

Department of Planning and Budget 2020 Fiscal Impact Statement

1. Bill Number: SB1014

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

2. Patron: Ruff

3. Committee: Passed both Houses.

4. Title: Advanced Production Grant Program and Fund.

5. Summary: Creates the Advanced Production Grant Program and Fund to make grant payments to an eligible business transportation manufacturer and producer that engages in the production of business trucks and that makes a capital investment of at least \$58.0 million at a facility in Pittsylvania County and creates at least 703 new full-time jobs at the facility. The eligible company would be eligible for an aggregate of \$7.0 million in grants paid out over a six-year period if it meets such performance parameters and complies with the terms of a memorandum of understanding agreed upon by the qualified company, the Commonwealth, and the Virginia Economic Development Authority.

6. Budget Amendment Necessary: No. See item 8.

7. Fiscal Impact Estimates: Final.

7a. Expenditure Impact:

<i>Fiscal Year</i>	<i>Dollars</i>	<i>Fund</i>
2021	n/a	General Fund
2022	\$500,000	General Fund
2023	\$1,300,000	General Fund
2024	\$1,300,000	General Fund
2025	\$1,300,000	General Fund
2026	\$1,300,000	General Fund
2027	\$1,300,000	General Fund

8. Fiscal Implications: This bill establishes the Advanced Production Grant Program and the Advanced Production Grant Fund. The bill stipulates that the Commonwealth will provide an aggregate of \$7.0 million, payable in six annual tranches to an eligible company, should the company meet its performance metrics, with the tranches payable in fiscal years 2022 through 2027. Grants to an eligible company are to be paid from the Fund.

HB30/SB30, as introduced, includes \$500,000 the second year from the general fund to support this program. Budgetary language in Item 112 references this legislation. Funding will be required in subsequent years to support the program.

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 can 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: HB1733 is the companion to this bill.