

Department of Planning and Budget

2019 Fiscal Impact Statement

1. Bill Number: HB2356

House of Origin	☐ Introduced	☐ Substitute	☐ Engrossed
Second House	☐ In Committee	☐ Substitute	☒ Enrolled

2. Patron: Jones

3. Committee: Passed Both Houses.

4. Title: Major Headquarters Workforce Grant Fund.

5. Summary: This bill creates the Major Headquarters Workforce Grant Fund. A qualified company that makes a capital investment of at least \$2.0 billion in a major headquarters facility in Arlington County and that creates at least 25,000 new full-time jobs with an average annual wage of \$150,000 will be eligible for up to \$550.0 million in grants from the Fund. A qualified company may also be eligible for an additional \$200.0 million in grants for creating an additional 12,850 new full-time jobs.

6. Budget Amendment Necessary: No, not in the current biennium.

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

8. Fiscal Implications: The bill establishes a new fund, referred to as the Major Headquarters Workforce Grant Fund, to award grants to a qualified company that makes a capital investment of at least \$2.0 billion in a major headquarters facility in Arlington County and creates at least 25,000 new full-time jobs with an average annual wage of \$150,000. The bill provides that a qualified company shall be eligible to receive grants beginning in FY 2024 and ending in FY 2043.

The bill specifies that for the first 25,000 jobs, the aggregate amount of grant payments payable to the company shall not exceed \$550.0 million. For the next 12,850 jobs, the aggregate amount of grant payments payable to the company shall not exceed \$200.0 million. 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 grant amounts that might be paid in each fiscal year cannot be estimated at this time since payments will depend upon the actual number of new, qualifying jobs created. The bill stipulates maximum cumulative grant amounts that may be paid through each fiscal year beginning with \$200 million through Fiscal Year 2024, and escalating each year through Fiscal Year 2034.

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: SB1255 is the companion to this bill.