

Department of Planning and Budget 2010 Fiscal Impact Statement

1. Bill Number: HB988

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: Nutter

3. Committee: General Laws

4. Title: Governor's Development Opportunity fund; grants to localities to meet local matching fund requirements

5. Summary: The bill provides that the Governor's Development Opportunity Fund (GOF) may be used to provide grants to localities to meet local matching fund requirements for grants under the federal Economic Development Administration (EDA). Before approving a grant request, the Director of the Virginia Economic Development Partnership must certify that (i) providing the grant will enhance the competitiveness of the locality and the region and the economic development goals of the Commonwealth, and (ii) the project for which the grant is requested is consistent with the Comprehensive Economic Development strategic plan for the locality and the planning commission in which the locality is located.

6. No fiscal impact. See item 8, below.

7. Budget Amendment Necessary: No.

8. Fiscal Implications: Permitting a locality to use a GOF award to match federal Economic Development Administration grants does not have a state fiscal impact. Such projects must still be tied to a discrete economic development project that meets the statutory job creation and capital investment criteria for an award from the GOF. Currently, neither statute nor GOF guidelines prohibit a locality from using an award from the Fund to match federal EDA funds.

9. Specific Agency or Political Subdivisions Affected: Virginia Economic Development Partnership and localities.

10. Technical Amendment Necessary: Yes. Page 2, line 65, after "Before" insert "recommending approval of" and strike "approving".

11. Other Comments: None.

Date: 1/25/2010 tmw

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