

1 VIRGINIA ACTS OF ASSEMBLY — CHAPTER

2 *An Act to amend the Code of Virginia by adding in Title 59.1 a chapter numbered 22.23, consisting of a*
 3 *section numbered 59.1-284.44, relating to Lithium-ion Battery Separator Manufacturing Grant Fund.*

4 [S 1207]

5 Approved

6 **Be it enacted by the General Assembly of Virginia:**

7 **1. That the Code of Virginia is amended by adding in Title 59.1 a chapter numbered 22.23, consisting**
 8 **of a section numbered 59.1-284.44, as follows:**

9 CHAPTER 22.23.

10 LITHIUM-ION BATTERY SEPARATOR MANUFACTURING GRANT FUND.

11 **§ 59.1-284.44. Lithium-Ion Battery Separator Manufacturing Grant Fund.**

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

13 "Capital investment" means an expenditure by or on behalf of a qualified company on or after July 1,
 14 2024, on or for real property, taxable tangible personal property, or both, at a facility in an eligible locality
 15 that is properly chargeable to a capital account or would be so chargeable with a proper election under
 16 Virginia law. Such term shall include (i) the purchase or lease of furniture, fixtures, business personal
 17 property, machinery, and tools, including under an operating lease, and (ii) expected building construction
 18 and up-fit by or on behalf of a qualified company.

19 "Eligible locality" means Pittsylvania County.

20 "Facility" means the building, group of buildings, or corporate campus, including any related machinery
 21 and tools, furniture, fixtures, and business personal property, that is located at or near a qualified company's
 22 operations in an eligible locality and is owned, leased, licensed, occupied, or otherwise operated by a
 23 qualified company.

24 "Fund" means the Lithium-Ion Battery Separator Manufacturing Grant Fund.

25 "Grants" means the grant payments from the Fund that are awarded to a qualified company in an
 26 aggregate amount not to exceed \$60,597,000. The proceeds of any grants may be used by the qualified
 27 company for costs of construction and development of the facility, or any other lawful purpose.

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

32 "New full-time job" means a job position for an employee of a qualified company (i) that is principally
 33 located at a facility; (ii) for which the average annual wage is at least \$45,896, subject to an escalation
 34 factor for each year as set forth in the memorandum of understanding; (iii) for which the qualified company
 35 provides standard fringe benefits; and (iv) that requires a minimum of either (a) 35 hours of an employee's
 36 time per week for the entire normal year of the qualified company's operations, which "normal year" shall
 37 consist of at least 48 weeks, or (b) 1,680 hours per year. Seasonal or temporary positions and positions with
 38 construction contractors, vendors, suppliers, and similar multiplier or spin-off jobs shall not qualify as new
 39 full-time jobs. The Commonwealth may assess compliance with the new full-time job requirements for a
 40 qualified company by reference to the new payroll generated by a qualified company if provided for in the
 41 memorandum of understanding.

42 "Qualified company" means a company, including its affiliates, that engages in the manufacture of
 43 lithium-ion battery separators and that on and after July 1, 2024, but before July 1, 2045, is expected to (i)
 44 make a capital investment of at least \$1.3506 billion and (ii) create and maintain at least 2,015 new full-time
 45 jobs.

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

47 "VEDP" means the Virginia Economic Development Partnership Authority.

48 B. There is hereby created in the state treasury a special nonreverting fund to be known as the Lithium-
 49 Ion Battery Separator Manufacturing Grant Fund. The Fund shall be established on the books of the
 50 Comptroller. All funds appropriated to the Fund shall be paid into the state treasury and credited to the
 51 Fund. Interest earned on moneys in the Fund shall remain in the Fund and be credited to it. Any moneys
 52 remaining in the Fund, including interest thereon, at the end of each fiscal year shall not revert to the general
 53 fund but shall remain in the Fund. Moneys in the Fund shall be used to pay grants pursuant to this chapter.
 54 Expenditures and disbursements from the Fund shall be made by the State Treasurer on warrants issued by
 55 the Comptroller pursuant to subsection F.

56 C. A qualified company shall be eligible to receive grants each fiscal year expected to begin with the

57 Commonwealth's fiscal year starting on July 1, 2026, and ending with the Commonwealth's fiscal year
58 starting on July 1, 2045, unless such timeframe is extended in accordance with a memorandum of
59 understanding. Grants awarded pursuant to this section shall be subject to appropriation by the General
60 Assembly during each such fiscal year and are contingent on a qualified company meeting the requirements
61 set forth in this chapter and in the memorandum of understanding for the number of new full-time jobs
62 created and maintained and the amount of capital investment made.

63 D. The aggregate amount of grants payable under this section shall not exceed \$60,597,000. Grants are
64 anticipated to be paid in 20 annual fiscal year installments, calculated in accordance with a memorandum of
65 understanding, as follows:

- 66 1. \$691,545, for the Commonwealth's fiscal year beginning July 1, 2026;
- 67 2. \$1,558,800, less the total amount of grants previously awarded pursuant to this subsection, for the
68 Commonwealth's fiscal year beginning July 1, 2027;
- 69 3. \$3,423,813, less the total amount of grants previously awarded pursuant to this subsection, for the
70 Commonwealth's fiscal year beginning July 1, 2028;
- 71 4. \$4,553,857, less the total amount of grants previously awarded pursuant to this subsection, for the
72 Commonwealth's fiscal year beginning July 1, 2029;
- 73 5. \$6,928,781, less the total amount of grants previously awarded pursuant to this subsection, for the
74 Commonwealth's fiscal year beginning July 1, 2030;
- 75 6. \$11,147,397, less the total amount of grants previously awarded pursuant to this subsection, for the
76 Commonwealth's fiscal year beginning July 1, 2031;
- 77 7. \$15,084,768, less the total amount of grants previously awarded pursuant to this subsection for the
78 Commonwealth's fiscal year beginning July 1, 2032;
- 79 8. \$19,253,760, less the total amount of grants previously awarded pursuant to this subsection for the
80 Commonwealth's fiscal year beginning July 1, 2033;
- 81 9. \$22,699,410, less the total amount of grants previously awarded pursuant to this subsection for the
82 Commonwealth's fiscal year beginning July 1, 2034;
- 83 10. \$26,145,060, less the total amount of grants previously awarded pursuant to this subsection for the
84 Commonwealth's fiscal year beginning July 1, 2035;
- 85 11. \$29,590,710, less the total amount of grants previously awarded pursuant to this subsection for the
86 Commonwealth's fiscal year beginning July 1, 2036;
- 87 12. \$33,036,360, less the total amount of grants previously awarded pursuant to this subsection for the
88 Commonwealth's fiscal year beginning July 1, 2037;
- 89 13. \$36,482,010, less the total amount of grants previously awarded pursuant to this subsection for the
90 Commonwealth's fiscal year beginning July 1, 2038;
- 91 14. \$39,927,660, less the total amount of grants previously awarded pursuant to this subsection for the
92 Commonwealth's fiscal year beginning July 1, 2039;
- 93 15. \$43,373,310, less the total amount of grants previously awarded pursuant to this subsection for the
94 Commonwealth's fiscal year beginning July 1, 2040;
- 95 16. \$46,818,960, less the total amount of grants previously awarded pursuant to this subsection for the
96 Commonwealth's fiscal year beginning July 1, 2041;
- 97 17. \$50,264,610, less the total amount of grants previously awarded pursuant to this subsection for the
98 Commonwealth's fiscal year beginning July 1, 2042;
- 99 18. \$53,710,260, less the total amount of grants previously awarded pursuant to this subsection for the
100 Commonwealth's fiscal year beginning July 1, 2043;
- 101 19. \$57,155,910, less the total amount of grants previously awarded pursuant to this subsection for the
102 Commonwealth's fiscal year beginning July 1, 2044; and
- 103 20. \$60,597,000, less the total amount of grants previously awarded pursuant to this subsection for the
104 Commonwealth's fiscal year beginning July 1, 2045.

105 In accordance with the memorandum of understanding, actual grant payment amounts and fiscal years
106 may differ from the schedule in this subsection and may be extended beyond the fiscal year beginning July 1,
107 2045, but in no event shall the aggregate amount of grant payments across all fiscal years exceed
108 \$60,597,000. In addition, in no event shall grants be paid from the Fund for more than 20 consecutive years.
109 Any grants not earned by the end of a 20-year payment period shall be forfeited.

110 E. A qualified company applying for a grant installment under this section shall provide verifiable
111 documentation satisfactory to the Secretary evidencing (i) the aggregate number of new full-time jobs created
112 and maintained as of the last day of the calendar year preceding the application and (ii) the amount of
113 capital investment made in the calendar year preceding the application. The application and evidence shall
114 be filed with the Secretary in person, by mail, or as otherwise agreed upon in the memorandum of
115 understanding no later than April 1 each year reflecting performance through the last day of the prior
116 calendar year. Failure to meet the filing deadline shall result in a deferral of any scheduled grant installment
117 payment pursuant to subsection D. For such filings made by mail, the postmark cancellation shall govern for
118 purposes of the date of the filing determination.

119 *F. Within 60 days of receiving an application and satisfactory evidence pursuant to subsection E, the*
120 *Secretary shall certify to the Comptroller and the qualified company the amount of grants to which such*
121 *qualified company is entitled for payment. Payment of such grants shall be made by check issued by the State*
122 *Treasurer on warrant of the Comptroller in the Commonwealth's fiscal year following the submission of an*
123 *application. The Comptroller shall not draw any warrant to issue checks for grants without a specific*
124 *appropriation for the same.*

125 *G. As a condition of receipt of grants under this section, a qualified company shall make available to the*
126 *Secretary for inspection, upon request, all documents that are relevant or applicable to determining whether*
127 *the qualified company has met the requirements for receipt of a grant pursuant to this section and subject to*
128 *the memorandum of understanding. Any such documents appropriately identified by a qualified company*
129 *shall be considered confidential and proprietary.*