

## Department of Planning and Budget 2017 Fiscal Impact Statement

**1. Bill Number:** SB1013

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

**2. Patron:** Lucas

**3. Committee:** Passed the Senate.

**4. Title:** Host Cities Economic Development Incentive and Host Cities Transportation Support Funds.

**5. Summary:** This substitute bill creates the Host Localities Economic Development Incentive Fund, administered by the Secretary of Commerce and Trade, to support economic development, growth of existing businesses, and job creation related to the Port of Virginia in one or more host cities. The bill also creates the Host Localities Transportation Support Fund, administered by the Secretary of Transportation, to support transportation projects and facilities related to the Port of Virginia in one or more host cities. The host localities are the Cities of Newport News, Norfolk, and Portsmouth and the County of Warren. In the introduced bill, both funds referred to “host cities” and the County of Warren was not included.

The bill, as passed by the Senate, includes a second enactment clause specifying that the provisions of the bill will not become effective unless an appropriation is included to support the provisions in the appropriation act passed by the 2017 General Assembly.

**6. Budget Amendment Necessary:** No; however, a budget amendment will be necessary to capitalize the newly established funds.

**7. Fiscal Impact Estimates:** Preliminary, see item 8.

**8. Fiscal Implications:** The bill establishes two new funds: the Host Localities Economic Development Incentive Fund, administered by the Secretary of Commerce and Trade and the Host Localities Transportation Support Fund, administered by the Secretary of Transportation. The bill does not specify a source of funding for either; a budget amendment will be required to capitalize the funds.

The Division of Selected Agency Support, which serves as fiscal agent for several economic development incentive programs, will serve as the agent for both offices in the administration of these new funds. Based on the administration of other economic development incentive funds by this division, it is anticipated that any impact will be minimal to administer the two funds.

**9. Specific Agency or Political Subdivisions Affected:** Secretary of Commerce and Trade; Secretary of Transportation; Division of Selected State Agency Support.

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

**11. Other Comments:** The Port of Virginia currently administers the Port of Virginia Economic and Infrastructure Development Zone Grant Fund, which provides grants to incentivize qualified companies to locate new maritime-related employment centers or expand existing centers to facilitate the growth of the Port of Virginia. HB1500, as introduced, includes \$2.0 million in FY 2017 and FY 2018 for this fund.