

Department of Planning and Budget 2023 Fiscal Impact Statement

1. Bill Number: HB1664

House of Origin ☒ Introduced ☐ Substitute ☐ Engrossed

Second House ☐ In Committee ☐ Substitute ☐ Enrolled

2. Patron: Hodges

3. Committee: Appropriations

4. Title: Governor's Blue Catfish Industries Development Fund established.

5. Summary: Creates the Governor's Blue Catfish Industries Development Fund. The bill establishes the Blue Catfish Industries Development Planning Grant Program and the Blue Catfish Flash Freeze Grant Program to encourage efforts by political subdivisions to support the blue catfish industry and the flash freezing of such catfish. Grants and loans will be awarded to such subdivisions to support efforts to attract value-added facilities using blue catfish. Under the program, localities may apply for grants or loans after having established a relationship with a new or expanding business that is expanding blue catfish processing, flash freezing, or value-added facilities using blue catfish.

6. Budget Amendment Necessary: Yes, to capitalize the newly created Fund.

7. Fiscal Impact Estimates: Preliminary.

8. Fiscal Implications: This bill establishes the Blue Catfish Industries Development Planning Grant Program, the Blue Catfish Flash Freeze Grant Program, and the Governor's Blue Catfish Industries Development Fund. The Fund is to provide grants or loans to political subdivisions to support the blue catfish industry and the flash freezing of such catfish. The Governor's Blue Catfish Industries Development Fund is to consist of any moneys appropriated to it by the General Assembly and revenue deposited to the Fund. Also, any moneys awarded from the Fund and subsequently returned or repaid to the Commonwealth will be deposited to the Fund.

To capitalize the Fund, an appropriation is required. It is anticipated that the Department of Agriculture and Consumer Services (VDACS), in consultation with the Secretary of Agriculture and Forestry and the Governor, will administer the Fund. Depending on the size and scope of the programs, VDACS may require additional resources to administer the programs and Fund. Currently, VDACS administers the Governor's Agriculture and Forestry Industries Development Fund. The introduced budget bill (HB1400/SB800) includes an appropriation of \$2.7 million the first year and \$2.5 million the second year for AFID, with a separate appropriation of \$330,905 in each year to support administration of the program.

The bill requires that the Virginia Economic Development Partnership, the Marine Resources Commission, the Department of Corrections, and the Virginia Employment Commission provide consultation in development of the guidelines of the program. It is anticipated that these agencies can provide such consultation within current resources.

Also, the bill requires that each political subdivision that receives a grant or loan from the Fund enter into a contract with each business beneficiary of moneys from the Fund, and that prior to executing such a contract the political subdivision is required to provide a copy of the proposed contract to the Office of the Attorney General (OAG) for review. It is anticipated that any costs associated with this review can be absorbed by the OAG.

Additionally, the bill requires that the Governor biannually report to the Chairmen of the House Committees on Appropriations and Finance and the Senate Committee on Finance and Appropriations on any grants awarded from the Fund in the preceding six month period.

- 9. Specific Agency or Political Subdivisions Affected:** Department of Agriculture and Consumer Services; Secretary of Agriculture and Forestry; Virginia Economic Development Partnership; Marine Resources Commission; Department of Corrections; Virginia Employment Commission; Office of the Attorney General.

- 10. Technical Amendment Necessary:** No.

- 11. Other Comments:** SB897 also creates the Governor's Blue Catfish Industries Development Fund.