

VIRGINIA ACTS OF ASSEMBLY — CHAPTER

An Act to amend the Code of Virginia by adding in Title 59.1 a chapter numbered 22.23, consisting of a section numbered 59.1-284.44, and by repealing Chapter 22.13 (§ 59.1-284.32) of Title 59.1, relating to Current and Mature Semiconductor Technology Grant Fund.

[H 2358]

Approved

Be it enacted by the General Assembly of Virginia:
1. That the Code of Virginia is amended by adding in Title 59.1 a chapter numbered 22.23, consisting of a section numbered 59.1-284.44, as follows:

CHAPTER 22.23.

CURRENT AND MATURE SEMICONDUCTOR TECHNOLOGY GRANT FUND.

§ 59.1-284.44. Current and Mature Semiconductor Technology Grant Fund.

A. As used in this chapter, unless the context requires a different meaning:

"Capital investment" means an expenditure by or on behalf of a qualified company on or after July 1, 2024, in real property, taxable tangible personal property, or both, at a facility in an eligible locality that is properly chargeable to a capital account or would be so chargeable with a proper election. "Capital investment" includes the purchase or lease of furniture, fixtures, business personal property, machinery and tools, including under an operating lease, and expected building construction and up-fit by or on behalf of a qualified company.

"Eligible locality" means the City of Manassas.

"Facility" means the building, group of buildings, or manufacturing, distribution, and research and development campus, including any related machinery and tools, furniture, fixtures, and equipment, in an eligible locality that is owned, leased, licensed, occupied, or otherwise operated by the qualified company for use in the manufacture of, or research and development for, semiconductors and other electronic devices.

"Fund" means the Current and Mature Semiconductor Technology Grant Fund.

"Grants" means the grant payments from the Fund that are awarded to a qualified company in an aggregate amount not to exceed \$70 million. The proceeds of any grants may be used by the qualified company for purposes of paying for or reimbursing the costs of building construction and infrastructure related to the facility.

"Memorandum of understanding" means a performance agreement or related documents to be entered into by a qualified company and the Commonwealth that sets forth the requirements for capital investment and the creation of new full-time jobs by a qualified company to be eligible for grants from the Fund.

"New full-time job" means a job position with full-time employment at the facility as measured at any time following July 1, 2024, for which the annual average wage is at least \$104,873 subject to an escalation factor for each year as set forth in the memorandum of understanding, that requires a minimum of 38 hours of an employee's time per week for the entire normal year, consisting of at least 48 weeks, for the qualified company's operations. "New full-time job" shall not include any seasonal or temporary positions and positions created when a job function is shifted from an existing location in the Commonwealth. Any new full-time job must be in addition to 1,380 existing full-time positions at the qualified company's facilities in the eligible locality.

"Qualified company" means a semiconductor manufacturing company, and its affiliates, that manufactures and distributes semiconductors and that between July 1, 2024, and June 30, 2040, is expected to (i) make or cause to be made a capital investment at a facility of at least \$2,170,130,850 and (ii) create and maintain at least 340 new full-time jobs at the facility related to, or supportive of, its semiconductor manufacturing, distribution, and research and development functions.

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

B. There is hereby created in the state treasury a special nonreverting fund to be known as the Current and Mature Semiconductor Technology Grant Fund. The Fund shall be established on the books of the Comptroller. All funds appropriated to the Fund shall be paid into the state treasury and credited to the Fund. Interest earned on moneys in the Fund shall remain in the Fund and be credited to it. Any moneys remaining in the Fund, including interest thereon, at the end of each fiscal year shall not revert to the general fund but shall remain in the Fund. Moneys in the Fund shall be used to pay grants pursuant to this chapter. Expenditures and disbursements for grants from the Fund shall be made by the State Treasurer on warrants issued by the Comptroller pursuant to subsection G, but in no event shall the Comptroller draw any warrants to issue checks for grants from the Fund without a specific appropriation authorization from the General Assembly therefor.

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C. A qualified company shall be eligible to receive grants each fiscal year beginning with the Commonwealth's fiscal year starting on July 1, 2026, and ending with the Commonwealth's fiscal year starting on July 1, 2040, unless such timeframe is extended in accordance with a memorandum of understanding or bonus grants are earned pursuant to subsection E. Grants paid pursuant to this chapter shall be subject to appropriation by the General Assembly during each such fiscal year and contingent upon a qualified company meeting the requirements set forth in this chapter and the memorandum of understanding for the number of new full-time jobs created and maintained and the amount of capital investment made related to the construction or renovation of a facility. The total aggregate amount of grants payable under this section, in accordance with subsections D and E, shall not exceed \$70 million.

D. A qualified company may earn grants under this subsection for progress towards and achievement of pledged capital investment and new full-time jobs. The aggregate amount of grants payable under this section shall not exceed \$60 million. Grants are anticipated to be paid in 15 annual fiscal year installments, calculated in accordance with a memorandum of understanding, as follows:

1. \$1,395,020 for the Commonwealth's fiscal year beginning July 1, 2026;
2. \$5,852,390, less the total amount of grants previously awarded pursuant to this subsection, for the Commonwealth's fiscal year beginning July 1, 2027;
3. \$11,839,430, less the total amount of grants previously awarded pursuant to this subsection, for the Commonwealth's fiscal year beginning July 1, 2028;
4. \$17,702,060, less the total amount of grants previously awarded pursuant to this subsection, for the Commonwealth's fiscal year beginning July 1, 2029;
5. \$22,854,420, less the total amount of grants previously awarded pursuant to this subsection, for the Commonwealth's fiscal year beginning July 1, 2030;
6. \$28,006,780, less the total amount of grants previously awarded pursuant to this subsection, for the Commonwealth's fiscal year beginning July 1, 2031;
7. \$33,159,140, less the total amount of grants previously awarded pursuant to this subsection, for the Commonwealth's fiscal year beginning July 1, 2032;
8. \$36,514,260, less the total amount of grants previously awarded pursuant to this subsection, for the Commonwealth's fiscal year beginning July 1, 2033;
9. \$39,869,380, less the total amount of grants previously awarded pursuant to this subsection, for the Commonwealth's fiscal year beginning July 1, 2034;
10. \$43,224,500, less the total amount of grants previously awarded pursuant to this subsection, for the Commonwealth's fiscal year beginning July 1, 2035;
11. \$46,579,620, less the total amount of grants previously awarded pursuant to this subsection, for the Commonwealth's fiscal year beginning July 1, 2036;
12. \$49,934,740, less the total amount of grants previously awarded pursuant to this subsection, for the Commonwealth's fiscal year beginning July 1, 2037;
13. \$53,289,860, less the total amount of grants previously awarded pursuant to this subsection, for the Commonwealth's fiscal year beginning July 1, 2038;
14. \$56,644,980, less the total amount of grants previously awarded pursuant to this subsection, for the Commonwealth's fiscal year beginning July 1, 2039; and
15. \$60 million, less the total amount of grants previously awarded pursuant to this subsection, for the Commonwealth's fiscal year beginning July 1, 2040.

E. In addition to any grants authorized pursuant to subsection D, a qualified company may earn bonus grants under this subsection that shall not exceed an aggregate amount of \$10 million across all fiscal years. A bonus grant may only be earned pursuant to subdivision 1 or 2, or a combination of both. Bonus grants may be earned by a qualified company by:

1. Creating more than 340 new full-time jobs, to be paid in accordance with the terms of the memorandum of understanding; and
2. Maintaining at least 340 new jobs in fiscal years 2041 through 2045, to be paid in accordance with the terms of the memorandum of understanding.

F. A qualified company applying for a grant installment under this section shall provide an annual report and evidence satisfactory to the Secretary of (i) the aggregate number of new full-time jobs created and maintained as of the last day of the fiscal year, the payroll paid by the qualified company during the fiscal year, and the average annual wage of the new full-time jobs in the fiscal year and (ii) the aggregate amount of capital investment made during the fiscal year, including the extent to which such capital investment was or was not subject to Virginia sales and use tax pursuant to Chapter 6 (§58.1-600 et seq.) of Title 58.1. The report and evidence shall be filed with the Secretary in person, by mail, or as otherwise agreed upon in the memorandum of understanding and by no later than October 1 each year following the end of the prior fiscal year upon which such report and such evidence are based.

G. Within 30 days of receiving the report and satisfactory evidence pursuant to subsection F, the Secretary shall certify to the Comptroller and the qualified company the amount of grants to which such

qualified company is entitled for payment. Payment of such grants shall be made by check issued by the State Treasurer on warrant of the Comptroller by the end of the calendar year during which the annual report and satisfactory evidence are submitted. The Comptroller shall not draw any warrant to issue checks for grants without a specific appropriation for the same.

H. As a condition of receipt of grants under this section, a qualified company shall make available to the Secretary for inspection, upon request, all documents that are relevant or applicable to determining whether the qualified company has met the requirements for receipt of a grant pursuant to this section and subject to the memorandum of understanding. Any such documents appropriately identified by a qualified company shall be considered confidential and proprietary and shall not be subject to disclosure pursuant to the Virginia Freedom of Information Act (§ 2.2-3700 et seq.).

2. That Chapter 22.13 (§ 59.1-284.32) of Title 59.1 of the Code of Virginia is repealed.