

**REPORT OF THE  
JOINT SUBCOMMITTEE STUDYING**

**ECONOMIC INCENTIVES TO  
PROMOTE THE GROWTH AND  
COMPETITIVENESS OF VIRGINIA'S  
SHIPBUILDING INDUSTRY**

**TO THE GOVERNOR AND  
THE GENERAL ASSEMBLY OF VIRGINIA**



**SENATE DOCUMENT NO. 51**

**COMMONWEALTH OF VIRGINIA  
RICHMOND  
2000**



## MEMBERS OF THE JOINT SUBCOMMITTEE

Senator Stanley C. Walker, *Chairman*  
Delegate Alan A. Diamonstein, *Vice Chairman*  
Senator J. Randy Forbes  
Senator Thomas K. Norment, Jr.  
Senator Edward L. Schrock  
Delegate Jerrauld C. Jones  
Delegate Harry R. Purkey  
Delegate Frank W. Wagner  
Delegate Donald L. Williams  
Mr. Thomas W. Godfrey  
Mr. John L. Roper IV  
Mr. Robert S. Walker  
Mr. William Welch  
The Honorable Barry DuVal, *Ex officio*  
The Honorable Danny M. Payne, *Ex officio*  
Adm. David P. Donohoe, Ret., *Ad hoc*

### Staff

Brian B. Taylor, *Senate Committee Operations*  
Mark J. Vucci, *Division of Legislative Services*

**REPORT OF THE  
JOINT SUBCOMMITTEE STUDYING  
ECONOMIC INCENTIVES TO PROMOTE  
THE GROWTH AND COMPETITIVENESS OF  
VIRGINIA'S SHIPBUILDING INDUSTRY**

**To: The Honorable James S. Gilmore, III, Governor of Virginia,  
and  
The General Assembly of Virginia**

**Richmond, Virginia  
January 2000**

**EXECUTIVE SUMMARY**

Senate Joint Resolution No. 171, adopted by the 1998 Session of the General Assembly, established a joint subcommittee to study economic incentives to promote the growth and competitiveness of Virginia's shipbuilding industry. The joint subcommittee was charged with determining whether, and at what level, tax benefits or other economic incentives would be an effective tool in ensuring the continued health of Virginia's maritime industries.

The joint subcommittee was requested to examine five proposals to assist the Commonwealth's shipyards in making the transition from their traditional focus on United States Navy work to a new economic era in which firms will need to compete with yards in other states and other nations for commercial shipbuilding and repair work while exploring nontraditional opportunities. These proposals included:

1. Extending deadlines for complying with state tributyltin (TBT) regulations;
2. Establishing a Virginia Marine Industrial Commission, similar to the Virginia Film Commission, to promote and provide marketing assistance to the shipyard industry;
3. Establishing a study committee to review the federal and state workers' compensation acts to eliminate duplicative coverage that make the benefit programs confusing and costly;

4. Establishing a study committee to conduct a comprehensive study of the tax structure of the Commonwealth and its impact on the shipyard industry; and

5. Considering future proposals for incentives for firms to invest in capital improvements in their shipyards.

These proposals were presented to the joint subcommittee at its meeting on December 17, 1998, and consequently there was insufficient opportunity to address them prior to the 1999 Session. The complexity of the issues prevented the joint subcommittee from completing its mission in a single year.

### **Continuation of Study in 1999**

Senate Joint Resolution No. 436, adopted by the 1999 Session of the General Assembly, provided for the continuation of the study by the joint subcommittee. The joint subcommittee was charged with re-examining and exploring the five proposals put before the subcommittee in December 1998.

The joint subcommittee met in 1999 and began to address two of the five proposals: promoting and providing marketing assistance to Virginia's shipyard industry and designing incentives for firms to invest in capital improvements in their shipyards. As the amount of shipbuilding and ship repair work generated from contracts with the Navy continues to decline, Virginia's shipyard industry must diversify its customer base and compete in the commercial shipbuilding and repair work marketplace. A coordinated and comprehensive marketing program will assist Virginia's shipyard industry in expanding into the commercial marketplace. The joint subcommittee believes such a marketing program could emphasize and communicate to potential commercial customers the advantages of using Virginia's shipyards to build and repair ships and vessels.

Along with a coordinated marketing program, performance grants are another mechanism that can be used to facilitate expansion into the commercial shipbuilding and repair work marketplace. Many businesses making up Virginia's shipyard industry do not have the profits or earnings to finance the retrofitting of their equipment and operations needed to successfully compete in the commercial marketplace. The joint subcommittee believes that performance grants from the Commonwealth to these businesses, awarded based upon investments in capital and operations made by such businesses, will encourage these businesses to retrofit their equipment and operations accordingly.

The joint subcommittee is also particularly concerned with skills training for shipyard workers. The subcommittee heard testimony that there generally is a dramatic falloff in skills training for shipyard workers once they have completed entry-level training programs. The joint subcommittee believes that ongoing skills training for shipyard workers is crucial to the long-term success of Virginia's

shipbuilding industry. A workforce trained to use current technology is seen as paramount to the economic livelihood of Virginia's shipyard industry.

Finally, at its meeting in December 1999, the joint subcommittee concluded that the complexity of the issues involved in the five proposals requires a further continuation of the study in order that all issues are sufficiently addressed.

**Recommendations:** Based on its study, the joint subcommittee recommends the following<sup>1</sup>:

*1. An appropriation of \$100,000 for each year of the 2000-2002 biennium to the South Tidewater Association of Ship Repairers (STASR) to help fund the development of a coordinated marketing program promoting Virginia's shipyard industry. STASR is a nonprofit trade association organized for the purpose of maintaining the integrity and high professional standards of the ship industry in Hampton Roads, Virginia and to promote the interests of the industry;*

*2. Legislation providing investment performance grants for capital investments made by businesses comprising Virginia's shipyard industry. The minimum capital investment required should be \$50,000, and the grant amount from the Commonwealth should be equal to 10 percent of the cost of the capital investment. Under the legislation, the aggregate amount of grants to individual shipbuilding and ship repair companies should not exceed \$25 million, and any grants awarded should be limited to actual moneys set aside or appropriated to a special, non-reverting fund;*

*3. An appropriation of \$800,000 for each year of the 2000-2002 biennium for use by STASR in providing enhanced skills training to shipyard workers; and*

*4. Legislation continuing for another year the joint subcommittee's study of economic incentives for Virginia's shipbuilding industry.*

---

<sup>1</sup> All four recommendations were introduced during the 2000 Session of the General Assembly.

# TABLE OF CONTENTS

EXECUTIVE SUMMARY .....	ii
I. INTRODUCTION .....	1
II. ISSUES AND PROPOSALS IDENTIFIED BY THE JOINT SUBCOMMITTEE .....	2
A. Promoting and Providing Marketing Assistance to the Shipyard Industry .....	2
B. Investment Performance Grants .....	3
C. Enhanced Skills Training for Shipyard Workers.....	4
D. Continuation of the Joint Subcommittee .....	5

## Appendices

A. Senate Joint Resolution No. 171 (1998) .....	A-1
B. Senate Joint Resolution No. 436 (1999) .....	A-3
C. Budget Amendment for a Marketing Program, as Introduced .....	A-4
D. Budget Amendment for Enhanced Skills Training, as Introduced .....	A-5
E. Enrolled Amendment to the 2000 Appropriation Act .....	A-6
F. Senate Bill No. 573, Virginia Maritime Investment Act .....	A-16
G. Senate Joint Resolution No. 177 (2000) .....	A-20





## I. INTRODUCTION

The 1998 Session of the General Assembly adopted Senate Joint Resolution No. 171 (Appendix A), which established a 15 member joint subcommittee to study economic incentives to promote the growth and competitiveness of Virginia's shipbuilding industry. The joint subcommittee was charged with determining whether, and at what level, tax benefits or other economic incentives would be an effective tool in ensuring the continued health of Virginia's maritime industries. The joint subcommittee was directed to submit its findings and recommendations to the 1999 Session of the General Assembly.

The joint subcommittee was chaired by Senator Stanley C. Walker. Delegate Alan A. Diamonstein served as vice chairman. The other legislative members of the joint subcommittee were Senator J. Randy Forbes, Senator Thomas K. Norment, Jr., Senator Edward L. Schrock, Delegate Jerrauld C. Jones, Delegate Harry R. Purkey, Delegate Frank W. Wagner, and Delegate Donald L. Williams.

The joint subcommittee's four citizen members were Thomas W. Godfrey, president of Colonna's Shipyard, Inc.; John L. Roper IV of Norfolk Shipbuilding and Drydock Co.; Robert S. Walker of Marine Hydraulics International; and William Welch of Newport News Shipbuilding, Inc. The Honorable Barry DuVal, Secretary of Commerce and Trade, and the Honorable Danny M. Payne, Tax Commissioner, served as ex officio members with voting privileges. Admiral David P. Donohoe, Retired, president of the Norfolk Naval Shipyard Portsmouth Association, was appointed on October 20, 1998, as an ad hoc member.

The complexity of the issues involved in studying the current and future economic health of Virginia's shipyard industry precluded the joint subcommittee from fully completing its work by the beginning of the 1999 Session of the General Assembly. Senate Joint Resolution No. 436 (Appendix B), introduced during the 1999 Session of the General Assembly, was enacted into law and provided that the joint subcommittee continue its study of Virginia's shipyard industry for a second year. Senate Joint Resolution No. 436 expanded the scope of the joint subcommittee's study to include the study of (i) state regulation of tributyltin (TBT), (ii) dual state and federal jurisdiction over workers' compensation for shipyard workers, (iii) establishing a state commission to promote and provide marketing assistance to the industry, (iv) the Commonwealth's tax structure and its impact on the shipyard industry, and (v) incentive grants for capital investments by shipyards.

## **II. ISSUES AND PROPOSALS IDENTIFIED BY THE JOINT SUBCOMMITTEE**

Pursuant to its charge under Senate Joint Resolution No. 436, the joint subcommittee met in 1999 and studied (i) how best to promote and provide marketing assistance to Virginia's shipyard industry and (ii) to what degree investment performance grants can be an effective tool in ensuring the continued health of Virginia's maritime industries. Finally, the joint subcommittee also studied the skills level of Virginia's shipyard workers and the relationship between this skills level and the long-term economic condition of Virginia's shipyard industry. Following are the conclusions reached by the joint subcommittee and their recommendations to the Governor and the 2000 Session of the General Assembly.

### **A. Promoting and Providing Marketing Assistance to the Shipyard Industry**

The economic viability of Virginia's shipyard industry is tied to the ability of Virginia's shipbuilding and ship repair businesses to become a major force in the commercial market for shipbuilding and ship repair work. As the number of contracts with the United States Navy for ship repair work continues to decline, Virginia's shipyard industry must establish business relationships with new customers. Some of these customers can be found in the commercial market for shipbuilding and ship repair work. Possible ways in which Virginia's shipbuilders and ship repair companies can expand their commercial lines of business include the construction of vessels, repairs to mega-yachts, large steel fabrication projects, and increased repair of commercial ships.

The creation of a centralized marketing program to promote Virginia's shipyard industry would benefit all members of the industry and would be of great assistance in procuring a bigger share of the commercial market for shipbuilding and ship repair work. A centralized and coordinated marketing program may also be a less costly alternative for Virginia's shipyard industry when compared to the cost of individual marketing programs incurred by each member of the industry. The competitive advantages of having ships and vessels repaired at Virginia's shipyards can be made clearer by means of a centralized marketing program. A coordinated marketing program could serve the industry with such marketing services as developing a strategic plan, overseeing industry participation in trade shows, developing and producing promotional material, and promoting and identifying commercial and industrial opportunities.

**Recommendation 1:** For these reasons, the joint subcommittee recommends an appropriation of \$100,000 for each year of the 2000-2002 biennium

to the South Tidewater Association of Ship Repairers Inc. (STASR) to help fund the development of a coordinated marketing program promoting Virginia's shipyard industry. STASR is a nonprofit trade association, exempt from federal income taxation under § 501 (c) (3) of the Internal Revenue Code, organized for the purpose of maintaining the integrity and high professional standards of the ship industry in Hampton Roads, Virginia and to promote the interests of the industry. STASR represents approximately 117 member companies of Virginia's shipyard industry, which account for 37,000 jobs.<sup>2</sup>

## **B. Investment Performance Grants**

Many shipbuilders and ship repair companies will have to improve and/or replace their equipment and machinery and tools in order to diversify into new markets. As the loss of Navy work has reduced industry profitability, Virginia's shipyard industry has been unable to make the needed improvements and/or replacements. Investment performance grants are a means by which the Commonwealth can assist the industry in diversifying its customer base and operations. Investment performance grants from the Commonwealth to shipbuilding and ship repair companies, awarded based upon investments in capital and operations made by such businesses, will reduce the costs incurred by these companies in improving and/or replacing their equipment and machinery tools. Consequently, an optimum level of investment performance grants should encourage and enable many shipbuilding and ship repair companies to finance the improvement and/or replacement of their equipment and machinery and tools.

**Recommendation 2:** For these reasons, the joint subcommittee recommends legislation providing investment performance grants for capital investments made by businesses comprising Virginia's shipyard industry. The minimum capital investment for grant eligibility should be \$50,000, and the grant amount should be equal to 10 percent of the cost of the capital investment. Under the legislation, the aggregate amount of grants to individual shipbuilding and ship repair companies should not exceed \$25 million. The joint subcommittee also recommends that the Commonwealth's liability for investment performance grants

---

<sup>2</sup> The General Assembly has passed an amendment to the 2000 Appropriation Act providing \$100,000 to STASR for the fiscal year beginning July 1, 2000, upon a certification by STASR to the Secretary of Finance that \$100,000 cash or in-kind contributions is on hand and available as matching funds. The budget amendment does not specify whether the \$100,000 is to be used for the establishment of a centralized marketing program or for enhanced skills training of shipyard workers. See Appendix C for a copy of the budget amendment appropriating moneys for the establishment of a marketing program, as introduced to the 2000 Session of the General Assembly. See Appendix D for a copy of the budget amendment appropriating moneys for enhanced skills training of shipyard workers, as introduced to the 2000 Session of the General Assembly. See Appendix E for a copy of the enrolled amendment to the 2000 Appropriation Act passed by the General Assembly appropriating \$100,000 to STASR for the fiscal year beginning July 1, 2000.

in any year not exceed \$20 million. Any grants awarded should be limited to actual moneys set aside or appropriated to a special, non-reverting fund.<sup>3</sup>

### **C. Enhanced Skills Training for Shipyard Workers**

The joint subcommittee heard testimony from industry representatives of the need to increase the skills level of Virginia's shipyard workers. Entry-level training is provided to shipyard workers by the Tidewater Maritime Training Institute (TMTI). TMTI is a subsidiary of STASR and is a nonprofit trade association, exempt from federal income taxation under § 501 (c) (3) of the Internal Revenue Code. While entry-level training has provided a good foundation in basic shipyard skills, industry representatives voiced concern that over the last several years there has been a significant reduction in the number of skilled shipyard workers.

Virginia's shipyard industry cannot diversify its business practices and compete as a major force in the commercial marketplace without workers trained in current technology. The joint subcommittee believes enhanced skills training must complement current entry-level training in order for the industry to remain competitive in its current markets and to diversify and expand into new markets. One possible form of enhanced skills training could include certification programs. Certification programs in machine tools, industrial maintenance, welding and shipfitting, pipefitting, and quality assurance would increase the skills levels of shipyard workers and enable Virginia's shipbuilders and ship repairers to better compete in new markets.

Moreover, the joint subcommittee heard testimony that federal funds received by TMTI for the provision of skills training, pursuant to the Job Training Partnership Act (29 U.S.C. 1501 et seq.), will cease on June 30, 2000. TMTI, however, will apply for and hopes to receive federal funds for skills training under the Workforce Investment Act (29 U.S.C. 2801 et seq.), subsequent to July 1, 2000.

**Recommendation 3:** For these reasons, the joint subcommittee recommends an appropriation of \$800,000 for each year of the 2000-2002 biennium for use by STASR and TMTI in providing enhanced skills training to shipyard workers. As a condition of receiving the appropriation, the joint subcommittee further recommends that STASR raise matching funds in cash or in-kind contributions in the amount of \$200,000 for the biennium. See Footnote 2.

---

<sup>3</sup> Senate Bill No. 573 (Appendix F) was introduced during the 2000 Session of the General Assembly. Senate Bill No. 573 would have provided investment performance grants to Virginia's shipbuilders and ship repairers under the terms as recommended by the joint subcommittee. This legislation was carried over to the 2001 Session of the General Assembly.

#### **D. Continuation of the Joint Subcommittee**

**Recommendation 4:** Due to the array and complexity of issues the joint subcommittee was charged to study under Senate Joint Resolution No. 436, the joint subcommittee has been precluded from studying all issues. Therefore, the joint subcommittee's final recommendation is to continue the Joint Subcommittee Studying Economic Incentives to Promote the Growth and Competitiveness of Virginia's Shipbuilding Industry.<sup>4</sup>

Respectfully submitted,

Senator Stanley C. Walker, *Chairman*  
Delegate Alan A. Diamonstein, *Vice Chairman*  
Senator J. Randy Forbes  
Senator Thomas K. Norment, Jr.  
Senator Edward L. Schrock  
Delegate Jerrauld C. Jones  
Delegate Harry R. Purkey  
Delegate Frank W. Wagner  
Delegate Donald L. Williams  
Mr. Thomas W. Godfrey  
Mr. John L. Roper IV  
Mr. Robert S. Walker  
Mr. William Welch  
The Honorable Barry DuVal, *Ex officio*  
The Honorable Danny M. Payne, *Ex officio*  
Adm. David P. Donohoe, Ret., *Ad hoc*

---

<sup>4</sup> Senate Joint Resolution No. 177 (Appendix G) was passed by the 2000 Session of the General Assembly. The resolution continues the joint subcommittee for another year.



**SENATE JOINT RESOLUTION NO. 171**

*Establishing a joint subcommittee to study economic incentives to promote the growth and competitiveness of Virginia's shipbuilding industry.*

Agreed to by the Senate, March 13, 1998

Agreed to by the House of Delegates, March 12, 1998

WHEREAS, the encouragement of major investments in shipbuilding facilities in Virginia, the preservation of thousands of existing jobs, and the creation of new jobs in Virginia's shipbuilding industry are in the best interests of the Commonwealth; and

WHEREAS, while the Commonwealth has provided economic incentives for the development within Virginia of several industries, including the semiconductor manufacturing industry, similar economic incentives have not been specifically directed at the shipbuilding industry; and

WHEREAS, several other states have provided financial and other incentives to preserve, expand, and promote their shipbuilding industries; and

WHEREAS, the development of state-of-the-art facilities for the design, manufacture, and support of future generations of ships will require substantial investments; and

WHEREAS, the implementation of economic incentives for the development within the Commonwealth of such facilities is necessary if Virginia is to maintain its position as a leader in shipbuilding and related industries; and

WHEREAS, an analysis of potential tax benefits and other economic incentives directed at fostering additional investments in Virginia's shipbuilding, ship repair, and shipping industries will provide the Commonwealth with valuable information; now, therefore, be it

RESOLVED by the Senate, the House of Delegates concurring, That a joint subcommittee be established to study economic incentives to promote the growth and competitiveness of Virginia's shipbuilding industry. The joint subcommittee shall determine whether, and at what level, tax benefits or other economic incentives would be an effective tool in ensuring the continued health of the Commonwealth's maritime industries.

The joint subcommittee shall be composed of 15 members, which shall include 9 legislative members, 4 nonlegislative citizen members, and 2 ex officio members, as follows: 4 members of the Senate to be appointed by the Senate Committee on Privileges and Elections; 5 members of the House of Delegates to be appointed by the Speaker of the House, in accordance with Rule 16 of the House Rules; 1 citizen representing the shipbuilding industry and 1 citizen familiar with the operations of the Norfolk Navy Shipyard, to be appointed by the Senate Committee on Privileges and Elections; and 1 citizen representing the shipping industry and 1 citizen recommended by the Board of Commissioners of the Virginia Port Authority to be appointed by the Speaker of the House. The Secretary of Commerce and Trade or his designee and the Tax Commissioner or his designee shall serve ex officio, with voting privileges.

The direct costs of this study shall not exceed \$7,000.

The joint subcommittee may employ such consultants as it deems necessary to assist it in its work. Expenses for such consulting services shall be funded from funds appropriated by the General Assembly in the amount of \$50,000 for the joint subcommittee's study.

The Division of Legislative Services shall provide staff support for the study. All agencies of the Commonwealth shall provide assistance to the joint subcommittee, upon request.

The joint subcommittee shall complete its work in time to submit its findings and recommendations to the Governor and the 1999 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.

---



Go to [\(General Assembly Home\)](#)



ENROLLED

**SENATE JOINT RESOLUTION NO. 436**

*Continuing the Joint Subcommittee Studying Economic Incentives to Promote the Growth and Competitiveness of Virginia's Shipbuilding Industry.*

Agreed to by the Senate, February 25, 1999

Agreed to by the House of Delegates, February 25, 1999

WHEREAS, Senate Joint Resolution No. 171 (1998) established the Joint Subcommittee Studying Economic Incentives to Promote the Growth and Competitiveness of Virginia's Shipbuilding Industry; and

WHEREAS, the joint subcommittee was directed to examine, among other things, whether, and at what level, tax benefits or other economic incentives would be an effective tool in ensuring the continued health of Virginia's maritime industries; and

WHEREAS, the joint subcommittee has in its first year examined information on a wide variety of topics including the economic condition of Virginia's shipbuilding and ship repair firms, and reasons for the declining levels of employment in the industry; and

WHEREAS, due to the complexity of the issues and time constraints, the joint subcommittee has not been able to complete its study of these issues and possible strategies to allow the industry to overcome the market conditions and governmental procurement policies which are responsible for much of the industry's problems; and

WHEREAS, the members agree that the joint subcommittee should be continued for a second year; now, therefore, be it

RESOLVED by the Senate, the House of Delegates concurring, That the Joint Subcommittee Studying Economic Incentives to Promote the Growth and Competitiveness of Virginia's Shipbuilding Industry be continued. In its second year, the joint subcommittee shall examine, in addition to such other issues as it deems advisable, (i) state regulation of tributyltin (TBT), (ii) dual state and federal jurisdiction over workers' compensation for shipyard workers, (iii) establishing a state commission to promote and provide marketing assistance to the industry, (iv) the Commonwealth's tax structure and its impact on the shipyard industry, and (v) incentive grants for capital investments by shipyards.

The members duly appointed pursuant to Senate Joint Resolution No. 171 (1998) shall continue to serve; however, any vacancies shall be filled as provided in the enabling resolution. Further, appointments of members of the House of Delegates to fill vacancies shall also be in accordance with the principles of Rule 16 of the Rules of the House of Delegates.

The Division of Legislative Services shall continue to provide staff support for the study. All other agencies of the Commonwealth shall provide assistance to the joint subcommittee, upon request.

The joint subcommittee shall complete its work in time to submit its findings and recommendations to the Governor and the 2000 Session of the General Assembly as provided in the procedures of the Division of Legislative Automated Systems for the processing of legislative documents.

The direct costs of this study shall not exceed \$7,000.

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.

APPENDIX C: Budget Amendment for a Marketing Program, as Introduced

[Next Item](#) [Prev Item](#) [Menu](#)

Chief Patron: Diamonstein

Item 571 #261b-

<b>Nonstate Agencies</b>	<b>FY 00-01</b>	<b>FY 01-02</b>	
State Grants To Nonprofit Entities-Nonprofit	\$100,000	\$100,000	GF
Cultural And Artistic Organizations			

**Language:**

Page 386, line 5, strike "\$11,948,045" and insert "\$12,048,045".

Page 386, line 5, strike "\$9,644,383" and insert "\$9,744,383".

Page 388, after line 3, insert:

"South Tidewater Association of Ship Repairers \$100,000 \$100,000".

**Explanation:**

(This amendment provides \$100,000 in each year to the South Tidewater Association of Ship Repairers to help fund a strategic plan to help ship repair companies develop commercial markets.)

[Next Item](#) [Prev Item](#)

APPENDIX D: Budget Amendment for Enhanced Skills Training, as Introduced

Chief Patron: Wagner

Item 571 #232h

<b>Nonstate Agencies</b>	<b>FY 00-01</b>	<b>FY 01-02</b>	
State Grants To Nonprofit Entities-Nonprofit	\$800,000	\$800,000	GF
Cultural And Artistic Organizations			

**Language:**

Page 386, line 5, strike "\$11,948,045" and insert "\$12,748,045".

Page 386, line 5, strike "\$9,644,383" and insert "\$10,444,383".

Page 388, after line 3, insert:

"South Tidewater Association of Ship Repairers \$800,000 \$800,000".

**Explanation:**

(This amendment provides \$800,000 in each year to the South Tidewater Association of Ship Repairers to enhance skills of shipfitters, pipefitters and other related trades.)

APPENDIX E: Enrolled Amendment to the 2000 Appropriation Act

Independent Agencies	<b>FY 00-01</b>	<b>FY 01-02</b>	
Virginia Office for Protection and Advocacy	26.00	26.00	FTE

**Language:**

Page 385, after line 16, insert:

"570.13. Included in the Federal Trust appropriations are amounts estimated at \$78,705 the first year and \$78,705 the second year to pay for statewide indirect cost recoveries of this agency. Actual recoveries of statewide indirect costs up to the level of these estimates shall be exempt from payment into the general fund, as provided in §4-2.03 of this act. Amounts recovered in excess of these estimates shall be deposited to the general fund.	\$2,366,372	\$2,344,605
---	-------------	-------------

Appropriations in this Item the first and second year are contingent upon passage of House Bill 491.

Total for Virginia Office for Protection and Advocacy

General Fund Positions	15.88	15.88
Nongeneral Fund Positions	19.12	19.12
Position Level	35.00	35.00

Fund Sources: General	\$732,698	\$710,348."
Special	\$250,000	\$250,000
Federal Trust	\$1,383,674	\$1,384,257

**Explanation:**

(This amendment is one of four companion amendments that transfers funding and positions in the 2000-2002 biennium for a new independent human rights agency, the Virginia Office for Protection and Advocacy, pursuant to House Bill 491. Four other companion amendments in Items 83, 84, 85, and 86 eliminate funding and positions the first and second year for the Department for the Rights of Virginians with Disabilities.)

---

Item 571 #1c

*Conference Report on House Bill 30*

Nonstate Agencies	<b>FY 00-01</b>	<b>FY 01-02</b>	
State Grants To Nonprofit	\$22,041,789	(\$9,644,383)	GF
Entities-Nonprofit Cultural And			
Artistic Organizations			

**Language:**

Page 386, line 5, strike "\$11,948,045" and insert "\$33,989,834".

Page 386, line 5, strike "\$9,644,383" and insert "\$0".

Page 386, line 2, strike:

"NONPROFIT ENTITIES-NONPROFIT CULTURAL AND ARTISTIC ORGANIZATIONS" and insert:

"NONSTATE ENTITIES-NONSTATE AGENCIES (986)".

Page 386, strike line 3.

Page 386, line 28, after "outlay.", insert:

"Unless otherwise specified in this Item, the matching amounts for grants funded from this Item may be in cash or in-kind contributions as requested by the nonstate organization in its application for state grant funds. The Department shall use applicable federal guidelines in assessing the value of in-kind contributions to be used as matching amounts."

Page 387, strike lines 15 through 60.

Page 388, strike lines 1 through 4.

Page 388, after line 14, insert:

	<u>"YEAR 1</u>	<u>YEAR 2</u>
1908 Grayson County Courthouse	\$25,000	\$0
Alliance to Conserve Old Richmond	25,000	0
Neighborhoods		
Allman-Archer House	15,000	0
Amazement Square	150,000	0
Amherst County Museum and Historical Society	40,000	0
Appalachia Cultural Arts Center, Inc.	30,000	0
Appalachian Traditions, to the County of Wise for	25,000	0
Art Museum of Western Virginia	325,000	0
Association for the Preservation of Virginia	2,000,000	0
Antiquities		
Avoca	50,000	0
Barksdale Theater	100,000	0
Barns at Franklin Park, Inc.	25,000	0
Barter Theater	300,000	0
Beacon Theater, to Hopewell Preservation, Inc. for	125,000	0

*Conference Report on House Bill 30*

Bear Mountain Indian Mission Schoolhouse, to the Monacan Indian Nation, Inc. for	69,000	r
Belle Grove Plantation	65,000	0
Ben Lomond	50,000	0
Black History Museum and Cultural Center	140,000	0
Black Women United for Action	115,000	0
Blackfriars Theatre, to the Shenandoah Shakespeare Center for Education, Research, and Performance for	450,000	0
Blandford Church	45,000	0
Blue Ridge Institute, Inc.	75,000	0
Boykins Tavern, to Isle of Wight County for	75,000	0
Camp Baker	100,000	0
Camp Virginia Jaycee, Inc.	50,000	0
Campostella Square Community Center, to the City of Chesapeake for	235,000	0
Cape Charles Museum, to the Cape Charles Historical Society for	65,000	0
Carpenter Center for the Performing Arts	1,000,000	r
Center in the Square, to the Western Virginia Foundation for the Arts and Sciences for	600,000	L
Central High Museum	25,000	0
Chesapeake Museum	100,000	0
Children's Advocacy Center of Bristol/Washington County	50,000	0
Children's Museum of Richmond	550,000	0
Children's Museum of Virginia, to the City of Portsmouth for	200,000	0
Chincoteague Visitor Center	250,000	0
Chrysler Museum	400,000	0
Clarendon/Maury Building, to the Arlington Arts Center for	100,000	0
Classika Theater of Arlington	25,000	0
Coal Miners Memorial, to the County of Russell for	25,000	0
Colonial Williamsburg Foundation	400,000	0
Contemporary Arts Center	125,000	0
Council for America's First Freedom	300,000	r
Crab Orchard Museum and Pioneer Park, Inc.	75,000	L

*Conference Report on House Bill 30*

Crispus Attucks Theater	100,000	0
CSX Train Station, to the City of Suffolk for	100,000	0
Cultural Arts Center at Glen Allen	75,000	0
Dan River Alliance for the Arts	50,000	0
Danville Area Association for Arts & Humanities	35,000	0
Danville Museum of Fine Arts & History	50,000	0
Dinwiddie Courthouse	100,000	0
Discovery of Flight Foundation	50,000	0
DOVES, Inc.	75,000	0
Downing-Gross Cultural Arts and Community Center, to the City of Newport News for	100,000	0
Elegba Folklore Society	25,000	0
Essex County for the Old Debtor's Prison and Old Clerk's Office	17,500	0
Explore Park, to the Virginia Recreational Facilities Authority for	300,000	0
F.O.R. Kids	10,000	0
Fairfax Partnership for Youth	50,000	0
Fairfax Public Law Library, to the Library of Virginia for	89,566	0
Fluvanna County Sheriff's Office	50,000	0
Fluvanna Heritage Trail, to the Fluvanna County Historical Society for	20,000	0
Frederick County Courthouse, to the County of Frederick for	150,000	0
Fredericksburg Area Museum & Cultural Center	25,000	0
Freedom Museum, Inc.	175,000	0
George C. Marshall Museum, to the George C. Marshall Foundation for	150,000	0
George Washington's Tents, to Save America's Treasures for	162,500	0
Giles County Historical Museum	25,000	0
Glass Glen Burnie Museum	350,000	0
Gloucester 350th Anniversary Committee	30,000	0
Goochland County Library	100,000	0
Governor Albertis S. Harrison Legacy Project, to the Virginia Project Foundation for	100,000	0
Greene County Library and Senior Center	50,000	0

*Conference Report on House Bill 30*

Hampton History Musuem	300,000	0
Hand Workshop Art Center	25,000	0
Hanover County Black Heritage Society	25,000	0
Harrison Museum	75,000	0
Henricus Foundation	200,000	0
Herndon Veterans' Memorial, to the	50,000	0
Herndon/Reston American Legion Post 184 for		
Highland Cultural Coalition, to the County of Floyd	50,000	0
for		
Historic Brentsville Courthouse	50,000	0
Historic Buckingham, Inc.	24,000	0
History Museum of Western Virginia	75,000	0
Holiday House of Portsmouth, Inc.	12,500	0
Holiday Lake 4-H Educational Center	50,000	0
Hurrah Players, Inc.	5,000	0
J.E.B. Stuart Camp for Huguenot Springs	9,000	0
Confederate Cemetery		
Jackson-Feild Home for Girls	100,000	0
James Madison Museum, to the James Madison	40,000	0
Memorial Foundation for		
Jamestown 4-H Educational Center, Inc.	50,000	0
Jamestown Slave Museum	1,000,000	0
John Marshall Foundation	50,000	0
John S. Mosby Home, to the Town of Warrenton for	50,000	0
John Wesley Church, to the Waterford Foundation	75,000	0
for		
Josephine School Community Museum	67,500	0
Kenmore	150,000	0
Kerr Place	26,000	0
King and Queen County Historical Society	47,000	0
Kinsale Foundation	15,000	0
La Cross, Town of	10,000	0
Lambert's Point Child Care Center	25,000	0
Lee Hall Mansion	50,000	0
Lee Hall Train Station	70,000	0
Legacy Museum of African-American History	25,000	0
Lewis Ginter Botanical Garden	200,000	0
Lime Kiln Theater	50,000	0



*Conference Report on House Bill 30*

LinkAges Center	100,000	0
Little England Chapel	25,000	0
Lloyd House	10,000	0
Louisa County Tourism Commission	25,000	0
Lynchburg Academy of Music Theatre	125,000	0
Lynnhaven House	50,000	0
MacCallum More Museum & Gardens	50,000	0
Maggie Walker Community Center	15,000	0
Maggie Walker High School Renovation	100,000	0
Manassas Museum Systems	150,000	0
Mariners' Museum	500,000	0
Marshall Center Library & Senior Center	100,000	0
Mathews County Library	62,500	0
Mathews County Public Access Pier	25,000	0
Mathematics and Science Center Foundation	100,000	0
Maymount Foundation	200,000	0
Menokin	100,000	0
Middlesex County Museum	50,000	0
Middlesex County Women's Club for the Old Courthouse Building	4,750	0
Miles B. Carpenter Museum	4,313	0
Mill Mountain Theatre	150,000	0
This appropriation is exempt from the Virginia Public Procurement Act.		
Mill Mountain Zoo, to the Blue Ridge Zoological Society for	250,000	0
Montpelier	500,000	0
Montpelier Center For Arts and Education, Inc.	50,000	0
Moton Center	50,000	0
Municipal Arts Center	100,000	0
Museum of Culpeper History	30,000	0
Museum of the Confederacy	140,000	0
National Aeronautics and Space Administration	250,000	0
National D-Day Memorial Foundation	2,225,000	0
Nelson County Community Center	50,000	0
New River Trail, to the Town of Pulaski for	50,000	0
New Virginia Review	15,000	0
Newsome House	25,000	0

*Conference Report on House Bill 30*

Norfolk Botanical Garden Society, Inc.	100,000	0
North Street Playhouse, Inc.	65,000	0
Northern Virginia 4-H Educational Center	50,000	0
Oatlands, to the National Trust for Historic Preservation for	75,000	0
Opera Roanoke	50,000	0
Orange County Courthouse	49,500	0
Page County Senior Center, to the County of Page for	100,000	0
This appropriation is exempt from the Virginia Public Procurement Act.		
Palace Theatre, to Arts Enter Cape Charles for	65,000	0
Paramount Theater, Inc.	250,000	0
Paxton House Historical Society	50,000	0
Peabody Building, to the City of Petersburg for	50,000	0
Pelham Chapel, to the Lee-Jackson Camp #1 Sons of Confederate Veterans for	15,000	0
Peninsula Fine Arts Center	250,000	0
Philippine Cultural Center of Virginia, to the Council of United Filipino Organizations of Tidewater, Inc. for	70,000	0
Phoenix Program, to Vanguard Services, Unlimited for	250,000	0
Piedmont Arts Association	150,000	0
Pocahontas Cemetery, to Historic Pocahontas, Inc., for	9,000	0
Pocahontas Presbyterian Church, to Historic Pocahontas, Inc., for	2,000	0
Poe Museum	30,000	0
Poor House Farm, to the Barrier Island Center for	65,000	0
Poplar Forest	200,000	0
Prevent Blindness Virginia	37,500	0
Pulaski Theater	75,000	0
Pythian Castle	25,000	0
Red Hill, to the Patrick Henry Memorial Foundation for	50,000	0
Reedville Fishermen's Museum	50,000	0
Richmond Ballet	50,000	0

*Conference Report on House Bill 30*

Richmond Boys Choir	100,000	0
Richmond Symphony	75,000	0
Roanoke Ballet	25,000	0
Rockbridge 4-H Club	10,000	0
Rockingham County Fair Association	250,000	0
Rockingham Public Library	100,000	0
Rogers' Store Museum	110,500	0
Rosewell Mansion Ruins	50,000	0
Schooner Virginia Project	250,000	0
Science Museum of Western Virginia	725,000	0
Scotchtown, to the Association for the Preservation of Virginia Antiquities , Hanover County Branch for	20,000	0
Serenity House	25,000	0
Shenandoah Valley Discovery Museum	75,000	0
Signature Theatre, Inc.	50,000	0
Smith Mountain Lake 4-H Education Center	50,000	0
South Boston-Halifax Museum of Fine Arts and History	75,000	0
South Norfolk Armory	100,000	0
South Tidewater Association of Ship Repairers	100,000	0
Southeast 4-H Educational Center	50,000	0
Southside Community Hospital	50,000	0
Southwest Virginia 4-H Educational Center	50,000	0
Special Friends Project	30,000	0
Special Olympics Virginia	100,000	0
St. Joseph's Villa	50,000	0
State 4-H Horse Show Committee, to the Virginia Equine Center Foundation for	20,000	0
Stonewall Jackson House	46,690	0
Stonewall Theatre	30,000	0
Stratford Hall	300,000	0
Theatre IV	50,000	0
Thomas Slave Chapel Foundation	25,000	0
Tinner Hill Heritage Foundation	100,000	0
Tony West Gray Freedom School, to the Petersburg Urban Ministries for	50,000	0
Town of Lebanon	25,000	0

*Conference Report on House Bill 30*

Trail of the Lonesome Pine Outdoor Drama	25,000	0
Trevilian Station Battlefield Foundation	400,000	0
USS Wisconsin, to the National Maritime Center Foundation for	750,000	0
Valentine Museum	150,000	0
Village View Foudation	25,000	0
Virginia Air and Space Center	300,000	0
Virginia Amateur Sports	25,000	0
Virginia Ballet Theater	60,000	0
Virginia Equine Center Foundation	1,021,045	0
Virginia Fire and Police Museum	50,000	0
Virginia Foundation for Agriculture in the Classroom	25,000	0
Virginia Geographic Alliance	392,000	0
Virginia Historical Society	375,000	0
Virginia Holocaust Museum	100,000	0
Virginia Living Museum	200,000	0
Virginia Marine Science Museum	1,000,000	0
Virginia Museum of Transportation	300,000	0
This organization is exempt from the matching requirement.		
Virginia Opera	100,000	0
Virginia Quality Life	175,000	0
Virginia School for the Arts	50,000	0
Virginia Senior Games, to the Virginia Recreation and Park Society for	100,000	0
Virginia Sports Hall of Fame	500,000	0
Virginia Symphony	87,500	0
Virginia Time Travelers Program, to the Virginia Association of Museums for	50,000	0
Virginia Waterfront International Arts Festival	50,000	0
Virginia Zoological Park	50,000	0
Volunteer Rescue Squad Museum	50,000	0
Walton's Mountain Museum	25,000	0
Watermen's Museum	100,000	0
Waynesboro Heritage Foundation	50,000	0
Weston Manor, to the Historic Hopewell Foundation for	37,970	0

*Conference Report on House Bill 30*

Whites Mill	100,000	0
William King Regional Arts Center	200,000	0
Wolftrap Foundation for the Performing Arts	1,000,000	0
Women's Center, The	50,000	0
Woodlawn, to the National Trust for Historic Preservation for	75,000	0
Woodrow Wilson Birthplace Foundation	175,000	0
Wytheville High School Library, to the Wythe County Historical Society for the Old	<u>25,000</u>	<u>0</u>
<b>Total</b>	<b>\$33,989,834</b>	<b>\$0".</b>

**Explanation:**

(This amendment adds \$12.4 million to House Bill 30, as introduced, resulting in almost \$34 million in funding for nonstate entities and historic landmarks and organizations in the first year of the biennium. Language is added specifying that nonstate grants may be matched by cash or in-kind contributions, and directing the administering agency to use applicable federal guidelines in valuing the in-kind matching amounts. It is the intent of the General Assembly that this amendment be enrolled in proper alphabetical order and form within the table of nonstate entities set out in Item 571, paragraph F, of House Bill 30.)

Item 571 #2c

**Nonstate Agencies**

State Grants To Nonprofit

Language

Entities-Nonprofit Cultural And  
Artistic Organizations

**Language:**

Page 386, strike lines 9 to 20, and insert:

"A. Grants provided for in this item shall be administered by the Department of Historic Resources.

Page 386, line 21, strike, "administered".

Page 386, line 22, strike "by the Department of Planning and Budget under".

Page 386, line 23, strike "§ 2.1-394.1, Code of Virginia".

Page 386, strike lines 29 to 31.

**Explanation:**

(This amendment establishes the Department of Historic Resources as the administrative agent for the funds appropriated in this item to nonstate agencies

008412532

**SENATE BILL NO. 573**

Offered January 24, 2000

A *BILL to amend the Code of Virginia by adding in Chapter 32.1 of Title 2.1 an article numbered 9, consisting of sections numbered 2.1-548.43:7 through 2.1-548.43:11, relating to the creation of the Virginia Maritime Investment Act.*

Patrons—Schrock and Forbes

Referred to Committee on Finance

Be it enacted by the General Assembly of Virginia:

1. That the Code of Virginia is amended by adding in Chapter 32.1 of Title 2.1 an article numbered 9, consisting of sections numbered 2.1-548.43:7 through 2.1-548.43:11 as follows:

*Article 9.*

*Virginia Maritime Investment Act.*

§ 2.1-548.43:7. *Short title.*

*This article shall be known and may be cited as the "Virginia Maritime Investment Act."*

§ 2.1-548.43:8. *Definitions.*

*As used in this article, unless the context requires a different meaning:*

"Average shipyard worker wage" means that amount determined by the Virginia Employment Commission to be the average wage paid shipyard workers in a locality or region of the Commonwealth.

"Capital investment" means an investment in real property, personal property, or both, at a ship repair facility, located within the Commonwealth and owned by or used by an existing ship repair company, that is capitalized by such company and that increases the productivity of such company, or results in the utilization of a more advanced technology by such company than is in use immediately prior to such investment, or both. In order to qualify as a capital investment, an investment in technology shall result in a measurable increase in capacity or productivity, a measurable decrease in the production of flawed product, or both. Expenditures for maintenance, replacement or repair of existing machinery, tools and real property shall not constitute a capital investment; however, expenditures for the replacement of property shall not be ineligible for designation as a capital investment if such replacement results in a measurable increase in productivity.

"Eligible ship repair company" means an existing ship repair company that makes a capital investment of at least \$50,000 on or after July 1, 2000, which investment does not result in any net reduction in employment within one year after the capital investment has been completed and verified. Any ship repair company participating in any other production grant program in the Commonwealth shall not be an eligible ship repair company.

"Existing ship repair company" means a ship repair company that (i) has a legal presence and actually repairs ships continuously within the Commonwealth for at least five years prior to completion and verification of the capital investment that makes it an eligible ship repair company; and (ii) owns or operates a ship repair establishment as defined in the Standard Industrial Classification Manual and any supplements or replacements issued thereto, or which derives at least sixty percent of its gross revenues from either repair work on ships or from subcontracts with ship repair companies. For purposes of this definition, the acquisition, merger, or change in legal form of an existing ship repair company into a different entity shall not invalidate eligibility to receive a grant under this article.

"Flawed product" means an irregular unit of goods that cannot be sold to an end user.

"Fund" means the Virginia Maritime Investment Partnership Grant Fund.

"Grant" means an investment performance grant.

"Net present value of benefits to Virginia" means the present value of the amount by which (i) the anticipated additional state tax revenue expected to accrue to the Commonwealth as a result of the capital investment and jobs created, over a period following the completion of the capital investment not to exceed twenty years, exceeds (ii) the value of all incentives provided by the Commonwealth including any grant under this article, for such capital investment during that period.

008412532

SB573

4/5/00 11:7

1 "New job" means employment of an indefinite duration at the eligible ship repair company,  
 2 created as the direct result of the eligible ship repair company's capital investment, for which the  
 3 standard fringe benefits are paid by the firm for the employee, requiring a minimum of either (i)  
 4 thirty-five hours of an employee's time per week for the entire normal year of the firm's operations,  
 5 which "normal year" must consist of at least forty-eight weeks or (ii) 1,680 hours per year. Seasonal  
 6 or temporary positions, positions created when a job function is shifted from an existing location in  
 7 this Commonwealth to the location of the eligible ship repair company, and positions with  
 8 contractors, suppliers, and similar multiplier or spin-off jobs shall not qualify as new jobs under this  
 9 article.

10 "Partnership" means the Virginia Economic Development Partnership.

11 "Productivity" means the number of hours of labor required to produce a unit of goods.

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

13 § 2.1-548.43:9. Virginia Investment Performance Grants.

14 A. Subject to the appropriation by the General Assembly of sufficient moneys to the Fund, any  
 15 eligible ship repair company shall be eligible for a grant as provided in this section.

16 B. The Secretary shall establish an application process by which eligible ship repair companies  
 17 may apply for a grant under this section. Application for such grant shall not be approved until the  
 18 Partnership has verified that the capital investment has been completed. Upon verifying that the  
 19 capital investment has been completed, the Partnership shall provide written notice of the same to the  
 20 Secretary.

21 C. The Secretary, based on recommendations of the Partnership, shall determine whether or not  
 22 an eligible ship repair company shall receive a grant under this section. This determination shall be  
 23 based on the application of guidelines that establish criteria for the awarding of a grant. In cases  
 24 where the Secretary awards a grant based on such guidelines, the grant shall be in an amount equal  
 25 to ten percent of the cost of the capital investment.

26 D. The Partnership shall assist the Secretary in developing objective guidelines which shall be  
 27 used in awarding grants. No grant shall be awarded until the Secretary has provided copies of such  
 28 guidelines for review to the chairmen of the House Appropriations and Senate Finance Committees.  
 29 The preparation of the guidelines shall be exempt from the requirements of Article 2 (§ 9-6.14:7.1 et  
 30 seq.) of the Administrative Process Act. The guidelines shall define a "measurable increase in  
 31 capacity or productivity" and a "measurable decrease in the production of flawed product" as such  
 32 phrases apply to or define a capital investment in technology. Additionally, the guidelines shall  
 33 require the Secretary to consider the following criteria in determining whether or not to award a  
 34 grant:

35 1. The number of new jobs created by the capital investment;

36 2. The wages paid for the new jobs and the amount by which wages exceed the average shipyard  
 37 worker wage for the locality or region;

38 3. The extent to which the capital investment produces (i) measurable increases in capacity,  
 39 productivity, or both, and/or (ii) measurable decreases in the production of flawed product;

40 4. The amount of the capital investment;

41 5. The net present value of benefits to Virginia;

42 6. The amount of other incentives offered by the Commonwealth and the locality; and

43 7. The importance of the ship repair company and industry to the economy of the locality or  
 44 region.

45 The guidelines shall also address the eligibility of ship repair companies that make a capital  
 46 investment in phases over a period of years, and limits on eligibility for multiple grants by the same  
 47 eligible ship repair company within stated periods of time.

48 E. The amount of a grant paid to any eligible ship repair company under this section shall not  
 49 exceed ten percent of the amount in the Fund in the year that the terms of a grant are determined.  
 50 Under no circumstances shall an eligible ship repair company be eligible for a grant under this  
 section of more than \$25 million in aggregate.

51 F. The aggregate amount of grants approved by the Secretary under this section in any year shall  
 52 not exceed \$20 million, and the aggregate amount of grants outstanding to all eligible ship repair  
 53 companies under this section for all years shall at no time exceed \$80 million. The annual obligations  
 54

1 of the Commonwealth to make grant payments to individual eligible ship repair companies under .  
2 section shall not exceed \$750,000.

3 G. Any eligible ship repair company shall be eligible to receive a grant from the Fund in five  
4 equal installments beginning in the second year after the capital investment is completed and the  
5 Partnership has verified that the requirements applicable to such grant have been satisfied.

6 § 2.1-548.43:10. Requirements for grants generally.

7 A. Any eligible ship repair company applying for a grant under this article shall provide evidence,  
8 satisfactory to the Secretary or the Partnership, of the amount of the capital investment, the number  
9 of new jobs created as a result of the capital investment and such other evidence that the  
10 requirements of this article have been satisfied. An eligible ship repair company whose application  
11 has been approved shall continue to comply with the requirements for grant eligibility during the  
12 grant payment period. The Partnership shall verify that the conditions for approval of any grant have  
13 been satisfied.

14 B. The Secretary shall determine the grants to be allocated to eligible applicants by June 30 of  
15 each year. Prior to any grant payment, the Secretary shall certify to the Comptroller and each  
16 applicant the amount of the grant to which each applicant is entitled. Subject to the appropriation by  
17 the General Assembly of sufficient moneys to the Fund, the payment of such grant shall be made from  
18 the Fund by check issued by the State Treasurer on warrant of the Comptroller within sixty days of  
19 such certification.

20 C. As a condition of receipt of a grant, an eligible ship repair company shall make available to  
21 the Secretary or Partnership for inspection upon request all relevant and applicable documents to  
22 determine whether the requirements for the receipt of grants as set forth in this article have been  
23 satisfied. All such documents appropriately identified by the eligible ship repair company shall be  
24 considered confidential and proprietary.

25 D. Within thirty days of each calendar quarter, the Secretary shall provide a report to the  
26 chairmen of the House Appropriations and Senate Finance Committees which report shall include,  
27 is not limited to, the following information: the name of each eligible ship repair company determi-  
28 to be eligible for a grant; the locality of each ship repair facility of the eligible ship repair company  
29 or the locality in which each eligible ship repair company operates; the amount of each grant made  
30 or committed from the Fund; the number of new jobs created or projected to be created; the amount  
31 of each eligible ship repair company's capital investment; and each timetable for the completion of  
32 the capital investment and new jobs created.

33 E. The Secretary shall provide grants and commitments from the Fund in an amount not to exceed  
34 the dollar amount contained in the Fund. If funds are committed for years beyond the fiscal years  
35 covered under the existing appropriation act, the State Treasurer shall set aside and reserve such  
36 funds as have been committed, and such funds shall remain in the Fund for those future fiscal years.  
37 No grant shall be payable in the years beyond the existing appropriation act unless such funds are  
38 currently available in the Fund.

39 § 2.1-548.43:11. Virginia Maritime Investment Partnership Grant Fund.

40 A. There is hereby established a special fund in the state treasury to be known as the Virginia  
41 Maritime Investment Partnership Grant Fund. The Fund shall consist of such moneys as may be  
42 appropriated by the General Assembly from time to time. The Fund shall be used solely for the  
43 payment of grants to eligible ship repair companies pursuant to this article. The Secretary shall  
44 administer the Fund.

45 B. The Secretary shall allocate from the Fund moneys in the following order of priority: (i) first to  
46 unpaid grant amounts carried forward from prior years because eligible ship repair companies did  
47 not receive the full amount of any grant to which they were eligible in a prior year and (ii) then to  
48 other approved applicants. If the moneys in the Fund are less than the amount of grants to which  
49 approved applicants in any class of priority are eligible, the moneys in the Fund shall be apportioned  
50 pro rata among eligible applicants in such class, based upon the amount of the grant to which an  
51 approved applicant is eligible and the amount of money in the Fund available for allocation to su-  
52 class.

53 C. If a grant recipient is allocated less than the full amount of a grant to which it is eligible in  
54 any year, such eligible ship repair company shall not be eligible for the deficiency in that year, but



2 the unpaid portion of the grant to which it was eligible shall be carried forward by the Secretary to  
3 the following year, during which it shall be in the first class of priority as provided in clause (i) of  
4 subsection B.

4 D. All excess funds remaining in any given year shall be carried forward on the books of the  
5 Fund for use in subsequent years.

6 E. Actions of the Secretary relating to the allocations and awarding of grants shall be exempt  
7 from the provisions of the Administrative Process Act pursuant to subdivision B 4 of § 9-6.14:4.1.

<b>Official Use By Clerks</b>	
<p style="text-align: center;"><b>Passed By The Senate</b></p> <p>without amendment <input type="checkbox"/></p> <p>with amendment <input type="checkbox"/></p> <p>substitute <input type="checkbox"/></p> <p>substitute w/amdt <input type="checkbox"/></p> <p>Date: _____</p> <p style="text-align: center;">_____</p> <p style="text-align: center;">Clerk of the Senate</p>	<p style="text-align: center;"><b>Passed By The House of Delegates</b></p> <p>without amendment <input type="checkbox"/></p> <p>with amendment <input type="checkbox"/></p> <p>substitute <input type="checkbox"/></p> <p>substitute w/amdt <input type="checkbox"/></p> <p>Date: _____</p> <p style="text-align: center;">_____</p> <p style="text-align: center;">Clerk of the House of Delegates</p>

ENROLLED

**SENATE JOINT RESOLUTION NO. 177**

*Continuing the Joint Subcommittee Studying Economic Incentives to Promote the Growth and Competitiveness of Virginia's Shipbuilding Industry.*

Agreed to by the Senate, March 9, 2000

Agreed to by the House of Delegates, March 8, 2000

WHEREAS, Senate Joint Resolution No. 171 (1998) established the Joint Subcommittee Studying Economic Incentives to Promote the Growth and Competitiveness of Virginia's Shipbuilding Industry; and

WHEREAS, the joint subcommittee was directed to examine, among other things, whether, and at what level, tax benefits or other economic incentives would be an effective tool in ensuring the continued health of Virginia's maritime industries; and

WHEREAS, the joint subcommittee in its first year examined information on a wide variety of topics including the economic condition of Virginia's shipbuilding and ship repair firms, and reasons for the declining levels of employment in the industry; and

WHEREAS, Senate Joint Resolution No. 436 (1999) continued the joint subcommittee for a second year; and

WHEREAS, the joint subcommittee in its second year recommended legislation providing for investment performance grants to certain eligible ship repair companies; and

WHEREAS, due to the continuing complexity of the issues and time constraints, the joint subcommittee has not been able to complete its study of all issues it was authorized to study under Senate Joint Resolution No. 171 (1998) and Senate Joint Resolution No. 436 (1999) and all possible strategies to allow the industry to overcome the market conditions and governmental procurement policies which are responsible for much of the industry's problems; and

WHEREAS, the continuing study by the joint subcommittee is vital to gain a complete understanding of what must be accomplished to ensure that Virginia and its shipbuilding and ship repair businesses maintain their position as a leader in shipbuilding and related industries; and

WHEREAS, the members agree that the joint subcommittee should be continued; now, therefore, be it

RESOLVED by the Senate, the House of Delegates concurring, That the Joint Subcommittee Studying Economic Incentives to Promote the Growth and Competitiveness of Virginia's Shipbuilding Industry be continued. The joint subcommittee shall continue to examine, in addition to such other issues as it deems advisable, (i) state regulation of tributyltin (TBT), (ii) dual state and federal jurisdiction over workers' compensation for shipyard workers, (iii) establishing a state commission to promote and provide marketing assistance to the industry, (iv) the Commonwealth's tax structure and its impact on the shipyard industry, and (v) incentive grants for capital investments by shipyards.

The joint subcommittee shall be composed of 14 members, which shall include 8 legislative members, 4 nonlegislative citizen members, and 2 ex officio members, 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, in accordance with Rule 16 of the House of Delegates; one citizen representing the shipbuilding industry and one citizen familiar with the operations of the Norfolk Navy Shipyard, to be appointed by the Senate Committee on Privileges and Elections; and one citizen representing the shipping industry and one citizen recommended by the Board of Commissioners of the Virginia Port Authority to be appointed by the Speaker of the House. The Secretary of Commerce and Trade or his designee and the Tax Commissioner or his designee shall serve ex officio, with voting privileges.

The Division of Legislative Services shall continue to provide staff support for the study. All other agencies of the Commonwealth shall provide assistance to the joint subcommittee, upon request.

The joint subcommittee shall complete its work in time to submit its written findings and recommendations by December 20, 2000, to the Governor and the 2001 Session of the General Assembly as provided in the procedures of the Division of Legislative Automated Systems for processing of legislative documents.

The direct costs of this study shall not exceed \$8,500.

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.

