

26103682D

HOUSE BILL NO. 1033

Offered January 14, 2026

Prefiled January 14, 2026

A BILL to amend and reenact § 2.2-2237.3 of the Code of Virginia, relating to Virginia Economic Development Partnership Authority; Division of Incentives; due diligence for major projects.

 Patron—Tran

Committee Referral Pending

Be it enacted by the General Assembly of Virginia:**1. That § 2.2-2237.3 of the Code of Virginia is amended and reenacted as follows:****§ 2.2-2237.3. Division of Incentives.**

A. Within the Authority shall be created a Division of Incentives that shall be responsible for reviewing, vetting, tracking, and coordinating economic development incentives administered by or through the Authority and for aligning those incentives with economic development incentives offered by other entities in the Commonwealth.

B. 1. No project that includes an offer of economic development incentives by the Commonwealth, including grants or loans from the Commonwealth's Development Opportunity Fund, shall be approved by the Governor until (i) the Division of Incentives has undertaken appropriate due diligence regarding the proposed project and the Secretary of Commerce and Trade has certified that the proposed incentives to be offered are appropriate based on the investment and job creation anticipated to be generated by the project and (ii) when required by § 30-310, the MEI Project Approval Commission has reviewed the proposed incentives.

2. *Such due diligence regarding a proposed project shall include whether, and to what extent, the business involved has executed a labor peace agreement with its employees if the project is one for which (i) one or more of the incentives in the incentive package is not authorized under current law, or an amendment by the General Assembly is being sought to one or more currently existing incentives included as part of the incentive package; (ii) one of the incentives includes a cash payment to a private sector business of more than \$3.5 million from any fund prior to any performance metrics being met by the proposed project; or (iii) the aggregate amount of incentives to be provided by the Commonwealth in the incentive package including discretionary grants, general or nongeneral funds, proceeds from bonds, rights to lease property at below fair market value, or any other incentives from the Commonwealth is in excess of \$10 million in value. For purposes of this subdivision, "labor peace agreement" means an agreement between a business and a bona fide labor organization that, at a minimum, (a) prohibits picketing, work stoppages, boycotts, and similar interference with the applicant's business; (b) allows the bona fide labor organization to communicate with, and attempt to organize and represent, the business's employees; and (c) allows the bona fide labor organization access to the workplace, at reasonable times, to meet with employees and discuss their right to be represented, their rights under state law, and the terms of their employment.*

C. Any contract or memorandum of understanding for the award of economic development incentives by the Commonwealth shall set forth the investment and job creation requirements for the payment of the incentive and shall include a stipulation that the business beneficiary of the incentives shall be liable for the repayment of all or a portion of the incentives to the Commonwealth if the business beneficiary fails to make the required investments or create the required number of jobs. For purposes of this section, an incentive awarded by the Commonwealth shall include an incentive awarded from a fund operated by the Commonwealth, including the Commonwealth's Development Opportunity Fund. If it is determined that a business beneficiary is liable for the repayment of all or a portion of an economic development incentive awarded by the Commonwealth, the Board may refer the matter to the Office of the Attorney General pursuant to § 2.2-518. Prior to the referral to the Office of the Attorney General, the Board shall direct any political subdivision that is a party to the relevant contract or memorandum of understanding to assign its rights to the Commonwealth arising under such contract or memorandum of understanding in which the business beneficiary is liable to repay all or a portion of an economic development incentive awarded by the Commonwealth. In any such matter referred to the Office of the Attorney General, a business beneficiary liable to repay all or a portion of an economic development incentive awarded by the Commonwealth shall also be liable to pay interest, administrative charges, attorney fees, and other applicable fees.

D. Notwithstanding any other provision of law, approval of the Board shall be required to grant an extension for an approved project to meet the investment and job creation requirements set forth in the contract or memorandum of understanding. Notwithstanding any other provision of law, approval of both the Board and the MEI Project Approval Commission shall be required to grant any additional extensions.

INTRODUCED

HB1033

59 E. The Division of Incentives shall provide semiannual updates to the Board of the status and progress of
60 investment and job creation requirements for all projects for which economic development incentives have
61 been awarded, until such time as the investment and job creation requirements are met or the incentives are
62 repaid to the Commonwealth. Updates shall be provided more frequently upon the request of the Board, or if
63 deemed necessary by the Division of Incentives.

64 F. The Board shall establish a subcommittee, consisting of ex officio members of the Board authorized
65 pursuant to §§ 2.2-2040 and 60.2-114 and federal law to receive and review employment information
66 received from the Virginia Employment Commission and the Department of Workforce Development and
67 Advancement, in order to assist the Division of Incentives with the verification of employment and wage
68 claims of those businesses that have received incentive awards. Such information shall be confidential and
69 shall not be (i) redisclosed to other members of the Board or to the public in accordance with the provisions
70 of subsection B of § 2.2-2040 and subdivision C 2 of § 60.2-114 or (ii) subject to disclosure under the
71 Virginia Freedom of Information Act (§ 2.2-3700 et seq.).

72 G. For purposes of this section, the award of economic development incentives by the Commonwealth
73 shall include an award of funds from the Commonwealth's Development Opportunity Fund, regardless of
74 whether the contract or memorandum of understanding for the disbursement of funds is with the
75 Commonwealth or a political subdivision thereof and the business beneficiary.