

## Department of Planning and Budget 2008 Fiscal Impact Statement

**1. Bill Number:** HB 909

House of Origin	<u>  X  </u>	Introduced	<u>      </u>	Substitute	<u>      </u>	Engrossed
Second House	<u>      </u>	In Committee	<u>      </u>	Substitute	<u>      </u>	Enrolled

**2. Patron:** Delegate Purkey

**3. Committee:** General Laws

**4. Title:** Establishment of the Virginia Nanotechnology Authority

**5. Summary:** This bill establishes the Virginia Nanotechnology Authority and provides it all of the necessary powers to promote development of nanotechnology in the Commonwealth, including the authority to issue bonds. The Authority will be governed by a 16-member board of directors, appointed by the Governor, and managed by a president at the direction of the Board. The president is responsible for creating a virtual Virginia Nanotechnology Users Network to facilitate research and development of nanotechnology at the Commonwealth's institutions of higher education.

The bill also establishes the Nanotechnology Development Fund from funds that may be appropriated to it by the General Assembly and any other funds, to be used by the Authority to provide industry and institutions of higher education with discovery, collaboration, and prototype grants in order to:

- attract research funding for higher education institutions;
- commercialize intellectual property;
- support both the development of existing nanotechnology companies and those wishing to perform research and development in the nanotechnology field; and
- attract and support talented individuals through educational programs, scholarships, and student outreach.

**6. Fiscal Impact Estimates:** Indeterminate (see Section 8)

**7. Budget Amendment Necessary:** Yes. Item would need to be determined.

**8. Fiscal Implications:** The fiscal impact of this bill is difficult to define. However, it can be no greater than the amount of funding that is available to the Authority. As it is currently written, this proposed legislation permits the Authority to accept, receive, disburse, and expend any funds collected through gifts, grants, loans, donations, or public sources (state and federal) to support its mission, including the creation of the Virginia Nanotechnology Users Network and the creation and operation of the Nanotechnology Development Fund. However, the Authority cannot extend its financial obligations beyond its available resources. Therefore, its efforts will be limited by the funding that it has at its disposal. This proposed legislation provides the authority for the issuance of bonds and includes a statement that no obligations issued by the Authority shall be deemed to constitute a debt, or pledge of the faith

and credit of the Commonwealth or any political subdivision thereof. However, the Authority is established as a political subdivision, and any bonds would in fact be a debt of a political subdivision. Furthermore, if such bonds are secured by amounts appropriated from the Commonwealth, they would be tax-supported debt.

**9. Specific Agency or Political Subdivisions Affected:** Any of the public higher education institutions in the Commonwealth who already conduct nanotechnology research or those who wish to expand their research field to include nanotechnology.

**10. Technical Amendment Necessary:** On page one of HB 909, lines 15 and 17, change “Virginia Nanotechnology Authority Act of 2007” to “Virginia Nanotechnology Authority Act of 2008”.

**11. Other Comments:** Line 184 makes reference to the furtherance of the powers of the Authority. Should the word “powers” be in fact “purposes”?

**Date:** 1/18/2008 sas

**Document:** f:\hb909.doc