

Department of Planning and Budget 2015 Fiscal Impact Statement

1. Bill Number: HB2259

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

2. Patron: Lindsey

3. Committee: General Laws

4. Title: Veteran Entrepreneurship Grant Fund and Program.

5. Summary: Creates the Veteran Entrepreneurship Grant Fund and Program to be administered by the Department of Veterans Services and sets out the requirements for applying for grants from the Fund and the award of grants by the Department. The bill provides that records related to the Veteran Entrepreneurship Grant Fund and Program are exempt from mandatory disclosure under the Virginia Freedom of Information Act. The bill provides that the Veteran Entrepreneurship Grant Fund and Program shall expire on July 1, 2018. The bill contains a technical amendment.

6. Budget Amendment Necessary: No.

7. Fiscal Impact Estimates: Preliminary.

7a. Expenditure Impact:

<i>Fiscal Year</i>	<i>Dollars</i>	<i>Positions</i>	<i>Fund</i>
2015	\$0		
2016	\$0		
2017	Indeterminate		General
2018	Indeterminate		General
2019	Indeterminate		General
2020	Indeterminate		General
2021	Indeterminate		General

8. Fiscal Implications: The proposed legislation creates a special nonreverting fund to be administered by the Department of Veterans Services (Department). Under the Program, the Department will award grant funds to veterans to assist them in starting their own business or purchasing a franchise in the Commonwealth. Beginning July 1, 2016, veterans may apply to the Department for a grant of up to \$5,000 or 10 percent of anticipated business start-up costs, whichever is less. To be eligible for assistance under the Program, a veteran shall (i) be a resident of the Commonwealth at the time he submits the application for grant funding and (ii) have been honorably discharged from the active military, naval or air service. There are no funds currently budgeted for this program; therefore, the Department will need additional appropriation beginning in fiscal year 2017 to implement this bill. The Department assumes that only 20 veterans would apply for the grant each year; however

additional funds may be needed if more than 20 veterans apply for the grant. Based upon this assumption the Department states that it will need up to \$100,000 each year to support the program.

9. Specific Agency or Political Subdivisions Affected: Department of Veterans Services

10. Technical Amendment Necessary: No.

11. Other Comments: Similar to HB1805.

Date: January 29, 2015
DPB Analyst: jgc