

## **Department of Planning and Budget 2019 Fiscal Impact Statement Template**

**1. Bill Number:** HB2314

<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:** Hodges

**3. Committee:** Finance

**4. Title:** Local enterprise zone; traffic plan

**5. Summary:** Requires that, upon petition of a locality that has adopted a local enterprise zone development taxation program, the Department of Transportation, in consultation with the Virginia Economic Development Partnership and relevant local economic officials, shall develop a traffic plan to support and encourage the development of businesses located in such program zone.

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

**7. Fiscal Impact Estimates:** Preliminary. See Item 8, below.

**8. Fiscal Implications:** Local enterprise zones allow localities to designate areas within the locality to provide local tax incentives, grants, and/or regulatory flexibility to businesses located in the designated zones. Local enterprise zones are designated by the local governing body and are separate from zones designated by the Governor as part of the Virginia Enterprise Zone (VEZ) Program.

This bill would require the Virginia Department of Transportation (VDOT) to work with the Virginia Economic Development Partnership (VEDP) and local officials to, at the request of a local governing body, develop a traffic plan to support and encourage the development of businesses located in a given local enterprise zone designated as a technology zone, defense production and support services zone, or green development zone.

At this point, however, the total number of local enterprise zones designated as a technology zone, defense production and support services zone, or green development zone by localities is unclear. As a result, the total number of potential traffic plans which could be requested is also unclear and the fiscal impact to VDOT and VEDP is indeterminate. Further, the fiscal impact of any amount of potential improvements identified in the requested traffic plans is also indeterminate.

Unless a locality provides funding for the traffic plan, VDOT would have to absorb the costs within existing appropriated resources and funding would have to be reallocated from other agency priorities.

**9. Specific Agency or Political Subdivisions Affected:** Department of Transportation,  
Virginia Economic Development Partnership.

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

**11. Other Comments:** None.