

Department of Planning and Budget
2005 Fiscal Impact Statement

1. Bill Number SB 930

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

2. Patron Stosch

3. Committee Finance

4. Title Virginia Economic Development Incentive Act

5. Summary/Purpose: The bill would establish the Virginia Economic Development Incentive Fund to be administered by the Virginia Economic Development Partnership to provide grants to Virginia companies. The bill would establish different criteria for eligibility in terms of job creation and capital investment for Virginia companies that are located in large metropolitan areas and those located in other areas of the state. The aggregate amount of grants payable in any fiscal year could not exceed \$10 million, and no more than three grants could be awarded in any one biennium. A company that has received a Virginia Investment Partnership grant would be ineligible for a grant from the Fund.

6. Fiscal impact: Any fiscal impact associated with this legislation would depend on the number of projects that qualify for grants from the Virginia Economic Development Incentive Fund and on the amounts that are appropriated to the Fund to fulfill the economic development incentive grant commitments. The Partnership states that, under the provisions of the bill, a portion of the estimated sales and income tax revenues generated by the new jobs would be set aside to fund the economic development incentive grants.

7. Budget amendment necessary: No. There would be no fiscal impact in the current biennium.

8. Fiscal implications: See Item 6.

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

10. Technical amendment necessary: No.

11. Other comments: None.

Date: 01/12/2005 / mar

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cc: Secretary of Commerce and Trade
Secretary of Finance