

Department of Planning and Budget 2016 Fiscal Impact Statement

1. Bill Number: SB179

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

2. Patron: Lucas

3. Committee: Passed Both Houses.

4. Title: Small Business Investment Grant Fund; administration, qualifications.

5. Summary: This bill changes the administration of the Small Business Investment Grant Fund from the Department of Small Business and Supplier Diversity to the Virginia Small Business Financing Authority. The bill also changes the eligibility of businesses to receive a grant from the Fund by (i) changing the definition of small business to include an entity that has annual gross revenues of no more than \$5.0 million, rather than \$3.0 million, (ii) removing the requirement that a business be certified as a small business by the department, (iii) limiting the total grant allocation from the Fund to \$250,000 per eligible investor, and (iv) extending the period during which an eligible investor can make a qualified investment in a small business from January 1, 2015, to January 1, 2019.

6. Budget Amendment Necessary: No.

7. Fiscal Impact Estimates: Final.

8. Fiscal Implications: There is no fiscal impact anticipated as a result of this bill. The Virginia Small Business Financing Authority has sufficient resources to handle the administration of the program and has already begun to oversee the program.

Since the program's inception in FY 2013, as of January 2016, only \$182,965 has been awarded to grantees. As such, it is difficult to determine the impact that the proposed changes to the eligibility criteria and/or the date by which a qualified investment must occur may have on program demand and the resources of the Fund. HB30/SB30 include \$1.0 million from the general fund in the first year and \$1.0 million from the general fund in the second year to be deposited to the Fund.

9. Specific Agency or Political Subdivisions Affected: Department of Small Business and Supplier Diversity; Virginia Small Business Financing Authority.

10. Technical Amendment Necessary: This bill amends Title 2.2, Chapter 16.1, Article 2, Code of Virginia. However, Title 2.2, Chapter 22, Article 6, Code of Virginia is specific to the Virginia Small Business Financing Authority and is where other grant programs administered by the authority are listed.

11. Other Comments: None.