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SENATE BILL NO. 1134

Offered January 11, 2023

Prefiled January 10, 2023

A BILL to amend the Code of Virginia by adding in Title 59.1 a chapter numbered 22.20, consisting of a section numbered 59.1-284.41, relating to Precision Plastic Manufacturing Grant Fund; established.

Patrons—Ruff, Cosgrove, DeSteph, Dunnavant, Hackworth, Hanger, Newman, Norment, Obenshain, Peake, Reeves, Stanley and Stuart

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Referred to Committee on Commerce and Labor

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 22.20, consisting of a section numbered 59.1-284.41, as follows:

CHAPTER 22.20.

PRECISION PLASTIC MANUFACTURING GRANT FUND.

§ 59.1-284.41. Precision Plastic Manufacturing Grant Fund.

A. As used in this chapter, unless the context requires a different meaning:

"Capital investment" means an expenditure by or on behalf of a qualified company on or after June 1, 2022, in real property, tangible personal property, or both, at a facility in an eligible county that is properly chargeable to a capital account or would be so chargeable with a proper election. The purchase or lease of furniture, fixtures, business personal property, machinery and tools, including under an operating lease, and expected building construction and up-fit by or on behalf of a qualified company shall qualify as capital investment.

"Eligible county" means Chesterfield County.

"Facility" means the building, group of buildings, or corporate campus, including any related machinery and tools, furniture, fixtures, and business personal property, that is located at or near a qualified company's operations in an eligible county and is owned, leased, licensed, occupied, or otherwise operated by a qualified company as a temporary or permanent manufacturing and distribution facility for use in the administration, management, and operation of its business.

"Fund" means the Precision Plastic Manufacturing Grant Fund.

"Grants" means the grant payments from the Fund awarded to a qualified company in an aggregate not to exceed $56 million. The proceeds of the grants may be used by the qualified company for payment or reimbursement of the costs of workforce development, costs of construction and development of the facility, or any other lawful purpose.

"Memorandum of understanding" means a performance agreement or related documents entered into on or before June 1, 2022, by a qualified company, the Commonwealth, and VEDP that sets forth the requirements for capital investment and the creation of new full-time jobs by a qualified company in order for a qualified company to be eligible for grants from the Fund.

"New full-time job" means a job position, in which the employee of a qualified company is principally located at a facility, for which the average annual wage for the applicable year is at least equal to the average annual wage for that year required by the memorandum of understanding and the qualified company provides standard fringe benefits. Such position shall require a minimum of either (i) 35 hours of an employee's time per week for the entire normal year of the qualified company's operations, which "normal year" shall consist of at least 48 weeks, or (ii) 1,680 hours per year. Seasonal or temporary positions and positions with construction contractors, vendors, suppliers, and similar multiplier or spin-off jobs shall not qualify as new full-time jobs. The Commonwealth may gauge compliance with the new full-time job requirements for a qualified company by reference to the new payroll generated by a qualified company, if so indicated in the memorandum of understanding.

"Qualified company" means a company, including its affiliates, that engages in the manufacture and distribution of precision plastic products in an eligible county and that between June 1, 2022, and December 31, 2035, is expected to (i) make a capital investment of at least $1 billion and (ii) create at least 1,761 new full-time jobs related to or supportive of its business. A qualified company shall be deemed to be engaged in manufacturing for purposes of Chapter 35 (§ 58.1-3500 et seq.) of Title 58.1.

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

"VEDP" means the Virginia Economic Development Partnership Authority.

B. There is hereby created in the state treasury a special nonreverting fund to be known as the Precision Plastic Manufacturing Grant Fund. The Fund shall be established on the books of the

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Comptroller. All funds appropriated to the Fund shall be paid into the state treasury and credited to the Fund. Interest earned on moneys in the Fund shall remain in the Fund and be credited to it. Any moneys remaining in the Fund, including interest thereon, at the end of each fiscal year shall not revert to the general fund but shall remain in the Fund. Moneys in the Fund shall be used to pay grants pursuant to this chapter. Expenditures and disbursements from the Fund shall be made by the State Treasurer on warrants issued by the Comptroller pursuant to subsection F.

C. A qualified company shall be eligible to receive grants each fiscal year expected to begin with the Commonwealth's fiscal year starting on July 1, 2027, and ending with the Commonwealth's fiscal year starting on July 1, 2035, unless such timeframe is extended in accordance with a memorandum of understanding. Grants paid pursuant to this section shall be subject to appropriation by the General Assembly during each such fiscal year and are contingent on a qualified company meeting the requirements set forth in this chapter and the memorandum of understanding for the number of new full-time jobs created and maintained and the amount of capital investment made. The first grant payment shall not be awarded until a qualified company has created at least 500 new full-time jobs.

D. The aggregate amount of grants payable under this section shall not exceed $56 million. Grants are anticipated to be paid in nine annual installments, calculated in accordance with a memorandum of understanding as follows:

1. $5,939,900 for the Commonwealth's fiscal year beginning July 1, 2027;

2. $13,422,500, less the total amount of grants previously awarded pursuant to this subsection, for the Commonwealth's fiscal year beginning July 1, 2028;

3. $19,582,100, less the total amount of grants previously awarded pursuant to this subsection, for the Commonwealth's fiscal year beginning July 1, 2029;

4. $25,876,700, less the total amount of grants previously awarded pursuant to this subsection, for the Commonwealth's fiscal year beginning July 1, 2030;

5. $32,774,300, less the total amount of grants previously awarded pursuant to this subsection, for the Commonwealth's fiscal year beginning July 1, 2031;

6. $40,103,900, less the total amount of grants previously awarded pursuant to this subsection, for the Commonwealth's fiscal year beginning July 1, 2032;

7. $46,443,500, less the total amount of grants previously awarded pursuant to this subsection for the Commonwealth's fiscal year beginning July 1, 2033;

8. $52,783,100, less the total amount of grants previously awarded pursuant to this subsection for the Commonwealth's fiscal year beginning July 1, 2034; and

9. $56 million, less the total amount of grants previously awarded pursuant to this subsection for the Commonwealth's fiscal year beginning July 1, 2035.

In accordance with a memorandum of understanding, actual payment amounts and fiscal years may differ from the schedule above and may be extended beyond the fiscal year beginning July 1, 2035, but the aggregate amount of grant payments shall not exceed $56 million.

E. A qualified company applying for a grant installment under this section shall provide evidence satisfactory to the Secretary of (i) the aggregate number of new full-time jobs created and maintained as of the last day of the calendar year preceding the application and (ii) the amount of capital investment made in the calendar year preceding the application. The application and evidence shall be filed with the Secretary in person, by mail, or as otherwise agreed upon in a memorandum of understanding no later than April 1 each year reflecting performance through the last day of the prior calendar year. Failure to meet the filing deadline shall result in a deferral of a scheduled grant installment payment set forth in subsection D. For filings by mail, the postmark cancellation shall govern the date of the filing determination.

F. Within 60 days of receiving an application and evidence pursuant to subsection E, the Secretary shall certify to the Comptroller and the qualified company the amount of grants to which such qualified company is entitled for payment. Payment of such grants shall be made by check issued by the State Treasurer on warrant of the Comptroller in the Commonwealth's fiscal year following the submission of an application. The Comptroller shall not draw any warrant to issue checks for grants without a specific appropriation for the same.

G. As a condition of receipt of grants under this section, a qualified company shall make available to the Secretary for inspection, upon request, all documents relevant and applicable to determining whether the qualified company has met the requirements for receipt of a grant as set forth in this section and subject to the memorandum of understanding. All such documents appropriately identified by a qualified company shall be considered confidential and proprietary.