

Department of Planning and Budget 2012 Fiscal Impact Statement

1. Bill Number: SB130

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: Stanley

3. Committee: General Laws and Technology

4. Title: Building Revitalization Grant Fund.

5. Summary: This bill establishes the Building Revitalization Grant Fund (the Fund) administered by the Virginia Housing Development Authority (VHDA, also known as HDA) to award grants of up to \$100,000 to businesses that make a capital investment of \$1.0 million in revitalizing or retrofitting buildings to serve as a new place of business.

6. Budget Amendment Necessary: No, see item 8, below.

7. Fiscal Impact Estimates: Preliminary.

8. Fiscal Implications: This bill creates the Building Revitalization Grant Fund (the Fund), administered by the VHDA. The purpose of the Fund is to provide building revitalization grants of up to \$100,000 to businesses that (i) make a capital investment in Virginia equal to or greater than \$1.0 million after January 1, 2012, and (ii) enter into a memorandum of understanding (MOU) with VHDA detailing the terms and conditions of the grant. The aggregate amount of grants awarded and outstanding at any time shall not exceed \$1.0 million.

As specified by the bill, deposits to the Fund are to consist of monies appropriated by the General Assembly, or as received by gift, grant, or donation from public or private sources. No specific amount is designated by the bill for deposit to the Fund; as such the bill has no direct or specified fiscal impact on state appropriations.

The bill also directs VHDA to enter into MOUs with grantees, develop guidelines to implement the provisions of this bill, and to provide the Governor and General Assembly with an annual report on the activity and effectiveness of the Fund. Any additional administrative costs to VHDA resulting from this bill present no fiscal impact to the state as, according to § 36-55.27, Code of Virginia, VHDA is a political subdivision of the Commonwealth of Virginia.

Because, as a political subdivision of the Commonwealth, VHDA's organization and operations are outside of the state treasury and appropriation act, the agency needs to have a

specific state agency that has operations in the state's accounting, budgeting, and treasury functions, for administration of the Fund created by the bill. Any administrative costs incurred by the intermediary state agency associated with work related to the bill are indeterminate at this time.

9. Specific Agency or Political Subdivisions Affected: Virginia Housing Development Authority.

10. Technical Amendment Necessary: No.

11. Other Comments: None.

Date: 1/16/2012