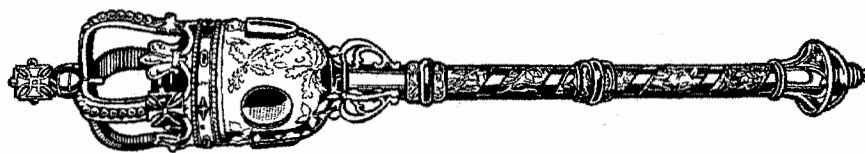


*Report of the
House Appropriations
Subcommittee*

*on
Agriculture, Commerce, Technology
& Natural Resources*



House Bill 1400

February 8, 2015

REPORT OF THE SUBCOMMITTEE

on

AGRICULTURE, COMMERCE, TECHNOLOGY, AND NATURAL RESOURCES

Mr. Chairman and Members of the Committee:

The scope of this Subcommittee is broad, but I will try to make my remarks brief. First, I am very pleased to report that the subcommittee has been provided the necessary resources to expand support for efforts to improve water quality and protect Virginia's open spaces.

The Subcommittee recommends supplementing the funding included in House Bill 1400 for the water quality improvement with an additional \$10.7 million of general fund support. This ensures that even without surplus funds to support WQIF deposits, we maintain our commitment to implementing agricultural best management practices and supporting other nonpoint source pollution control projects. The amendment will provide a total of \$16.5 million for the Natural Resources Commitment Fund for "Ag BMPs", and \$1.6 million for Soil and Water Conservation District technical assistance in fiscal year 2016, equal to the funding included in the current year.

We also recommend providing an additional \$6 million in fiscal year 2016 for land conservation efforts. This includes an additional \$1.0 million each for the Office of Farmland Preservation and the Civil War Historic Site Preservation Fund, and an increase of \$4.0 million for the Virginia Land Conservation Foundation.

Mr. Chairman, next I will touch briefly on the Subcommittee's efforts in the area of Agriculture and Forestry. Virginia's largest industry benefits from even modest increases in support. I am pleased to report that the subcommittee amendments would eliminate the proposed fee increases for the VDACS weights and measures and non-restaurant food establishment programs, restores state support for the coyote control program, and elim-

inate the practice of using self-generated Commodity Board revenues to support the general fund.

Moving next to Commerce and Trade - over the past five years we have worked hard to reinvest and make job creation the top priority of state government. To support the continued attraction of new and expanding businesses, we retained the Governor's request for an additional \$20.7 million in funding for the Governor's Development Opportunity Fund. This will provide the Governor with \$40.6 million to market our great Commonwealth, the largest biennial investment ever made for this Fund. It is our hope that we will all reap the benefits of increased employment in all corners of the state.

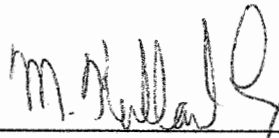
Finally, Mr. Chairman, our Commonwealth has a unique opportunity to benefit from growing our advanced manufacturing sector. To continue this progress, the Subcommittee recommends restoring \$1.5 million for the Commonwealth Center for Advanced Manufacturing to begin facility planning in parallel with the federal application for a \$25.0 million EDA grant which would support the development of an apprentice academy and four regional centers of excellence. This will help create the technical workforce needed to fill the demands of medium- and high-skilled jobs.

Mr. Chairman, I want to thank you and the members of this Committee for supporting our efforts. Now, I will ask staff to take you through our detailed recommendations, and then I hope it will be your pleasure to adopt our Subcommittee report.

Respectfully Submitted by the House Appropriations Subcommittee
on Economic Development, Agriculture & Natural Resources:



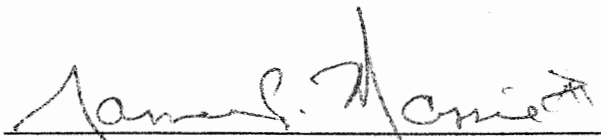
Edward T. Scott, Chairman



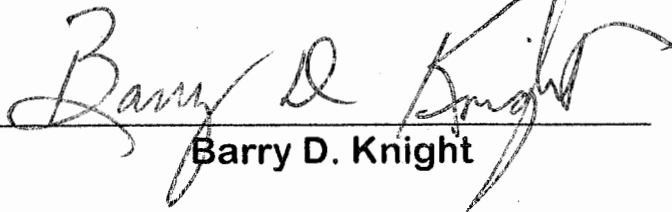
M. Kirkland Cox



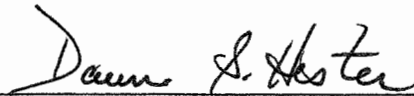
R. Steven Landes



James P. Massie, III



Barry D. Knight



Daun Sessoms Hester



Matthew James

Budget Amendment Recommendations

HB 1400 <u>Amendment</u>

2014-16 BIENNIAL TOTAL		
General	Nongeneral	
<u>Fund</u>	<u>Fund</u>	<u>FTE</u>

AGRICULTURE, COMMERCE, TECHNOLOGY AND NATURAL RESOURCES

Legislature

Friends of Chesapeake Bay License Plate Funds 264,462

Secretary of Agriculture and Forestry

Lyme Disease Review Language

Department Of Agriculture And Consumer Services

Eliminate Proposed Weights and Measures Fee Language

Restore Funding for Youth Scholarships Language

Office of Farmland Preservation 1,000,000

Adjust Distribution AFID Funding Language

Remove Food Inspection Fee Increase Language

Virginia Racing Commission

Technical Correction - Embedded Language Language

Economic Development Incentive Payments

Correct Biofuels Language Language

Remove Tourism Growth Incentive Fund (500,000)

Department Of Housing And Community Development

Amend Rapid Rehousing (500,000)

Restore SW Va Cultural Heritage Foundation 550,000

Remove Collaborative Communities Initiative (1,000,000)

Derelict Structures and Brownfields Redevelopment 500,000

Enterprise Zone Grant Program Review Language

Fort Monroe Authority

Remove Increase in PILOT Fees 691,326

Virginia Economic Development Partnership

Remove Coalfields EDA Funding (1,200,000)

Continue FACT Fund Grant for National Security Research 350,000

Restore Commonwealth Center for Advanced Manufacturing 1,500,000

Virginia Tourism Authority

Restore "See Virginia First" Funding Language

Spearhead Trails Funding 300,000

Department of Conservation and Recreation

Authorize Use of Dam Safety Carry Forward Language

Shoreline Erosion Advisory Services (SEAS) 200,000

Agricultural Management Best Practices 10,696,471

Rainfall Water Quality Guages 42,700

Implement HB 1817 Language

Virginia Land Conservation Fund 4,000,000

Department of Environmental Quality

Restore Underground Storage Tank Fund Balances Language

Review of Underground Storage Tank Fund Policies Language

Department of Historic Resources

Civil War Historic Site Fund 1,000,000

Appomattox Sesquicentennial 100,000

Innovation and Entrepreneurship Investment Authority

Authorize Use of CRCF for MACH 37 Language

CIT Transparency Language Language

Budget Amendment Recommendations

HB 1400 Amendment

2014-16 BIENNIAL TOTAL		
General	Nongeneral	
<u>Fund</u>	<u>Fund</u>	<u>FTE</u>

Veteran's Affairs

Authorize Review of BRAC-Related Projects by MEI	Language	
Appropriate FY 16 NGF for Chesapeake Encroachment		2,350,000
Fund Veteran's Job Grant Program	1,000,000	

Central Appropriations

Use FACT Fund Balances for Langley AFB Encroachment	Language	
Restore VDACS Scholarship Funding	65,800	
Eliminate Savings from Weights and Measures	500,000	
Eliminate Savings from Increased Food Inspection Fee	400,000	
Restore Coyote Control Funding	190,000	
Restore Civil Ware Site Preservation Funding	250,000	
Restore See Virginia First Funding	941,334	

Part 3

Eliminate Indirect Cost Recovery from Commodity Boards	Language
Eliminate Capture of Underground Storage Tank Funds	Language
Increase Cap on Accelerated Sales Tax from \$2.5 to \$3.5 m.	Language
Reflect Loss Revenue - No Legislation Online Travel - Sales Tax	Language
Reflect Loss Revenue - No Legislation Online Travel - TOT	Language
Reflect Loss Revenue - No Legislation Sales Tax Holiday Consolidation	Language
Reflect Loss Revenue - No Legislation Subtraction for Sale of Land for Open Use	Language
Reflect Loss Revenue - Failed Legislation Coalfield Employment Tax Credit	Language
Reflect Changes to LPTC Program Pursuant to HB 1828	Language
Reflect Loss Revenue - No Legislation Long Term Care Deduction	Language
Admissions Tax	Language

Legislative Department**FY 14-15****FY 15-16**

Division Of Legislative Services

\$264,462

\$0 NGF

Language:

Page 12, line 11, strike "\$6,186,998" and insert "\$6,451,460".

Page 12, after line 28, insert:

"E. Included in this item is \$264,462 the first year from dedicated special revenue to implement the recommendations of the Chesapeake Bay Restoration Fund Advisory Committee."

Explanation:

(This amendment would transfer dedicated special fund revenue from the Chesapeake Bay Restoration Fund in order to provide funding for projects recommended by the Chesapeake Bay Restoration Fund Advisory Committee. The Auditor of Public Accounts recommended that the funds be moved to the Department of Legislative Services so that the Commission could distribute the funds to the eligible groups.)

Agriculture and Forestry

Secretary Of Agriculture And
Forestry

Language

Language:

Page 75, after line 6, insert:

"The Secretary of Agriculture and Forestry, in conjunction with the Secretary of Health and Human Resources, shall convene representatives of all relevant state and local agencies, including but not limited to the Departments of Health, Health Professions, Agriculture and Consumer Services, Game and Inland Fisheries, and Forestry, as well as medical professionals and representatives of organizations of affected citizens to evaluate the following:

A. Identification of areas within the Commonwealth to be used as first sites for implementation of "point of disease" prevention strategies, including USDA-approved vaccines. These areas shall be selected based on those with the highest prevalence of Lyme disease;

B. Determine estimated costs of implementing a "point of disease" prevention

program in the identified areas of the Commonwealth; and
C. Identify sources of revenue to pay for such a program, including potential federal grants, local funding, private foundations and state sources.
The Secretary of Agriculture and Forestry shall report his findings to the Chairmen of the House Appropriations and Senate Finance Committees by October 1, 2015."

Explanation:

(This amendment directs the Secretary of Agriculture and Forestry to convene a task force to identify high areas of Lyme disease concentration, determine costs of implementing a prevention program and how those costs could be covered.)

Commerce - Economic Development Subcommittee

Item 93 #1h

Agriculture and Forestry

Department Of Agriculture And
Consumer Services

Language

Language:

Page 78, line 20, strike "A."

Page 78, strike lines 35 and 36.

Explanation:

(This amendment removes language authorizing the imposition of a \$10.00 per device weights and measures inspection fee. A companion amendment to Item 471.10 removes assumed savings of \$500,000 in the second year that had been assumed to be generated by this action as part of the state agency savings required by Chapter 3. An offsetting general fund reduction of \$500,000 general fund for this program is restored by eliminating the shift to the reversion account.)

Commerce - Economic Development Subcommittee

Item 88 #1h

Agriculture and Forestry

Department Of Agriculture And
Consumer Services

Language

Language:

Page 77, unstrike lines 3 through 6.

Explanation:

(This amendment eliminates a proposal to remove state funding totaling \$32,900

each year to support 4-H and Future Farmers of America scholarships and participation in the State Fair of Virginia. A companion amendment to Item 471.10 eliminates the transfer of the associated funding to the central reversion account containing the state agency savings required by Chapter 3.)

Commerce - Economic Development Subcommittee

Item 88 #2h

Agriculture and Forestry

FY 14-15

FY 15-16

Department Of Agriculture And
Consumer Services

\$0

\$1,000,000 GF

Language:

Page 75, line 27, strike "\$19,644,237" and insert "\$20,644,237".

Page 76, line 34, strike "750,000" and insert "\$1,750,000".

Explanation:

(This amendment increases the funding for the Office of Farmland Preservation by \$1.0 million in the second year compared to amounts included in House Bill 1400 as introduced.)

Commerce - Economic Development Subcommittee

Item 89 #1h

Agriculture and Forestry

Department Of Agriculture And
Consumer Services

Language

Language:

Page 77, line 28, after "A." strike "1."

Page 77, strike lines 34 through 35.

Explanation:

(This amendment eliminates language stipulating the portion of the Agriculture and Forestries Development Fund that can be used for local grants. Such grants will still be authorized but the language specifying the portion of total funding dedicated to that purpose is removed in an effort to increase flexibility to respond to program requests.)

Commerce - Economic Development Subcommittee

Item 94 #1h

Agriculture and Forestry

Department Of Agriculture And
Consumer Services

Language

Language:

Page 78, line 49, unstrike "not to exceed \$40".

Page 78, line 50, strike "All establishments subject to this".

Page 79, strike lines 1 through 3.

Page 79, line 4, strike "operations shall be subject to the \$40 fee."

Page 79, line 4, unstrike "However, any such establishment that is subject to".

Page 79, unstrike lines 5 through 8.

Explanation:

(This amendment removes language to change the VDACS non-restaurant food inspection fee from a \$40.00 per establishment fee, to a variable fee ranging from \$40.00 to \$375.00 based on the square footage of the establishment. A companion amendment to Item 471.10, the state agency reversion account established pursuant to Chapter 3, removes an assumed general fund reduction to the agency of \$400,000 the second year that would otherwise be backfilled by the increased fee revenues.)

Commerce - Economic Development Subcommittee

Item 99.20 #1h

Agriculture and Forestry

Virginia Racing Commission

Language

Language:

Page 82, line 41, after "breeding." delete the remainder of the line.

Page 82, delete lines 42 and 43.

Explanation:

(This amendment makes a technical correction to remove embedded language relating to a reversion to the general fund that is no longer occurring because of revenue reductions at the Racing Commission)

Commerce - Economic Development Subcommittee

Item 101 #1h

Commerce and Trade

Economic Development Incentive
Payments

Language

Language:

Page 87, strike lines 37 through 53 and insert:

"M.1. Out of this appropriation, \$1,500,000 the first year and \$1,500,000 the second year from the general fund shall be deposited into the Biofuels Production Fund established pursuant to § 45.1-393, Code of Virginia, to be used solely for the purposes of providing grants to a producer of neat biofuels commencing qualifying sales on or after January 1, 2014, but before June 30, 2014. With the exception of the provisions of subparagraphs M.2. and M.4. of this item, grant payments from the Fund shall be made in accordance with the provisions of § 45.1-394, Code of Virginia.

2. A producer shall be eligible for a grant from the Biofuels Production Fund established under § 45.1-393, Code of Virginia, only for each gallon of neat biofuels that it produces in the Commonwealth on or after January 1, 2014, which gallon has also been sold by the producer to customers.

3. The Secretary of Agriculture and Forestry shall assist any producer that commences qualifying sales of neat biofuels within the period specified in subparagraph M.1. of this item in identifying potential producers of agricultural feedstock sources within 100 miles of the primary biofuels production site and shall examine the feasibility of establishing a cooperative association to meet the feedstock requirements of any such producer. The Secretary of Agriculture and Forestry and the Secretary of Natural Resources shall work within the structure of existing funding for agricultural best management practices from the Water Quality Improvement Fund to develop additional incentives to encourage farmers to produce winter cover crops utilized in biofuels production.

4. As part of the certification process required pursuant to § 45.1-394 D, Code of Virginia, to be eligible for a grant pursuant to this appropriation, the producer shall also provide evidence that feedstock used in the production of the qualifying neat biofuels was derived from Virginia-grown agricultural products to the greatest extent such feedstock materials are available from Virginia sources.

5. To be eligible for a grant under this section for 2015 production of neat advanced biofuels or neat biofuels, a producer must show he has made a good faith effort to produce the same using feedstock that is not derived from corn or the corn kernel, stalk, or any other part of the plant. Further, no grant shall be awarded for neat advanced biofuels or neat biofuels produced in 2016 or thereafter using feedstock derived from corn or the corn kernel, stalk, or any other part of the plant."

Page 88, strike lines 1 through 3.

Explanation:

(This amendment corrects an error contained in Chapter 3, 2015 Special Session

1, whereby the incorrect language relating to the Biofuels Investment Fund was included in the budget instead of the language agreed to by the Conference Committee. The corrected language does not impact the funding levels or the program parameters agreed to pursuant to stand alone legislation passed by the 2014 Session which established the program.)

Commerce - Economic Development Subcommittee

Item 101 #2h

Commerce and Trade	FY 14-15	FY 15-16	
Economic Development Incentive Payments	\$0	(\$500,000)	GF

Language:

Page 84, line 24, strike "\$79,113,444" and insert "\$78,613,444".

Page 88, strike lines 8 through lines 11.

Explanation:

(This amendment eliminates the funding and language associated with a new initiative proposed in stand alone legislation that was not adopted by the 2015 General Assembly relating to a tourism incentive fund.)

Commerce - Economic Development Subcommittee

Item 103 #1h

Commerce and Trade	FY 14-15	FY 15-16	
Department Of Housing And Community Development	\$0	(\$500,000)	GF

Language:

Page 88, line 35, strike "\$214,026,376" and insert "\$213,526,376".

Page 89, strike lines 44 and 45 and insert:

"H. Out of the amounts in this item, \$500,000 in the second year from the general fund shall be provided for rapid re-housing, with a goal to have no veteran be homeless or in a shelter for more than 30 days. These funds shall be used to supplement other state and federal programs, and focus on large voids throughout the state where federal funds are not available and be used to service those veterans not eligible for federal benefits."

Explanation:

(This amendment amends a proposal to add funding to supplement rapid

re-housing efforts for focus the additional funds on addressing homelessness among veterans.)

Commerce - Economic Development Subcommittee

Item 104 #1h

Commerce and Trade	FY 14-15	FY 15-16	
Department Of Housing And Community Development	\$0	\$550,000	GF

Language:

Page 89, line 47, strike "\$40,425,438" and insert "\$40,975,438".

Page 91, after line 46, insert:

"K.1. Out of the amounts in this item, \$550,000 the second year from the general fund shall be provided for the Southwest Virginia Cultural Heritage Foundation.

2. The foundation shall report to the Governor and the Chairmen of the House Appropriations and Senate Finance on the expenditures of the foundation and its ongoing efforts to generate revenues sufficient to sustain operations by September 1 of each year."

Explanation:

(This amendment provides \$550,000 from the general fund in the second year for support of regional economic development activities of the Southwest Virginia Cultural Heritage Foundation. The Foundation is a State entity created to leverage significant cultural and natural heritage assets of the nineteen counties and four cities within Southwest Virginia for economic development purposes. These amounts were included in House Bill 30 as introduced to the 2014 Session but were removed in Chapter 2, 2014 Special Session 1 as part of the budget reduction strategies.)

Commerce - Economic Development Subcommittee

Item 104 #2h

Commerce and Trade	FY 14-15	FY 15-16	
Department Of Housing And Community Development	\$0	\$500,000	GF

Language:

Page 89, line 47, strike "\$40,425,438" and insert "\$40,925,438".

Page 91, after line 36, strike "\$2,000,000" and insert "\$2,500,000".

Page 91, line 38, after "revitalization" insert "and brownfield restoration"

Explanation:

(This amendment provides an increase of \$500,000 in the second year for the Removal of Derelict Structures Fund to support industrial site revitalization and brownfield restoration projects.)

Commerce - Economic Development Subcommittee

Item 104 #3h

Commerce and Trade**FY 14-15****FY 15-16**

Department Of Housing And
Community Development

\$0

(\$1,000,000) GF

Language:

Page 89, line 47, strike "\$40,425,438" and insert "\$39,425,438".

Explanation:

(This amendment removes \$1.0 million included in the House Bill 1400 as introduced to fund an expansion of a pilot project, Building Entrepreneurial Economies.)

Commerce - Economic Development Subcommittee

Item 105 #1h

Commerce and Trade

Department Of Housing And
Community Development

Language

Language:

Page 92, line 3, before "Out", insert "A."

Page 92, after line 12, insert:

"B. Out of the amounts in this item provided for real property improvement grants, up to \$80,000 in the second year shall be used for a review of the state Enterprise Zone Program. The objective is to find out how well the program works to encourage business development in zone areas above increases that would occur in those areas absent zone designation. In addition, the Department should assess what characteristics are most commonly associated with zone success. The evaluation should consider a wide variety of variables, including but not limited to: geographic location, proximity to markets, infrastructure, zone administration, other non-state incentives, and the effects of any proration of grant benefits. The Secretary of

Commerce and Trade, in consultation with the Chairmen of the House Appropriations and Senate Finance Committees, shall approve the final design of the evaluation and the entity selected to conduct the review."

Explanation:

(This amendment directs the use of up to \$80,000 of the funds provided for the real property improvement grants portion of the Enterprise Zone Grant program to evaluate the effectiveness of the program.)

Commerce - Economic Development Subcommittee

Item 119 #1h

Commerce and Trade

FY 14-15

FY 15-16

Fort Monroe Authority

(\$345,663)

(\$345,663) GF

Language:

Page 97, line 47, strike "\$7,063,818" and insert "\$6,718,155".

Page 97, line 47, strike "\$5,834,696" and insert "\$5,489,033".

Page 98, line 22, unstrike the first "\$983,960" and strike the first "\$1,329,623".

Page 98, line 22, unstrike the second "\$983,960" and strike the second "\$1,329,623".

Explanation:

(This amendment eliminates a proposal to increase the payment in lieu of taxes paid by Fort Monroe to the City of Hampton by \$345,663 each year. The General Assembly rejected this increase in the 2014 Session.)

Commerce - Economic Development Subcommittee

Item 120 #1h

Commerce and Trade

FY 14-15

FY 15-16

Virginia Economic Development
Partnership

\$0

(\$1,200,000) GF

Language:

Page 98, line 29, strike "\$19,376,464" and insert "\$18,176,464".

Page 99, line 26, after "H." strike "1."

Page 99, strike lines 29 through 32.

Explanation:

(This amendment removes a proposed appropriation for the Virginia Coalfield Economic Development Authority that is proposed to help hold the Authority

harmless from any reduction in funding that would occur if a companion proposal to cap the Coalfield Employment Tax Credit were to be adopted. A companion amendment to Item 3-5.16 eliminates the proposed change to that tax credit. The intent is that if the change were to occur, this funding would be reinstated.)

Commerce - Economic Development Subcommittee

Item 120 #2h

Commerce and Trade

FY 14-15

FY 15-16

Virginia Economic Development
Partnership

\$0

\$350,000 GF

Language:

Page 98, line 29, strike "\$19,376,464" and insert "\$19,726,464".

Page 100, after line 5, insert:

"P. Out of the amounts for Economic Development Services shall be provided \$350,000 the second year from the general fund to continue a program connecting national security agency research and development programs and project managers with entrepreneurs in Northern Virginia."

Explanation:

(This amendment proposes an appropriation to the VEDP of \$350,000 from the general fund in the second year to provide continued support for an initiative that received initial funding from the Federal Action Contingency Trust Fund in fiscal year 2013, but whose funds were exhausted at the end of calendar year 2014. The program is expected to be self-sustaining following the funding requested for one additional year. National security agency research and development spending is one of the few discretionary areas of the federal budget that has increased and projects are for even further increases. These funds originate with federal agencies that are housed and headquartered in Northern Virginia with billions in funding flowing for national security research and development and its commercialization.)

Commerce - Economic Development Subcommittee

Item 120 #3h

Commerce and Trade

FY 14-15

FY 15-16

Virginia Economic Development
Partnership

\$1,500,000

\$0 GF

Language:

Page 98, line 28, strike "\$18,887,705" and insert "\$20,387,705".

Page 100, after line 5, insert:

"P. Out of this appropriation, \$1,500,000 the first year from the general fund shall be provided to begin facility planning in parallel with federal application to create a land use plan, site layout, building concept, and site access for the apprentice academy for the Commonwealth Center for Advanced Manufacturing."

Explanation:

(This amendment restores support for the Commonwealth Center for Advanced Manufacturing eliminated from the budget in House Bill 5010 in response to the shortfall.)

Commerce - Economic Development Subcommittee

Item 126 #1h

Commerce and Trade

Virginia Tourism Authority

Language

Language:

Page 102, line 22, unstrike "\$405,012" and strike "\$265,006".

Page 102, line 23, unstrike "\$405,012" and strike "\$200,000".

Page 102, line 26, unstrike "\$130,012" and strike "\$65,006".

Page 102, line 26, unstrike "and \$130,102 in the second year".

Page 102, line 28, unstrike "\$390,036" and strike "\$195,018".

Page 102, line 29, unstrike "and \$390,036 in the".

Page 102, line 30, unstrike "second year".

Page 102, line 31, unstrike "," and strike "and".

Page 102, line 32, after "wineries" unstrike the remainder of the line.

Page 102, unstrike line 33.

Page 102, line 34, unstrike "\$497,544" and strike "\$248,772".

Page 102, line 35, unstrike "and \$497,544 the second year".

Page 102, line 39, unstrike "\$1,492,632" and strike "\$746,316 the first year".

Explanation:

(This amendment restores funding for the "See Virginia First" program which leverages state funds on a minimum of 3:1 basis in cooperation with the Virginia Association of Broadcasters. A companion amendment to Item 471.10, the state agency reversion account established pursuant to Chapter 3, removes an assumed general fund reduction to the agency mirroring the reductions to program.)

Commerce - Economic Development Subcommittee

Item 126 #2h

Commerce and Trade**FY 14-15****FY 15-16**

Virginia Tourism Authority

\$0

\$300,000 GF

Language:

Page 101, line 12, strike "\$20,550,560" and insert "\$20,850,560".

Page 102, line 4, strike "and".

Page 102, line 5, after "entity" insert;

"and \$300,000 in the second year to the Southwest Virginia Regional Recreational Authority for the Spearhead Trails initiative".

Explanation:

(This amendment provides \$300,000 from the general fund each year to the Southwest Virginia Regional Recreation Authority for its Spearhead Trails initiative, which is building 500+ miles of off-highway vehicle and equestrian trails in southwest Virginia.)

Commerce - Economic Development Subcommittee

Item 357 #1h

Natural Resources

Department Of Conservation And
Recreation

Language

Language:

Page 320, line 21, after "training." insert:

"The amount appropriated for small dam repairs of known or suspected deficiencies the second year is authorized for transfer to the Soil and Water Conservation District Dam Maintenance, Repair, and Rehabilitation Fund. Unspent funds appropriated for small dam repairs in the first year are also authorized to be retained and transferred to the Fund."

Explanation:

(This amendment authorizes the deposit of \$150,000 in fiscal year 2016 general funds and fiscal year 2015 carry-forward provided for small dam repairs of known or suspected deficiencies into the Soil and Water Conservation District Dam Maintenance, Repair, and Rehabilitation Fund. This action eliminates the recurring need to request annual carry-forward for projects not fully completed within a fiscal year and provides certainty to Soil and Water Conservation Districts that they can proceed with repairs without concern that funding will not be available to meet contractual obligations should a project not be completed within the authorized fiscal

year.)

Commerce - Economic Development Subcommittee

Item 357 #2h

Natural Resources	FY 14-15	FY 15-16	
Department Of Conservation And	\$0	\$200,000	GF
Recreation	0.00	2.00	FTE

Language:

Page 319, line 35, strike "\$55,254,708" and insert "\$55,454,708".

Page 322, after line 30, insert:

"N. Included in this appropriation is \$200,000 in the second year from the general fund and two positions for the Department of Conservation and Recreation to provide technical assistance to support Shoreline Erosion Advisory Services as established in § 10.1-702 of the Code of Virginia."

Explanation:

(This amendment would provide \$200,000 in the second year from the general fund and two positions for the Department of Conservation and Recreation to provide technical support to the Shoreline Advisory Services as established in § 10.1-702.)

Commerce - Economic Development Subcommittee

Item 357 #3h

Natural Resources	FY 14-15	FY 15-16	
Department Of Conservation And	\$0	\$10,696,471	GF
Recreation			

Language:

Page 319, line 35, strike "\$55,254,708" and insert "\$65,951,179".

Page 321, line 1, after "B," insert "and \$10,696,471 from the general fund,".

Page 321, line 7, strike "\$7,385,417" and insert "\$18,081,888".

Page 321, line 12, strike "\$7,385,417" and insert "\$18,081,888".

Page 321, line 13, strike "\$643,154" and insert "\$1,582,551".

Page 321, line 14, strike "\$6,742,263" and insert "\$16,499,337".

Page 321, line 15, strike "\$4,045,358" and insert "\$9,899,603".

Page 321, line 17, strike "\$2,696,905" and insert "\$6,599,734".

Explanation:

(This amendment provides an additional \$10.7 million in general funding in fiscal year 2016 for the Agricultural BMP Cost Share and Technical Assistance Programs of the Soil and Water Conservation Districts.)

Commerce - Economic Development Subcommittee

Item 357 #4h

Natural Resources	FY 14-15	FY 15-16	
Department Of Conservation And Recreation	\$0	\$42,700	GF

Language:

Page 319, line 35, strike "\$55,254,708" and insert "\$55,297,408".

Page 323, after line 35, insert:

"F. Included in this appropriation is \$42,700 the second year from the general fund to begin Phase I of the implementation of the recommendation of the Rappahannock River Basin Stream and Rainfall Gauges Study."

Explanation:

(This amendment provides \$42,700 in the second year from the general fund, which represents the state's portion of the 50-50 cost share with the localities of the middle and upper basin of the Rappahannock River, for the Department of Conservation and Natural Resources to implement Phase I of the recommendation of the Rappahannock River Basin Stream and Rainfall Gauges Study.)

Commerce - Economic Development Subcommittee

Item 357 #5h

Natural Resources	
Department Of Conservation And Recreation	Language

Language:

Page 322, line 3, after "I." insert " 1.".

Page 322, line 6, strike "The funding provided in this paragraph".

Page 322, strike line 7.

Page 322, line 8, strike "renovation and repair."

Page 322, after line 10, insert:

"2. Unobligated balances in the Dam Safety, Flood Prevention and Protection Assistance Fund may be utilized in an amount not to exceed \$60,000, to perform activities necessary to update the flood protection plan for the Commonwealth and to

make the plan accessible online. Once these activities are complete, the department will maintain and update the plan as needed with existing resources."

Explanation:

(This amendment provides authority to utilize nongeneral funds to enact the provisions of House Bill 1817 that require the Department of Conservation and Recreation to review and update the Commonwealth's flood protection plan on a regular basis and to maintain the plan in an online format. This amendment also contains a technical amendment to strike language concerning the use of the funding that conflicts with the purposes of the Dam Safety, Flood Prevention and Protection Assistance Fund already set out in § 10.1-603.19 of the Code of Virginia. This amendment is a recommendation of the Joint Subcommittee to Formulate Recommendations to Address Recurrent Flooding.)

Commerce - Economic Development Subcommittee

Item 358 #1h

Natural Resources

FY 14-15

FY 15-16

Department Of Conservation And
Recreation

\$0

\$4,000,000 GF

Language:

Page 322, line 32, strike "\$59,862,440" and insert "\$63,862,440".

Page 323, line 27, after "funds" insert:

"and \$4,000,000 the second year from the general fund".

Explanation:

(This amendment increases the deposit to the Virginia Land Conservation Fund by \$4.0 million in the second year, bringing fiscal year 2016 funding to \$7.0 million.)

Commerce - Economic Development Subcommittee

Item 363 #1h

Natural Resources

Department Of Environmental
Quality

Language

Language:

Page 327, strike lines 41 through 54.

Page 328, strike lines 1 through 3.

Explanation:

(This amendment strikes Governor's proposed language related to the deductible prior to receipt of claims for funding from the Underground Petroleum Storage Tank Fund. A companion amendment to Item 3-1.01 LL. eliminates the proposed transfer of balances from this fund to address the agency reductions required at the Department of Environmental Quality pursuant to the state agency savings requirements contained in Item 471.10, Chapter 3, 2014 Special Session 1.)

Commerce - Economic Development Subcommittee

Item 363 #2h

Natural Resources

Department Of Environmental
Quality

Language

Language:

Page 328, after line 3, insert:

"J. 1. The Department of Environmental Quality shall form a committee of stakeholders to include representatives from the Virginia Environmental Business Association, the Virginia Petroleum Convenience and Grocery Association, the banking and real estate community, and a representative from any financial services company that holds \$5,000,000 or more of the approved but unpaid Virginia Petroleum Storage Tank claims.

2. The Committee, working with Department staff, shall review Department's present and proposed guidance governing the cleanup of petroleum releases. The review shall determine:

- a) if the Department's present guidance is being applied uniformly by the Department's regional offices;
- b) if the Department's present and proposed guidance complies with the Commonwealth's groundwater protection regulations and the Department's technical regulations regarding petroleum spill remediation;
- c) whether it is warranted to move the petroleum program from the Department's water protection program to the Department's land protection program; and
- d) such other items relating to the petroleum program that the committee or the Department shall deem pertinent, including i) whether deductibles for homeowners should be raised from the present \$500, and ii) whether the Virginia Petroleum Storage Tank Fund has adequate capitalization to withstand transfers to the general fund.

3. The Department shall submit a report as described above, including all

recommendations made by the committee, on behalf of the committee to the Chairmen of the House Appropriations and Senate Finance Committees no later than November 30, 2015."

Explanation:

(This amendment requires the Department of Environmental Quality to form a committee with industry stakeholders to study DEQ's present and proposed guidance governing the cleanup of petroleum releases, assess their compliance with current regulations protecting groundwater, among other issues. DEQ is required to report the findings and recommendations of the committee to the Chairmen of the House Appropriations and Senate Finance Committees no later than November 30, 2015).

Commerce - Economic Development Subcommittee

Item 369 #1h

Natural Resources	FY 14-15	FY 15-16	
Department Of Historic Resources	\$0	\$1,000,000	GF

Language:

Page 330, line 4, strike "\$6,524,575" and insert "\$7,524,575".

Page 330, line 7, strike "\$4,480,236" and insert "\$4,730,236".

Page 331, line 15, strike "\$750,000" and insert "\$2,000,000".

Explanation:

(This amendment restores \$250,000 in the second year from the general fund that was cut for Civil War Historic Site Preservation in Item 471.10 and provides an additional \$1.0 million for that purpose. A companion amendment to Item 471.10 eliminates the reversion \$250,000 from DHR to the general fund.)

Commerce - Economic Development Subcommittee

Item 369 #2h

Natural Resources	FY 14-15	FY 15-16	
Department Of Historic Resources	\$0	\$100,000	GF

Language:

Page 330, line 4, strike "\$6,524,575" and insert "\$6,624,575".

Page 331, after line 26, insert:

"K. Included in this appropriation is \$100,000 the second year from the general fund to support Appomattox County's efforts and activities surrounding the Sesquicentennial Celebration of the surrender of Confederate Robert E. Lee to Union

General Ulysses S. Grant at Appomattox Court House National Historic Park."

Explanation:

(This amendment provides \$100,000 the second year from the general fund to Appomattox County to help support the activities surrounding the Sesquicentennial Celebration of the surrender of Confederate Robert E. Lee to Union General Ulysses S. Grant at Appomattox Court House National Historic Park.)

Commerce - Economic Development Subcommittee

Item 419 #1h

Technology

Innovation And Entrepreneurship
Investment Authority

Language

Language:

Page 365, after line 35, insert:

"1. From the amounts provided in this paragraph for the Commonwealth Growth Accelerator Program and provided for the Commonwealth Research Commercialization Fund in Item 101 of this Act, the Innovation and Entrepreneurship Investment Authority is authorized to utilize up to \$2,000,000 in the second year to support the operations of "MACH-37" if the private funding campaign undertaken to secure \$3,000,000 in private capitalization has not fulfilled its funding goal by July 1, 2015."

Page 365, line 36, strike "1." and insert "2."

Page 365, line 38, strike "2." and insert "3."

Explanation:

(This language amendment would allow the Center for Innovative Technology to use up to \$2.0 million of existing funding provided for the Commonwealth Research and Commercialization Fund to support MACH 37 operations if the private funding campaign fails to secure its entire \$3.0 million requirement by July 1, 2015. The fund raising campaign was delayed by one year.)

Commerce - Economic Development Subcommittee

Item 419 #2h

Technology

Innovation And Entrepreneurship
Investment Authority

Language

Language:

Page 364, strike lines 36 through 46.

Page 365, strike lines 1 through 6 and insert:

"D.1. No later than July 15 of each year, the Innovation and Entrepreneurship Investment Authority shall provide to the Chairmen of the House Appropriations and Senate Finance Committees, Secretary of Technology, and the Director, Department of Planning and Budget, a report of its operating plan for each year of the biennium. Within three months after the end of the fiscal year, the center shall submit to the same entities a detailed expenditure report for the concluded fiscal year. Both reports shall be prepared in the formats as approved by the Director, Department of Planning and Budget and include, but not be limited to the following:

- a. All planned and actual revenue and expenditures along with funding sources, including state, federal, and other revenue sources of both the Innovation and Entrepreneurship Investment Authority and the Center for Innovative Technology;
- b. A listing of the salaries, bonuses, and benefits of all employees of the Innovation and Entrepreneurship Investment Authority and the Center for Innovative Technology;
- c. By program, total grants made and investments awarded for each grant and investment program, to include the Commonwealth Research Commercialization Fund;
- d. By program, report the projected economic impact on the Commonwealth and recoveries of previous grants or investments and sales of equity positions; and
- e. Cash balances by funding source, and report, by program, available, committed and projected expenditures of all cash balances.

2. The President of the Center shall report quarterly to the Center's board of directors, and the Chairmen of the House Appropriations and Senate Finance Committees, Secretary of Technology, and the Director, Department of Planning and Budget in a format approved by the Board the following:

- a. The quarterly financial performance, determined by comparing the budgeted and actual revenues and expenditures to planned revenues and expenditures for the fiscal year;
- b. All investments and grants executed compared to projected investment closings, return on prior investments and grants, including all gains and losses; and
- c. The financial and programmatic performance of all operating entities owned by the Center."

Explanation:

(This language amendment would allow the Center for Innovative Technology to

use up to \$2.0 million of existing funding provided for the Commonwealth Research and Commercialization Fund to support MACH 37 operations if the private funding campaign fails to secure its entire \$3.0 million requirement by July 1, 2015. The fund raising campaign was delayed by one year.)

Commerce - Economic Development Subcommittee

Item 458 #1h

**Veterans Affairs and Homeland
Security**

Secretary Of Veterans And Defense
Affairs

Language

Language:

Page 423, after line 15, insert:

"D. The Secretary of Veterans and Defense Affairs may submit project requests that improve, expand, develop, or redevelop a federal or state military installation or its supporting infrastructure, to enhance its military value to the MEI Project Approval Commission established pursuant to § 30-309, Code of Virginia, for its consideration. The authority of the Commission to consider and evaluate such projects shall be in addition to the authorities provided to the MEI Project Approval Commission and § 30-310, Code of Virginia."

Explanation:

(This amendment allows the Secretary of Veterans and Defense Affairs to submit to the MEI Project Approval Commission project requests related to federal or state military installations.)

Commerce - Economic Development Subcommittee

Item 458 #2h

**Veterans Affairs and Homeland
Security**

FY 14-15

FY 15-16

Secretary Of Veterans And Defense
Affairs

\$0

\$2,350,000 NGF

Language:

Page 422, line 14, strike "\$0" and insert "\$2,350,000".

Page 423, after line 15, insert:

"D. In addition to the amounts provided in paragraph A.1. of this item, is an amount estimated at \$2,350,000 of dedicated special revenue which shall be provided to the

locality in which the United States Navy Master Jet Base auxiliary landing field is located and be used for purchasing property or development rights and to otherwise covert such property to an appropriate compatible use and to prohibit new uses or development deemed incompatible with air operations arising from such Master Jet Base. The provisions of paragraph B. of this item shall apply to the distribution of these funds."

Explanation:

(This amendment reflects the nongeneral fund proceeds from the resale of property purchased with state funds provided for BRAC encroachment at the Navy Master Jet Base and the auxiliary landing field and reuses the state's share of the proceeds to continue purchasing land to limit encroachment at the auxiliary landing field.)

Commerce - Economic Development Subcommittee

Item 461 #1h

**Veterans Affairs and Homeland
Security**

FY 14-15

FY 15-16

Department Of Veterans Services

\$0

\$1,000,000 GF

Language:

Page 423, line 42, strike "\$11,297,591" and insert "\$12,297,591".

Page 424, after line 43, insert:

"H. 1. Out of this appropriation, up to \$1,000,000 the second year from the general fund shall be provided to address the costs associated with support of a grant program to create employment opportunities for veterans by assisting employers in hiring and retaining them. The Department of Veteran's Services shall develop program guidelines to ensure that the funding mechanism effectively attracts maximum participation of firms to increase the number of veterans hired.

2. Such funds shall be used to provide grants beginning July 1, 2015, to any business with 250 or fewer employees who has hired a veteran after July 1, 2014; if such veteran was hired within one year of the date of his discharge from active military, naval, or air service; has been continuously employed by the business in a full-time job for at least one year; and has been paid at least the prevailing average wage of the jurisdiction in which the job is located. The grant shall equal \$500 per qualifying business for each veteran that has been hired, up to a maximum grant of \$10,000 per business in the fiscal year.

3. Grants shall be issued in the order that each completed eligible application is received. In the event that the amount of eligible grants requested in a fiscal year

exceeds the funds available in the Fund, such grants shall be paid in the next fiscal year in which funds are available.

4. The Department shall report no later than October 1 of each fiscal year after the program is implemented on the demand for the program, and any shortage of funding resulting from requests in excess of the available appropriation."

Explanation:

(This amendment provides funding to establish a new grant program to incentivize businesses to hire Virginia's veterans. The program would go into effect January 1, 2016, and would provide grants of up to \$500 per qualifying business for each veteran it hires, up to a maximum annual grant to \$10,000 per business per fiscal year.)

Commerce - Economic Development Subcommittee

Item 468 #1h

Central Appropriations

Central Appropriations

Language

Language:

Page 435, after line 24, insert:

"d. From the amounts referenced in paragraph G.1.a. of this item, \$250,000 in the second year is appropriated from the Federal Action Contingency Trust (FACT) Fund to assist in acquiring privately owned parcels of property in the Langley Airforce Base Clear Zone and Accident Potential Zones. These amounts must be matched on a dollar-for-dollar basis from non-state funding sources."

Explanation:

(This amendment provides \$250,000 to the FACT Fund to be used to purchase property in the Langley Air Force Base Clear Zone and Accident Potential Zones with matching funds to be generated from non-state sources.)

Commerce - Economic Development Subcommittee

Item 471.10 #2h

Central Appropriations

Central Appropriations

FY 14-15

\$32,900

FY 15-16

\$32,900

GF

Language:

Page 441, line 19, strike "(\$60,072,307)" and insert "(\$60,039,407)".

Page 441, line 19, strike "(\$90,459,489)" and insert "(\$90,426,589)".

Page 442, strike line 20.

Explanation:

(This amendment eliminates a portion of savings identified by VDACS by eliminating the transfer of funding to the state agency reversion account pursuant to Chapter 3, 2014 Special Session of the General Assembly. This line item totals \$32,900 each year and relates to funding to support 4-H and Future Farmer's of America youth scholarship programs.)

Commerce - Economic Development Subcommittee

Item 471.10 #3h

Central Appropriations

FY 14-15

FY 15-16

Central Appropriations

\$0

\$500,000 GF

Language:

Page 441, line 19, strike "\$90,459,489" and insert "\$89,959,489".

Page 442, strike line 22.

Explanation:

(This amendment eliminates a portion of savings identified by VDACS by eliminating the transfer of funding to the state agency reversion account pursuant to Chapter 3, 2014 Special Session of the General Assembly. This line item totals \$500,000 the second year and relates to their proposal to supplant \$500,000 of general fund support for the weights and measures program with a new inspection fee. A companion amendment to Item 93 removes authorization for the fee.)

Commerce - Economic Development Subcommittee

Item 471.10 #4h

Central Appropriations

FY 14-15

FY 15-16

Central Appropriations

\$0

\$400,000 GF

Language:

Page 441, line 19, strike "\$90,459,489" and insert "\$90,059,489".

Page 442, strike lines 28 and 29.

Explanation:

(This amendment eliminates a portion of savings identified by VDACS by eliminating the transfer of funding to the state agency reversion account pursuant to Chapter 3, 2014 Special Session of the General Assembly. This line item totals \$400,000 the second year and relates to their proposal to supplant \$400,000 of

general fund support for the food establishment inspection program with a variable instead of fixed rate inspection fee. A companion amendment to Item 94 removes authorization for changes to the fee.)

Commerce - Economic Development Subcommittee

Item 471.10 #5h

Central Appropriations

FY 14-15

FY 15-16

Central Appropriations

\$0

\$190,000 GF

Language:

Page 441, line 19, strike "(\$90,459,489)" and insert "(\$90,269,489)".

Page 442, strike line 21.

Explanation:

(This amendment eliminates a portion of savings identified by VDACS by eliminating the transfer of funding to the state agency reversion account pursuant to Chapter 3, 2014 Special Session of the General Assembly. This line item totals \$190,000 the second year and relates to their proposal to eliminated support for the coyote control program in the second year. Removing this transfer would restore the program funding. No changes were made to reflect the reduction within the VDACS budget.)

Commerce - Economic Development Subcommittee

Item 471.10 #6h

Central Appropriations

FY 14-15

FY 15-16

Central Appropriations

\$0

\$250,000 GF

Language:

Page 441, line 19, strike "(\$90,459,489)" and insert "(\$90,209,489)".

Page 450, strike lines 14 and 15.

Explanation:

(This amendment eliminates a portion of savings identified by the Department of Historic Resources by eliminating the transfer of funding to the state agency reversion account pursuant to Chapter 3, 2014 Special Session of the General Assembly. This line item totals \$250,000 the second year and relates to their proposal to reduce funding for Civil War Site Preservation. A companion amendment to Item 363 increases funding for that program and a third amendment produces an equal amount of savings by reducing funding in Item 101 for the Motion

Picture Opportunity Fund.)

Commerce - Economic Development Subcommittee

Item 471.10 #8h

Central Appropriations

FY 14-15

FY 15-16

Central Appropriations

\$313,778

\$627,556 GF

Language:

Page 441, line 19, strike "\$60,072,307" and insert "\$59,758,529".

Page 441, line 19, strike "\$90,459,489" and insert "\$89,831,933".

Page 443, strike lines 29 and 30.

Explanation:

(This amendment eliminates a portion of savings identified by the Virginia Tourism Authority by eliminating the transfer of funding to the state agency reversion account pursuant to Chapter 3, 2014 Special Session of the General Assembly. This line item totals \$941,334 over the biennium and relates to funding for the See Virginia First Program. A companion amendment to Item 126 restores the language setting out the funding levels for the program.)

Commerce - Economic Development Subcommittee

Item 3-1.01 #1h

Transfers

Interfund Transfers

Language

Language:

Page 499, line 16, strike "\$6,309,188" and insert "\$6,233,551".

Page 499, line 16, strike "\$6,182,100" and insert "\$6,116,866".

Page 499, strike lines 20 and 21.

Explanation:

(This amendment eliminates actions included in Chapter 2, 2014, Special Session of the General Assembly, which transferred a total of \$75,637 in the first year and \$65,234 in the second year from Commodity Boards funded with self-assessments within the Department of Agriculture and Consumer Services to the general fund to support a portion of the indirect costs associated with expenses incurred by central service agencies.)

Transfers

Interfund Transfers

Language

Language:

Page 503, strike lines 15 and 16.

Explanation:

(This amendment eliminates a proposal contained in House Bill 1400 as introduced that would have captured \$2.4 million in balances from the Underground Petroleum Storage Tank Fund to help address required savings at the Department of Environmental Quality. A companion amendment to Item 363 eliminates language intended to reduce future calls against this fund by increasing the deductible from \$250 to \$2,500 per remediation for tanks with less than 5,000 gallon capacity.)

Adjustments and Modifications to Tax Collections

Accelerated Sales Tax

Language

Language:

Page 514, line 25, strike "\$2,500,000" and insert "\$3,500,000".

Explanation:

(This amendment increases the threshold level determining who is required to expedite their payment of June sales tax collections from \$2.5 million to \$3.5 million effective June, 2015. This reduces the total general fund revenues collected in fiscal year 2015 by \$10.2 million.)

Adjustments and Modifications to Tax Collections

Retail Sales and Use Taxes on Accommodations

Language

Language:

Page 515, strike line 18 through line 50.

Page 516, strike line 1 through line 9.

Explanation:

(This amendment eliminates language that would expand the application of the rail sales and use tax and local transient occupancy taxes regarding hotels, motels, and other accommodations to include markup charges imposed by online travel companies and other third-party intermediaries. Legislation authorizing these changes was not adopted by the House. This is a companion to the amendment to Item 3-5.13.)

Commerce - Economic Development Subcommittee

Item 3-5.13 #1h

Adjustments and Modifications to Tax Collections

Transient Occupancy Taxes on Accommodations

Language

Language:

Page 516, strike line 10 through line 51.

Page 517, strike line 1 through line 7.

Explanation:

(This amendment eliminates language that would expand the application of the rail sales and use tax and local transient occupancy taxes regarding hotels, motels, and other accommodations to include markup charges imposed by online travel companies and other third-party intermediaries. Legislation authorizing these changes was not adopted by the House. This is a companion to the amendment to Item 3-5.12.)

Commerce - Economic Development Subcommittee

Item 3-5.14 #1h

Adjustments and Modifications to Tax Collections

Sales Tax Holiday

Language

Language:

Page 517, strike lines 8 through 13.

Explanation:

(This amendment removes language that would combine the three existing sales tax holidays in one, three-day annual holiday on the first weekend of August. Legislation authorizing these changes were not introduced in the House. If legislation introduced in the other body is adopted by the House, the revenues will be reflected at

that time, but because there was House legislation, the language is removed from the House budget.)

Commerce - Economic Development Subcommittee

Item 3-5.15 #1h

Adjustments and Modifications to Tax Collections

Subtraction for Sale of Land for Open Space Use

Language

Language:

Page 517, strike lines 14 through 16.

Explanation:

(This amendment removes language that would eliminate the income tax subtraction for gain derived from the sale or exchange of land dedicated to open space use. Legislation authorizing these changes were not introduced in the House. If legislation introduced in the other body is adopted by the House, the revenues will be reflected at that time, but because there was House legislation, the language is removed from the House budget.)

Commerce - Economic Development Subcommittee

Item 3-5.16 #1h

Adjustments and Modifications to Tax Collections

Coalfield Employment Enhancement Tax Credit

Language

Language:

Page 517, strike lines 17 through 21.

Explanation:

(This amendment eliminates a proposal contained in House Bill 1400 that would cap the Coalfield Employment Enhancement Tax Credit at \$500,000 per return. The "Front Page" revenues contained in the budget assumed reduced costs from the credit of \$14.7 million based on this proposal. That amount would be offset by other budgetary savings to support this change. A companion amendment to Item 120 eliminates a proposed appropriation of \$1.2 million to the Coalfield Economic Development Authority that was intended to offset lost revenues to that Authority.)

Adjustments and Modifications to Tax Collections

Land Preservation Tax Credit

Language

Language:

Page 517, strike lines 35 through 39 and insert:

"A. Notwithstanding § 58.1-512, Code of Virginia, or any other provision of law, for taxable years beginning on or after January 1, 2015, the maximum amount of credits that may be issued in a calendar year under the Land Preservation Tax Credit program shall not exceed \$75,000,000.

B. Notwithstanding § 58.1-512, Code of Virginia, or any other provision of law, for taxable years beginning on and after January 1, 2015, but before January 1, 2017, the amount of the Land Preservation Tax Credit that may be claimed by each taxpayer, including credit claimed by applying unused credits as provided under subsection C of § 58.1-513, Code of Virginia, shall not exceed \$20,000. For taxable years beginning on and after January 1, 2017, the amount of the Land Preservation Tax Credit that may be claimed by each taxpayer, including credit claimed by applying unused credits as provided under subsection C of § 58.1-513, Code of Virginia, shall not exceed \$50,000. Any portion of the credit that is unused in any one taxable year because of the limitation imposed by this paragraph may be carried over to the extent usable for the next 13 succeeding taxable years or until the credit is utilized, whichever is sooner. However, the provisions of this subsection shall not apply to a fee simple donation of land conveyed to the Commonwealth on and after January 1, 2015, provided that no part of the charitable contributions deduction under § 170 of the Internal Revenue Code related to such fee simple donation is allowable by reason of a sale or exchange of property.

C. Notwithstanding § 58.1-512, Code of Virginia, or any other provision of law, in no case shall the Department of Taxation issue any tax credit for a donation from any allocation or pool of tax credits attributable to a calendar year prior to the year in which the complete tax credit application for the donation was filed."

Explanation:

(This amendment reflects changes to the Land Preservation Tax Credit adopted pursuant to House Bill 1828, 2015 Session of the General Assembly, which limits the rate at which tax credits can be redeemed and reduces the aggregate cap on credits. Like the proposal contained in House Bill 1400, for tax years 2015 and 2016 the amount of the tax credit claimed by any individual may not exceed \$20,000 in a given

year and 13 years is provided to utilize the credits. Beginning in tax year 2017, the individual usage cap would increase to \$50,000. Today it is capped at \$100,000. Also included is a reduction in the aggregate annual credits issued, from \$100 million to \$75 million.)

Commerce - Economic Development Subcommittee

Item 3-5.19 #1h

Adjustments and Modifications to Tax Collections

Deduction for Long-Term Health Care Insurance Premiums

Language

Language:

Page 517, strike lines 40 through 43.

Explanation:

(This amendment removes language that would limit the deduction for long-term health care insurance premium payments to 50% of the amount of such payments. Legislation authorizing these changes were not introduced in the House. If legislation introduced in the other body is adopted by the House, the revenues will be reflected at that time, but because there was House legislation, the language is removed from the House budget.)

Commerce - Economic Development Subcommittee

Item 3-5.20 #1h

Adjustments and Modifications to Tax Collections

Extension of Admissions Tax Authorization

Language

Language:

Page 517, after line 43, insert:

"§ 3-5.20 ADMISSIONS TAX

Notwithstanding the provisions of § 58.1-3818.02, Code of Virginia, or any other provision of law, subject to the execution of a memorandum of understanding between an entertainment venue and the County of Stafford, Stafford County is authorized to impose a tax on admissions to an entertainment venue located in the county that (i) is licensed to do business in the county for the first time on or after July 1, 2015, and (ii) requires at last 75 acres of land for its operations, and (iii) such land is purchased or leased by the entertainment venue owner on or after June 1, 2015. The tax shall not exceed 10 percent of the amount of charge for admission to any such venue. The

provisions of this section shall expire on July 1, 2019 if no entertainment venue exists in Stafford County upon which the tax authorized is imposed."

Explanation:

(This amendment authorizes the County of Stafford to impose an admissions tax on any new entertainment venue commencing operations after July 1, 2015, on at least 75 acres of property. The tax may not exceed 10% of the admissions charge.)
