

Department of Planning and Budget 2018 Fiscal Impact Statement

1. Bill Number: HB1551

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: Landes

3. Committee: Appropriations

4. Title: Special Workforce Grant Fund; creation.

5. Summary: This bill creates the Special Workforce Grant Fund to award grants to certain e-commerce companies that make a capital investment at a facility in Fairfax County of at least \$84.0 million and create at least 1,500 new full-time jobs at such facility. The grants would be paid out over a period of three years on the basis of investment and job-creation progress. The total aggregate amount of grants that may be paid is \$10.5 million.

6. Budget Amendment Necessary: No, not in the 2018-2020 biennium. See item 8.

7. Fiscal Impact Estimates: Preliminary.

8. Fiscal Implications: There is no fiscal impact related to this bill in the upcoming 2018-2020 biennium. However, to capitalize the Fund and provide grants pursuant to the provisions in the bill, it is anticipated that a general fund appropriation will be required beginning in FY 2022. The bill establishes a new fund, referred to as the Special Workforce Grant Fund, to award grants to certain e-commerce companies that make a capital investment at a facility in Fairfax County of at least \$84.0 million and create at least 1,500 new full-time jobs at such facility. The bill provides that a qualified company shall be eligible to receive grants beginning in FY 2022 and ending in FY 2026. The bill provides that the timeframe may be extended in accordance with the memorandum of understanding between the qualified company and the Commonwealth. In addition, the bill specifies that the aggregate amount of grants payable is estimated to not exceed \$5.31 million in FY 2022, \$8.21 million, less the total amounts previously awarded, in FY 2023, and \$10.5 million, less the total amounts previously awarded, in FY 2024. The actual amount of grants paid from the Fund are subject to appropriation by the General Assembly and will be contingent upon the company meeting the performance requirements set forth in the memorandum of understanding.

The Fund will be administered by the Virginia Economic Development Partnership and the Secretary of Commerce and Trade. It is anticipated that any costs to administer the program may be absorbed in current resources.

9. Specific Agency or Political Subdivisions Affected: Virginia Economic Development Partnership; Secretary of Commerce and Trade.

10. Technical Amendment Necessary: No.

11. Other Comments: This bill is the result of a recommendation from the Major Employment and Investment Project Approval Commission.