



Report of the Subcommittee on  
Economic Development and  
Natural Resources

Senate Finance Committee  
Virginia General Assembly

February 5, 2017



SENATE OF VIRGINIA

## Senate Finance Committee

**2017 Report of the Economic Development and  
Natural Resources Subcommittee  
The Honorable Frank M. Ruff, Jr., Chairman  
February 5, 2017**

Chairman Hanger, Chairman Norment and Members of the Committee:

Your Economic Development and Natural Resources Subcommittee reviewed the Governor's proposed amendments to the 2016-2018 budget with one guiding principle -- fiscally responsible and prudent investment of public resources. Given the Commonwealth's current fiscal constraints and our commitment to prioritize State Police and employee compensation, your Subcommittee rejected new spending proposals and focused instead on strengthening established programs with broad support and a track record of success.

In the area of Economic Development, the Subcommittee analyzed all performance-based grant programs, and we recommend reducing funding and recovering balances from underutilized incentive programs and projects that are behind schedule. These actions provide an additional \$7.1 million to the general fund. Combined with additional general fund savings of \$4.4 million identified by the Subcommittee, we recommend redirecting the funds to reverse some of the proposed cuts to our most successful economic development programs.

The amendments we recommend to you restore \$7.5 million of the \$15 million proposed reduction to GO Virginia. This important initiative is at a critical point in its formation, and such a dramatic reduction in funding could seriously jeopardize its success. We also recommend restoring \$1.8 million to the Enterprise Zone Grant

Program and \$1.3 million to the Brownfields Restoration and Economic Development Assistance Fund.

In the area of Agriculture and Forestry, we recommend the restoration of the Governor's proposed cuts to the Reforestation of Timberlands program, as well as the continued support of cooperative animal control programs with the USDA. Additionally, we reject the proposal to increase fees that are targeted directly at forestry related industries.

In the area of Natural Resources, your Subcommittee focused its efforts on continuing a cost-effective approach toward meeting our obligations to improve the quality of waters in the Chesapeake Bay and the Southern Rivers. Therefore, we are recommending the release of \$8.3 million in the Water Quality Improvement Reserve Fund. When combined with a \$30 million line of credit proposed for Agricultural Best Management Practices Cost Share Assistance, a total investment of almost \$40 million is proposed for prudent investments in environmental stewardship.

In closing, we believe our recommendations provide a balanced approach to move our economy forward while meeting our constitutional obligation to protect our vital natural resources.

This completes the report of your Subcommittee and we hope it will be the pleasure of the Senate Finance Committee to adopt our amendments.

Respectfully Submitted,

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The Honorable Frank M. Ruff, Jr., Chairman

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The Honorable Richard L. Saslaw

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The Honorable Frank W. Wagner

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The Honorable Mark D. Obenshain

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The Honorable Rosalyn R. Dance

**Report of the Subcommittee on Economic Development and Natural Resources**  
**(Recommended Amendments to SB 900, As Introduced)**

Amendment		General Funds		
		FY 2017	FY 2018	Biennium
1	<b>AGRICULTURE &amp; FORESTRY</b>			
2	<b>Department Of Agriculture And Consumer Services</b>			
3	Farm Winery Regulatory Review	<i>Language</i>		
4	Reduce Agriculture and Forestry Development Fund		\$ (780,000)	\$ (780,000)
5	Wildlife Damage Management Program	\$ 95,000	\$ 192,500	\$ 287,500
6	<b>Department Of Forestry</b>			
7	Reverse Silvicultural Fee		\$ 500,000	\$ 500,000
8	Restore Reforestation of Timberlands		\$ 300,000	\$ 300,000
9	<b>COMMERCE &amp; TRADE</b>			
10	<b>Secretary of Commerce and Trade</b>			
11	Reverse Due Date Change for Dept of Small Business and Supplier Diversity Review	<i>Language</i>		
12	Reverse Funding for Virginia International Trade Corporation CEO	\$ -	\$ (100,000)	\$ (100,000)
13	<b>Economic Development Incentive Payments</b>			
14	Defer Deposit to Pulp, Paper, and Fertilizer Advanced Mfg Performance Grant Fund	\$ -	\$ (2,000,000)	\$ (2,000,000)
15	Reverse NGF Appropriation for Aerospace Manufacturing Supplier Cluster Grant	\$ -	\$ (2,500,000)	\$ (2,500,000)
16	Reduce Funding for Commonwealth's Development Opportunity Fund	\$ -	\$ (1,000,000)	\$ (1,000,000)
17	Authorization for Additional VEDIG Grant Commitments	<i>Language</i>		
18	<b>Department Of Housing And Community Development</b>			
19	Housing Strategies for Mental Illness	<i>Language</i>		
20	Partially Restore Funding for GO Virginia	\$ 1,050,000	\$ 6,450,000	\$ 7,500,000
21	Restore Funding for Enterprise Zone Program	\$ 1,000,000	\$ 835,533	\$ 1,835,533
22	Short Term Rentals	<i>Language</i>		
23	NGF Appropriation for Southwest VA Economic Development	\$ -	\$ 500,000	\$ 500,000
24	<b>Department Of Labor and Industry</b>			
25	Reverse New Spending for Occupational Safety and Health Programs	\$ -	\$ (1,529,923)	\$ (1,529,923)
26	<b>Department Of Mines, Minerals and Energy</b>			
27	Reverse New Spending for Solar Development Incentives	\$ -	\$ (1,100,000)	\$ (1,100,000)
28	<b>Department Of Small Business and Supplier Diversity</b>			

Report of the Subcommittee on Economic Development and Natural Resources

29		Reduce NGF Appropriation from Small Business Jobs Grant Fund	\$ -	\$ (129,981)	\$ (129,981)
30		Transfer NGF Balances from Small Business Jobs and Investment Grant Funds	\$ -	\$ (1,600,000)	\$ (1,600,000)
31	<b>Virginia Economic Development Partnership</b>				
32		Restore Funding for Brownfields Restoration Fund	\$ -	\$ 1,302,366	\$ 1,302,366
33		Reverse Funding to Hire Additional Staff at VEDP	\$ -	\$ (168,291)	\$ (168,291)
34		Reverse Transfer of Funding to Virginia International Trade Corporation	\$ -	\$ 6,232,811	\$ 6,232,811
35	<b>Virginia International Trade Corporation</b>				
36		Reverse Funding to Create the Virginia International Trade Corporation	\$ -	\$ (7,200,266)	\$ (7,200,266)
37	<b>Virginia Tourism Authority</b>				
38		Spearhead Trails - Southwest Regional Recreation Authority	\$ 15,000	\$ 22,500	\$ 37,500
39		Increase Support for Special Olympics	\$ 10,000	\$ 10,000	\$ 20,000
40		Reduce Support for a Regional Tourism Entity	\$ -	\$ (125,000)	\$ (125,000)
41		Reverse New Spending for an Asian Tourism Marketing Program	\$ -	\$ (400,000)	\$ (400,000)
42	<b>NATURAL RESOURCES</b>				
43	<b>Department Of Conservation And Recreation</b>				
44		Report on Settlements	Language		
45		Release WQIF Reserve Fund			
46		Workgroup on Resource Management Plans	Language		
47		Swift Creek Mountain Bike Trail	\$ 400,000		\$ 400,000
48		VOF: Clarify Filing Fee on Conveyance Instruments	Language		\$ -
49	<b>Department Of Environmental Quality</b>				
50		State Incentives to Promote Energy Independence	Language	\$ -	\$ -
51	<b>Department Of Historic Resources</b>				
52		Partial Restoration of Battlefield Preservation Funds		\$ 100,000	\$ 100,000
53	<b>Marine Resources Commission</b>				
54		Oyster Lease Survey		\$ 72,879	\$ 72,879
55		Restore Saltwater Fishing Tournament	\$ 214,000	\$ 214,000	\$ 428,000
56		Riparian Planting Grounds: SB 1145		\$ 50,000	\$ 50,000

**Farm Winery Regulatory Review**

**Agriculture and Forestry**

Secretary of Agriculture and Forestry

Language

**Language:**

Page 80, following line 6, insert:

"A. The Secretary of Agriculture and Forestry shall convene a panel of stakeholders within and outside government to: (i) review state and local noise and traffic regulations and the marketing of Virginia wines through events and activities; (ii) consider findings of previous relevant studies on Virginia farm wineries; and (iii) develop recommendations as appropriate for how the state can better foster the viability of Virginia farm wineries. The Secretary shall complete all meetings by November 15, 2017 and report such recommendations to the Governor and the General Assembly no later than November 30, 2017."

**Explanation:**

(This amendment directs the Secretary of Agriculture and Forestry to examine regulations related to noise, traffic, and the viability of the farm wine industry in Virginia.)

**Reduce AFID Program**

**Agriculture and Forestry**

**FY16-17**

**FY17-18**

Department of Agriculture and Consumer Services

\$0

(\$780,000) GF

**Language:**

Page 83, line 2, strike "\$1,995,255" and insert "\$1,215,255".

Page 83, line 10, strike "\$1,780,000" and insert "\$1,000,000".

**Explanation:**

(This amendment provides a second year base funding amount of \$1.0 million GF for the Agriculture and Forestry Industries Development Fund. The program currently has unallocated balances in excess of \$2.3 million.)

**USDA APHIS Wildlife Services**

<b>Agriculture and Forestry</b>	<b>FY16-17</b>	<b>FY17-18</b>	
Department of Agriculture and Consumer Services	\$95,000	\$192,500	GF

**Language:**

Page 83, line 19, strike "\$3,157,110" and insert "\$3,252,110".  
Page 83, line 19, strike "\$2,934,610" and insert "\$3,127,110".

**Explanation:**

(This amendment restores funding to provide technical assistance to livestock farmers in dealing with wildlife depredation from coyotes and black vultures. The proposed cut would eliminate the state match for this program, which would mean an equal loss of dollars from USDA APHIS Wildlife Services to provide this service.)

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Item 101 #2s

**Reforestation of Timberlands**

<b>Agriculture and Forestry</b>	<b>FY16-17</b>	<b>FY17-18</b>	
Department of Forestry	\$0	\$300,000	GF

**Language:**

Page 86, line 17, strike "\$33,100,951" and insert "\$33,400,951".  
Page 87, line 6, unstrike "\$1,833,239" and strike "\$1,533,239".

**Explanation:**

(This amendment restores the 100 percent state match to the revenue generated by the forest products severance tax.)

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Item 101 #3s

**Reverse Silvicultural Fee**

<b>Agriculture and Forestry</b>	<b>FY16-17</b>	<b>FY17-18</b>	
Department of Forestry	\$0	\$500,000	GF

**Language:**



Page 86, line 17, strike "\$33,100,951" and insert "\$33,600,951".

Page 87, strike line 1 through line 4.

**Explanation:**

(This amendment reverses the proposed silvicultural fee included in the SB 900.)

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Item 105 #1s

**Reverse Due Date Change for DSBSD Review**

**Commerce and Trade**

Secretary of Commerce and Trade

Language

**Language:**

Page 90, line 37, strike "December" and unstrike "November".

**Explanation:**

(This amendment reverses the Governor's proposed due date change for the management and accounting review of the portfolio of programs within the Department of Small Business and Supplier Diversity.)

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Item 105 #2s

**Reverse Funding for Virginia International Trade Corporation CEO**

**Commerce and Trade**

**FY16-17**

**FY17-18**

Secretary of Commerce and Trade

(\$100,000)  
-1.00

\$0 GF  
0.00 FTE

**Language:**

Page 90, line 4, strike "\$803,632" and insert "\$703,632".

Page 90, strike lines 21 through 24.

**Explanation:**

(This amendment removes funding of \$100,000 GF and one position in FY 2017. Funding was intended to support hiring a CEO for the newly created Virginia International Trade Corporation. However, creation of the new state agency has been postponed, and no CEO will be appointed in this biennium.)

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Item 106 #1s

**Defer Deposit to Pulp, Paper, and Fertilizer Advanced Manufacturing Performance Grant Fund**

<b>Commerce and Trade</b>	<b>FY16-17</b>	<b>FY17-18</b>	
Economic Development Incentive Payments	\$0	(\$2,000,000)	GF

**Language:**

Page 90, line 49, strike "\$72,931,679" and insert "\$70,931,679".  
Page 92, line 45, strike "\$5,000,000" and insert "\$3,000,000".

**Explanation:**

(This amendment removes \$2.0 million GF the second year for deposits to the Pulp, Paper, and Fertilizer Advanced Manufacturing Performance Grant Fund. A \$3.0 million GF appropriation remains in FY 2018 to fund anticipated grant payments. It is expected that additional grant awards for eligible companies will be appropriated from the general fund as needed beginning in FY 2019.)

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Item 106 #2s

**Reverse NGF Appropriation for Aerospace Supplier Cluster Grant**

<b>Commerce and Trade</b>	<b>FY16-17</b>	<b>FY17-18</b>	
Economic Development Incentive Payments	\$0	(\$2,500,000)	NGF

**Language:**

Page 90, line 49, strike "\$72,931,679" and insert "\$70,431,679".  
Page 92, line 23, strike "\$2,500,000 from the Aerospace Engine Manufacturing Supplier Cluster Grant Fund,"  
Page 92, line 25, after "Fund", strike ",,".  
Page 92, line 27, strike ", 59.1-284.21,"

**Explanation:**

(This amendment reverses an appropriation of \$2.5 million NGF from the Aerospace Engine Manufacturing Supplier Cluster Grant Fund. In order for a qualified manufacturer to receive a payment under the Aerospace Engine Manufacturing Supplier Cluster Bonus Performance Grant Program, *Va. Code* provides for the filing of an application with the Secretary of Commerce and Trade between July 1 and August 31, and the subsequent payment of the grant in the following fiscal year. No such application has been received. It is anticipated that

funding will be appropriated from the general fund in the next biennium to fund grant payments after a qualified application is received.)

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Item 106 #3s

**Reduce Funding for Commonwealth's Development Opportunity Fund**

<b>Commerce and Trade</b>	<b>FY16-17</b>	<b>FY17-18</b>	
Economic Development Incentive Payments	\$0	(\$1,000,000)	GF

**Language:**

Page 90, line 49, strike "\$72,931,679" and insert "\$71,931,679".

Page 91, line 10, after "the first year and", strike "\$20,750,000" and insert "\$19,750,000".

**Explanation:**

(This amendment reduces funding \$1.0 million GF the second year for the Commonwealth's Development Opportunity Fund (COF). The COF is a discretionary incentive available to the Governor and administered by the Virginia Economic Development Partnership to secure a business location or expansion project for Virginia. Grants are awarded to localities on a local matching basis with the expectation that the grant will result in a favorable location decision for the Commonwealth.)

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Item 106 #4s

**Authorization for Additional VEDIG Grants**

**Commerce and Trade**

Economic Development Incentive Payments

Language

**Language:**

Page 92, after line 41, insert:

"3. Notwithstanding § 2.2-5102.1.E. or any other provision of law, and subject to appropriation by the General Assembly, up to \$8,000,000 in economic development incentive grants is authorized for eligible projects to be awarded on or after July 1, 2017. Any eligible project awarded such grants shall be subject to the conditions set forth in § 2.2-5102.1."

**Explanation:**

(This amendment authorizes the Governor to award additional grants not to exceed \$8.0 million in aggregate beginning on July 1, 2017, to eligible companies under the existing

Virginia Economic Development Incentive Grant (VEDIG) program. This brings the authorized aggregate amount of grants that may be outstanding to \$38.0 million. Grant payments under the VEDIG program are paid in no less than five installments and do not begin until at least 36 months after the company has met capital investment and job creation targets. Grant awards are subject to appropriation by the General Assembly.)

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Item 108 #1s

## **Housing Strategies for Mental Illness**

### **Commerce and Trade**

Department of Housing and Community Development

Language

#### **Language:**

Page 96, after line 9, insert:

"H. The Department of Housing and Community Development (DHCD) shall develop and implement strategies for housing individuals with serious mental illness. DHCD shall include other agencies in the development of such strategies including the Virginia Housing Development Authority, Department of Behavioral Health and Developmental Services, Department of Aging and Rehabilitative Services, Department of Medical Assistance Services, and Department of Social Services. The Department shall also include stakeholders whose constituents have an interest in expanding supportive housing for people with serious mental illness, including the National Alliance on Mental Illness Virginia, the Virginia Housing Alliance and the Virginia Sheriff's Association. An annual report on such strategies and the progress on implementation shall be provided to the Chairmen of the House Appropriations and Senate Finance Committees."

#### **Explanation:**

(This amendment directs the Department of Housing and Community Development (DHCD) to develop and implement strategies for housing individuals with serious mental illness in collaboration with other agencies including the Virginia Housing Development Authority, Department of Behavioral Health and Developmental Services, Department of Aging and Rehabilitative Services, Department of Medical Assistance Services, and Department of Social Services. DHCD is also directed to work with stakeholders whose constituents have an interest in expanding supportive housing for people with serious mental illness, and to produce an annual report to the Chairmen of the House Appropriations and Senate Finance Committees. This is a recommendation from the Joint Subcommittee Studying Mental Health Services in the Commonwealth in the 21st Century.)

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Item 109 #1s

**Restore Funding for GO Virginia**

<b>Commerce and Trade</b>	<b>FY16-17</b>	<b>FY17-18</b>	
Department of Housing and Community Development	\$1,050,000	\$6,450,000	GF

**Language:**

Page 96, line 11, strike "\$39,167,730" and insert "\$40,217,730".

Page 96, line 11, strike "\$57,654,601" and insert "\$64,104,601".

Page 98, line 39, strike "\$900,000" and insert "\$1,950,000".

Page 98, line 40, strike "\$19,650,000" and insert "\$26,100,000".

Page 98, line 43, strike "\$900,000" and insert "\$1,950,000".

Page 98, line 46, strike "\$900,000" and insert "\$1,950,000".

Page 98, line 46, strike "\$1,350,000" and insert "\$3,900,000".

Page 98, line 50, strike "\$6,100,000" and unstrike "\$12,200,000".

Page 98, line 52, strike "\$12,200,000" and insert "\$10,000,000".

Page 98, after line 53, insert:

"3. Of the \$1,950,000 the first year and \$3,900,000 the second year provided in this paragraph and available to allocate to qualifying regions to support organizational and capacity building activities and workforce gap analyses, any amounts allocated to a qualifying region but unused for these purposes shall be allocated to that region and shall be available for grant awards."

**Explanation:**

(This amendment restores funding of \$7.5 million GF for GO Virginia, approximately one-half of the reduction proposed in the Governor's budget. This amendment provides (i) \$1.95 million in FY 2017 and \$3.9 million in FY 2018 for a total of \$650,000 per region over the biennium for organizational and capacity building activities as well as preparing regional workforce gap analyses; (ii) \$12.2 million in FY 2018 for grants to regional councils based on each region's share of state population; and, (iii) \$10.0 million in FY 2018 for grants to be awarded to regional councils on a competitive basis. If any portion of the \$650,000 per region allocated for organizational and capacity building activities and regional workforce gap analyses is not used for those purposes, the remaining portion shall be added to that region's allocation for grant awards based on the region's population.)

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Item 109 #2s

**NGF Appropriation for Southwest VA Economic Development**

<b>Commerce and Trade</b>	<b>FY16-17</b>	<b>FY17-18</b>
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Enterprise Zone Program was prorated at 69 percent in FY 2014 and 66 percent in FY 2015 (the most recent annual report available). This action mitigates the need to prorate grant awards and is consistent with the recommendations of the Enterprise Zone Program study just completed at the request of the General Assembly by the VCU Center for Urban and Regional Analysis.)

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Item 111 #1s

## **Short Term Rentals**

### **Commerce and Trade**

Department of Housing and Community Development

Language

#### **Language:**

Page 99, after line 39, insert:

"The appropriation of any funds set forth in this item for the remainder of Fiscal Year 2017 and the Fiscal Year 2018, as enacted by Chapter 780 of the 2016 Acts of Assembly, are conditioned upon the Department of Housing and Community Development establishing and operating a mandatory registration system for any person offering property for short-term rental in the Commonwealth. The Department shall assess an annual \$100 fee for each property offered for short-term rental. The Department shall retain the revenues generated by the fee to cover the costs associated with establishing and maintaining the registry, and to cover any costs associated with the inspection of short-term rental properties as deemed necessary by the Department to maintain public safety. As a prerequisite for registration, a person shall provide the Department with proof of registration with (i) the locality in which the property is located and (ii) the Department of Taxation for the collection and remittance of all applicable state and local taxes associated with the short-term rental. The registration list maintained by the Department shall be open to public inspection and copying pursuant to the Virginia Freedom of Information Act (§ 2.2-3700 et seq.).

If a locality determines that property that has not been registered with the Department is offered for short-term rental, the person offering the short-term rental shall be assessed a \$500 penalty. If the locality determines that property not registered was in fact rented on a short-term basis, the person who offered the property for short-term rental shall be assessed a \$500 penalty for each day that the property is in fact rented. The penalties generated by this item shall be collected and retained by the locality in which the residential dwelling is located.

Registration shall not be required pursuant to this Item for persons or entities already licensed by the Commonwealth or the locality in which the property is located related to the rental or management of property, including but not limited to licensed real estate professionals, hotels, and bed and breakfast establishments.

For purposes of this Item, "short-term rental" means the provision of a room or space that is suitable or intended for occupancy for dwelling, sleeping, or lodging purposes, for a period of fewer than 30 consecutive days, in exchange for a charge for occupancy."

**Explanation:**

(This amendment would condition certain funding in the Department of Housing and Community Development on the creation and operation of a registration system for properties offered for short-term rental. The amendment would also authorize the Department to assess a \$100 per property fee to offset the costs of administering the registration system. In addition, the amendment would establish penalties for persons offering unregistered properties for short-term rental.)

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Item 116 #1s

**Reverse New Spending in Department of Labor and Industry**

<b>Commerce and Trade</b>	<b>FY16-17</b>	<b>FY17-18</b>	
Department of Labor and Industry	\$0	(\$1,529,923)	GF

**Language:**

Page 100, line 29, strike "\$11,527,485" and insert "\$9,997,562".

**Explanation:**

(This amendment reverses the proposed increase of \$1,529,923 GF in FY 2018 intended to support hiring 15 positions at the Department of Labor and Industry.)

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Item 120 #1s

**Reverse New Spending for Solar Development Incentives**

<b>Commerce and Trade</b>	<b>FY16-17</b>	<b>FY17-18</b>	
Department of Mines, Minerals and Energy	\$0	(\$1,100,000)	GF

**Language:**

Page 102, line 7, strike "\$4,104,748" and insert "\$3,004,748".

Page 102, strike lines 26 through 31.

**Explanation:**



*Economic Development and Natural Resources Subcommittee*

(This amendment reverses proposed new spending of \$1.1 million GF in FY 2018 intended to subsidize solar energy development projects.)

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Item 123 #1s

**Reduce NGF Appropriation from Small Business Jobs Grant Fund**

<b>Commerce and Trade</b>	<b>FY16-17</b>	<b>FY17-18</b>	
Department of Small Business and Supplier Diversity	\$0	(\$129,981)	NGF

**Language:**

Page 103, line 25, strike "\$7,327,812" and insert "\$7,197,831".  
Page 104, line 3, strike "\$629,981" and insert "\$500,000".

**Explanation:**

(This amendment reduces the nongeneral fund appropriation from the Small Business Jobs Grant Fund from \$629,981 to \$500,000 to more closely align with expected grant payments.)

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Item 125 #1s

**Brownfield Restoration Fund**

<b>Commerce and Trade</b>	<b>FY16-17</b>	<b>FY17-18</b>	
Virginia Economic Development Partnership	\$0	\$1,302,366	GF

**Language:**

Page 106, line 5, strike "\$19,235,660" and insert "\$20,538,026".  
Page 107, line 22, strike "\$947,634" and unstrike "\$2,250,000".

**Explanation:**

(This amendment restores the reduction in the introduced budget to the original amount contained in Chapter 780 of \$2.25 million for the second year. The Virginia Brownfields Restoration and Economic Development Assistance Fund has been successfully used to restore environmentally-degraded property back to productive use.)

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Item 125 #2s

**Reverse Funding to Hire Additional Staff at VEDP**

*Economic Development and Natural Resources Subcommittee*

<b>Commerce and Trade</b>	<b>FY16-17</b>	<b>FY17-18</b>	
Virginia Economic Development Partnership	\$0	(\$168,291)	GF

**Language:**

Page 106, line 5, strike "\$19,235,660" and insert "\$19,067,369".

**Explanation:**

(This amendment reverses the proposed \$168,291 GF increase to support hiring additional staff. New staff activities directed by the General Assembly, including internal audit functions, shall be supported by existing general fund resources.)

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Item 125 #3s

**Reverse Transfer of Funding to Virginia International Trade Corporation**

<b>Commerce and Trade</b>	<b>FY16-17</b>	<b>FY17-18</b>	
Virginia Economic Development Partnership	\$0	\$6,232,811	GF

**Language:**

Page 106, line 5, strike "\$19,235,660" and insert "\$25,468,471".

**Explanation:**

(This amendment reverses the transfer of \$6.2 million GF from the Virginia Economic Development Partnership (VEDP) to the newly created Virginia International Trade Corporation. These funds represent the general fund resources associated with the International Trade Division within VEDP. Related amendments reverse all new funding to create the new agency.)

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Item 125.10 #1s

**Reverse Funding to Create Virginia International Trade Corporation**

<b>Commerce and Trade</b>	<b>FY16-17</b>	<b>FY17-18</b>	
Virginia International Trade Corporation	\$0	(\$7,200,266)	GF
	0.00	-24.00	FTE

**Language:**

*Economic Development and Natural Resources Subcommittee*

Page 108, line 4, strike "\$7,200,266" and insert "\$0".

Page 108, strike lines 8 through 11.

**Explanation:**

(This amendment reverses funding of \$7.2 million GF and 24 positions in FY 2018 to create the Virginia International Trade Corporation as a new state agency.)

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Item 129 #1s

**Spearhead Trails**

<b>Commerce and Trade</b>	<b>FY16-17</b>	<b>FY17-18</b>
Virginia Tourism Authority	\$15,000	\$22,500 GF

**Language:**

Page 109, line 17, strike "\$20,706,518" and insert "\$20,721,518".

Page 109, line 17, strike "\$19,886,612" and insert "\$19,909,112".

Page 110, line 1, strike "\$2,485,000" and unstrike "\$2,500,000".

Page 110, line 2, strike "\$2,227,500" and unstrike "\$2,500,000".

Page 110, line 8, strike "\$285,000" and unstrike "\$300,000".

Page 110, line 9, strike "\$277,500" and unstrike "\$300,000".

**Explanation:**

(This amendment reverses reductions proposed in the Governor's budget, providing an additional \$15,000 GF the first year and \$22,500 GF the second year for Spearhead Trails, an initiative of the Southwest Regional Recreation Authority.)

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Item 129 #2s

**Special Olympics**

<b>Commerce and Trade</b>	<b>FY16-17</b>	<b>FY17-18</b>
Virginia Tourism Authority	\$10,000	\$10,000 GF

**Language:**

Page 109, line 17, strike "\$20,706,518" and insert "\$20,716,518".

Page 109, line 17, strike "\$19,886,612" and insert "\$19,896,612".

Page 110, line 1, strike "\$2,485,000" and insert "\$2,495,000".

Page 110, line 2, strike "\$2,227,500" and insert "\$2,237,500".

Page 110, line 6, after "Center, and" strike "\$50,000" and insert "\$60,000".

*Economic Development and Natural Resources Subcommittee*

Page 110, line 6, after "first year and" strike "\$50,000" and insert "\$60,000".

**Explanation:**

(This amendment provides additional funding of \$10,000 from the general fund each year to help expand the Healthy Athlete exam and treatment program and provide additional support so that Special Olympics athletes can continue to attend Summer Games. This program also provides valuable hands-on experience for the medical community.)

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Item 129 #3s

**Reduce Support for a Regional Tourism Entity**

<b>Commerce and Trade</b>	<b>FY16-17</b>	<b>FY17-18</b>	
Virginia Tourism Authority	\$0	(\$125,000)	GF

**Language:**

Page 109, line 17, strike "\$19,886,612" and insert "\$19,761,612".

Page 110, line 2, strike "\$2,227,500" and insert "\$2,102,500".

Page 110, line 7, strike "and \$250,000 the second year".

Page 110, line 10, after "initiative.", insert:

"Also out of the amounts in this item for Tourism Promotion, \$125,000 the second year from the general fund shall be provided to the City of Virginia Beach for a regional tourism entity."

**Explanation:**

(This amendment removes \$250,000 GF support for the City of Portsmouth in FY 2018 to benefit a regional tourism entity, and instead provides \$125,000 GF for the City of Virginia Beach in FY 2018 for the same purpose.)

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Item 129 #4s

**Reverse New Spending for Tourism Marketing Program**

<b>Commerce and Trade</b>	<b>FY16-17</b>	<b>FY17-18</b>	
Virginia Tourism Authority	\$0	(\$400,000)	GF

**Language:**

Page 109, line 17, strike "\$19,886,612" and insert "\$19,486,612".

Page 111, strike lines 1 through 4.

**Explanation:**

(This amendment reverses new spending in the amount of \$400,000 GF the second year to fund a tourism marketing campaign designed to attract tourists from India.)

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Item 363 #1s

## **Settlement Reporting**

### **Natural Resources**

Secretary of Natural Resources

Language

#### **Language:**

Page 359, following line 28, insert:

“The Secretary of Natural Resources, with the assistance of the Directors of the Department of Conservation and Recreation, the Department of Environmental Quality, the Department of Game and Inland Fisheries, and the Department of Historic Resources, shall provide an annual report to the Chairmen of the House Appropriations and Senate Finance Committees of all projects undertaken pursuant to a settlement or mitigation agreement upon which the Secretary of Natural Resources is a signatory to the Governor by November 15, 2017 and by each November 15 thereafter until all terms of the settlement or mitigation agreement are satisfied.”.

#### **Explanation:**

(This amendment requires the Secretary of Natural Resources to report annually on all settlement agreements to which the Secretary is a signatory.)

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Item 364 #2s

## **WQIF Reserve Fund**

### **Natural Resources**

Department of Conservation and Recreation

Language

#### **Language:**

Page 361, following line 8, insert:

"5. In the second year, \$8,274,474 from the Water Quality Improvement Fund Reserve held by the Department of Conservation and Recreation and established pursuant to Item 363 B of this act is authorized for transfer to the Virginia Natural Resources Commitment Fund, a subfund of the Virginia Water Quality Improvement Fund established under the Water Quality Improvement Act of 1997. Notwithstanding any other provision of law, the monies transferred to the Virginia Natural Resources Commitment Fund shall be distributed by the

Department upon approval by the Virginia Soil and Water Quality Conservation Board in accordance with the Board's developed policies, as follows: of the \$8,274,474, a total of \$992,937 shall be appropriated for Technical Assistance for Virginia Soil and Water Conservation Districts, and \$7,281,537 for Agricultural Best Management Practices Cost-Share Assistance where of this amount \$4,368,922 shall be used for matching grants for agricultural best management practices on lands exclusively or partly within the Chesapeake Bay watershed and \$2,912,615 shall be used for matching grants for agricultural best practices on lands in the Commonwealth exclusively outside of the Chesapeake Bay watershed."

**Explanation:**

(This amendment authorizes funding previously deposited to the Virginia Water Quality Reserve Fund be transferred to the Virginia Natural Resources Commitment Fund and appropriates them for distribution in FY18 for the agriculture best management practices cost share program. This takes an appropriate percentage of technical assistance established in FY17 budget.)

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Item 364 #5s

**Additional Implementation of RMPs**

**Natural Resources**

Department of Conservation and Recreation

Language

**Language:**

Page 362, following line 40, insert:

"Q. The Director, Department of Conservation and Recreation, shall convene a stakeholder group consisting of, but not limited to, designees of the Secretary of Natural Resources, the Secretary of Agriculture and Forestry, the Department of Agriculture and Consumer Services, the Virginia Association of Soil and Water Conservation Districts, the Virginia Farm Bureau Federation, the Virginia Agribusiness Council, the Chesapeake Bay Commission, and the Chesapeake Bay Foundation to examine the funding, training, and resource needs for, and explore new incentives for, additional implementation of Resource Management Plans (RMPs) , pursuant to §§10.1-104,7 through 10.1-104.9, Code of Virginia. The stakeholder group is directed to conduct their review and make recommendations to the Governor and the Chairmen of the Senate Finance and the House Appropriation Committees no later than October 1, 2017."

**Explanation:**

(This amendment directs the Department of Conservation and Recreation to convene a stakeholder group to examine the funding and resource needs for the implementation of Resource Management Plans and make recommendations no later than October 1, 2017.)

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Item 365 #2s

**Partial Restoration of Funding for Swift Creek Trail**

<b>Natural Resources</b>	<b>FY16-17</b>	<b>FY17-18</b>
Department of Conservation and Recreation	\$400,000	\$0 GF

**Language:**

Page 362, line 42, strike "\$58,742,155" and insert "\$59,142,155".  
Page 364, unstrike line 7 through line 11.  
Page 364, line 7, strike "\$635,000" and insert "\$400,000".  
Page 364, line 10, strike ";" and insert ".".  
Page 364, line 10, strike "including the design for trailhead".  
Page 364, strike line 11.  
Page 364, line 10, following "Plan." insert "It is the intent of the General Assembly that this funding shall be expended solely for the construction of trails accessible to disabled riders."

**Explanation:**

(This amendment partially restores funding eliminated in SB 900 for the construction of accessible mountain bike trails for disabled riders. Additional language clarifies the legislative intent of the funding is for trail construction and does not include additional structures.)

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Item 365 #4s

**VOF: Clarify Filing Fee Applies to Conveyancing Instruments**

<b>Natural Resources</b>	<b>Language</b>
Department of Conservation and Recreation	

**Language:**

Page 363, line 26, following "Virginia).", insert"  
"Pursuant to §58.1-817, the \$1 recordation fee shall be imposed on each instrument or document recorded in the proper book for filing of land records in those jurisdictions in which open-space easements are held by the Virginia Outdoors Foundation."

**Explanation:**

(This amendment clarifies that the deed recordation fee established in § 58.1-817 applies to instruments and documents recorded in the deed books in the clerk's offices of the circuit

courts covered by this provision of law. Current *Code* provisions require the fee only be imposed on deeds admitted to record.)

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Item 369 #1s

**Report on State Incentives and Regulatory Changes to Promote Energy Independence**

**Natural Resources**

Department of Environmental Quality

Language

**Language:**

Page 367, following line 7, insert:

"D. The Department shall report to the Chairmen of the Senate Agriculture, Natural Resources and Conservation Committee and the House Agriculture, Chesapeake and Natural Resources Committee no later than October 1, 2017 on potential state incentives and regulatory changes with respect to the state implementation plan which will promote energy independence. Such incentives and changes shall give priority to the elimination of greenhouse gas emissions through the diversion of municipal solid waste from landfills to recycling facilities, waste-to-energy facilities, and alternative transportation fuel facilities."

**Explanation:**

(This amendment directs the Department of Environmental Quality to report to the General Assembly by October 1, 2017 on potential state incentives and regulatory changes that would promote energy independence.)

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Item 376 #1s

**Battlefield Preservation**

**Natural Resources**

**FY16-17**

**FY17-18**

Department of Historic Resources

\$0

\$100,000 GF

**Language:**

Page 370, line 35, strike "\$5,602,978" and insert "\$5,702,978".

Page 371, line 41, unstrike "1,000,000" and strike \$676,528".

**Explanation:**

(This amendment restores the total for the Virginia Battlefield Preservation Fund to \$1.0 million for FY18.)

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Item 378 #1s

**Oyster Lease Surveys**

<b>Natural Resources</b>	<b>FY16-17</b>	<b>FY17-18</b>	
Marine Resources Commission	\$0	\$72,879	GF

**Language:**

Page 372, line 22, strike "\$19,811,753" and insert "\$19,884,632".

**Explanation:**

(This amendment restores a proposed reduction to the Surveying and Engineering Division at the Marine Resources Commission with responsibility for oyster ground lease-surveying services.)

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Item 380 #1s

**Saltwater Sport Fishing Tournament**

<b>Natural Resources</b>	<b>FY16-17</b>	<b>FY17-18</b>	
Marine Resources Commission	\$214,000	\$214,000	GF

**Language:**

Page 373, line 33, strike "\$220,000" and insert "\$434,000".

Page 373, line 33, strike "\$220,000" and insert "\$434,000".

Page 373, strike line 38 through line 39.

**Explanation:**

(This amendment removes language that would terminate the Virginia Saltwater Sport Fishing Tournament and restores a proposed funding reduction to the fisheries division.)

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Item 381 #2s

**VMRC: SB 1145 Implementation**

<b>Natural Resources</b>	<b>FY16-17</b>	<b>FY17-18</b>	
Marine Resources Commission	\$0	\$50,000	GF

**Language:**

Page 373, line 41, strike "\$2,238,141" and insert "\$2,288,141".

Page 374, following line 7, insert:

"D. Included in the amounts appropriated for Administrative and Support Services is \$50,000 in the second year from the general fund to support any workload increases that may be incurred as the result of legislation approved by the 2017 General Assembly to expand a landowner's eligibility to apply for riparian planting grounds permits."

**Explanation:**

(This amendment would assist the VMRC in the implementation of SB 1145 of the 2017 General Assembly.)

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Item 3-1.01 #4s

**Correct DEQ Transfer Fund Source**

**Transfers**

Interfund Transfers

Language

**Language:**

Page 524, line 30, strike "09640" and insert "07480".

**Explanation:**

(This amendment makes a technical correction to the table reflecting the repayment to the Virginia Retirement System from nongeneral funds. The Water Facilities Revolving Funds are federal funds. The amendment replaces the fund with Underground Petroleum Storage Tank Fund.)

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Item 3-2.03 #1s

**WQIF: Line of Credit**

**Working Capital Funds and Lines of Credit**

Lines of Credit

Language

**Language:**

Page 527, following line 16, insert:

"Department of Conservation and Recreation   \$30,000,000"  
for the Water Quality Improvement Fund

Page 527, following line 45, insert:

"i. The State Comptroller is hereby authorized to provide a line of credit of up to \$30,000,000 to the Department of Conservation and Recreation for the reimbursement of actual costs incurred in the Water Quality Improvement Fund Agricultural Best Management Practices Cost-Share Assistance Program. Any withdrawal of funding authorized shall be recommended by the Secretary of Natural Resources and approved by the Secretary of Finance. Repayment of the line of credit shall be the first priority of any funding assigned for deposit to the Water Quality Improvement Fund under §2.2-1514 and §10,1-2128, Code of Virginia, and shall begin no more than one year following the withdrawal or extend beyond a repayment period of seven years."

**Explanation:**

(This amendment authorizes a line of credit of up to \$30.0 million for the Agricultural Best Management Practices Cost Share Assistance program of the Water Quality Improvement Fund to be repaid from any statutory deposits authorized for the Fund.)

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Item 4-1.02 #1s

**Care of Historic African American Graves**

**Appropriations**

Withholding of Spending Authority

Language

**Language:**

Page 534, line 53, following "Confederate", insert "and historical African American".

**Explanation:**

(This amendment adds the payments for care of historical African American graves and cemeteries to the items that the Governor is prohibited from withhold spending, consistent with existing language for care of the graves of Confederate dead.)

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