

## **Department of Planning and Budget**

### **2019 Fiscal Impact Statement**

**1. Bill Number:** HB2153

<b>House of Origin</b>	<input checked="" type="checkbox"/> Introduced	<input 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:** Stolle

**3. Committee:** Appropriations

**4. Title:** Small Business Financing Authority; Virginia Small Business Emergency Bridge Loan Fund created.

**5. Summary:** This bill creates the Virginia Small Business Emergency Bridge Loan Fund (the Fund) to provide short-term direct loans to eligible small businesses adversely affected by a disaster for which the Governor has declared a state of emergency. The bill provides that the Fund shall be managed and administered by the Small Business Financing Authority with guidance from the Director of the Department of Small Business and Supplier Diversity (DSBSD) and in coordination with the Virginia Department of Emergency Management (VDEM). The bill also provides that loans provided from the Fund shall be (i) for a minimum amount of \$1,000 up to a maximum amount of \$10,000, (ii) provided interest-free, and (iii) repaid by the end of the loan term, which term shall be set by the Authority for a minimum of 90 days but not to exceed 180 days.

**6. Budget Amendment Necessary:** Yes, to capitalize the fund under Item 120, HB1700/SB1100

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

**8. Fiscal Implications:** The revenue impact and expenditure impact of this bill to DSBSD are indeterminate, as the scope of the Fund is unknown. However, a budget amendment is necessary to capitalize the Fund. DSBSD anticipates that the eligibility criteria for the Emergency Bridge Loan Fund will be developed internally by the Virginia Small Business Financing Authority (VSBFA). It is anticipated that loan repayments will be deposited into the revolving loan fund for reuse. This bill provides for interest free loans.

It is anticipated that this bill will result in a nominal fiscal impact to the Virginia Department of Emergency Management (VDEM), which can be absorbed by the agency.

**9. Specific Agency or Political Subdivisions Affected:** Department of Small Business and Supplier Diversity; Department of Emergency Management.

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

**11. Other Comments:** None.

