

Department of Planning and Budget 2007 Fiscal Impact Statement

1. Bill Number HB2468

House of Origin ☒ Introduced ☐ Substitute ☐ Engrossed

Second House ☐ In Committee ☐ Substitute ☐ Enrolled

2. Patron Marshall, D.W.

3. Committee General Laws

4. Title Governor's Development Opportunity Fund.

5. Summary/Purpose: Adjusts eligibility for grants or loans from the Governor's Development Opportunity Fund (GOF) for projects that are in a city or county located in a Metropolitan or Micropolitan Service Area whose annual average unemployment rate for the most recent calendar year is one and a half times or more than the state average. In such cases, the minimum amount of private investment is lowered from \$10.0 million to \$7.5 million, and the number of new jobs that must be created from 100 to 75. For localities with a population between 50,000 and 100,000 the minimums are lowered from \$5.0 million in private investment to \$3.5 million and from 50 new jobs to 35. For localities with less than 50,000 in population, minimums are lowered from \$2.5 million in private investment to \$1.5 million and from 25 new jobs to 15.

6. Fiscal Impact Estimates are: Preliminary. See item 8, below.

7. Budget amendment necessary: No.

8. Fiscal implications: While total spending from the GOF is limited to the amount of available appropriation, the Virginia Economic Development Partnership anticipates that lowering the qualification threshold would likely increase demand for the fund. The Partnership is unable to estimate the extent to which this may occur as the companies that would qualify for the GOF under the provisions of the bill do not currently qualify and therefore there is no historical data from which to base an estimate.

9. Specific agency or political subdivisions affected: Virginia Economic Development Partnership.

10. Technical amendment necessary: No.

11. Other comments: The introduced budget includes an amendment for an additional \$5.0 million from the general fund in FY 2007 for the Governor's Development Opportunity Fund to meet current demands in the program and bring the total biennial appropriation to \$20.1 million.

Date: 01/16/07 /tmw

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cc: Secretary of Commerce and Trade