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## SENATE BILL NO. 897

## AMENDMENT IN THE NATURE OF A SUBSTITUTE

(Proposed by the Senate Committee on Agriculture, Conservation and Natural Resources  
on January 24, 2023)

(Patron Prior to Substitute—Senator Stuart)

*A BILL to amend and reenact § 3.2-304 of the Code of Virginia and to amend the Code of Virginia by adding in Chapter 3.1 of Title 3.2 a section numbered 3.2-312, relating to Blue Catfish Processing, Flash Freezing, and Infrastructure Grant Program; created.*

**Be it enacted by the General Assembly of Virginia:**

**1. That § 3.2-304 of the Code of Virginia is amended and reenacted and that the Code of Virginia is amended by adding in Chapter 3.1 of Title 3.2 a section numbered 3.2-312 as follows:**

**§ 3.2-304. Governor's Agriculture and Forestry Industries Development Fund established; purpose; use of funds.**

A. There is hereby created in the state treasury a nonreverting fund to be known as the Governor's Agriculture and Forestry Industries Development Fund (the Fund) to be used by the Governor to attract new and expanding *aquaculture*, agriculture and forestry processing or value-added facilities using Virginia-grown products. The Fund shall consist of any funds appropriated to it by the general appropriation act and revenue from any other source, public or private. The Fund shall be established on the books of the Comptroller, and any funds remaining in the Fund at the end of a biennium shall not revert to the general fund but shall remain in the Fund. Interest earned on the Fund shall be credited to the Fund. Expenditures and disbursements from the Fund shall be made by the State Treasurer on warrants issued by the Comptroller. The Governor shall report to the Chairmen of the House Committees on Appropriations and Finance and the Senate Committee on Finance and Appropriations as funds are awarded in accordance with this chapter.

B. Funds shall be awarded from the Fund by the Governor as grants or loans to political subdivisions. The criteria for making such grants or loans shall include (i) number of jobs expected to be created, (ii) anticipated amount of private capital investment, (iii) additional state tax revenue expected to accrue to the state and affected localities as a result of the capital investment and jobs created, (iv) anticipated amount of Virginia-grown agricultural and forestal products used by the project, (v) projected impact on agricultural and forestal producers, (vi) a return on investment analysis to determine the appropriate size of any grant or loan, and (vii) an analysis of the impact on competing businesses already located in the area.

C. Funds may be used for public and private utility extension or capacity development on and off site; public and private installation, extension, or capacity development of high-speed or broadband Internet access, whether on or off site; road, rail, or other transportation access costs beyond the funding capability of existing programs; site acquisition; grading, drainage, paving, and any other activity required to prepare a site for construction; construction or build-out of publicly or privately owned buildings; training; or grants or loans to an industrial development authority, housing and redevelopment authority, or other political subdivision for purposes directly relating to any of the foregoing. However, in no case shall funds from the Fund be used, directly or indirectly, to pay or guarantee the payment for any rental, lease, license, or other contractual right to the use of any property.

D. Funds may be used for grants to political subdivisions through the Agriculture and Forestry Industries Development Planning Grant Program pursuant to § 3.2-310.

E. Moneys in the Fund shall not be used for any economic development project in which a business relocates or expands its operations in one or more Virginia localities and simultaneously closes its operations or substantially reduces the number of its employees in another Virginia locality. The Secretary of Agriculture and Forestry shall enforce this policy and for any exception thereto shall promptly provide written notice to the Chairmen of the Senate Committee on Finance and Appropriations and the House Committee on Appropriations, which notice shall include a justification for any exception to such policy.

F. The Governor shall provide grants and commitments from the Fund in an amount not to exceed the dollar amount contained in the Fund. If the Governor commits funds for years beyond the fiscal years covered under the existing appropriation act, the State Treasurer shall set aside and reserve the funds the Governor has committed, and the funds shall remain in the Fund for those future fiscal years. No grant shall be payable in the years beyond the existing appropriation act unless the funds are currently available in the Fund.

**§ 3.2-312. Blue Catfish Processing, Flash Freezing, and Infrastructure Grant Program.**

*A. The Governor may award grants from the Fund for the Blue Catfish Processing, Flash Freezing, and Infrastructure Grant Program to encourage efforts by political subdivisions to support the*

60 *processing, flash freezing, and infrastructure of invasive blue catfish species.*

61 *B. Any funds awarded by the Governor pursuant to this section shall be awarded as reimbursable*  
62 *grants of no more than \$250,000 per grant to political subdivisions to support blue catfish processing,*  
63 *flash freezing, and infrastructure projects.*

64 *C. The Secretary of Agriculture and Forestry shall develop guidelines for the Blue Catfish*  
65 *Processing, Flash Freezing, and Infrastructure Grant Program and administer the Blue Catfish*  
66 *Processing, Flash Freezing, and Infrastructure Grant Program on behalf of the Governor. Such*  
67 *guidelines shall (i) require that grants be awarded on a competitive basis, (ii) state the criteria the*  
68 *Governor will use in evaluating any grant application submitted pursuant to this section, and (iii) favor*  
69 *projects that create processing, flash freezing, and infrastructure capacity in proximity to small-scale*  
70 *blue catfish watermen.*

71 *D. The guidelines developed pursuant to subsection C may allow contributions to a project by*  
72 *certain specified entities, such as a nonprofit organization or charitable foundation.*