

## Department of Planning and Budget

### 2012 Fiscal Impact Statement

**1. Bill Number:** SB284

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

**2. Patron:** Herring

**3. Committee:** Finance

**4. Title:** Commercial space flight; funding and oversight.

**5. Summary:** This bill makes several changes to the administration of the Virginia Commercial Space Flight Authority (VCSFA).

The bill would also clarify existing law to state that the amount of revenue generated by commercial spaceflight activities that must be transferred to the Authority is based on the portion of Virginia income tax revenue generated by qualified companies, rather than net revenue. This bill would clarify that revenue that is attributable to the sale of commercial human spaceflights or commercial spaceflight training would qualify for the transfer, regardless of point-of-sale or where the spaceflight takes place. Additionally, this bill would clarify that the revenue transfer provision applies to limited liability companies, as well as corporations.

The bill contains an enactment clause making the provisions of the bill subject to such funds as may be appropriated by the 2012 Session of the General Assembly.

**6. Budget Amendment Necessary:** Yes, Item 430, if appropriation required to meet requirements of enactment clause.

**7. Fiscal Impact Estimate:** Indeterminate. See #8.

**8. Fiscal Implications:** Chapter 890, 2011 Acts of Assembly, contains \$1.5 million in each year from the Transportation Trust Fund, or 56 percent of the Authority's budget, within the Secretary of Transportation's appropriation to provide state operational support for the VCSFA. In order to prevent the Appropriation Act from conflicting with proposed legislation creating a dedicated funding source for the VCSFA, the Governor's introduced 2012-14 budget did not continue this funding. However, it does provide a one-time infusion of \$4.0 million for capital improvements.

This substitute bill removes references to \$15 million transferred from the Transportation Trust Fund that were contained in the introduced version of the bill, effectively leaving the VCSFA without state operating support. For the bill's enactment clause that requires an appropriation of funding in order to effectuate the bill, it is unclear what level of financial support would be necessary to meet this requirement.

**9. Specific Agency or Political Subdivisions Affected:** Virginia Commercial Space Flight Authority.

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

**11. Other Comments:** This bill reconstitutes the Board of the Virginia Commercial Space Flight Authority by reducing the number of Board members from 13 to nine and providing for all current appointments to the Board to expire on July 1, 2012. The bill provides that as of a certain date current employees of the Authority could elect not to be employed by the Authority. Any employee (i) making such election who is not rehired by another state agency, and (ii) not making the election but who is not offered an opportunity to remain with the Authority would be eligible for severance benefits under the Workforce Transition Act. The bill allows the Authority to establish an alternative to the Virginia Retirement System defined benefit retirement plan for its employees. The bill makes several other changes to the administrative powers and duties of the Authority.

For FY 2012 through FY 2015, an amount estimated by the Department of Taxation to equal the portion of net revenues generated by corporations engaged in commercial human spaceflights or commercial spaceflight training that is attributable to the sale of commercial human spaceflights and commercial spaceflight training or incidental to the sale of commercial human spaceflights are dedicated to the Virginia Commercial Space Flight Authority in the revenue forecast supporting the Governor's introduced budget.

This bill is similar to HB813.

**Date:** 2/10/12

**Document:** Janet Vogelgesang G:\12-14\FIS\SB284S1.doc

c: Secretary of Transportation