

Department of Planning and Budget 2011 Fiscal Impact Statement

1. Bill Number: HB2111

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

2. Patron: Armstrong

3. Committee: General Laws

4. Title: Enterprise zone job creation grants.

5. Summary: Provides that a business firm in a locality with an unemployment rate two percent or higher than the statewide average is eligible for an enterprise zone job creation grant of \$500 per year for up to five years for each grant eligible position that during such year is paid at least 150 percent of the federal minimum wage.

6. Budget Amendment Necessary: No.

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

8. Fiscal Implications: The fiscal impact of the bill is indeterminate, and total spending under the Virginia Enterprise Zone (EZ) Program is limited to the amount of available appropriation. However, lowering the qualification threshold for a job creation grant may encourage more participation and increase demand for the program, potentially resulting in additional proration of the real property investment grants. The Department of Housing and Community Development does not anticipate that the provisions of the bill will have a significant direct fiscal impact. HB1500/SB800 includes \$13.2 million in FY 2012, from the general fund, for payments under the Virginia Enterprise Zone Program. In the event demand for grants under the program exceeds the amount of available funding, the Department is authorized to prorate payouts, or program benefits.

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

10. Technical Amendment Necessary: No.

11. Other Comments: None.

Date: 1/24/11

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