2017 General Assembly Outcomes

Hampton Roads Chamber
The Hampton Roads Chamber promotes representing more than 300,000 working men and women in Hampton Roads, promotes pro-business policies in local and State government, advocating for a variety of business-related issues.

The 46-day Virginia General Assembly session adjourned sine die on February 25th. Over 1,800 bills were considered in a legislative session highlighted by the adoption of a $107 billion dollar budget. The Hampton Roads Chamber was represented throughout the session with staff and volunteer leadership providing key testimony and lobbying daily in support of the business agenda.

### 2017 General Assembly Outcomes

**Hospitality and Tourism**

**SUPPORTED SB 1578 (Norment R-3rd)** – legislation that ensured that localities retained the ability to regulate short-term rentals at the local level through a registration system.

This bill protected local land use authority and recognizes local authority to reasonably address short-term rentals. The Hampton Roads Chamber will work closely with local governments in the region to implement short-term rental ordinances.

**Technology**

**HB 2108 (Byron R-22nd)** – adds significant transparency to local broadband authority expenses and rates.

The Hampton Roads Chamber is engaged in regional efforts to expand broadband infrastructure in Hampton Roads.
Transportation

**SUPPORTED HJR 693** – is a first resolution of a Constitutional Amendment requiring the General Assembly to maintain permanent and separate transportation funds to include the Commonwealth Transportation Fund.

Transportation is the Hampton Roads Chambers top legislative priority. Legislative endorsements will require a commitment to transportation funding.

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Hospitality and Tourism

**OPPOSED HB 1983 (Greason R-32nd) and SB 1111 (Edwards D-21st)** – each of the bills would have changed the current waiver system for local school divisions starting prior to Labor Day. The legislation is opposed by the Chamber as a uniform start to the school year prior to Labor Day would cause a $50 million dollar loss in hospitality revenues without any recognized improvement to academic performance.

The Chamber is a key member of the tourism coalition; an alliance of hospitality business interests.

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Motion Picture/Television Tax Credit

**SUPPORTED HB 1665 (Robinson R-27th)** – extended the sunset date for the special tax credit until January 1, 2022. Any motion picture production company with qualifying expenses of at least $250,000 for a production filmed in Virginia is allowed a refundable credit of 15% of qualifying expenses.

The Hampton Roads region has been the location for major motion picture and television productions in recent years.

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Regional Economic Development/GO VIRGINIA

The adopted 2017 state budget restored $7.5 million of the Governor's proposed cuts in funding for GO Virginia. Total GO Virginia funding for FY17 and 18 is $28,050,000. Specifically, the budget includes approximately $650,000 for each regional council to undertake an economic growth and diversification planning process, invest in capacity building activities and cover administrative expenses. There is $10,900,000 in grants to be disbursed on a per capata basis to support specific regional projects, and $11,300,000 for grants awarded on a statewide competitive basis.

The Hampton Roads Chamber is a key member of the regional GO Virginia Council. It is critical that the private and public sectors work together across city boundaries to create jobs and diversify our economy.
Defense Contractors

SB 1274 (McDougle R-4th) HB 1889 (Hugo R-40th) – SUPPORTED by the Chamber. This legislation clarifies the exemption for wholesale manufacturers from local license taxes includes a manufacturer that is also a defense production business selling manufacturing, rebuilding, repair, and maintenance services at the place of manufacture to the United States Government. This legislation is very important to the defense industry and will insure that the Commonwealth remains competitive with other states in their treatment of defense industry manufacturers that handle manufacturing activity and services used in fulfilling contract obligations to the United States.

Department of Defense funding is 42% of our region’s economy. The Hampton Roads Chamber will continue to work in support of this critical sector.

Diversity/Procurement

HB 1858 (Lopez D-49th) – authorizes the Director of the Department of Small Business and Supplier Diversity to adopt regulations that mandate certification without any additional paperwork for any small, woman owned, or minority owned business that has obtained certification under any federal small, women owned and minority owned business certification program.

The Hampton Roads Chamber supports supplier diversity.

Small Business

HB 1968 (Landes R-25th) – makes changes to the Small Business Investment Fund to: 1) allows as a qualified investment any cash equity investment in a qualified business from an individual investor, 2) amends the definition of “small business” to increase the amount of equity capital for a qualifying business from $3 million to $5 million, 3) moves the start date for eligible investments to July 1, 2016, and 4) increases the amount of the grant from 10% investment to 50% of the investment or $50,000, whichever is less.

The Hampton Roads Chamber and the Small Business Development Center are critical to the creation of jobs in 2017 and beyond.

Small Business Jobs Grant Fund

HB 1969 (Landes R-25th) – Small Business Jobs Grant Fund Program – reduces from 50% to 35% the minimum percentage of revenues that a small business must derive from out-of-state sources in order to be eligible for the Small Business Jobs Grant Fund Program. The bill reduces from $100,000 to $50,000 the minimum new capital investment that a company is required to make to be eligible for assistance under the program. The bill changes the definition of small business for purposes of the program from a company that has 250 or fewer employees to one that has 50 or fewer employees in its base year and average annual gross receipts of $3 million or less averaged in the previous 24-month period.

The Hampton Roads Chamber works directly with small business to secure financial support from the Commonwealth.
Tax
HB 2058 Sales and Use Tax (Watts D-39th) – provides that storage of inventory in the Commonwealth is a sufficient nexus to require out-of-state businesses to collect sales tax on sales to customers in the Commonwealth.

The Hampton Roads Chamber works to create a “level playing field” for our retail businesses.

Tax Personal Property/Business Property
HB 2193 Personal Property Tax, business property, (Rush R-7th) – requires localities to permit taxpayers to provide an aggregate estimate of the total cost of all personal property used in a business that has an original cost of less than $500, in lieu of a specific, itemized list.

The Chamber works to create greater efficiency in government lowering the regulatory burdens placed on business.

Waiver of Tax Penalties/Small Business
SB 793 (Sturtevant R-10th) – waives any penalties related to taxes administered by the Department of Taxation for a small business during its first two years of operation as long as the business enters into an installment agreement with the Tax Commissioner for the payment of taxes.

The first two years of a business are critical to the sustainability of the business moving forward. Early support is critical.

Small Business/Supplier Diversity
SB 1192 (Reeves R-17th) – requires as a prerequisite for approval, that any out-of-state business applying with the Department of Small Business and Supplier Diversity for certification in Virginia as a small, women owned, or minority owned business possess the equivalent certification in the businesses’ state of origin.

The Hampton Roads Chamber supports supplier diversity.

Real Property Tax Exemption
HB 1455 (Ware R-65th) – reduces from 20 years to 15 years the minimum age of a structure in a technology zone that is rehabilitated for commercial use that qualifies the rehabilitated structure for a partial exemption from real property taxes.

The Hampton Roads Chamber supports tax exemptions that help create competitive sectors in economic development.
Transportation
HB 2244 Public-Private Transportation Act of 1995-changes (Jones R-76th)

Public-Private Transportation Act of 1995. Changes the Transportation Public-Private Partnership Advisory Committee to the Transportation Public-Private Partnership Steering Committee and provides that the Deputy Secretary of Transportation on the Committee serves as the chairman of the Committee. The bill provides that the responsible public entity may grant approval for the development and/or operation of a transportation facility by a private entity if that entity can develop and/or operate the transportation facility for less cost than the Department of Transportation (VDOT) or the Department of Rail and Public Transportation (DRPT). The bill requires the chief executive officer of the responsible public entity to certify in writing to the Governor and the General Assembly that there has been no material change since the finding of public interest that the public contribution requested by the private entity does not exceed the maximum public contribution. The bill clarifies that the finding of public interest by the Steering Committee shall be made after receipt of responses to the request for qualifications and prior to the issuance of the first draft request for proposals. The bill requires the responsible public entity, when such entity is VDOT or DRPT, to ensure competition through the procurement process and develop a public sector analysis of the cost for the responsible entity to develop and/or operate the transportation facility. The bill requires VDOT or DRPT and the Steering Committee to review the public sector analysis prior to the initiation of any procurement. The bill adds to the information required to be included in the finding of public interest a description of the benefits expected to be realized by the responsible public entity and a public sector analysis demonstrating that the private sector can deliver the project for less cost than the responsible public entity. This bill is identical to SB 1322.

The Hampton Roads Chamber strongly supports the inclusion of a test and finding of "public interest" for public-private transportation partnerships. As projects are evaluated, this will insure that there is accountability and a system of "checks and balances" when undertaking public-private transportation projects in Hampton Roads.
REPRESENTS SOUTHEASTERN VIRGINIA