

## Department of Planning and Budget 2008 Fiscal Impact Statement

**1. Bill Number:** HB910

House of Origin      X      Introduced                  Substitute                  Engrossed  
Second House                 In Committee              Substitute                  Enrolled

**2. Patron:**        Purkey

**3. Committee:** General Laws

**4. Title:**            Technology, Nanotechnology and Biotechnology Investment Fund created

**5. Summary:** Creates the Technology, Nanotechnology and Biotechnology Investment 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:** (also see Fiscal Implications in item 8 below)

**6a. Expenditure Impact:**

<i>Fiscal Year</i>	<i>Dollars</i>	<i>Positions</i>	<i>Fund</i>
2009	187,000	.75	GF
2010	187,000	.75	GF
2011	187,000	.75	GF
2012	187,000	.75	GF
2013	187,000	.75	GF
2014	187,000	.75	GF

**6b. No Revenue Impact.**

**7. Budget amendment necessary:** Yes, Item 430. An amendment will be necessary to cover administrative expenses if the fund receives an appropriation and administrative expenses for handling the fund are not allowed to be covered by the appropriation.

**8. Fiscal implications:** The bill does not specify a dollar 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 (ITA) 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 FY 2009, covering salary, fringe benefits, and indirect costs such as overhead, governance, and administrative expenses. There will be no need for a budget amendment as indicated in line 7 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.

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

**10. Technical amendment necessary:** No.

**11. Other comments:** None.

**Date:** 01/17/08 wfb

**Document:** G:\BOS Stuff\2008 Session\2008 Legislation\HB910.Doc

**cc:** Secretary of Technology