

Department of Planning and Budget 2011 Fiscal Impact Statement

1. Bill Number: SB1315

House of Origin	<input type="checkbox"/> Introduced	<input type="checkbox"/> Substitute	<input type="checkbox"/> Engrossed
Second House	<input type="checkbox"/> In Committee	<input type="checkbox"/> Substitute	<input checked="" type="checkbox"/> Enrolled

2. Patron: McEachin

3. Committee: Passed Both Houses

4. Title: Governor's Development Opportunity Fund.

5. Summary: Provides that the contract between the political subdivision and the business beneficiary regarding a grant awarded under the Governor's Development Opportunity Fund (GOF) must include consideration of layoffs when determining the total net number of new jobs created over the course of the contract. In addition, the bill provides that whenever net layoffs instituted by a business beneficiary over the course of the period covered by a grant contract causes the total number of the new jobs to be fewer than the number agreed to, then the business beneficiary must return such portion of any funds received as provided by the formula established in the guidelines. The bill contains technical amendments.

6. Budget Amendment Necessary: No.

7. Fiscal Impact Estimates are final.

8. Fiscal Implications: The Code requires that any funds repaid to the political subdivision that relate to the award from the Governor's Development Opportunity Fund be promptly paid over by the political subdivision to the Commonwealth and deposited to the GOF. Currently, GOF performance agreements between the Commonwealth, the political subdivision, and business beneficiary address the business beneficiary's employment level between the start and end of a project funded through the GOF. If the employment level decreases between that period the business beneficiary is required to remit either all or a portion of the GOF grant. This bill codifies current practice. Statutorily, any monies returned to the GOF are available for future grants and loans to political subdivisions to assist in the location of projects that meeting the GOF award criteria to the Commonwealth.

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

10. Technical Amendment Necessary: No.

11. Other Comments: None.

Date: 2/23/11