

Department of Planning and Budget

2020 Fiscal Impact Statement

1. Bill Number: HB1034

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

2. Patron: Rasoul

3. Committee: Appropriations

4. Title: Local Food and Farming Infrastructure Fund; Grant Program.

5. Summary: Establishes the Local Food and Farming Infrastructure Fund and directs the Department of Agriculture and Consumer Services (VDACS) to establish a Local Food and Farming Infrastructure Grant Program for infrastructure development projects that support local food production and sustainable farming. The bill directs the Department to award grants to political subdivisions for projects that include the establishment or maintenance of farmers markets; businesses or organizations that manage the aggregation, distribution, and marketing of food products primarily from local and regional producers; and primarily locally owned processing facilities. The Department is required to adopt project eligibility criteria that favor projects that create infrastructure in proximity to small-scale agricultural producers.

The substitute bill establishes a maximum grant award of \$25,000 and prescribes the manner of the award distribution. The bill also specifies that any political subdivision that is awarded a grant through the Program shall oversee the spending of such grant and provide to the Department an annual report and a final report for each grant.

6. Budget Amendment Necessary: Yes, to capitalize the Local Food and Farming Infrastructure Fund established in the bill. See item 8.

7. Fiscal Impact Estimates: Preliminary.

8. Fiscal Implications: This bill establishes a new fund and grant program referred to as the Local Food and Farming Infrastructure Grant Program. To capitalize the fund and make it operational, a budget amendment will be required.

The bill directs VDACS to administer this program. The bill does not authorize VDACS to charge administrative costs to the Fund. The scope of the program is unknown as a source of funding has not been identified. VDACS administers several grant programs that are similar to the proposed legislation, including the Agriculture and Forestry Industries Development (AFID) Fund. To administer AFID, which provides \$1.0 million in grants each year, the department employs two FTEs at a cost of \$233,692.

If the Local Food and Farming Infrastructure Grant Program is funded at a \$500,000 level, VDACS anticipates that it will require one additional FTE at an annual cost of \$111,805, including benefits and travel expenses.

9. Specific Agency or Political Subdivisions Affected: Department of Agriculture and Consumer Services.

10. Technical Amendment Necessary: No.

11. Other Comments: None.