



COMMONWEALTH OF VIRGINIA
HOUSE OF DELEGATES
RICHMOND

APPROPRIATIONS COMMITTEE
9TH FLOOR, GENERAL ASSEMBLY BUILDING
CAPITOL SQUARE
POST OFFICE BOX 406
RICHMOND, VIRGINIA 23218
804-698-1590

LACEY E. PUTNEY CHAIRMAN
ROBERT P. VAUGHN, STAFF DIRECTOR

The Honorable R. Steven Landes
Comments to the House of Delegates
On the Committee Recommendations to House Bill 30
February 17, 2012

Mr. Speaker and Members of the House, yesterday you heard from Chairman Putney and Delegate Cox regarding the steps the Appropriations Committee will be taking to address concerns raised by Members about the budget, specifically in the area of public education. Today I would like to address the area of economic development and job creation.

During the past two years, we have worked hard to reinvest in Virginia's economic development infrastructure and make job creation the top priority of state government. The results have been impressive, but this is no time to rest on our past accomplishments.

Again this year, we have worked hand-in-hand with Governor McDonnell to promote investment in Virginia's business community. Building on the great strides we have made over the last two years to reinvigorate our economic development efforts, we now focus on making targeted additions to our job creation toolkit to make sure Virginia remains the best place to grow and start a business.

During the first half of this Session, the House has adopted legislation extending the current capital gains tax exemption for start-ups. This will continue to allow our small business job creators to expand investment in science and technology by exempting investment in business start-ups from capital gains taxes. The House also adopted a new small business investor tax credit that will allow an individual income tax credit for investments made in qualified small businesses beginning on January 1, 2013 to improve access to capital.

I also am very pleased to report that this year we have been able to place some additional focus on agriculture, Virginia's largest industry. We have adopted legislation creating a new Agriculture and Forestries Development Fund, and will provide \$1.0 million each year for it in the biennial budget. Recognizing the increased importance of the export market for Virginia's agriculture products, we also are increasing our investments in international marketing at the Department of Agriculture and Consumer Services and providing funding for research into specialty crops.

We are seeing the "fruits" of our investments in Virginia's growing wine industry. Since 2005, the full economic impact of wine and wine grapes on the Virginia economy has more than doubled, from \$362 million to \$747 million, a 106 percent increase. During the same time period, the number of wineries increased by 49 percent and wages from jobs at wineries and vineyards increased 86 percent increase.

The budget that will be before you next week will continue our work over the last two years to better fund job creating programs and initiatives,

such as the Advanced Manufacturing Initiative, increased support for international marketing at the Economic Development Partnership and increasing funding at the Virginia Tourism Authority to market all the benefits that Virginia offers. Recognizing that it is always important to look toward future opportunities, the budget will support investments in commercial space flight as well as wind energy development.

Finally, we recognize that sometimes the best thing government can do is stay out of the way. To that end, the Committee will eliminate fees that increase the cost of doing business.

Our goal this session, through the passage of these important initiatives, is to create an even stronger environment in Virginia for sustained job creation and economic development growth for years to come.