

Department of Planning and Budget

2001 Fiscal Impact Statement

1. Bill Number SB1109

| | | | |
|------------------------|--|-------------------------------------|------------------------------------|
| House of Origin | <input checked="" type="checkbox"/> Introduced | <input type="checkbox"/> Substitute | <input type="checkbox"/> Engrossed |
| Second House | <input type="checkbox"/> In Committee | <input type="checkbox"/> Substitute | <input type="checkbox"/> Enrolled |

2. Patron Stosch

3. Committee Finance

4. Title Semiconductor Manufacturing Performance Grant Programs

5. **Summary/Purpose:** The bill would create additional grant programs for manufacturers of semiconductor memory or logic wafers. One program, which would be created within the existing Semiconductor Memory or Logic Wafer Manufacturing Performance Grant Program, would provide grants to semiconductor manufacturers for capital investment and job creation within the City of Manassas. The grant amounts are (i) up to \$25 million for new capital investment of at least \$700 million that results in the creation of 600 new full-time jobs by January 1, 2003; and (ii) an additional \$45 million for additional new capital investment of \$2 billion that results in the creation of an additional 1,350 new full-time jobs by January 1, 2007. Such new capital investment may not include any capital investment that also qualifies or has qualified as cumulative investment for purposes of the existing Semiconductor Memory or Logic Wafer Manufacturing Performance Grant Program. All terms and conditions of eligibility and grant disbursement are to be included in a Memorandum of Agreement between the qualified semiconductor manufacturer and the Commonwealth.

A second program, which would be created within the Semiconductor Memory or Logic Wafer Manufacturing Performance Grant Program II, would provide grants to semiconductor manufacturers for capital investment and job creation within the County of Henrico. The grant amounts are (i) \$15 million for new capital investment of \$1.1 billion that results in the creation of a new manufacturing module for the manufacture of a new product and use of a new technology by January 1, 2004; (ii) an additional \$5 million if 300 new full-time administrative jobs are created by January 1, 2004; and (iii) an additional \$35 million if 1,100 new full-time jobs are created by January 1, 2005. Such new capital investment may not include any capital investment that qualifies or has qualified such manufacturer for the existing Semiconductor Memory or Logic Wafer Manufacturing Performance Grant Program II. All terms and conditions of eligibility and grant disbursement are to be included in a Memorandum of Agreement between the qualified semiconductor manufacturer and the Commonwealth.

6. **Fiscal Impact:** See Item 8.

7. **Budget amendment necessary:** No.

8. Fiscal implications: The following table details the projected schedules of grant payments under this legislation, as estimated by the Virginia Economic Development Partnership. The estimates assume that both manufacturers fully achieve their investment and employment goals.

| Fiscal Year | Amount | |
|--------------|---|--|
| | Semiconductor Memory or Logic Wafer Manufacturing Performance Grant Program | Semiconductor Memory or Logic Wafer Manufacturing Performance Grant Program II |
| 2002 | \$0 | \$0 |
| 2003 | \$0 | \$0 |
| 2004 | \$0 | \$0 |
| 2005 | \$0 | \$0 |
| 2006 | \$0 | \$20.00 million |
| 2007 | \$0 | \$8.75 million |
| 2008 | \$5.00 million | \$8.75 million |
| 2009 | \$18.75 million | \$8.75 million |
| 2010 | \$18.75 million | \$8.75 million |
| 2011 | \$13.75 million | \$0 |
| 2012 | \$13.75 million | |
| Total | \$70.00 million | \$55.00 million |

9. Specific agency or political subdivisions affected: Virginia Economic Development Partnership; City of Manassas; County of Henrico.
10. Technical amendment necessary: Yes. On page 6, line 281, delete “(i)”.
11. Other comments: None.

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cc: Secretary of Commerce and Trade

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