

Department of Planning and Budget 2019 Fiscal Impact Statement

1. Bill Number: SB1370

House of Origin ☐ Introduced ☐ Substitute ☐ Engrossed
Second House ☐ In Committee ☐ Substitute ☒ Enrolled

2. Patron: Norment

3. Committee: Passed Both Houses.

4. Title: Semiconductor Manufacturing Grant Fund; created.

5. Summary: This bill creates the Semiconductor Manufacturing Grant Fund for the award of grants to a qualified semiconductor manufacturing company that makes a capital investment of at least \$2.98 billion in a qualified locality and creates and maintains at least 1,106 new jobs with an average annual wage of at least \$92,000. Such a qualified company would be eligible to receive a grant of \$50.0 million in FY 2020 and a grant of \$20.0 million in FY 2021, subject to total or partial recapture if the qualified company does not meet the performance metrics agreed to in a memorandum of understanding with the Commonwealth.

6. Budget Amendment Necessary: No. Item 266 of HB1700/SB1100 included sufficient funding and authorization to make the estimated installment payments. House and Senate amendments to HB1700/SB1100 provide an appropriation in FY 2020 for this purpose.

7. Fiscal Impact Estimates: Final.

7a. Expenditure Impact:

<i>Fiscal Year</i>	<i>Dollars</i>	<i>Positions</i>	<i>Fund</i>
2019	n/a	n/a	n/a
2020	\$50.0 million	n/a	General Fund
2021	\$20.0 million	n/a	General Fund
2022	n/a	n/a	n/a
2023	n/a	n/a	n/a
2024	n/a	n/a	n/a
2025	n/a	n/a	n/a

7b. Revenue Impact: N/A.

8. Fiscal Implications: The bill establishes a new fund, referred to as the Semiconductor Manufacturing Grant Fund, to award grants to a qualified semiconductor manufacturing company that makes a capital investment of at least \$2.98 billion in a qualified locality and creates and maintains at least 1,106 new jobs with an average annual wage of at least \$92,000. The bill provides that a qualified company shall be eligible to receive grants beginning in FY 2020 and ending in FY 2021. The actual amount of grants paid from the Fund are subject to appropriation by the General Assembly and will be contingent upon the company meeting the performance requirements set forth in the memorandum of

understanding. Item 266 of the introduced budget bill, HB1700/SB1100, includes sufficient funding and authorization to make the estimated installment payments.

Senate amendments to the introduced budget bill provide for \$50.0 million from the general fund in FY 2020 for deposit to this Fund. House amendments to the introduced budget bill also include \$50.0 million from the general fund for deposit to the Fund in FY 2020.

The Fund will be administered by the Virginia Economic Development Partnership and the Secretary of Commerce and Trade. It is anticipated that any costs to administer the program may be absorbed in current resources.

9. Specific Agency or Political Subdivisions Affected: Virginia Economic Development Partnership; Secretary of Commerce and Trade.

10. Technical Amendment Necessary: No.

11. Other Comments: HB2180 is the companion to this bill.