

Department of Planning and Budget 2021 Fiscal Impact Statement

1. **Bill Number:** HB1881

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

2. **Patron:** Heretick

3. **Committee:** Labor and Commerce

4. **Title:** Enterprise zone job creation grants.

5. **Summary:** Provides that, for purposes of wage requirements for the enterprise zone job creation grant program, the minimum wage shall be the higher of the state minimum wage or the federal minimum wage. The bill also reduces the percentage of the minimum wage that grant eligible jobs must meet. The bill has a delayed effective date of January 1, 2022.

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

7. **Fiscal Impact Estimates:** Preliminary.

8. **Fiscal Implications:** It is anticipated that this bill will not have a fiscal impact. The bill updates the minimum wage eligibility to accommodate the changes to the Virginia minimum wage, which affects eligibility terms of the grant program. This program is currently supported by a general fund appropriation of \$14.5 million in each year in Item 115 of HB1800/SB1100.

The Department of Housing and Community Development oversees the Enterprise Zone program and the Board of Housing and Community Development has administrative obligations to adopt any changes in regulations. This bill will require regulatory changes that will need to go before the Board of Housing and Community Development. This regulatory work can be done with current resources.

9. **Specific Agency or Political Subdivisions Affected:** Department of Housing and Community Development.

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

11. **Other Comments:** None.