

Department of Planning and Budget 2007 Fiscal Impact Statement

1. Bill Number SB1281

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

2. Patron Stosch

3. Committee Passed Both Houses

4. Title Virginia Economic Development Partnership; Virginia Economic Development Incentive Grants.

5. Summary/Purpose: Reduces the waiting period for payments under the Virginia Economic Development Incentive Grant subfund from four to three years. The bill also (i) raises the aggregate amount of grants payable in any fiscal year from \$3 million to \$6 million, (ii) raises the aggregate amounts outstanding at any time from \$15 million to \$30 million, and (iii) removes the limit on the number of new incentive grants that may be awarded in any single biennium.

6. Fiscal Impact Estimates are: Final. See item 8, below.

7. Budget amendment necessary: No.

8. Fiscal implications: Any fiscal impact associated with this legislation would depend on the number of projects that qualify for grants under the Virginia Investment Partnership Act and on the amounts that are appropriated to fulfill the grant commitments.

Raising the aggregate amount of grants payable in any fiscal year, reducing the waiting period for payments from four to three years, and eliminating the limit on the number of incentive grants that may be awarded in any single biennium may increase the number and aggregate amount of payments in a fiscal year. However, raising the aggregate amounts that may be outstanding at any time from \$15 million to \$30 million may mitigate this.

As the legislation provides for payment to an eligible company beginning in the third year after the Virginia Economic Development Partnership has verified that the company has satisfied the requirements for receipt of a grant award, there is no fiscal impact during the current biennium. This grant program was established in 2006. Again, any future fiscal impact would depend on the number of projects that qualify for these grants.

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

10. Technical amendment necessary: No.

11. Other comments: None.

Date: 03/07/07/tmw

Document: G:\2007 Session\Fiscal Impact Statements\SB1281ER.Doc

cc: Secretary of Commerce and Trade