

## Department of Planning and Budget 2010 Fiscal Impact Statement

**1. Bill Number:** HB318

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

**2. Patron:** Alexander

**3. Committee:** Passed Both Houses

**4. Title:** Manufacturing facility.

**5. Summary:** For bonding purposes, expands the current definition of manufacturing facility to include (i) any facility which is used in the creation or production of intangible property as described in § 197(d)(1)(C)(iii) of the Internal Revenue Code of 1986, as amended, to be any patent, copyright, formula, process, design, pattern, knowhow, format, or other similar item, or (ii) a facility which is functionally related and subordinate to a manufacturing facility if such facility is located on the same site as the manufacturing facility. This definition is being expanded so that Virginia Code is consistent with the Federal American Recovery and Reinvestment Act (ARRA) of 2009, Section 1301.

**6. Fiscal impact estimates are final.** See item 8, below.

**7. Budget Amendment Necessary:** No.

**8. Fiscal Implications:** The bill does not have a state fiscal impact. The overall federal per capita ceiling on private activity bonds would remain applicable. The bill will allow the state to qualify a broader category of manufacturing project for one class of private activity bond (industrial development bonds, or IDBs). The projects in question, dealing with the manufacture of intangible property, would only be eligible for bond issues made after the date of enactment for ARRA in 2009 through January 1, 2011.

**9. Specific Agency or Political Subdivisions Affected:** Department of Housing and Community Development.

**10. Technical Amendment Necessary:** No.

**11. Other Comments:** SB252 also expands the definition of manufacturing facility for bonding purposes and is enrolled.

**Date:** 3/30/2010 tmw

**Document:** G:\2010 Session\Legislation\HB318ER.Doc