

Department of Planning and Budget 2013 Fiscal Impact Statement

1. Bill Number: HB1945

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: Landes

3. Committee: Appropriations

4. Title: Major Employment and Investment Project Site Planning Grant Fund; definition of 'MEI project.'

5. Summary: Revises the definition of Major Employment and Investment project, or "MEI project" by decreasing the requirement for private capital investment from \$250 million to \$50 million and decreasing the number of new jobs to be created from 400 to 100, thereby lowering the threshold for a political subdivision to be eligible for a grant under the Major Employment and Investment Project Site Planning Grant Fund.

6. Budget Amendment Necessary: No.

7. Fiscal Impact Estimates are indeterminate. See item 8, below.

8. Fiscal Implications: The fiscal impact of the proposed legislation is indeterminate. However, as a result of decreasing the job creation and capital investment criteria, the number of projects that meet the definition of "MEI project" and qualify for consideration of incentive financing or funding under the program may increase. As a result, demand for, or interest in, the program may increase. Award of any incentive is subject to application and review, authorization, and the availability of funding.

Legislation enacted by the 2009 General Assembly authorizes the Virginia Public Building Authority (VPBA) to finance MEI projects and the Virginia Resources Authority (VRA) to finance site acquisition and site development work for the benefit of all types of economic development projects. Also, legislation enacted by the 2010 General Assembly establishes the Major Employment and Investment Project Site Planning Grant Fund to award grants to political subdivisions to assist in site development work for prospective MEI projects.

Chapter 3, Special Session I, 2012 Acts of Assembly (the 2012 Appropriation Act), provides a contingent appropriation of \$2.0 million in FY 2013 for the Major Employment and Investment Project Site Planning Grant Fund. The source of the contingent appropriation is the Federal Action Contingency Trust (FACT) Fund.

9. Specific Agency or Political Subdivisions Affected: Localities, Virginia Economic Development Partnership, VPBA, VRA, Department of the Treasury.

10. Technical Amendment Necessary: No.

11. Other Comments: None.

Date: 1/23/13

Document: G:\tmw\2013 Session\Legislation\HB1945.docx