

Department of Planning and Budget
2005 Fiscal Impact Statement

1. Bill Number HB1692

House of Origin ☒ Introduced ☐ Substitute ☐ Engrossed

Second House ☐ In Committee ☐ Substitute ☐ Enrolled

2. Patron Purkey

3. Committee

4. Title Technology and Biotechnology Research and Development Fund; created.

5. Summary/Purpose:

Creates the Virginia Technology and Biotechnology Research and Development Fund to attract technology or biotechnology companies to, or assist these companies located in, the Commonwealth. Moneys in the Fund shall only be applied to qualified research expenses and basic research payments (as defined by § 41 of the Internal Revenue Code) for research conducted in the Commonwealth. Qualified research expenses are defined as in-house expenses or contract research expenses, paid by a technology or biotechnology company. Basic research payments are defined as payments made to companies and nonprofit research institutions and organizations located in the Commonwealth for research in technology and biotechnology. No grant to a company from the Fund is to exceed \$500,000 per year. The Innovative Technology Authority (ITA) shall administer this fund.

6. Fiscal Impact: Indeterminate

7. Budget amendment necessary: Yes, if funds are provided.

a) ITEM(S): 462

8. Fiscal implications:

Language provides that the fund will consist of any dollars appropriated by the General Assembly along with gifts, grants, and donations.

ITA expects to cover any administrative expenses for handling this activity through the appropriation to the Technology and Biotechnology Research and Development Fund.

However, to have the personnel in place to manage the fund, the ITA expresses that these new functions cannot be supported within its current FY 2006 appropriation.

9. Specific agency or political subdivisions affected: Innovative Technology Authority

10. Technical amendment necessary: No

11. Other comments: None

Date: 01/12/05 / wfb

Document: G:\Bos Stuff\2005 Legislation\Hb1692.Doc Billy Barbee

cc: Secretary of Technology