

Department of Planning and Budget 2007 Fiscal Impact Statement

1. Bill Number HB1939

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

2. Patron Purkey

3. Committee Science and Technology

4. Title Technology, Nanotechnology and Biotechnology Investment Fund; created.

5. Summary/Purpose: Creates the Virginia Technology and Biotechnology Research and Development Fund to attract technology or biotechnology companies to, or assist those 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 shall administer this fund.

6. Fiscal Impact Estimates are:

6a. Expenditure Impact:

| <i>Fiscal Year</i> | <i>Dollars</i> | <i>Positions</i> | <i>Fund</i> |
|--------------------|----------------|------------------|-------------|
| 2007-08 | 187,000 | .75 | NGF |
| 2008-09 | 195,000 | .75 | NGF |
| 2009-10 | 203,000 | .75 | NGF |
| 2010-11 | 211,000 | .75 | NGF |
| 2011-12 | 219,000 | .75 | NGF |
| 2012-13 | 228,000 | .75 | NGF |

6b. Revenue Impact:

| <i>Fiscal Year</i> | <i>Dollars</i> | <i>Positions</i> | <i>Fund</i> |
|--------------------|----------------|------------------|-------------|
| 2007-08 | | | |
| 2008-09 | | | |
| 2009-10 | | | |
| 2010-11 | | | |
| 2011-12 | | | |
| 2012-13 | | | |

- 7. Budget amendment necessary:** Yes, if the Fund receives an appropriation and administrative expenses for handling the Fund cannot be covered by the appropriation for the Technology, Nanotechnology and Biotechnology Investment Fund.
- 8. Fiscal implications:** The bill does not specify a funding amount as funding is subject to appropriations provided by the General assembly. If there is an appropriation in any given year, the Innovative Technology Authority indicates it will incur costs to administer the fund. The expenditure impact table in line 6a above shows the costs based on the Fund being capitalized at \$2 million per year, beginning in fiscal year 2007-08.
- 9. Specific agency or political subdivisions affected:** Innovative Technology Authority (ITA).
- 10. Technical amendment necessary:** No.
- 11. Other comments:** There will be no fiscal impact as indicated in line 6 above if the ITA's administrative expenses for handling the Fund can be covered by the appropriation for the Technology, Nanotechnology and Biotechnology Investment Fund.

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cc: Secretary of Technology