

Department of Planning and Budget 2013 Fiscal Impact Statement

1. Bill Number: SB748

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: Building Revitalization Grant Fund.

5. Summary: Establishes the Building Revitalization Grant Fund administered by the Department of Housing and Community Development (DHCD) to award grants of up to \$100,000 to businesses that make a capital investment of \$1.0 million in revitalizing or retrofitting existing buildings to serve as a new place of business.

6. Budget Amendment Necessary: Yes, if the fund is to be capitalized. Item 109. See item 8, below.

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

8. Fiscal Implications: A budget amendment to provide general fund support is necessary to capitalize the fund this bill establishes, and to provide funding to DHCD to administer this new program and fund. Under the provisions of the bill, DHCD shall develop and manage a program to award grants to qualifying businesses that make a capital investment in revitalizing or retrofitting existing businesses to serve as a new place of business. The amount of funding to capitalize the fund is indeterminate; however, this bill establishes a cap on the aggregate amount of grants awarded and outstanding at any time at \$1.0 million. DHCD estimates that for a \$1.0 million program, the agency will require an annual general fund appropriation of \$30,000.

As part of the administration of this program, this bill requires DHCD to develop program guidelines and submit an annual report to the Governor and the General Assembly to include the list of grants, the amount of each approved grant, a description of approved proposals, the amount of matching funds anticipated, and an assessment of the effectiveness of the fund. Additionally, DHCD anticipates that the agency will incur costs by creating program materials, conducting informational sessions for potential applicants, providing technical assistance to applicants, and program oversight and monitoring.

The bill establishes a special fund in the state treasury, the Building Revitalization Grant Fund, from which the grants will be paid. Capitalization of the fund is subject to appropriation by the General Assembly.

9. Specific Agency or Political Subdivisions Affected: Department of Housing and Community Development.

10. Technical Amendment Necessary: No.

11. Other Comments: Sen. Stanley has proposed a companion member budget amendment to capitalize the Building Revitalization Grant Fund established by this bill. The amount of the proposed amendment is \$1.0 million, from the general fund, in FY 2014.

Date: 1/16/13

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