

Department of Planning and Budget
2021 Special Session I - Fiscal Impact Statement

1. Bill Number: HB5001

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

2. Patron: Torian

3. Committee: Appropriations

4. Title: Shipping and Logistics Headquarters Grant Program.

5. Summary: Establishes the Shipping and Logistics Headquarters Grant Program to provide grants to a qualified shipping and logistics company that retains its North American headquarters in the City of Norfolk, makes a capital investment of at least \$36 million, creates and maintains at least 415 new jobs, and establishes and operates a research and development center. The qualified company would be eligible for an aggregate of \$9.5 million in grants, payable in installments and contingent upon the qualified company meeting performance parameters.

6. Budget Amendment Necessary: Yes, to capitalize the Fund. See item 8.

7. Fiscal Impact Estimates: Preliminary.

7a. Expenditure Impact:

<i>Fiscal Year</i>	<i>Dollars</i>	<i>Positions</i>	<i>Fund</i>
2021			
2022	\$6.33 million	n/a	GF
2023	\$3.17 million	n/a	GF

8. Fiscal Implications: This bill establishes a new grant program referred to as the Shipping and Logistics Headquarters Grant Fund. The bill stipulates that Commonwealth will provide an aggregate of \$9.5 million, expected to be paid in two installments of \$6.33 million in FY 2022 and \$3.17 million FY 2023, should the company meet its performance metrics.

Both the House and Senate approved amendments to HB1800/SB1100 that include \$6.33 million from the general fund in the second year to support this program, as well as budget language in Item 112 which references this legislation. Funding will be required in future fiscal years to support the program and fulfill commitments made to the company.

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 will 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: None.