

Department of Planning and Budget 2023 Fiscal Impact Statement

1. Bill Number: HB1842

House of Origin ☐ Introduced ☒ Substitute ☐ Engrossed

Second House ☒ In Committee ☐ Substitute ☐ Enrolled

2. Patron: Knight

3. Committee: Finance and Appropriations

4. Title: Virginia Business Ready Sites Acquisition Fund and Program

5. Summary: Creates the Virginia Business Ready Sites Acquisition Program for the purposes of (i) acquiring sites to create and maintain a portfolio of project-ready sites to promote economic development in the Commonwealth, (ii) developing such sites to increase their marketability, and (iii) entering into development agreements with private employers for large-scale economic development projects. The bill also creates the Virginia Business Ready Sites Acquisition Fund. The Virginia Economic Development Partnership Authority (VEDP) shall administer the Program in consultation with the Department of General Services (DGS).

The bill requires program activities to be reviewed by the Major Employment and Investment (MEI) Commission (the Commission), which shall review proposals for site acquisitions, site development activities, and development agreements with private employers and determine whether the proposals are consistent with the objective of the program. If the Commission issues a negative finding, it shall communicate such finding to the Governor and the General Assembly, and the Authority shall not implement the proposal unless the proposal, either in its original or revised form, is authorized by the General Assembly at its next session and enacted into law.

6. Budget Amendment Necessary: No, see item 8.

7. Fiscal Impact Estimates: Preliminary.

8. Fiscal Implications: This bill establishes the Virginia Business Ready Sites Acquisition Program and an accompanying fund, the Virginia Business Ready Sites Acquisition Fund. VEDP and DGS are directed to administer the program and Fund, with projects to be reviewed by the MEI Commission.

Item 113, paragraph S.1., of the introduced budget bill, HB1400/SB800, provides \$200.0 million in FY 2023 from the general fund for a Site Acquisition Pilot Program to identify and fill gaps in the Commonwealth's current portfolio of industrial properties available for economic development projects, or be deposited to the Business Ready Sites Program Fund established in § 2.2-2240.2:1, Code of Virginia. An investment committee to be comprised of

the Governor, Secretaries of Commerce and Trade and Finance, and the President and Chief Executive Officer of VEDP shall determine the appropriate split between the programs. In consultation with the DGS, VEDP shall develop guidelines for the administration and implementation of the Site Acquisition Pilot Program. The provisions of the Item provide criteria and requirements of the program which are similar to the provisions described in the bill. The introduced budget bill authorizes VEDP and DGS to use funds appropriated in Item 113 S.1. to offset administrative expenses related to the program. Lastly, Item 113, paragraph T.1 of HB1400/SB800, authorizes a general fund appropriation of \$250.0 million in FY 2024 for the program contingent on actual general fund revenue collections.

If the intent of this bill and the provisions in HB1400/SB800 are to support the same program, it is anticipated that a budget amendment is not required. Any conflicts that exist between the bill and the budget language would default to the budget language.

9. Specific Agency or Political Subdivisions Affected: Virginia Economic Development Partnership; Department of General Services; Department of Planning and Budget.

10. Technical Amendment Necessary: No

11. Other Comments: None.