

Department of Planning and Budget 2011 Fiscal Impact Statement

1. Bill Number: HB1599

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

2. Patron: BaCote

3. Committee: Appropriations

4. Title: Enterprise zones; attestation of information.

5. Summary: Enterprise zones; attestation of information. Eliminates the requirement that the accuracy and validity of information on qualified real property investments, permanent full-time positions, wage rates, and provision of health benefits provided in enterprise zone applications be attested to by an independent certified public accountant (CPA) licensed in Virginia.

6. Budget Amendment Necessary: Yes. Item 101.

7. Fiscal Impact Estimates: Preliminary. See item 8, below.

Expenditure Impact:

<i>Fiscal Year</i>	<i>Dollars</i>	<i>Positions</i>	<i>Fund</i>
2011	0	0	-
2012	81,355	1.0	GF
2013	81,355	1.0	GF
2014	81,355	1.0	GF
2015	81,355	1.0	GF
2016	81,355	1.0	GF
2017	81,355	1.0	GF

8. Fiscal Implications: The bill removes the requirement that an applicant for a job creation or a real property investment grant receive an attestation from a CPA of the accuracy and validity of the real property investments, full-time positions, wage rates and provision of health benefits information in the application prior to its submittal to the Department of Housing and Community Development (DHCD). Without the independent verification process the CPA attestation provided, DHCD will be required to perform additional post-application monitoring. DHCD estimates that an additional position will be required, at an annual cost of \$81,355, from the general fund (\$71,355 in personnel costs and \$10,000 in travel costs). DHCD currently has three positions, of which one monitors the grants, supporting the Enterprise Zone Program. In addition to program monitoring and the review of applications for grants, staff also provides technical assistance to localities that are currently designated as an enterprise zone and those seeking such a designation.

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

10. Technical Amendment Necessary: No.

11. Other Comments: SB1348 repeals the requirement for an independent attestation of information included in an application for an enterprise zone job creation grant, however, the person making the application may be required to attest to the information.

Date: 1/18/11

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