

Department of Planning and Budget 2010 Fiscal Impact Statement

1. Bill Number: HB1244

House of Origin ☐ Introduced ☒ Substitute ☐ Engrossed

Second House ☐ In Committee ☐ Substitute ☐ Enrolled

2. Patron: Marshall

3. Committee: Appropriations

4. Title: Governor's Development Opportunity Fund; authority to award grants.

5. Summary: The bill provides for the inclusion of a local matching requirement in guidelines for the administration of the Governor's Development Opportunity Fund (GOF), and authorizes the Governor to waive the cap on the amount of funds that may be awarded for an individual project for those projects that are of a regional or statewide interest.

6. Fiscal impact estimates are preliminary. See item 8, below.

7. Budget Amendment Necessary: No.

8. Fiscal Implications: Consistent with requirements in both the Code and the Appropriation Act, the Virginia Economic Development Partnership (VEDP) has established guidelines for the administration of the GOF. According to these guidelines, the maximum amount of any GOF grant award is \$1.5 million; however, projects that the Governor has determined are of state or regional interest may be eligible for a grant of up to \$3 million. Also, current GOF guidelines provide for at least a dollar-for-dollar local match with the amount requested from the fund. The provisions in the bill providing for a matching requirement and waiving the cap are consistent with current policy regarding the GOF.

9. Specific Agency or Political Subdivisions Affected: Virginia Economic Development Partnership.

10. Technical Amendment Necessary: No.

11. Other Comments: HB30/SB30, as introduced includes \$11.8 million from the general fund in each year for the GOF. Additionally, Governor McDonnell proposes to increase that funding by \$12.1 million from the general fund in FY 2011.

SB554 also provides for the inclusion of a local matching requirement in the GOF guidelines and authorizes the Governor to waive the cap on the amount of any individual award from the GOF for projects that are of a regional or statewide interest.

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