

## Department of Planning and Budget 2017 Fiscal Impact Statement

**1. Bill Number:** HB1968

**House of Origin**     Introduced         Substitute         Engrossed  
**Second House**     In Committee     Substitute         Enrolled

**2. Patron:** Landes

**3. Committee:** Passed both Houses.

**4. Title:** Virginia Small Business Financing Authority; administration of Small Business Investment Grant Fund.

**5. Summary:** This bill makes changes to the Small Business Investment Grant Fund. The bill (i) allows as a qualified investment any cash equity investment in a qualified business from an individual investor or from an investor who has received compensation; (ii) amends the definition of "small business" to increase the amount of equity capital for a qualifying business from \$3 million to \$5 million; (iii) moves the start date for eligible investments from July 1, 2012, to July 1, 2016; and (iv) increases the amount of the grant from 10 percent of the investment to 50 percent of the investment or \$50,000, whichever is less. The bill maintains the total grant allocation cap of \$250,000 for each eligible investor.

**6. Budget Amendment Necessary:** No.

**7. Fiscal Impact Estimates:** Final.

**8. Fiscal Implications:** It is anticipated that this bill will not result in a fiscal impact to the Department of Small Business and Supplier Diversity or the Virginia Small Business Financing Authority. The Authority currently manages the Fund. The changes in the bill may increase the number of applicants and awards granted from the Fund; however, all grants are subject to appropriation. HB1500/SB900, as introduced, provides for the deposit of \$950,000 the first year and \$819,713 the second year from the general fund 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:** No.

**11. Other Comments:** A Senate amendment to HB1500/SB900 transfers \$640,000 of the cash balance in the Small Business Investment Grant Fund to the general fund in FY 2018.