

SENATE JOINT RESOLUTION NO. 370

Establishing a joint subcommittee to study capital access and business financing.

Agreed to by the Senate, February 23, 1995

Agreed to by the House of Delegates, February 22, 1995

WHEREAS, the primary challenge encountered by many businesses, particularly small and minority-owned businesses, is the inability to secure sufficient financing for new or expanding operations; and

WHEREAS, the continued growth of jobs and incomes in Virginia will depend heavily on facilitating the creation and expansion of these businesses; and

WHEREAS, availability of capital at all stages of business development has been identified as one of the most pressing issues facing businesses in the Commonwealth; and

WHEREAS, state and local governments have created lending authorities and other organizations to address some business financing needs; and

WHEREAS, "Opportunity Virginia: A Strategic Plan for Jobs and Prosperity" and other studies addressing economic development have indicated that these programs are limited in scope and may not sufficiently meet the needs of the Commonwealth to spur the creation and growth of new enterprises; and

WHEREAS, governments cannot and should not replace the private sector as the primary source of financing for business; and

WHEREAS, Virginia lacks a coordinated strategy for attracting privately managed investment and working capital to the Commonwealth; and

WHEREAS, some states have implemented initiatives to increase the accessibility of business financing and to attract investment capital; and

WHEREAS, the availability of investment and working capital is essential to economic development and job creation efforts; now, therefore, be it

RESOLVED by the Senate, the House of Delegates concurring, That a joint subcommittee be established to study capital access and business financing issues. The joint subcommittee shall conduct a comprehensive study and examine the following: (i) various new initiatives and existing state programs which increase the accessibility of private financing for business development and attract investment and working capital, including seed, operating, and expansion capital, to the Commonwealth in order to support economic development efforts; (ii) programs pursued in other states targeted at increasing the availability of private capital; and (iii) the appropriate role of the state in facilitating business financing.

The joint subcommittee shall be composed of sixteen members to be appointed as follows: three members of the Senate to be appointed by the Senate Committee on Privileges and Elections; five members of the House of Delegates to be appointed by the Speaker of the House; six citizens who shall represent private business and financial institutions in the Commonwealth to be appointed by the Governor; the Secretary of Commerce and Trade and the Secretary of Finance, who shall both serve as nonvoting ex officio members.

The Department of Economic Development shall provide staff support to the joint subcommittee. All agencies of the Commonwealth shall provide assistance to the joint subcommittee, upon request.

The direct cost of this study shall not exceed \$6,000.

The joint subcommittee shall complete its work in time to submit its findings and recommendations to the Governor and the 1996 Session of the General Assembly as provided in the procedures of the Division of Legislative Automated Systems for the processing of legislative documents.

Implementation of this resolution is subject to subsequent approval and certification by the Joint Rules Committee. The Committee may withhold expenditures or delay the period for the conduct of the study.