



Courthouse Statue, Staunton,
Shenandoah Valley

LEGISLATION AND POLICY COMMITTEE

March 5, 2025

AGENDA

VIRGINIA ECONOMIC DEVELOPMENT PARTNERSHIP AUTHORITY LEGISLATION AND POLICY COMMITTEE MEETING

March 5, 2025

2:30 p.m. - 3:30 p.m.

**One James Center, VEDP Board Room
Richmond, Virginia**

2:30 p.m. – 2:33 p.m.	Welcome/Call to Order – Steven Stone
2:33 p.m. – 2:35 p.m.	Public Comment Period – Steven Stone
2:35 p.m. – 2:40 p.m.	Approval of Minutes for 12/11/25 Meeting – Steven Stone
2:40 p.m. – 2:45 p.m.	Legislative Update – Abigail Wescott
2:45 p.m. – 3:10 p.m.	CLOSED SESSION: Budget Update; Update on Legislator Material and Outreach Plan; Open Discussion
3:10 p.m. – 3:10 p.m.	Return to Open Meeting and Certification of Closed Meeting
3:10 p.m. – 3:25 p.m.	Legislation Impacting Economic Development – Abigail Wescott
3:25 p.m. – 3:30 p.m.	Anticipated Topics for Next Meeting
3:30 p.m.	Adjournment

Legislation and Policy Committee Meeting Minutes
Board of Directors of the Virginia Economic Development Partnership
December 11, 2024
1:30 p.m. – 2:30 p.m.

One James Center, 9th Floor – Board Room
Richmond, Virginia

Welcome and Call to Order

Steven Stone, Chair, called the meeting to order at 1:30 p.m.

Members present: John Hewa, Sonya Montgomery, Nick Rush, and Steven Stone

Members absent: Nancy Agee and Anne Oman

Other Board Members: Mimi Coles, Secretary Cummings, Stephen Edwards, Rick Harrell, Pace Lochte, Connie Loughhead, Secretary Merrick, and William Sessoms

Public Comment Period

Chair Stone asked if any members of the public wished to comment. There were none.

Approval of Minutes for September 18, 2024 Meeting

Chair Stone requested approval of the September 18, 2024, minutes. Mr. Rush made a motion, seconded by Mr. Hewa, and the minutes were unanimously approved as presented.

Election Update

Ms. Nicole Riley gave an update on the federal elections and key dates for upcoming special elections.

On January 7, 2025, a special election will be held to fill vacant seats for two Northern Virginia districts in the General Assembly. A date still needs to be announced for the 10th Senate seat in Southern Virginia.

- Senator John McGuire (R) resigned from his seat in the 10th District, effective December 11, 2024.
- Republicans will hold a mass meeting on Thursday, December 12, at 5:30 p.m. to choose its nominee for the special election.
- Senator Suhas Subramanyam (D) resigned from his seat in Virginia Senate District 32 after winning the 10th Congressional District election.
- Delegate Kannan Srinivasan (D) resigned from his seat in Virginia House District 26 after winning the election in Virginia Senate District 32.

Federal Collaboration

Ms. Nicole Riley gave an update on collaboration with VEDP’s federal partners.

VEDP has strong relationships with Senator Warner and Senator Kain’s offices. VEDP collaborates with federal partners in various ways, such as issuing information on federal-related incentives, providing support for projects seeking federal grant funding, and working with federal agencies on regulations or permits associated with projects and sites.

Closed Session

Mr. Rush made a motion, seconded by Mr. Hewa, to move to a closed meeting. The members unanimously approved the motion below:

I move that the Legislation and Policy Committee of the Virginia Economic Development Partnership Authority convene a closed meeting to discuss elements of VEDP’s Strategic Plan, Marketing Plan, and Operational Plan pursuant to Subdivision A 50 of §2.2-3711 of the Code of Virginia, which allows for the discussion of such activities that would reveal to Commonwealth’s competitors for economic development projects the strategies intended to be deployed, thus adversely affecting the financial interests of the Commonwealth.

Return to Open Meeting, Certification of Closed Meeting – Followed by a Roll Call Vote:

Ms. Wallmeyer, General Counsel, read the following certification and then conducted a roll call vote:

Do you certify, that to the best of your knowledge, (i) only public business matters lawfully exempted from the open meeting requirements of FOIA were discussed in the closed meeting, and (ii) only such matters as were identified in the motion to go into the closed meeting were heard, discussed, or considered during the closed meeting?

Upon the vote:

Mr. Hewa	Aye
Ms. Montgomery	Aye
Mr. Stone	Aye
Mr. Rush	Aye

Adjournment

There being no further business, Chair Stone adjourned the meeting at 2:40 pm.

Respectfully submitted,

Lesley Brown

PRESENTER



Abigail Wescott

Managing Director, External Affairs

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THE 2025 SHORT SESSION OF THE GENERAL ASSEMBLY HAS OFFICIALLY ADJOURNED SINE DIE

- January 8: General Assembly Regular Session convened
- February 4: Crossover
- February 6: Each Chamber passed its budget
- February 22: Sine Die took place
- Reconvened Session: scheduled for April 2, 2025

2025 Session Statistics

3,300+

Bills introduced

8

VEDP bills

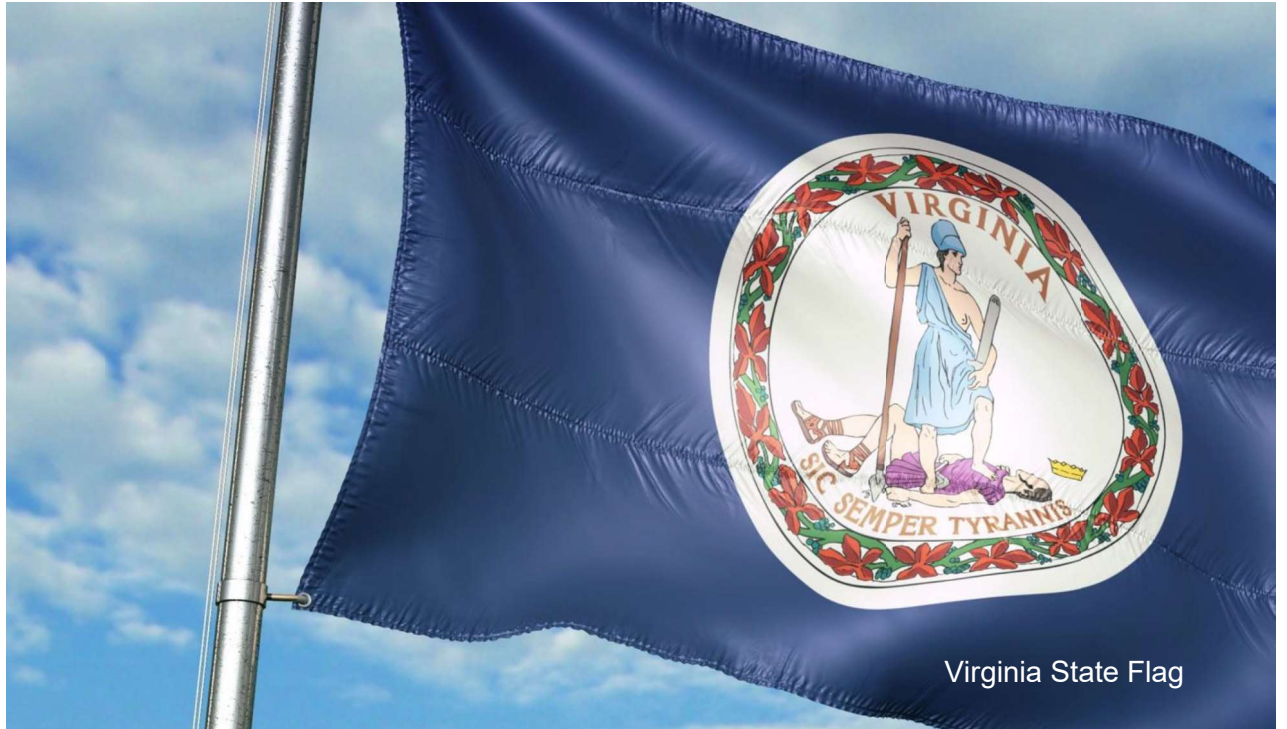
129

Bills tracked by VEDP

20+

Legislative Action Summaries





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VEDP LEGISLATIVE ITEMS

VEDP LEGISLATIVE PROPOSALS FOR 2025 GENERAL ASSEMBLY SESSION

Initiative	Summary	Status
HB2540 (Marshall) SB1207 (Mulchi) Lithium-ion Battery Separator Manufacturing Grant Fund (Microporous)	Establishes the Lithium-ion Battery Separator Manufacturing Grant Fund to, subject to appropriation, fund 20 annual grant award installments, in an aggregate amount not to exceed \$60.597 million, to a qualified company that engages in the manufacture of lithium-ion battery separators and that executes a memorandum of understanding with the Commonwealth and the Virginia Economic Development Partnership.	<u>Passed House (90-Y 6-N)</u> Waiting on Governor's Action Deadline 11:59 p.m., March 24, 2025 <u>Passed Senate (39-Y 0-N)</u> Signed by the Speaker
HB2358 (Torian) SB1208 (Lucas) Current and Mature Semiconductor Technology Grant Fund (Micron)	Establishes the Current and Mature Semiconductor Technology Grant Fund to, subject to appropriation, fund 15 annual grant award installments, in an aggregate amount not to exceed \$60 million, to a qualified company that engages in the manufacture of semiconductors and that executes a memorandum of understanding with the Commonwealth and, on and after July 1, 2024, but before June 30, 2040, is expected to (i) make a capital investment, defined in the bill, of at least \$2,170,130,850 and (ii) create and maintain at least 340 new full-time jobs, in an eligible locality, defined in the bill.	<u>Passed House (88-Y 9-N)</u> Waiting on Governor's Action Deadline 11:59 p.m., March 24, 2025 <u>Passed Senate (39-Y 0-N)</u> Signed by the Speaker
HB1567 (Wiley) SB1089 (Craig) Virginia Economic Development Partnership Authority; operational plan submission (Audit)	Requires the Virginia Economic Development Partnership Authority to include in the annual report on its operational plan the most recent available audit report from the Auditor of Public Accounts' annual examination of the accounts and books of the Authority and removes the requirement that such report contain the audited financial statements of the Authority for the year ending the previous June 30.	<u>Passed House (94-Y 0-N)</u> <u>Passed Senate (39-Y 0-N)</u> Waiting on Governor's Action Deadline 11:59 p.m., March 24, 2025
HB2179 (Clark) SB1231 (Aird) Virginia Investment Performance Grant	Authorizes Virginia Investment Performance Grants to be awarded under more lenient requirements if the recipient is located in a locality with an unemployment rate and poverty rate that exceeds the state average. Specifically, the bill would authorize payment of such grants if the average wage paid by the eligible manufacturer or research and development service, excluding fringe benefits, is no less than 85 percent of the prevailing average wage.	<u>Passed House with Substitute (84-Y 12-N)</u> <u>Passed Senate (40-Y 0-N)</u> House requested conference committee Senate: Aird, VanValkenburg, Pillion <u>House: Clark, Sickles, Wiley</u> Amended by conference committee

CLOSED SESSION



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LEGISLATION IMPACTING ECONOMIC DEVELOPMENT

LEGISLATIVE PROPOSALS OF INTEREST FOR 2025 GENERAL ASSEMBLY SESSION (1 OF 5)

Category	Bill #	Patron	Summary	Status
Data Centers	SB1040	Van-Valkenburg	Electric utilities; renewable energy portfolio standard program requirements	Passed House with amendment (97-Y 0-N)
	HB1883	Callsen	Electric utilities; renewable energy portfolio standard program requirements	Passed Senate with amendments (23-Y 17-N)
	SB1336	Marsden	Electricity consumption tax; rate adjustments	Governor's Action Deadline 11:59pm March 24, 2025
	SB1243	Stuart	Electric utilities; electric distribution infrastructure serving data centers	Incorporated by Commerce and Labor (SB960-Perry) (15-Y 0-N)
	HB2084	Shin	Public utilities certain; SCC shall determine if using reasonable classifications of customers	Amended by conference committee
	SB1449	Ebbin	Siting of data centers; site assessment; high energy use facility	Amended by conference committee
	SB1045	Roem	Data centers; noise abatement	Failed to report (defeated) in Local Government (5-Y 10-N)
	SB1046	Roem	Data centers; noise abatement	Failed to report from Local Government with substitute (5-Y 6-N 4-A)
	HB2027	Thomas	State Corporation Commission; certificate of operation for high load facilities	Laid on table (10-Y 0-N)
	HB2026	Thomas	Data centers; industrial zoning	Laid on table (8-Y 0-N)
HB1984	Lovejoy	Data centers; sitings near parks, schools, and residential areas	Left in Counties, Cities, and Towns	

LEGISLATIVE PROPOSALS OF INTEREST FOR 2025 GENERAL ASSEMBLY SESSION (2 OF 5)

Category	Bill #	Patron	Summary	Status
	HB2685	Lovejoy	Retail Sales & Use Tax; commercial & industrial exemptions for data centers in Northern Virginia	Left in Finance
	SB1425	Stuart	Retail sales and use tax; data center exemption expiration; distribution of revenues	Left in Finance and Appropriations
	HB1875	Bloxom	Electric utilities; renewable energy portfolio standard program; zero-carbon electricity	Left in Labor and Commerce
	HB2035	Simonds	High-energy facilities; water and energy usage info reports statewide clearinghouse established	Left in Labor and Commerce
	HB2101	Maldonado	Electric utilities; data center cost allocation	Left in Labor and Commerce
Data Centers	HB2126	Sullivan	Virginia Energy Facility Review Board established; localities; comprehensive plan and local ordinances related to siting of critical interconnection projects; planning district commissions	Left in Labor and Commerce
	HB2197	Kilgore	Electric utilities; renewable energy standard eligible sources	Left in Labor and Commerce
	HB2200	Kilgore	Electric utilities; renewable portfolio standard program, deficiency payments	Left in Labor and Commerce
	HB2428	Webert	Tangible personal property; computer equipment and peripherals used in data centers	Left in Labor and Commerce
	HB2578	Sullivan	Retail Sales and Use Tax; exemption for data centers, reports	Left in Labor and Commerce
	SB1022	Hackworth	State Corporation Commission; time frame for completion of certain transmission lines proceedings	Passed by indefinitely in Commerce and Labor with letter (15-Y 0-N)

LEGISLATIVE PROPOSALS OF INTEREST FOR 2025 GENERAL ASSEMBLY SESSION (3 OF 5)

Category	Bill #	Patron	Summary	Status
Energy	HB1616	Feggans	Offshore Wind Industry Workforce Program and Fund; established, report, sunset	Passed Senate (20-Y 19-N)
	HB2644	Sickles	Electric cooperative subsidiaries; customers exceeding 90 megawatts demand	Passed Senate (40-Y 0-N)
	HB2266	Tran	Distribution cost sharing program; SCC shall establish, distribution system upgrades	Signed by President
	SB1338	Marsden	Carbon free energy or clean energy; definition of fusion energy	Governor's Action Deadline 11:59pm March 24, 2025
	HB1601	Thomas	Siting of data centers; site assessment; high energy use facility	In Conference
	HB109	Sullivan	Electric Utilities; regional transmission entities, annual report	Left in Commerce and Labor
	SB1196	Deeds	Retail Sales and Use Tax; exemption data centers	Left in Finance and Appropriations
	HB2552	Bloxom	Electric utilities; State Corporation Commission to establish an emissions intensity target program	Stricken from docket by Labor and Commerce (20-Y 0-N)
Sites/ Infrastructure	SB1275	Jordan	Virginia Business Ready Sites Program Fund; eligible site for site development grant of at least 25 contiguous acres to be eligible site to receive a site development grant from the VBRSP if such site is located in a locality with an area of 35 square miles of land area or less	Passed House (95-Y 0-N)
	HB2635	Webert	Va Brownfield & Coal Mine Renewable Energy Grant Fund; increases kilowatt of nameplate capacity	Passed by indefinitely in Finance and Appropriations (9-Y 6-N)

LEGISLATIVE PROPOSALS OF INTEREST FOR 2025 GENERAL ASSEMBLY SESSION (4 OF 5)

Category	Bill #	Patron	Summary	Status
VOEE	HB2009	Campbell	Career and technical education courses, pathways, and credentials; biennial review, report	Left in Education
	HB2338	Batten	Public education; changes relating to graduation from a public high school, etc.	Left in Education
	HB2465	Willett	Va. Ed. & Workforce Data Governing Board & Office of Va. Education & Workforce Data; established	Left in Education
Taxation	HB2248	Runion	Retail Sales and Use Tax; removes sunset for aircraft components	Incorporated by Finance (HB1729-Delaney) (Voice Vote)
	HB1729	Delaney	Sales and use tax; exemption for aircraft components, extends sunset	Amended by conference committee
	HB1754	Watts	Income tax; imposition of tax and standard deduction	Left in Appropriations
	HB1755	Watts	Sales and use tax on services and digital personal property	Left in Finance
	HB1866	McNamara	Corporate income tax; sourcing of sales other than sales of tangible personal property	Tabled in Finance (12-Y 8-N)
Incentives	HB2646	Morefield	Income tax, state; eligibility of companies for apportionment modification	Left in Finance
	SB1139	Sturtevant	Virginia Workforce Housing Assistance Program; established, report	Passed by indefinitely in General Laws and Technology with letter (12-Y 0-N)
	SB1184	Carroll Foy	Va. Economic Development Partnership; evaluation of new economic development incentives	Tabled in Rules (16-Y 1-N)

LEGISLATIVE PROPOSALS OF INTEREST FOR 2025 GENERAL ASSEMBLY SESSION (5 OF 5)

Category	Bill #	Patron	Summary	Status
Workforce	SB1313	McPike	Affordable housing; local zoning ordinance authority, comprehensive plan	Governor's Action Deadline 11:59pm March 24, 2025
VEDP Operations	HB2509	Lopez	Virginia Clean Energy Innovation Bank; established, report	Passed by indefinitely in Finance and Appropriations (13-Y 0-N 1-A)
Budget	HB1600 SB800	Torian Lucas	Budget Bill	Conference report agreed to by House 81-Y 18-N Senate 37-Y 3-N

ANTICIPATED TOPICS FOR NEXT MEETING