129 determination of the appropriate amount of an investment performance grant shall be based on the
 130 application of guidelines that establish criteria for correlating the amount of a grant to the relative value
 131 to the Commonwealth of the eligible investment.

132 D. The Partnership shall assist the Secretary in developing objective guidelines that shall be used in
 133 awarding investment performance grants. No grant shall be awarded until the Secretary has provided
 134 copies of such guidelines for review to the ~~chairmen~~ *Chairmen* of the House Committee on
 135 Appropriations and the Senate Committee on Finance. The preparation of the guidelines shall be exempt
 136 from the requirements of Article 2 (§ 2.2-4006 et seq.) of the Administrative Process Act (~~§ 2.2-4000 et~~
 137 ~~seq.~~). The guidelines shall require determinations regarding the amount of investment performance grants
 138 to address:

- 139 1. The number of new jobs created by the capital investment;
- 140 2. The wages paid for the new jobs and the amount by which wages exceed the average
 141 manufacturing wage for the locality or region;
- 142 3. The extent to which the capital investment produces (i) measurable increases in capacity,
 143 productivity, or both; (ii) measurable decreases in the production of flawed product; or (iii) measurable
 144 advances in knowledge, research, or the application of research findings for the creation of new or
 145 significantly improved products or processes that support manufacturing;
- 146 4. The amount of the capital investment;
- 147 5. The net present value of benefits to Virginia;
- 148 6. The amount of other incentives offered by the Commonwealth and the locality; and
- 149 7. The importance of the manufacturing or research and development facility to the economy of the
 150 locality or region.

151 The guidelines shall also address the eligibility of manufacturers or research and development
 152 services that make a capital investment in phases over a period of years, and limits on eligibility for
 153 multiple grants by the same manufacturer or research and development service within stated periods of
 154 time.

155 E. The amount of an investment performance grant to any eligible manufacturer under this section
 156 shall not exceed \$3 million or 10 percent of the amount appropriated by the General Assembly to the
 157 Investment Performance Grant subfund in the year that the terms of a grant are determined. For all
 158 eligible projects awarded grants on or after July 1, 2005, and before July 1, 2009, the amount of an
 159 investment performance grant to any recipient under this section shall not exceed \$1.5 million. For
 160 eligible projects awarded grants on or after July 1, 2009, the amount of an investment performance grant
 161 to any recipient under this section shall not exceed \$3 million, except for eligible projects that
 162 demonstrate extraordinary characteristics described in guidelines implementing this chapter the amount of
 163 an investment performance grant to any such recipient under this section shall not exceed \$5 million.

164 F. For all eligible projects awarded grants before July 1, 2005, the aggregate amount of investment
 165 performance grants approved under this section in any year shall not exceed \$6 million, and the
 166 aggregate amount of grants outstanding to all eligible manufacturers under this section for all years shall
 167 at no time exceed \$30 million. For all such grants awarded prior to that date, the annual obligations of
 168 the Commonwealth to make grant payments to individual eligible manufacturers under this section shall
 169 not exceed \$600,000. For all eligible projects awarded grants on or after July 1, 2005, and before July
 170 1, 2009, the aggregate amount of investment performance grants approved under this section in any year
 171 shall not exceed \$3 million, and the aggregate amount of such grants awarded after that date and
 172 outstanding at any time shall not exceed \$15 million. For all such grants awarded on or after that date,
 173 the annual obligations of the Commonwealth to make grant payments to individual recipients under this
 174 section shall not exceed \$300,000. For all eligible projects awarded grants on or after July 1, 2009, *and*
 175 *before July 1, 2015*, the aggregate amount of investment performance grants approved under this section
 176 in any year shall not exceed \$6 million, and the aggregate amount of such grants awarded *on or after*
 177 ~~that date~~ *July 1, 2009, and before July 1, 2015*, and outstanding at any time shall not exceed \$30
 178 million. For all such grants awarded on or after ~~that date~~ *July 1, 2009, and before July 1, 2015*, the

179 annual obligations of the Commonwealth to make grant payments to individual recipients under this
 180 section shall not exceed \$1 million. *For all eligible projects awarded grants on or after July 1, 2015,*
 181 *the aggregate amount of investment performance grants approved under this section in any year shall*
 182 *not exceed \$6 million, and the aggregate amount of such grants awarded on or after July 1, 2015, and*
 183 *outstanding at any time shall not exceed \$15 million. For all such grants awarded on or after July 1,*
 184 *2015, the annual obligations of the Commonwealth to make grant payments to individual recipients*
 185 *under this section shall not exceed \$1 million.*

186 G. Any eligible manufacturer or research and development service shall be eligible to receive a grant
 187 from the Fund in five equal installments beginning in the third year after the capital investment is
 188 completed and the Partnership has verified that the requirements applicable to such grant have been
 189 satisfied. Any eligible manufacturer or research and development service located in a fiscally distressed
 190 area of the State, as defined in the guidelines implementing this chapter, shall be eligible to begin
 191 receiving grants in the second year after the capital investment is completed and verified.

192 **§ 2.2-5102. Performance grant for major eligible manufacturers.**

193 A. As used in this section, "major eligible employer" means any eligible manufacturer or other
 194 nonmanufacturing basic employer that makes a capital investment of at least \$100 million that results in
 195 the creation of at least 1,000 new jobs. For corporate headquarters and other basic employers that make
 196 a capital investment of at least \$100 million and create at least 400 new jobs paying at least twice the
 197 prevailing average wage for the area, the 1,000 job requirement may be reduced in proportion to the
 198 factor by which the wages for the new jobs exceed the prevailing average wage for the area. All other
 199 provisions of this chapter shall apply equally to major eligible manufacturers and major eligible
 200 nonmanufacturing basic employers, in this chapter collectively referred to as "major eligible employers."

201 B. Subject to the appropriation by the General Assembly of sufficient moneys to the Major Eligible
 202 Employer Grant subfund, any major eligible employer shall be eligible for a grant under this section of
 203 up to \$25 million, to be payable from such subfund over a period of not less than five years and not
 204 more than seven years, commencing in the sixth *third* year following the approval by the Secretary of
 205 the employer's grant application. ~~Any major eligible employer located in a fiscally distressed area of the~~
 206 ~~State, as defined in the guidelines implementing this chapter, shall be eligible to begin receiving grants~~
 207 ~~in the fourth year after the capital investment is completed and verified.~~

208 C. The Partnership shall establish an application process by which major eligible employers may
 209 apply for a grant under this section. An application for a grant under this section shall not be approved
 210 until the Partnership has verified that the capital investment has been completed.

211 D. The Comptroller shall not draw any warrants to issue checks for grants under this chapter without
 212 a specific legislative appropriation as specified in conditions and restrictions on expenditures in the
 213 appropriation act. The payment of any grant under this section shall be in accordance with the terms and
 214 conditions set forth in a memorandum of understanding between a major eligible employer and the
 215 Commonwealth. These terms and conditions shall supplement the provisions of this chapter and shall
 216 include but not be limited to the terms of the payment of the grant. The payment of the grant shall be
 217 made in full or in proportion to a major eligible employer's fulfillment of the terms of the memorandum
 218 of understanding. The Secretary shall consult with the House Committee on Appropriations and the
 219 Senate Committee on Finance prior to entering into any memorandum of understanding. The House
 220 Committee on Appropriations and the Senate Committee on Finance shall have the opportunity to review
 221 any memorandum of understanding prior to its execution by the Commonwealth.

222 **§ 30-309. MEI Project Approval Commission; membership; terms; compensation and expenses;**
 223 **definition.**

224 A. The MEI Project Approval Commission (the Commission) is established as an advisory
 225 commission in the legislative branch of state government. The purpose of the Commission shall be to
 226 review financing for individual incentive packages, including but not limited to packages offering tax
 227 incentives, for economic development projects (including but not limited to MEI projects) for which (i)
 228 one or more of the incentives in the incentive package is not authorized under current law or (ii) an
 229 amendment by the General Assembly is being sought to one or more currently existing incentives
 230 included as part of the incentive package *or (ii) the aggregate amount of incentives to be provided by*
 231 *the Commonwealth in the incentive package including grants, tax incentives such as credits and*
 232 *exemptions, general or nongeneral funds, proceeds from bonds, rights to lease property at below fair*
 233 *market value, or any other incentives from the Commonwealth is in excess of \$10 million in value.*

234 B. The Commission shall consist of 10 members as follows: ~~the chair of the House Committee on~~
 235 ~~Appropriations and four~~ *five* members of the House Committee on Appropriations *or the House*
 236 *Committee on Finance* appointed by the chair of the House Committee on Appropriations *or the House*
 237 *Committee on Finance* and ~~the chair of the Senate Finance Committee and two~~ *three* members of the
 238 Senate Finance Committee *on Finance* appointed by the chair of the Senate Committee on Finance. In
 239 addition, the Secretaries of Finance and Commerce and Trade shall serve as ex officio, nonvoting

240 members of the Commission.

241 C. Members shall serve terms coincident with their terms of office. Vacancies for unexpired terms
242 shall be filled in the same manner as the original appointments. Members may be reappointed for
243 successive terms.

244 D. The members of the Commission shall elect a chairman and ~~vice chairman~~ *vice-chairman*
245 annually. A majority of the voting members of the Commission shall constitute a quorum. The meetings
246 of the Commission shall be held at the call of the chairman or whenever the majority of the members so
247 request.

248 E. Legislative members of the Commission shall receive such compensation as provided in
249 § 30-19.12, and nonlegislative members shall receive such compensation as provided in § 2.2-2813.

250 F. As used in this chapter, "MEI project" means the same as that term is defined in § 2.2-2260.

251 **§ 30-310. Review of incentive packages.**

252 A. 1. The Commission shall review individual incentive packages, including but not limited to
253 packages offering tax incentives, for economic development projects (including but not limited to MEI
254 projects) for which (i) one or more of the incentives in the incentive package is not authorized under
255 current law or ~~(ii)~~ an amendment by the General Assembly is being sought to one or more currently
256 existing incentives included as part of the incentive package *or (ii) the aggregate amount of incentives*
257 *to be provided by the Commonwealth in the incentive package including grants, tax incentives such as*
258 *credits and exemptions, general or nongeneral funds, proceeds from bonds, rights to lease property at*
259 *below fair market value, or any other incentives from the Commonwealth is in excess of \$10 million in*
260 *value.* The Commission shall recommend approval or denial of such packages to the General Assembly.
261 Factors that shall be considered by the Commission in its review shall include, but not be limited to (i)
262 return on investment, (ii) the time frame for repayment of incentives to the Commonwealth, (iii) average
263 wages of the jobs created by the prospective MEI project or other economic development project, (iv)
264 the amount of capital investment that is required, and (v) the need for enhanced employment
265 opportunities in the prospective location of the prospective MEI project or other economic development
266 project.

267 2. a. Any time a proposed individual incentive package is to be considered by the Commission,
268 materials outlining (i) the value of the proposed incentives, (ii) assumed return on investment, (iii) the
269 time frame for repayment of incentives to the Commonwealth, (iv) average wages of the jobs created by
270 the prospective MEI project or other economic development project, (v) the amount of capital
271 investment that is required, and (vi) the need for enhanced employment opportunities in the prospective
272 location of the prospective MEI project or other economic development project, shall be provided to the
273 Commission members not less than ~~forty-eight~~ 48 hours prior to the scheduled Commission meeting.

274 b. The timing of any request for an endorsement of a proposed individual incentive package should
275 be scheduled so that the MEI Commission could, at its discretion, have up to seven days subsequent to
276 the presentation of the incentive package prior to endorsing or rejecting such proposal.

277 B. An affirmative vote by three of the five members of the Commission from the House of Delegates
278 and two of the three members of the Commission from the Senate shall be required to endorse any
279 incentive package, including but not limited to packages offering tax incentives, for economic
280 development projects (including but not limited to MEI projects) for which (i) one or more of the
281 incentives in the incentive package is not authorized under current law or ~~(ii)~~ an amendment by the
282 General Assembly is being sought to one or more currently existing incentives included as part of the
283 incentive package *or (ii) the aggregate amount of incentives to be provided by the Commonwealth in the*
284 *incentive package including grants, tax incentives such as credits and exemptions, general or nongeneral*
285 *funds, proceeds from bonds, rights to lease property at below fair market value, or any other incentives*
286 *from the Commonwealth is in excess of \$10 million in value.*

287 **§ 45.1-394. (Repealed effective July 1, 2017) Biofuels Production Incentive Grant Program.**

288 A. For the purposes of this section:

289 "Advanced biofuels" means a fuel derived from any cellulose, hemicellulose, or lignin that is derived
290 from renewable biomass, or algae.

291 "Biodiesel fuel" means a fuel composed of mono-alkyl esters of long chain fatty acids derived from
292 vegetable oils or animal fats, designated B100, and meeting the requirements of ASTM D6751.

293 "Biofuels" means neat biodiesel fuel, neat green diesel fuel, or neat ethanol fuel that is not blended
294 with a traditional fuel such as gasoline or diesel.

295 "Ethanol fuels" means fermentation alcohol derived from agricultural products, including potatoes,
296 cereal grains, dry mill corn, whey, and sugar beets; forest products; or other renewable resources,
297 including residue and waste generated from the production, processing, and marketing of agricultural
298 products, forest products, and other renewable resources, that:

- 299 1. Meets all applicable ASTM specifications; and
- 300 2. Is denatured as specified in 27 C.F.R. Parts 20 and 21.

301 "Feedstock" means the agricultural or other renewable resources, whether plant or animal derived,
302 used to produce biofuels.

303 "Green diesel fuel" means a fuel produced from nonfossil renewable resources, including agricultural
304 or silvicultural plants; animal fats; residue and waste generated from the production, processing, and
305 marketing of agricultural products; silvicultural products; and other renewable resources, and meeting
306 applicable ASTM specifications.

307 "Producer" means any person, entity, or agricultural cooperative association, as defined in the
308 Agricultural Cooperative Association Act (§ 13.1-312 et seq.) that, in a calendar year, produces in the
309 Commonwealth at least one million gallons of advanced biofuels or biofuels using feedstock originating
310 domestically within the United States.

311 B. 1. A producer of neat advanced biofuels or neat biofuels, including but not limited to such
312 biofuels derived from cereal grains, shall be eligible to receive a biofuels production incentive grant for
313 each gallon of the same that it produces in the Commonwealth. However, a producer shall be eligible
314 for a grant from the Biofuels Production Fund (the Fund) established under § 45.1-393 only for each
315 gallon of neat advanced biofuels or neat biofuels that it produces in the Commonwealth on or after
316 January 1, 2014, which gallon has also been sold by the producer to customers.

317 2. The grant for neat advanced biofuels or neat biofuels produced in the Commonwealth and
318 subsequently sold to customers shall equal (i) \$0.04 per gallon for sales to customers in calendar year
319 2014, (ii) \$0.03 per gallon for sales to customers in calendar year 2015, and (iii) \$0.025 per gallon for
320 sales to customers in calendar year 2016 and for the period January 1, 2017, through June 30, 2017.

321 3. Each producer applying for a grant under this section for 2015 production of neat advanced
322 biofuels or neat biofuels shall make a good faith effort to produce the same using feedstock that is not
323 derived from corn or the corn kernel, stalk, or any other part of the plant. Further, no grant shall be
324 awarded for neat advanced biofuels or neat biofuels produced in 2016 or thereafter using feedstock
325 derived from corn or the corn kernel, stalk, or any other part of the plant.

326 No person shall be eligible for any grants pursuant to this section if the person, or an affiliate of the
327 person, was the recipient of a grant under the Clean Energy Manufacturing Incentive Grant Program
328 (§ 59.1-284.25 et seq.) *as such program was in effect prior to July 1, 2015.*

329 4. In no case shall the Director of the Division of Energy approve more than \$1.5 million in grants
330 in each of fiscal years 2014-2015, 2015-2016, and 2016-2017. Grants awarded under this section shall
331 be paid from the Fund.

332 C. In the event applications for grants pursuant to subsection B as approved by the Director of the
333 Division of Energy exceed the total amount of money allocated in the Fund, grant payments shall be
334 apportioned among eligible producers pro rata based upon the total qualifying gallons of neat advanced
335 biofuels or neat biofuels sold in the respective calendar year by all such eligible producers.

336 D. Any producer eligible to apply for a grant pursuant to this section shall provide evidence in the
337 form of production reports, satisfactory to the Director of the Division of Energy, that the producer met
338 the production requirements provided under this section for the respective calendar year. The producer
339 shall also provide evidence in the form of sales reports, satisfactory to the Director, of the number of
340 qualifying gallons of neat advanced biofuels or neat biofuels sold by the producer to customers in the
341 respective calendar year. Such reports shall be filed no later than March 31 following the calendar year
342 in which the producer sold the qualifying gallons of biofuels. Failure to meet the filing deadline shall
343 render the applicant ineligible to receive a grant. The postmark cancellation shall govern the date of the
344 filing determination unless the Director has approved an alternative means of filing.

345 No producer shall be eligible to receive grants pursuant to this section for qualifying sales made in
346 more than six calendar years. No grants shall be paid under this section for neat advanced biofuels or
347 neat biofuels sold on or after July 1, 2017.

348 E. The Director of the Division of Energy shall determine the amount of the grant payable to each
349 qualifying producer. The Director shall then certify to the Comptroller the grant amount each producer
350 of biofuels is eligible to receive in a given calendar year. Payments shall be paid by check issued by the
351 State Treasurer on warrant of the Comptroller.

352 F. The Director, upon presenting appropriate credentials, may examine the records, books, invoices,
353 bills of lading, storage and production facilities, and other applicable documents to determine whether
354 the production and sale of neat advanced biofuels or neat biofuels meet the requirements for grants as
355 set forth in this section.

356 **2. That the Virginia Economic Development Partnership shall by November 30, 2015, provide a**
357 **written report to the members of the MEI Project Approval Commission established under**
358 **§ 30-309 of the Code of Virginia identifying the specific statutes or programs under which state**
359 **incentives were committed or allowed to economic development projects between January 1, 2010,**
360 **and January 1, 2015, pursuant to incentive packages of the Virginia Economic Development**
361 **Partnership. The report shall include the aggregate dollar value of state incentives committed or**

362 allowed under each specific statute or program during the five-year period. The report shall also
363 include an assessment of the relative effectiveness of each state incentive and an evaluation of how
364 each could be improved to better address the economic growth of the Commonwealth.
365 3. That Chapter 22.3 (§§ 59.1-284.13 through 59.1-284.15:1) of Title 59.1 of the Code of Virginia is
366 repealed effective July 1, 2016.
367 4. That Chapter 22.8 (§§ 59.1-284.25, 59.1-284.26, and 59.1-284.27) of Title 59.1 of the Code of
368 Virginia is repealed.

ENROLLED

HB1842ER