

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

**1. Bill Number:** SB1459

<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:** Vogel

**3. Committee:** Agriculture, Conservation and Natural Resources

**4. Title:** Port of Virginia Economic and Infrastructure Development Grant Fund and Program.

**5. Summary:** Extends the sunset date from June 30, 2020, to June 30, 2025, for the Port of Virginia Economic and Infrastructure Development Grant Fund and Program.

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

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

**8. Fiscal Implications:**

The Economic and Infrastructure Development Grant Fund and Program is currently set to sunset after FY 2020. The 2018 Appropriation Act provides for \$2.0 million in FY 2019 and FY 2020 for the grant program, funded out of the Commonwealth Opportunity Fund. Should the program be extended to FY 2025, continuation of the funding would likely need to be included in future budgets.

Based on information provided by the Port Authority, the number of projects qualifying for the grant has increased since the program's inception. The Port Authority expects that announced projects will qualify for approximately \$3.0 million in grants from this program in FY 2020 and approximately \$4.0 million in FY 2021 (qualifying projects submit applications in the year following the investment, so projects that expand or locate during the final six months of eligibility would be paid in FY 2021).

While these amounts exceed the appropriation provided to the program, carryforward of cash balances from prior years are anticipated to be sufficient to cover the full demand for the grants through FY 2021; however, additional funding would be needed in FY 2022 to meet full demand for eligible projects. Current law caps the amount of total grants in a given fiscal year, however any grants for which companies qualify that would exceed the cap or available appropriation are to be paid in the next fiscal year in which funds are available.

**9. Specific Agency or Political Subdivisions Affected:** Virginia Port Authority

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

**11. Other Comments:** None.