

Department of Planning and Budget 2014 Fiscal Impact Statement

1. Bill Number: HB350

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: James

3. Committee: Counties, Cities and Towns

4. Title: Enterprise zones; criteria for designation.

5. Summary: This bill expands the criteria for designation as an enterprise zone to also include, to the extent information is available, (i) the average unemployment rate for the area encompassed by the proposed zone over the most recent three-year period, (ii) the average median adjusted gross income for the area encompassed by the proposed zone over the most recent three-year period, and (iii) the average percentage of public school students within the area encompassed by the proposed zone receiving free or reduced price lunches over the most recent three-year period. Under current law, these same criteria are considered at the county and city level.

6. Budget Amendment Necessary: No.

7. Fiscal Impact Estimates: Preliminary, see item 8.

8. Fiscal Implications: Grants issued through the Enterprise Zone Grant Program are capped by an annual budget allocation, thus the bill has no substantive fiscal impact on program expenditures. However, the Department of Housing and Community Development will need to update the program regulations to conform to changes in the statute. This update can be accomplished within existing agency resources.

9. Specific Agency or Political Subdivisions Affected: Department of Housing and Community Development; counties, cities and towns eligible for enterprise zone designations.

10. Technical Amendment Necessary: No.

11. Other Comments: HB30/SB30 includes \$14.1 million in FY 2015 and \$14.1 million in FY 2016 from the general fund for payments under the Enterprise Zone Grant Program. In the event that demand for grants under the program exceeds the amount of available funding, the department is authorized to prorate payouts of program benefits. The last year in which the department prorated payments was 2009.