

Department of Planning and Budget 2012 Fiscal Impact Statement

1. Bill Number: HB403

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

2. Patron: Torian

3. Committee: General Laws

4. Title: Governor's Development Opportunity Fund; criteria.

5. Summary: Adds the requirement that at least 30 percent of the jobs created must be filled by Virginia residents to the criteria for making grants or loans from the Governor's Development Opportunity Fund (GOF).

6. Budget Amendment Necessary: No.

7. Fiscal Impact Estimates: Preliminary.

8. Fiscal Implications: Any fiscal impact is indeterminate. However, it is anticipated that any such impact would be minimal and could be absorbed within existing resources. The Commonwealth/Virginia Economic Development Partnership does not currently collect residency data but would need to do so under the provisions of the bill.

A GOF grant or loan is awarded to a Virginia locality for the benefit of a company, with the expectation that the award will result in a favorable decision for the Commonwealth. As a condition of receipt of an award, the locality and the company must enter into a performance agreement to ensure fulfillment of promised job creation and capital investment. The performance agreement requires that the company report to the locality and VEDP on its success in meeting the agreed upon job creation and capital investment targets. The data reported by the company include the number of jobs created, average salary of those jobs, and the investment level. Under the terms of the bill, the performance agreement would also include a requirement that the company provide residency data.

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

10. Technical Amendment Necessary: No.

11. Other Comments: None.

Date: 1/16/12

