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June Session Essay

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June JLARC Session Essay

Virginia State Senator Maime Locke called this session to order. We had the incentives review first on the agenda. Mrs. Miller presented her findings on Virginia's film, media, and tourism incentives. She gave an agenda and broke it up into four sections. She started off with the three incentives that attract film and TV productions to Virginia, and she spoke about a grant that the governor can decide to use using the Film Office's guidelines. Then she explained that the film tax and the incentives were used to attract 42 films and television shows.

Mrs Miller later went into detail about larger projects and how they were produced in Virginia in 2020, and how they received the film tax. It was possible because the cap applies to how they got the credits. Then she gave an example of how it works. Then she spoke about how the film grant has moderate economic benefits. Mrs. Miller talks about how they focused on how to help Virginia develop a stronger film industry with more consistent production. Then she started talking about changes and how this could help Virginia.

She highlighted how the General Assembly should consider adopting a bonus tax credit, multiseason productions, and a formal tax method. They also note how the report expires in July 2027, but its ok if it does because it isn't important for film locations. But the Subcommittee can evaluate tax preferences to reallocate the funding and examine the exception. Mrs. Miller next went into the Tourism Development Financing Program. She talked about how the program is

different, and it is a gap financing program rather than a tax incentive, tax credit, or grant. She goes into detail about the finance portion of the program, and then she talks about boutique hotels, resorts, and a wellness retreat, and how the program addressed deficiencies, as Virginia lodging is poorly aligned with accommodations. Some hotels are being renovated, and the program has high economic benefits.

Later, she talks about how on slide 30, there is a list of recommendations and a tier structure that examines opportunities to improve the remittance process. She starts to talk about how state visitors are important for the economic impact of the program, and then she lists their recommendations for projects to reach a certain percentage of out-of-state visitation. Delegate Reid then asked a question about how the developer repays their portion, and then she explained how the developer has to figure out how to pay.

Mrs. Miller then went into detail about the Governor's New Airline Fund. It's a new service grant that is awarded to 340,000 for 18 new routes at Virginia airports. The routes have used the grants to market new routes. Most of the new routes were established at the Norfolk and Richmond airports. The grant does not influence VA Air Service decisions, but can help with the success. The grant has an extensive approval process and requires multiple areas of approval. The grant has negligible economic benefits. There is a policy option for the General Assembly to consider eliminating the grant, but they can keep it for symbolic reasons because it shows support for commercial air service.

The next section that Mrs. Miller presented was the media provider equipment exemption. She started to explain the fiscal years and how the exemptions allow media companies to purchase eligible equipment for free from the sales tax. They sound as though the

exemption supports the expansion of summnication infrastructure, which lacks strategic targeting. The exemption will promote investment capital for broadcasting and telecommunication equipment. They also found that the exemption is not mentioned or factored into state planning, framework, or documents. The exemption also has safety benefits, and they recommend that the Joint Subcommittee evaluate the tax preferences to conduct the review.

The next department we hear from is Public Accounts, which was started off Stacey Hendshaw. She discussed a lot in her section. Public Affairs does not audit, as they have a lot of information on its website. They also have court audits, pension, and quality control reviews that they perform. She wanted to highlight that Virginia has new legislative efforts for accessibility, and they are working towards accessibility standards, but they are running into a problem with smaller local governments. They cannot complete their financial reports because the local government does not have their reports accessible. As Virginia law doesn't require them to be accessible, that is where they run into a problem. They do communicate with the local government to make the changes.

Then she shows a graph that highlights the comparative report of the local government, and 37 towns in Virginia are required to have an annual audit. The she starters explaining accessibility standards and how reports need to meet accessibility standards. There is Fiscal Distress, and Broadway is being delayed. In Charles City, there were downtrends, and they weren't able to gather additional data anymore. They are working with financial advisors, and small towns are not required to have a financial audit, but they might have to have an audit based on debt covenants. Hopewell's main issue was being able to pull financial information together. But they have received assistance to help them to be able to do that. They have a clean opinion, even if they have a material weakness.

Then she handed it over to a colleague, and he explained that they had completed their audit of the federal fund and received some resistance. Later, he talks about material weakness, and they recommend that University need to put controls in place to ensure that they have formal written agreements and they are paying attention to the accounting. They've seen a lot of material weakness at Norfolk State University, and they are working on corrective actions. Actions. They dealt with a different issue with George Mason University; they became aware of high-risk factors during their fiscal audit in 24.

George Mason contracted some work with a private company; the sponsor and the university were working together, and then they stopped cooperating and limited access. They are continuing with Mason about the next steps. This has no impact on students, but it can jeopardize future funding. He also noted that he tries to have a meeting with the secretary and chief of staff of a new administration every year. JLARC ended the meeting and stated that they will be back on July 6th.

The biggest takeaway that I took from the meeting was a lot of topics that were discussed, including the public affairs section. I took a class last semester that went over accessibility with websites. My professor spent a long time on that section and made sure that my website was up to international and domestic law. My biggest takeaway was that everything I was taught at my university has some meaning, and everything ties together. With accessibility being a topic, I was able to understand what they were talking about.

The wording is what confused me the most. I had to use captions to make sure I was spelling things correctly, as well as stopping, pausing, and rewinding. I had to Google a lot of words that I didn't understand, so I definitely need to expand my vocabulary. I was able to

understand some of the topics that they were discussing, and it was interesting to see the report from the public accounts department, but towards the end, I struggled to understand what they were talking about. So I need to do more research on this topic to better understand and summarize it in the future.

How do you think the issues discussed could affect or apply to your community? If they do not apply, explain why. As an HBCU grad as well as a journalism student, I feel like this topic applies to my community because it not only deals with media but also education, as well as travel. I didn't know about the grant, and it also would allow more travel routes, this effects me as a traveler. With more movies being shot in Virginia, this can bring more media jobs to Virginia, and it would help the production industry greatly. With education aspect of it, universities can lose their funding if they don't fix the issues that the fiscal audit has brought forth. That is how this affects my community.