

Department of Planning and Budget 2010 Fiscal Impact Statement

1. Bill Number: HB649

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: Armstrong

3. Committee: Appropriations

4. Title: Governor's Development Opportunity Fund

5. Summary: Lowers the minimum private investment to qualify for incentives from the Governor's Development Opportunity Fund (GOF) for localities with a population of 100,000 or less with unemployment rates in excess of 150 percent of the state average. The bill lowers the minimum private investment for such localities with a population between 50,000 and 100,000 from \$3.5 million to \$2.5 million, and for those with a population of less than 50,000 from \$1.5 million to \$1 million

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; however, lowering the qualification threshold may increase demand for the fund. The Virginia Economic Development 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: Yes. Page 2, line 101, after "million" delete the space.

11. Other Comments: None.

Date: 1/25/2010 tmw

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