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House Republicans Advance Pro-Growth Economic Recovery and Prosperity Agenda

- Job Creation, Economic Development Key Components of House GOP Legislative Package --
- Expedited Capital Projects, Innovative Financing to Bolster Slumping Economy --
- Fiscally Responsible Initiatives Will Aid Virginia Families, Businesses & Taxpayers --

RICHMOND, VA – Acting to relieve the pressing economic strain on Virginia’s families and businesses, Speaker of the Virginia House of Delegates William J. Howell (R-Stafford), House Majority Whip M. Kirkland “Kirk” Cox (R-Colonial Heights), House Appropriations Committee Chairman Lacey E. Putney (I-Bedford), and House Appropriations Committee Vice-Chairman Phillip A. Hamilton (R-Newport News) were joined by other members of the House Republican Majority Caucus today to announce a series of common sense bills and budgetary initiatives that will create jobs and promote economic prosperity throughout the Commonwealth. The package of practical solutions underscores the continuing commitment of House Republicans to champion reforms that will deliver real results to advance job creation and economic recovery and prosperity in Virginia.

“Virginians are hurting,” said Delegate Massie, who headed up Speaker Howell’s Economic Advisory Council over the past several months. “House Republicans understand the financial challenges Virginia families and businesses are facing during these distressing economic times. Finding and keeping jobs is the number one concern of our citizens and House Republicans are proposing a comprehensive package of solutions that will help create good-paying jobs. The initiatives we are outlining today cut straight to the issue of how state government can serve a sensible role in promoting sorely needed economic development. Each of the initiatives we are announcing will make real and lasting improvements to Virginia’s economic climate.”

“Accelerating the timeline on several of the capital projects for our public institutions of higher education that we authorized just a few months ago will help jump-start work on buildings with long-term positive impact of educating our workforce,” remarked Speaker Howell. “Along with specific legislation on other major economic issues – such as affordable health care for small businesses and families, development of alternative and renewable energy resources, and reduced congestion and improved mobility on our transportation network, the Republican Majority in the House of Delegates is pursuing an aggressive and comprehensive legislative agenda this session to restore economic prosperity to Virginia. These legislative reforms work in concert with the amendments to the biennial state budget the House Appropriations Committee is constructing.”

Building on the \$2.6 billion bond infrastructure package that passed in a unanimous, bipartisan agreement during a special General Assembly session last year, House Republicans now want to expedite the progress on five significant higher education projects worth over \$230 million in construction costs. These five projects at the University of Virginia, the College of William and Mary, Virginia Tech, Christopher Newport University and James Madison University will be accelerated under provisions in [House Bill 1600](#), the amendments to the 2008-2010 biennial budget.

“Moving these important higher education building projects along in an expedited manner is a double victory for Virginians,” noted Chairman Putney, patron of last year’s [House Bill 5001](#). “Doing so will not only stimulate an estimated 3,400 jobs across the Commonwealth, but also will increase the higher education opportunities available for Virginia students to competitively position themselves for success in the global economy. As part of our caucus’s commitment to producing fiscally responsible amendments to the biennial budget, we believe that incorporating this aggressive strategy on capital projects will deliver both immediate and lasting results to improve economic situation of all Virginians.”

Chairman Putney is also patroning [House Bill 2575](#) that extends, for an additional 10 years (to 2020), the successful major business facility job tax credit created under former Governor George Allen. In addition to continuing the program, which helped land a marquee business partnership in Virginia this fall, Delegate Putney’s bill addresses the current economic crisis by allowing businesses to receive the benefits of the credit more quickly. To immediately stimulate much needed job opportunities, HB 2575 allows for the drawdown of the credit to occur over two years instead of three.

In addition to accelerating those ongoing pro-growth Republican initiatives, Delegate Cox is patroning [House Bill 2550](#) to better position Virginia to make the infrastructure improvements necessary to attract major new employers or “mega” projects. The proposal extends the use of existing innovative financing mechanisms to make site and other improvements necessary for job-creating economic development. By leveraging existing financing options, Virginia will be better able to attract major private entities making capital investments of at least \$250 million in the commonwealth’s communities and creating at least 400 new full-time jobs.

“Over many years now and with strong bipartisan support, Virginia has been successful in responsibly using incentives to attract businesses and create jobs in the Commonwealth,” said Delegate Cox. “Having worked with the Administration, this bill can help build and expand on those accomplishments by adding another option to stimulate large job-creating economic development opportunities. In an increasingly competitive environment, allowing Virginia to pursue these financing alternatives will well-position Virginia to remain the best place to do business.”

To maximize the liquidity of Virginia’s valuable financial institutions and help them make more loans, Delegate Merricks is sponsoring [House Bill 2583](#), which would require 10% of the state’s Local Government Investment Pool’s (LGIP) funds be kept in the Commonwealth. While nearly \$4 billion in LGIP deposits currently are held largely out-of-state, roughly \$400 million of liquidity would be injected into the Commonwealth’s banking system because of HB 2583. This economic reform also would mean the funds in the LGIP would be both FDIC insured and collateralized, unlike the current practice where they are subject to Wall Street’s whims.

“Setting aside some \$400 million in the LGIP fund for deposit in Virginia banks kills two birds with one stone,” observed Delegate Merricks. “This positive reform improves the capital holdings of Virginia banks, allowing them to make more loans, put more money to work in Virginia communities, invest in infrastructure projects and create jobs. And, the state comes out a winner because Virginia banks pay state taxes based on the deposits from which other states are now benefiting. This is a sound and sensible financial decision for the Commonwealth and our citizens.”

Delegate Byron’s [House Bill 2437](#) allows manufacturer to choose to apportion their state income tax based upon their sales, rather than the traditional three-factor formula, a recommendation of a joint study and committee that met for the past year examining this issue. Twenty-two other states, including many with which Virginia competes in the region, have implemented this “single sales tax factor” change. The formula for manufacturers will be phased-in, as an elective, between 2010 and 2014.

“Virginia’s General Assembly has a responsibility in helping our key industry sectors make investments and retain jobs in the Commonwealth,” commented Delegate Byron, a member of the Virginia Manufacturing Development Commission. “This legislation will be a clear signal to global companies that Virginia is ‘open for business’ and all jobs are important to us. It also ensures that our entire manufacturing industry and economic development community has a new and valuable tool that help retain and create some 9,000 high-paying manufacturing jobs and generate revenue for state and local governments.”

As part of House Republicans’ ongoing commitment to strengthen our workforce training initiatives, Delegate Hamilton is sponsoring [House Bill 2056](#), which provides grants in support of the development of a new Apprentice School facility and training programs in advanced shipbuilding. Partnering with the private sector, the performance grants for this workforce training program are tied directly to new, highly-paid jobs and new investments and is estimated to create 1,000 new jobs.

“Highly trained workers like graduates of the Apprentice School are essential for Virginia to remain on the cutting edge in this highly competitive economy,” emphasized Delegate Hamilton. “With the recently announced Virginia Class Submarine program expansion, this training is important to meeting those specialized skill sets. While I hope that many of these workers remain in our region, the advanced training they receive will stay with them wherever they are employed in the Commonwealth.”

“As Republicans, we believe in advancing innovative solutions, strong management and fiscal responsibility,” Speaker Howell. “Like we have on so many pressing issues people care about, House Republicans are offering a compelling vision for a better future and a convincing way to help lead our Commonwealth out of the current financial and budget turmoil. “These initiatives will result in more jobs, stronger economic development potential and a faster return to prosperity for Virginia’s families, businesses and taxpayers. I am proud that our strong majority caucus has built a sensible and broad-based economic package for Virginia. We will hard to ensure its passage because I am confident it will deliver a very positive and lasting impact.”

Additional details on the bills in the House Republican Economic Recovery and Prosperity Agenda are attached as a separate document.

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LEGISLATIVE FACT SHEET

HOUSE REPUBLICAN RECOVERY & PROSPERITY AGENDA

- ***Accelerating Higher Education Capital Building Projects*** [HB 1600](#) (Putney)
 - Expedites five significant higher education capital projects worth \$230 million in construction value, by leveraging \$12.2 million, to create an estimated 3,400 new jobs and advance higher learning opportunities. The five projects, which would start 12 months earlier by speeding them up from pre- to full planning, are:
 - Construction of the new Luter School of Business at Christopher Newport University which house the Department of Accounting, Economics and Finance and the Department of Management and Marketing (\$41 million)
 - Construction of Phase III of the Integrated Science Center at the College of William and Mary which will house Applied Science and Computational Science space and allow the college to secure additional sponsored research grants (\$85 million)
 - Renovation of Ruffner Hall at the University of Virginia which houses the Curry School of Education as well as the National Research Center on the Gifted and the Thomas Jefferson Center for Educational Design (\$19.4 million)
 - Construction of the new Engineering Signature Building at Virginia Tech which will provide classrooms, class laboratories, and research laboratories for the College of Engineering (\$41.7 million)
 - Renovation and expansion of Duke Hall at James Madison University which provides classrooms, studios and faculty offices for the School of Art and Art History and the main stage theatre of the School of Theatre and Dance (\$43.5 million)

- ***Stimulating Virginia Business Job Creation*** [HB 2575](#) (Putney)
 - Extends by 10 years (to 2020) the successful major business facility job tax credit created under Gov. Allen.
 - Expediting drawdown of those credits over the next two years (instead of three) will stimulate job creation.

- ***Encouraging Economic Development*** [HB 2550](#) (Cox)
 - Provides innovative financing for large, job-creating economic development projects in Virginia.
 - Applies to projects that create over 400 new jobs and invest over \$250 million in Virginia communities.

- ***Reinvesting in Virginia Financial Institutions*** [HB 2583](#) (Merricks)
 - Retains a portion (10%) of state revenue holdings in financial institutions located in the Commonwealth.
 - Increases the capital holdings of those institutions by almost \$400 million so they can reinvest in local jobs.

- ***Enhancing Economic Growth and Productivity*** [HB 2437](#) (Byron)
 - Allows manufacturers' corporate income tax to be based on sales and would be phased in by 2013.
 - Helps Virginia remain competitive to retain and/or create some 9,000 high-paying manufacturing jobs.

- ***Supporting Workforce Training*** [HB 2056](#) (Hamilton)
 - Provides economic grant incentives for workforce training programs and facilities.
 - Supports an advanced workforce training program in Hampton Roads that creates 1,000 new jobs.