

Department of Planning and Budget

2015 Fiscal Impact Statement

1. Bill Number: SB991

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: Dance

3. Committee: Finance

4. Title: Virginia Tourism Growth Incentive Fund.

5. Summary: Establishes the Virginia Tourism Growth Incentive Fund to attract new tourism and hospitality projects and expand existing tourism and hospitality projects in the Commonwealth. The Virginia Tourism Authority (VTA) will be responsible for administering the Fund. The Fund would be used to provide incentive grants or loans to political subdivisions or business entities to attract tourism, retail, and lodging development projects that meet the program criteria of investment of more than \$500,000 and the creation of at least five new full-time employees (FTEs) or \$250,000 and three FTEs in distressed areas of the Commonwealth. Also, the bill includes a requirement that VTA report to the General Assembly twice a year data on the Fund's performance during the preceding six-month period and disbursements from the fund during the same period.

6. Budget Amendment Necessary: No.

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

8. Fiscal Implications: Item 101 O. of the Introduced Budget Bill (HB1400/SB800) includes a general fund appropriation of \$500,000 in FY 2016 to capitalize, contingent on passage of legislation establishing the Fund. At the proposed level of funding, VTA will be able to absorb the responsibility for managing the Fund using existing staff and resources.

The bill establishes the Fund as a special, non-reverting fund in the state treasury. VTA is established in statute as a political subdivision of the Commonwealth, thus VTA is not part of the Commonwealth's Accounting and Reporting System. VTA will require a state agency to serve as fiscal agent to process the payments to eligible companies and businesses from the special fund account. Secretary of Administration's Shared Support Services division serves as the fiscal agent for other economic development funds administered by political subdivisions. At the proposed level of funding, the Shared Support Services would be able to absorb the additional workload associated with the Fund with existing staff and resources.

9. Specific Agency or Political Subdivisions Affected: Virginia Tourism Authority, Secretary of Administration, localities.

10. Technical Amendment Necessary: No.

11. Other Comments: This bill is a companion to HB2126.