

Department of Planning and Budget

2015 Fiscal Impact Statement

1. Bill Number: HB1726

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: Rasoul

3. Committee: Appropriations

4. Title: Enterprise zone real property investment grants.

5. Summary: This bill allows investments in buildings that incorporate residential and commercial or industrial uses to qualify for an enterprise zone real property investment grant with regard to the portion of the investment associated with the exclusive commercial space, which is the area within the peripheral walls and ceiling of any portion of the building that is used for a commercial or industrial use. Currently, expenditures incurred with respect to all of a building with both residential uses and commercial or industrial uses may constitute a qualified real property investment only if at least 30 percent of the usable floor space will be devoted to commercial or industrial use. This measure provides that where less than 30 percent of the building's space will be devoted to commercial or industrial use, expenditures associated with the exclusive commercial space may nonetheless qualify for a grant under the enterprise zone program.

6. Budget Amendment Necessary: No.

7. Fiscal Impact Estimates: Preliminary. See item 8.

8. Fiscal Implications: According to the Department of Housing and Community Development, this bill will require changes in program regulations; however, the department anticipates that the administrative impact will be minimal and costs associated can be absorbed within current resources. At this time, the number of additional applicants for real property investment grants as a result of this bill is unknown. Provisions of the enterprise zone program specific that job creation grants will receive funding priority should grant requests exceed available funds. In the event that grant requests exceed allocated funding, real property investment grants may be subject to proration.

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

10. Technical Amendment Necessary: No.

11. Other Comments: None.