

**Department of Planning and Budget
2004 Fiscal Impact Statement**

1. Bill Number SB 646

House of Origin ☐ Introduced ☐ Substitute ☒ Engrossed
Second House ☒ In Committee ☐ Substitute ☐ Enrolled

2. Patron Howell

3. Committee H General Laws

4. Title Biotechnology Commercialization Loan Fund; created, report.

5. Summary/Purpose:

Note: This FIS is revised due to the results of a closer assessment of the fiscal impact on the Center for Innovative Technology. Please see Item 8.

SB 646 creates the Biotechnology Commercialization Loan Fund to finance technology transfer and commercialization activities related to biotechnology inventions made, solely or in cooperation with other organizations, at qualifying institutions. The maximum amount of loans from the fund is \$3,000,000 and the maximum amount that any institution can have outstanding is \$500,000. Applications will be made to and decisions made by a panel consisting of the President of the Center for Innovative Technology (CIT)/Innovative Technology Authority, the Director of the Department of Planning and Budget and the Executive Director of the Virginia Economic Development Partnership, or their designees. Loans are to be repaid at a rate and time determined in the bill.

6. Fiscal impact: Final, see item 8

7. Budget amendment necessary: No

8. Fiscal implications:

The prior fiscal impact statement reported that upon implementation and actual funding of the loan fund, SB 646 would have the cost of up to \$3,000,000 for the loan fund itself and about \$84,00 annually for CIT to administer the program.

CIT now reports and DPB concurs, that the program can be carried out with current staff at no additional cost. The reason is because of the change in assumptions. CIT and DPB originally believed applications for the fund would arrive in mass and require a selection process involving analysis and prioritization.

Now, we concur the applications are more likely to arrive over a period of time allowing staff to merge the new program with existing work. As a result, CIT can conduct the loan program

with existing staff at no additional cost. Therefore, only funds need to be appropriated for the loan fund for the program to begin.

9. Specific agency or political subdivisions affected:

Innovative Technology Authority, Department of Planning and Budget, Virginia Economic Development Partnership.

10. Technical amendment necessary:

The CIT is not on the state's accounting system and administrative support for accounting would need to be administered by a state agency on the state's accounting system.

11. Other comments: None

Date: 02/24/04/gdj

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cc: Secretary of Technology
Secretary of Commerce and Trade
Secretary of Finance