

## Department of Planning and Budget

### 2001 Fiscal Impact Statement

**1. Bill Number** SB831

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

**2. Patron** Norment

**3. Committee** Finance

**4. Title** Virginia Maritime Investment Act

- 5. Summary/Purpose:** The bill establishes a grant program and the Virginia Maritime Investment Partnership Grant Fund. The program provides grants to eligible ship repair companies making a capital investment of at least \$50,000 that either increases the productivity of the ship repair company or results in the utilization of a more advanced technology by the company, or both. The Secretary of Commerce and Trade would determine whether or not a grant is to be awarded to an eligible ship repair company based on recommendations of the Virginia Economic Development Partnership and based on guidelines establishing criteria for the awarding of grants. The guidelines must define “measurable increase in capacity or productivity” and “measurable decrease in the production of flawed product” as such phrases apply to or define a capital investment in technology. The guidelines also must take into account the number of new jobs created; wages; the amount of the capital investment; the net present value of benefits to Virginia; and other factors.

A grant awarded under this program would be in an amount equal to ten percent of the cost of the capital investment, but could not exceed ten percent of the amount in the Fund in the year that the terms of the grant are determined, or more than \$25 million in aggregate. The Secretary of Commerce and Trade could approve up to \$20 million in grants in any one year. The aggregate amount of grants outstanding at any one time, however, could not exceed \$80 million. The Commonwealth's annual obligations for grants to individual ship repair companies could not exceed \$750,000. The grants would be payable in five equal installments beginning in the second year after the capital investment is completed.

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

- 7. Budget amendment necessary:** See Item 8.

- 8. Fiscal implications:** Any fiscal impact associated with this legislation would depend on the amounts that may be appropriated to the Virginia Maritime Investment Partnership Grant Fund and on the demand for grants under the program. While there would be additional costs to the Virginia Economic Development Partnership associated with administration of the new grant program, the amount of such costs is difficult to determine because it would depend on the amounts appropriated to the Fund as well as on the demand for grants under the program.

- 9. Specific agency or political subdivisions affected:** Virginia Economic Development Partnership.

**10. Technical amendment necessary:** Yes.

Page 3, line 143, STRIKE “Treasurer” and INSERT “Comptroller”.

Page 3, lines 148 through 150, STRIKE “There is hereby established a special fund in the state treasury to be known as the Virginia Maritime Investment Partnership Grant Fund. The Fund shall consist of such moneys as may be appropriated by the General Assembly from time to time.” and INSERT “There is hereby established in the state treasury a special nonreverting fund to be known as the Virginia Maritime Investment Partnership Grant Fund. The Fund shall consist of such moneys as may be appropriated by the General Assembly from time to time. Any moneys deposited to or remaining in the Fund during or at the end of each fiscal year or biennium, including interest thereon, shall not revert to the general fund but shall remain in the Fund and be available for allocation under this article in ensuing fiscal years. Interest earned on all moneys in the Fund shall remain in the Fund and be credited to it.”.

Page 4, STRIKE lines 166 and 167.

Page 4, line 168, STRIKE “E.” and INSERT “D.”.

**11. Other comments:** None.

cc: Secretary of Commerce and Trade

**Date:** 01/09/01 mar

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