

Department of Planning and Budget 2013 Fiscal Impact Statement

1. Bill Number: SB1301

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: Finance

4. Title: Virginia Economic Development Partnership Authority; export of Virginia products and services.

5. Summary: Authorizes the Virginia Economic Development Partnership Authority (VEDP) to undertake whatever activities the Authority deems appropriate to provide bridge loans and shipment insurance for Virginia exporters. This bill may be known as the Virginia Export Assistance Act.

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

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

8. Fiscal Implications: The fiscal impact of the proposed legislation is indeterminate. The bill would authorize VEDP to provide bridge loans and shipment insurance for Virginia exporters. It is anticipated that VEDP would incur costs in establishing and staffing such a program. Also, it is anticipated that funding would be required to provide for the bridge loans as well as the shipment insurance.

The Department of the Treasury's Division of Risk Management (DRM) administers various risk management plans and programs that cover state government, public entities, specified not-for-profit organizations, and certain individuals serving in the public interest. According to DRM, there would be costs incurred in developing a program that provides shipment insurance. The costs would depend upon the program's structure, including, but not limited to, whether the authority is to contract with an international broker to provide the insurance, whether the authority or the exporters would be responsible for paying for the insurance, the mechanism for securing payment (such as premiums and/or deductibles), and the demand for the program.

9. Specific Agency or Political Subdivisions Affected: Virginia Economic Development Authority; Department of the Treasury, Division of Risk Management.

10. Technical Amendment Necessary: No.

11. Other Comments: HB1758 is the companion to this bill.

Date: 1/22/13

Document: G:/tmw/2013 Session/Legislation/SB1301.docx