

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: Conference.

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). Any proposal for the purchase or option of a site shall be reviewed by DGS and approved by the Governor pursuant to § 2.2-1149, Code of Virginia, prior to review of such proposal by the Major Employment and Investment (MEI) Commission (the Commission) and prior to completing any such purchase or option of a site.

VEDP, in consultation with DGS and the Office of the Attorney General, shall establish guidelines, procedures, and objective criteria for conducting the program, and such guidelines shall be submitted to the Senate Committee on Finance and Appropriations and the House Committee on Appropriations, which may provide feedback before they are established.

The bill requires program activities to be reviewed by 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, addresses a demonstrated need of the Commonwealth, and was approved by the Governor after a recommendation from DGS pursuant to § 2.2-1149, Code of Virginia. 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. Prior to the acquisition or optioning of any site, the locality in which the site is located or such locality's economic development entity shall have a right of first refusal to acquire or option such site in lieu of the Program.

6. Budget Amendment Necessary: Yes. 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. A budget amendment would be required to establish the Program and capitalize the Fund. The introduced budget included \$450 million over the biennium to support this legislative proposal.

9. Specific Agency or Political Subdivisions Affected: Virginia Economic Development Partnership; Department of General Services; Office of the Attorney General; Department of Planning and Budget, Major Employment and Investment Commission.

10. Technical Amendment Necessary: No

11. Other Comments: None.