

## **Proposed Legislation Before the Virginia General Assembly Which May Be Of Interest To Contractors and Developers**

*Land Development, Public Procurement, Mechanics Liens, Transportation Funding, Eminent Domain, Professional Regulation, Defective Drywall, Tax Credits, Insurance*

**Current through January 24, 2012**

This update is not legal advice and reflects only some of the new laws and changes that may be of interest to the Virginia construction industry and does not cover all changes and legislative action. More information regarding 2012 proposed legislation can be found on the Virginia General Assembly's Legislative Information System (<http://leg1.state.va.us/lis.htm>). Additional information also may be obtained by contacting Chandra Lantz at [clantz@hf-law.com](mailto:clantz@hf-law.com) or 804.771.9586.

### **LAND DEVELOPMENT**

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#### **HB 729 Urban development areas; increases population thresholds to determine applicability of requirements.**

*Chief patron:* Dudenhefer

A BILL to amend and reenact § 15.2-2223.1 of the Code of Virginia, relating to urban development areas.

*Summary as introduced:*

**Urban development areas.** Increases population thresholds for determining applicability of urban development area (UDA) requirements from 130,000 persons to 200,000 persons. The bill also specifies that UDAs need only accommodate the projected growth beyond what may be developed by right and changes a 10-year growth mandate to five years.

#### **HB 732 Transfer of development rights.**

*Chief patron:* Dudenhefer

A BILL to amend and reenact § 15.2-2316.2 of the Code of Virginia, relating to transfer of development rights.

*Summary as introduced:*

**Transfer of development rights.** Provides that a transfer of development rights ordinance may permit a sending property, subsequent to severance of development rights, to be used for parks and campgrounds.

**HB 794 Urban development areas.**

*Chief patron:* Rush

A BILL to amend and reenact § 15.2-2223.1 of the Code of Virginia, relating to urban development areas.

*Summary as introduced:*

**Urban development areas.** Makes incorporation of urban development areas optional rather than mandatory. Any locality that has previously adopted urban development areas may, and upon voter petition shall, reconsider such action

**HB 869 Urban development areas.**

*Chief patron:* Rust

A BILL to amend and reenact § 15.2-2223.1 of the Code of Virginia, relating to urban development areas.

*Summary as introduced:*

**Urban development areas.** Makes designation of urban development areas optional for all localities. Currently urban development areas are mandatory for many higher growth localities.

**SB 19 Cash proffers; changes sunset date on provisions that state collection or acceptance by locality.**

*Chief patron:* Stuart

A BILL to amend and reenact § 15.2-2303.1:1 of the Code of Virginia, relating to cash proffers.

*Summary as introduced:*

**Cash proffers.** Changes the sunset date from July 1, 2015, to July 1, 2012, on provisions that state that cash proffers shall be collected or accepted by any locality only after completion of the final inspection and prior to the time of the issuance of any certificate of occupancy for the subject property.

## PUBLIC PROCUREMENT ACT

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### **HB 449 Virginia Public Procurement Act; preferences by localities, public institutions of higher education.**

*Chief patron:* Toscano

A BILL to amend and reenact § 2.2-4328 of the Code of Virginia, relating to the Virginia Public Procurement Act; use of preferences by localities, public institutions of higher education, and regional public bodies.

*Summary as introduced:*

**Virginia Public Procurement Act; preferences by localities, public institutions of higher education and regional public bodies.** Allows a locality to give a procurement preference for goods, services, and construction produced in the locality or by persons, firms, or corporations having principal places of business in the locality. The bill also allows public bodies that are public institutions of higher education or regional public bodies to give such a preference to goods, services, and construction produced in the localities in which the institution or regional public body is located. Currently such preference is allowed only in the case of a tie.

### **HB 529 Virginia Public Procurement Act; preference for local products and firms; applicability.**

*Chief patron:* McQuinn

A BILL to amend and reenact § 2.2-4328 of the Code of Virginia, relating to the Virginia Public Procurement Act; preference for local products and firms; applicability.

*Summary as introduced:*

**Virginia Public Procurement Act; preference for local products and firms; applicability.** Authorizes localities to apply a preference for bidders or offerors located in the locality of up to 10 percent, provided (i) for competitive sealed bidding the percentage of the discount is stated in the Invitation to Bid, (ii) for competitive negotiations the percentage of the increase is stated in the Request for Proposal, and (iii) the discount percentage or increase percentage is included in the informal solicitation for small purchase.

### **HB 530 Virginia Public Procurement Act;**

*Chief patron:* McQuinn

A BILL to amend the Code of Virginia by adding a section numbered 2.2-4311.3, relating to the Virginia Public Procurement Act; permissive contract provisions for localities; resident employment.

*Summary as introduced:*

**Virginia Public Procurement Act; permissive contract provisions for localities; resident employment.** Authorizes any locality to include in its contracts a provision requiring the contractor to ensure that a specified percentage, not to exceed 20 percent, of the work under the contract be performed by residents of the locality.

**HB 540 Construction projects using public funds; project labor agreements prohibited.**

*Chief patron:* Poindexter

A BILL to prohibit use of state and local public revenues in connection with construction projects subject to a project labor agreement.

*Summary as introduced:*

**Construction projects using public funds; project labor agreements prohibited.** Prohibits use of state or local funds for construction projects if the project or any phases of the project are subject to a project labor agreement.

**HB 1015 Virginia Public Procurement Act; bid match preference for Virginia businesses.**

*Chief patron:* Comstock

A BILL to amend and reenact § 2.2-4324 of the Code of Virginia, relating to the Virginia Public Procurement Act; bid match preference for Virginia businesses.

*Summary as introduced:*

**Virginia Public Procurement Act; bid match preference for Virginia businesses.** Provides, for contracts not expected to exceed \$5 million, a bid match preference for Virginia business. Under the bill, a Virginia business has an opportunity to match the lowest bid of an out-of-state bidder if the bid of a Virginia business is within five percent or \$10,000, whichever is less, of the lowest bid of an out-of-state bidder. The bill also provides that to be deemed a resident of Virginia, a Virginia person, firm, or corporation must have paid unemployment taxes or income taxes in Virginia in addition to being organized pursuant to Virginia law or maintaining a principal place of business within Virginia. The bill has a three-year sunset provision.

**HB 1067 Virginia Public Procurement Act; alternative dispute resolution.**

*Chief patron:* Hugo

A BILL to amend and reenact § 2.2-4366 of the Code of Virginia, relating to the Virginia Public Procurement Act; alternative dispute resolution.

*Summary as introduced:*

**Virginia Public Procurement Act; alternative dispute resolution.** Provides that contractual claims submitted under § 2.2-4363, related to a construction contract entered into by or on behalf of the Virginia Community College System for which the System has not made a final decision in the time specified in the contract or in § 2.2-4363, shall be submitted for arbitration, mediation, or other nonbinding alternative dispute resolution procedures. The bill provides that nothing shall be construed to limit the contractor's right to institute immediate legal action pursuant to § 2.2-4364, provided that if a contractual claim is subject to an alternative dispute resolution process, then no legal action shall be filed until at least 60 days after the matter has been submitted to such nonbinding alternative dispute resolution procedures. The bill provides that it applies only to contracts entered into on or after July 1, 2012.

**HB 1145 Virginia Public Procurement Act; preference for local businesses.**

*Chief patron:* Sherwood

A BILL to amend and reenact § 2.2-4328 of the Code of Virginia, relating to the Virginia Public Procurement Act; preference for local businesses.

12103089D

***Summary as introduced:***

Virginia Public Procurement Act; preference for local businesses. Allows a locality to give a procurement preference to persons, firms, or corporations having principal places of business in the locality if such bidder's bid is within five percent of the lowest bid. The bill provides that prior to awarding a contract under the preference, the locality must certify in writing that (i) exercising the preference provides goods, services, and construction comparable in quality to that of other non-local bids and (ii) using a local business provides beneficial economic effects in the community through creating and sustaining local jobs and by generating local tax revenues.

**HB 1232 Virginia Public Procurement Act; resident employment and apprenticeship participation; required.**

*Chief patron:* Morrissey

A BILL to amend the Code of Virginia by adding a section numbered 2.2-4312.1, relating to the Virginia Public Procurement Act; resident employment and apprenticeship participation; required contract provisions.

12104141D

*Summary as introduced:*

**Virginia Public Procurement Act; resident employment and apprenticeship participation; required contract provisions.** Requires all public bodies to include in every contract of more than \$100,000 that involves the performance of work within the Commonwealth provisions requiring the contractor to agree (i) that 51 percent of all positions created in performance of the contract be filled by Virginia residents, (ii) that 35 percent of the total hours worked by apprentices in positions created in performance of the contract be performed by Virginia residents, and (iii) to use the Virginia Employment Commission as the first source of referral for obtaining qualified applicants for any new position. Under the bill, "new position" shall not include a position that is filled by a current employee of the contractor or an individual who was previously laid off by the contractor.

**HB 1233 Local license tax ordinances for the severance of minerals.**

*Chief patron:* Kilgore

A BILL to amend and reenact § 58.1-3713.3 of the Code of Virginia, relating to local ordinances levying taxes on the severing of oil, coal, or gas from the earth.

12104466D

*Summary as introduced:*

**Local license tax ordinances for the severance of minerals.** Requires counties and cities that imposed or are imposing local severance taxes for the 2008 license year or any license year thereafter to amend their local ordinances to adopt or include certain local license tax uniform ordinance provisions into the local ordinance with an effective date retroactive to the 2008 license year. Each such county and city would be required to allow taxpayers upon whom local severance taxes were imposed to avail themselves of the appeal procedures included as part of the local license tax uniform ordinance provisions. In addition, each such county and city would be required to provide notice to such taxpayers by certified mail of their rights to use the appeal procedures for the 2008 license year and each license year thereafter. Each ordinance

so amended with an effective date retroactive to the 2008 license year would be deemed to have met the uniform ordinance requirements, provided that the county or city meets the other requirements in the bill. The bill contains an emergency clause.

EMERGENCY

**HB 1234 Virginia Economic Development Partnership Authority; appointment of executive director.**

*Chief patron:* Kilgore

A BILL to amend and reenact § 2.2-2235 of the Code of Virginia, relating to the Virginia Economic Development Partnership Authority; appointment of executive director.

12103596D

*Summary as introduced:*

**Virginia Economic Development Partnership Authority; appointment of executive director.**

Provides that the Governor and not the Authority board of directors shall appoint the executive director of the Authority. The bill further provides that the executive director shall serve at the pleasure of the Governor.

**HB 1235 Virginia Public Procurement Act; contract pricing arrangements.**

*Chief patron:* Massie

A BILL to amend and reenact § 2.2-4331 of the Code of Virginia, relating to the Virginia Public Procurement Act; contract pricing arrangements.

12104356D

*Summary as introduced:*

**Virginia Public Procurement Act; contract pricing arrangements.** Provides that the award of a public contract may be made on the basis of cost plus a percentage of the private investment made by a private entity in cases of the procurement of commercial or financial consulting services related to a qualifying transportation facility under the Public-Private Transportation Act or a qualifying project under the Public-Private Education Facilities and Infrastructure Act, where the commercial or financial consulting services are sought to solicit or to solicit and evaluate proposals for the qualifying transportation facility or the qualifying project. The bill defines "private entity," "qualifying transportation facility," and "qualifying project."

**SB 651 Virginia Public Procurement Act; women-owned and minority-owned businesses; remedial measures.**

*Chief patron:* McEachin

A BILL to amend and reenact § 2.2-4310 of the Code of Virginia, relating to the Virginia Public Procurement Act; women-owned and minority-owned businesses; remedial measures.

12104431D

*Summary as introduced:*

**Virginia Public Procurement Act; women-owned and minority-owned businesses; remedial measures.** Provides that the Governor shall require state agencies to implement appropriate enhancement or remedial measures consistent with prevailing law when a persuasive analysis exists that documents statistically significant disparity between the availability and utilization of women-owned and minority-owned businesses.

## MECHANICS LIENS

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### **HB 317 Mechanics' lien agent; building permit.**

*Chief patron:* Ingram

A BILL to amend and reenact § 43-4.01 of the Code of Virginia, relating to mechanics' lien agent; building permit.

*Summary as introduced:*

**Mechanics' lien agent; building permit.** Expands the requirement that the mechanics' lien agent, if one is named in the building permit, be notified of mechanics' liens before such liens may be perfected to cover any improvements to real estate for which the building permit application states a value of \$5 million or less. Currently, this requirement only applies to building permits for one- or two-family homes.

### **HB 1265 Mechanics' lien' notice; claimant must to property owner 60 days before filing.**

*Chief patron:* Purkey

A BILL to amend and reenact § 43-4 of the Code of Virginia, relating to mechanics' liens; notice. 12104134D

*Summary as introduced:*

**Mechanics' lien' notice.** Provides that a mechanics' lien claimant must send to the property owner written notice of his intent to file a memorandum of lien and a copy of the memorandum at least 60 days before filing the memorandum with the clerk of the court. The clerk shall not accept or record any memorandum of lien that is filed prior to the expiration of the 60-day period or that is not accompanied by a copy of the notice sent to the property owner.

## TRANSPORTATION FUNDING

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### **HB 422 Transportation funding and administration.**

*Chief patron:* Watts

A BILL to amend and reenact §§ 15.2-4838.1, 58.1-300, 58.1-520, as it is currently effective and as it may become effective, 58.1-604.1, as it shall become effective, 58.1-608.3, 58.1-611.1, 58.1-614, 58.1-811, and 58.1-3221.3, as it is currently effective, of the Code of Virginia; to amend the Code of Virginia by adding sections numbered 15.2-4838.01, 58.1-603.1, 58.1-604.01, and 58.1-802.2 and by adding in Title 58.1 a chapter numbered 22.1, consisting of sections numbered 58.1-2291 through 58.1-2296; and to repeal Article 22 (§§ 58.1-540 through 58.1-549) of Chapter 3 of Title 58.1 of the Code of Virginia and the second enactment of Chapter 822 of the Acts of Assembly of 2009, relating to transportation funding and administration.

*Summary as introduced:*

**Transportation funding and administration.** Provides additional funding for transportation by (i) imposing a motor fuels sales tax rate of four percent, phased in over four years, for highway maintenance; (ii) increasing the state sales tax in Northern Virginia by 0.5 percent for transportation projects in Northern Virginia; and (iii) adding an additional recordation tax in Northern Virginia at a rate of \$0.40 per \$100 valuation. The motor fuels tax is not effective until the unemployment rate in the Commonwealth decreases for four consecutive quarters after July 1, 2011. The bill also reduces the sales and use tax rate on food for human consumption from 1.5 percent to one percent, and repeals the authority for certain localities to impose a local income tax. In addition, the bill removes the sunset date from the 2009 Act of Assembly that reduced the special real property tax rate on commercial property in the localities embraced by the Northern Virginia Transportation Authority from \$0.25 per \$100 of assessed value to \$0.125 per \$100 of assessed value. Finally, the bill increases the special real property tax rate on commercial property in localities in Hampton Roads from \$0.10 per \$100 of assessed value to \$0.125 per \$100 of assessed value.

### **HB 699 Highway maintenance funds; allocation of funds.**

*Chief patron:* Filler-Corn

A BILL to amend and reenact § 33.1-23.1 of the Code of Virginia, relating to allocation of funds for maintenance of the Interstate Highway System.

*Summary as introduced:*

**Highway maintenance funds.** Provides that when allocating funds for the interstate system of highways, the primary system of state highways, and the secondary system of state highways maintained by the Commonwealth, the Commonwealth Transportation Board shall consider achieving a minimal level of disparity among highway construction districts in meeting asset performance standards. Prior to such allocation, the Board shall release for public review a comparison of the proposed allocation of funds by highway construction district with an allocation of funds based entirely on specific asset performance standards by highway construction district.



### **HB 723 Transportation; funding and administration in various construction districts.**

*Chief patron:* Yancey

A BILL to amend and reenact §§ 15.2-4838.1, and 15.2-4840 of the Code of Virginia; to amend the Code of Virginia by adding in Chapter 48.2 of Title 15.2 a section numbered 15.2-4841 and by adding in Title 33.1 a chapter numbered 10.3, consisting of sections numbered 33.1-391.16 and 33.1-391.17, a chapter numbered 10.4, consisting of sections numbered 33.1-391.18 and 33.1-391.19, and a chapter numbered 10.5, consisting of sections numbered 33.1-391.20 and 33.1-391.21; and to repeal §§ 58.1-1724.2 and 58.1-3825.1 of the Code of Virginia, relating to transportation funding and administration in the Northern Virginia and Hampton Roads areas, the Richmond Highway Construction District, and the Staunton Highway Construction District.

*Summary as introduced:*

**Transportation funding and administration.** Provides for transportation funding and administration in Hampton Roads, Northern Virginia, the Richmond Highway Construction District, and the Staunton Highway Construction District.

### **HB 728 Transportation impact fees; when amount assessed and imposed.**

*Chief patron:* Dudenhefer

A BILL to amend and reenact § 15.2-2323 of the Code of Virginia, relating to transportation impact fees.

*Summary as introduced:*

**Transportation impact fees.** Provides that if a specific development or subdivision received final site plan or subdivision approval prior to the effective date of the locality's impact fee ordinance, the amount of the impact fee to be imposed may be determined at any time prior to the issuance of a building permit. Under current law, the amount of the impact fee must be determined before or at the time of site plan or subdivision approval.

### **HB 731 Performance guarantees; street construction.**

*Chief patron:* Dudenhefer

A BILL to amend and reenact § 15.2-2245 of the Code of Virginia, relating to provisions for periodic and final release of certain performance guarantees for street construction.

*Summary as introduced:*

**Performance guarantees; street construction.** Allows localities to retain full performance guarantees until streets in a new development are accepted by the state agency, local government department or agency, or other public authority that is responsible for maintaining and operating such public facility. The bill also provides that if a developer is in default with regard to street completions in another development within a locality, the locality may withhold acceptance of securities or plat approvals. Furthermore, a locality may withhold building permits or occupancy permits within a development until streets in a new development are accepted by the state agency, local government department or agency, or other public authority that is responsible for maintaining and operating such public facility.

01/11/12 House: Prefiled and ordered printed; offered 01/11/12 12102598D

01/11/12 House: Committee Referral Pending

### **HJ 71 Constitutional amendment (first resolution); Transportation Funds.**

*Chief patron:* Watts

Proposing an amendment to the Constitution of Virginia by adding in Article X a section numbered 7-B, relating to funds for transportation purposes.

*Summary as introduced:*

**Constitutional amendment (first resolution); Transportation Funds.** Requires the General Assembly to maintain permanent and separate Transportation Funds to include the Commonwealth Transportation Fund, Transportation Trust Fund, Highway Maintenance and Operating Fund, and Priority Transportation Fund. All revenues dedicated to Transportation Funds on January 1, 2013, by general law, other than a general appropriation law, shall be deposited to the Transportation Funds, unless the General Assembly by general law, other than a general appropriation law, alters the revenues dedicated to the Funds. The amendment requires Funds be appropriated only for transportation systems and projects. The General Assembly may borrow from the Funds for other purposes only by a vote of two-thirds plus one of the members voting in each house, and the loan or reduction must be repaid with reasonable interest within three years. The amendment also limits the use of general and other nontransportation funds for transportation purposes except for obligations authorized or entered into before January 1, 2013.

### **HJ 90 Constitutional amendment (first resolution); Transportation Funds.**

*Chief patron:* Comstock

Proposing an amendment to the Constitution of Virginia by adding in Article X a section numbered 7-B, relating to special funds for transportation purposes.

*Summary as introduced:*

**Constitutional amendment (first resolution); Transportation Funds.** Requires the General Assembly to maintain permanent and separate Transportation Funds to include the Commonwealth Transportation Fund, Transportation Trust Fund, Highway Maintenance and Operating Fund, and other funds established by general law for transportation. All revenues dedicated to Transportation Funds on January 1, 2013, by general law, other than a general appropriation law, shall be deposited to the Transportation Funds, unless the General Assembly by general law, other than a general appropriation law, alters the revenues dedicated to the Funds. The amendment limits the use of Fund moneys to transportation and related purposes. The General Assembly may borrow from the Funds for other purposes only by a vote of two-thirds plus one of the members voting in each house, and the loan must be repaid with reasonable interest within four years.

**SB 639 Transportation construction, operation and maintenance, and funding.**

*Chief patron: Wagner*

A BILL to amend and reenact §§ 2.2-1514, as it is currently effective and as it may become effective, 15.2-2223, 33.1-12, 33.1-23.05, 33.1-23.1, 33.1-49.1, and 58.1-638 of the Code of Virginia and to amend the Code of Virginia by adding sections numbered 2.2-1509.4 and 33.1-23.04:1, by adding in Title 33.1 a chapter numbered 19, consisting of sections numbered 33.1-466 through 33.1-469, and by adding in Title 33.1 a chapter numbered 20, consisting of sections numbered 33.1-470 through 33.1-488, relating to transportation funding and operation.

12101931D

*Summary as introduced:*

**Transportation construction, operation and maintenance, and funding.** Provides for the construction, maintenance, and funding of transportation by (i) creating transportation construction districts and the Transportation Improvement District Fund to identify, construct, and fund certain transportation projects, including the authority to issue revenue bonds; (ii) creating the Virginia Toll Road Authority to fund transportation projects through tolls and other charges, (iii) increasing the dedicated transportation allocation of the sales and use tax from 0.5 percent to 0.75 percent, phased in over eight years, with the additional revenue dedicated for highway maintenance and operation, (iv) increasing transportation's share of year-end surpluses to 75 percent, (v) dedicating a portion of revenue growth each year to transportation, and (vi) requiring localities to create transportation plans as part of comprehensive planning. The bill also authorizes the Commonwealth Transportation Board (CTB) to name highways, bridges, interchanges, and other transportation facilities for private entities if an annual naming rights fee is paid, with the revenue dedicated to highway maintenance and operation. The bill also charges the CTB with greater responsibilities involving integration of land use and transportation planning and authorizes the CTB to withhold federal and state funds for certain local or regional capital improvement projects if those projects are inconsistent with the Statewide Transportation Plan or the Six-Year Improvement Program. Provision is made for use of "revenue-sharing" funds for secondary highway system maintenance projects carried out by local governments. The bill also provides for special allocations by the CTB for bridge reconstruction, high priority highway projects, and reconstruction of highways with particularly deteriorated pavements. It also provides for the performance of maintenance projects directly by VDOT when it can be demonstrated to the Commissioner or the CTB that VDOT can do it at lesser cost than an outside contractor.

## EMINENT DOMAIN

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### **HB 597 Eminent domain; lost profits and access.**

*Chief patron:* Crockett-Stark

A BILL to amend and reenact §§ 25.1-100 and 25.1-400 of the Code of Virginia and to amend the Code of Virginia by adding a section numbered 25.1-230.1, relating to eminent domain; lost profits and access.

*Summary as introduced:*

**Eminent domain; lost profits and access.** Provides definitions for the terms "lost profits" and "lost access" and how to determine the amount of just compensation, which includes lost profits and lost access resulting from the taking, that must be paid for property taken by eminent domain. The bill has a contingent effective date of January 1, 2013, provided that the voters approve an amendment to Section 11 of Article I of the Constitution of Virginia at the 2012 November election.

### **HB 1035 Eminent domain; lost profits and access.**

*Chief patron:* Joannou

A BILL to amend and reenact §§ 25.1-100 and 25.1-400 of the Code of Virginia and to amend the Code of Virginia by adding a section numbered 25.1-230.1, relating to eminent domain; lost profits and access.

*Summary as introduced:*

**Eminent domain; lost profits and access.** Provides definitions for the terms "lost profits" and "lost access" and how to determine the amount of just compensation, which includes lost profits and lost access resulting from the taking, that must be paid for property taken by eminent domain. The bill has a contingent effective date of January 1, 2013, provided that the voters approve an amendment to Section 11 of Article I of the Constitution of Virginia at the 2012 November election.

## PROFESSIONAL REGULATIONS

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### **HB 609 Department of Professional and Occupational Regulation; duties of regulatory boards.**

*Chief patron:* LeMunyon

A BILL to amend and reenact §§ 54.1-201, 54.1-831, and 54.1-1802.1 of the Code of Virginia, relating to the Department of Professional and Occupational Regulation; duties of regulatory boards.

*Summary as introduced:*

#### **Department of Professional and Occupational Regulation; duties of regulatory boards.**

Requires any person holding a license, certificate, registration, permit, or other document, however styled or denominated (the regulant), that is related to the practice of any business, profession, or occupation issued by a regulatory board within the Department of Professional and Occupational Regulation shall furnish, upon the request of a person to whom the regulant is providing or offering to provide service, satisfactory proof that the regulant (i) is duly licensed, certified, or registered and (ii) has obtained any required bond or insurance to engage in his profession or occupation. The bill contains technical amendments.

### **HB 1144 Board for Contractors; waiver of license requirement for Habitat for Humanity.**

*Chief patron:* Watson

A BILL to amend and reenact § 54.1-1103 of the Code of Virginia, relating to the Board for Contractors; waiver of license requirement for Habitat for Humanity.

12103344D

*Summary as introduced:*

**Board for Contractors; waiver of license requirement for Habitat for Humanity.** Adds the rehabilitation of single-family dwellings by Habitat for Humanity for which the Board for Contractors may waive the requirement for licensure. Currently, the authority of the Board to waive licensure is limited to the construction of single-family dwellings by Habitat for Humanity.

## TAX CREDITS

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### **HB 111 Small business job creation tax credit; creates credit for those creating new full-time jobs.**

*Chief patron:* Bell, Richard P.

A BILL to amend the Code of Virginia by adding in Article 13 of Chapter 3 of Title 58.1 a section numbered 58.1-439.12:11, relating to a small business job creation tax credit.

*Summary as introduced:*

**Small business job creation tax credit.** Creates an individual and corporate income tax credit beginning January 1, 2012, for small businesses creating new full-time jobs in the Commonwealth. The credit would equal \$1,000 for each new job created. A small business would be allowed the credit for an aggregate of 50 jobs. The provisions of the bill would expire on January 1, 2015.

### **HB 228 Income tax, corporate; credit for contracting with small or minority-owned businesses.**

*Chief patron:* Habeeb

A BILL to amend the Code of Virginia by adding in Article 13 of Chapter 3 of Title 58.1 a section numbered 58.1-439.12:11, relating to a corporate income tax credit for federal government contractors entering into subcontracts with minority-owned, veteran-owned, women-owned, or qualified small businesses.

*Summary as introduced:*

**Tax credit for contracting with small or minority-owned, veteran-owned, or women-owned businesses.** Establishes a corporate income tax credit beginning January 1, 2013, for federal contractors with at least 250 full-time employees that subcontract with small or minority-owned, veteran-owned, or women-owned businesses to perform federal government contract work. The tax credit would equal five percent of the amount paid by the federal contractor under the subcontract to the small or minority-owned, veteran-owned, or women-owned business. The small or minority-owned, veteran-owned, or women-owned business would be required to perform all subcontract work in a Historically Underutilized Business Zone or a state enterprise zone.

Tax credits would be capped at \$10 million each fiscal year. The tax credit would sunset on December 31, 2017.

### **HB 384 Virginia Personnel Act; hiring preference, state employment Virginia National Guard.**

*Chief patron:* Cole

A BILL to amend and reenact § 2.2-2903 of the Code of Virginia, relating to the Virginia Personnel Act; hiring preference in state government for members of the Virginia National Guard.

*Summary as introduced:*

**Virginia Personnel Act; hiring preference in state employment for members of the Virginia National Guard.** Establishes a preference in state hiring for members of the Virginia National Guard. Under the bill, when a member of the Virginia National Guard applies for a position or

job classification requiring an assessment using numerical ratings, points equal to five percent of the total points available from the assessment device or devices shall be added to the member's passing score. The preference shall not be applied if recruitment for the position is limited to state employees or over an applicant who is (i) a veteran, (ii) a former prisoner of war, or (iii) a more qualified member of the Virginia National Guard.

#### **HB 1041 Tax credit for hiring military veterans.**

*Chief patron:* Keam

A BILL to amend the Code of Virginia by adding in Article 13 of Chapter 3 of Title 58.1 a section numbered 58.1-439.12:11, relating to tax credits for employing certain military veterans.

*Summary as introduced:*

**Tax credit for hiring military veterans.** Establishes beginning January 1, 2012, an individual and corporate income tax credit for taxpayers hiring returning or disabled military veterans into new jobs paying an annual salary of at least \$50,000. Returning military veterans are persons who served on active duty on or after September 1, 2001, but not including any person who first served on active duty on or after January 1, 2015. Disabled military veterans are persons who are rated by the U.S. Department of Veterans Affairs as having at least a 50 percent service-connected disability and who were unemployed for at least six months in the calendar year immediately preceding the date on which they were hired into the new job. The tax credit would equal \$500 each year for five years for returning military veterans holding the new job continuously throughout the year and \$1,000 each year for five years for disabled military veterans holding the new job continuously throughout the year. No credit would be allowed for any year in which the number of full-time employees of the taxpayer is less than the average annual number of full-time employees of the taxpayer in the immediately preceding three years.

#### **HB 1049 Income tax; STEM (science, technology, engineering, or mathematics) internship tax credit.**

*Chief patron:* Anderson

A BILL to amend the Code of Virginia by adding in Article 13 of Chapter 3 of Title 58.1 a section numbered 58.1-439.12:11, relating to income tax credits for employing certain persons in science, technology, engineering, or mathematics internship positions.

*Summary as introduced:*

#### **Income tax; STEM (science, technology, engineering, or mathematics) internship tax credit.**

Establishes an individual and corporate income tax credit for taxpayers employing persons in STEM internship positions in the Commonwealth. The bill requires the intern to have an associate's or bachelor's degree in a STEM discipline or to be a graduate of a STEM trade school. In addition, the person's STEM internship with the taxpayer must be for a definite period that does not exceed 12 months. Taxpayers hiring STEM interns would be eligible for a tax credit equal to 25 percent of the wages or salary paid to the intern. Taxpayers would apply to the Department of Taxation for the tax credit. The Department would issue tax credits by providing a written certification to the taxpayer that reports the amount of tax credit that may be claimed. The Department would not be allowed to issue more than \$2 million in tax credits

during any fiscal year. The Department would be allowed to issue tax credits only for fiscal years 2013 through 2017.

## UNIFORM STATEWIDE BUILDING CODE

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### **HB 328 Uniform Statewide Building Code; online submission of building permit applications.**

*Chief patron:* Villanueva

A BILL to amend the Code of Virginia by adding a section numbered 36-105.4, relating to the Uniform Statewide Building Code; online submission of building permit applications.

*Summary as introduced:*

**Uniform Statewide Building Code; online submission of building permit applications.** Requires local building departments to establish a system to allow any person applying for a building permit to (i) submit his permit application by electronic means and to affix thereto his electronic signature, (ii) check on the status of his application online and to receive information from the building department electronically, and (iii) submit electronic payment for his permit application.

### **HB 1045 Uniform Statewide Building Code.**

*Chief patron:* Keam

A BILL to direct the Board of Housing and Community Development to revise the Uniform Statewide Building Code to require a two-year time limit on the duration of an issued building permit to complete construction of certain detached single-family dwellings and residential structures.

*Summary as introduced:*

**Uniform Statewide Building Code.** Requires the Board of Housing and Community Development to revise the Uniform Statewide Building Code to require a two-year time limit on the duration of a building permit issued for the completion of new construction of detached single-family dwellings, additions to detached single-family dwellings, or residential accessory structures. Under the current Building Code, the time limit is three years for such dwellings and structures.



## DEFECTIVE DRYWALL

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### **HB 839 Defective drywall; definition.**

*Chief patron:* James

A BILL to amend and reenact § 36-156.1 of the Code of Virginia, relating to the definition of defective drywall.

*Summary as introduced:*

**Defective drywall; definition.** Redefines the term "defective drywall" to mean drywall or similar building material composed of dried gypsum-based plaster that (i) contains elemental sulfur exceeding 10 parts per million as has been found in some drywall manufactured in the People's Republic of China and imported into the United States between 2004 and 2007 and, when exposed to heat, humidity, or both, releases elevated levels of hydrogen sulfide gas into the air or (ii) has been designated by the U.S. Consumer Product Safety Commission as a product with a product defect that constitutes a substantial product hazard within the meaning of § 15(a)(2) of the Consumer Product Safety Act (15 U.S.C. § 2064(a)(2)).

## INSURANCE

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### **HB 867 Certificates of insurance; property and casualty insurance.**

*Chief patron:* Rust

A BILL to amend and reenact § 38.2-515 of the Code of Virginia and to amend the Code of Virginia by adding in Chapter 5 of Title 38.2 a section numbered 38.2-518, relating to unfair insurance trade practices regarding certificates of insurance.

*Summary as introduced:*

**Certificates of insurance; property and casualty insurance.** Prohibits any person from (i) issuing or delivering a certificate of insurance that attempts to confer any rights upon a third party beyond what the referenced policy of insurance expressly provides; (ii) knowingly demanding or requiring the issuance of a certificate of insurance from an insurer, insurance producer, or policyholder that contains any false or misleading information concerning the policy; (iii) knowingly preparing or issuing a certificate of insurance that contains any false or misleading information or that purports to affirmatively or negatively alter, amend, or extend the coverage provided by the policy; and (iv) issuing or delivering a certificate of insurance that does not contain a statement regarding such matters. In addition, a certificate of insurance may not represent an insurer's obligation to give notice of cancellation or nonrenewal to a third party unless the giving of the notice is required by the policy. The State Corporation Commission is authorized to determine if a person is engaged in such practice prohibited as an unfair trade practice.

### **HB 960 Certificates of insurance; property and casualty insurance.**

*Chief patron:* Bell, Robert B.

A BILL to amend the Code of Virginia by adding in Chapter 5 of Title 38.2 a section numbered 38.2-518, relating to unfair trade practices; certificates of insurance.

*Summary as introduced:*

**Certificates of insurance; property and casualty insurance.** Prohibits any person from (i) issuing or delivering a certificate of insurance that attempts to confer any rights upon a third party beyond what the referenced policy of insurance expressly provides; (ii) knowingly demanding or requiring the issuance of a certificate of insurance from an insurer, insurance producer, or policyholder that contains any false or misleading information concerning the policy; (iii) knowingly preparing or issuing a certificate of insurance that contains any false or misleading information or that purports to affirmatively or negatively alter, amend, or extend the coverage provided by the policy; and (iv) issuing or delivering a certificate of insurance that does not contain a statement regarding such matters. In addition, a certificate of insurance may not represent an insurer's obligation to give notice of cancellation or nonrenewal to a third party unless the giving of the notice is required by the policy.

## MISCELLANEOUS

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### **SB 640 Capital improvement; courthouses.**

*Chief patron:* Ruff

A BILL to amend and reenact § 15.2-2239 of the Code of Virginia, relating to capital improvements.

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*Summary as introduced:*

**Capital improvement; courthouses.** Provides that no locality shall approve a capital project involving the locality's courthouse until such time as the United States Gross Domestic Product Annual Growth Rate is three percent or greater.