

Department of Planning and Budget 2020 Fiscal Impact Statement

1. **Bill Number:** HB1034

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

2. **Patron:** Rasoul

3. **Committee:** Agriculture, Chesapeake and Natural Resources

4. **Title:** Local Food and Farming Infrastructure Fund; Grant Program.

5. **Summary:** Establishes the Local Food and Farming Infrastructure Fund and directs the Department of Agriculture and Consumer Services (VDACS) to establish a Local Food and Farming Infrastructure Grant Program for infrastructure development projects that support local food production and sustainable farming. The bill directs the Department to award grants for projects that include the establishment or maintenance of farmers markets; businesses or organizations that manage the aggregation, distribution, and marketing of food products primarily from local and regional producers; and primarily locally owned processing facilities. The Department is required to adopt project eligibility criteria that favor projects that create infrastructure in proximity to small-scale rural agricultural producers.

6. **Budget Amendment Necessary:** See item 8.

7. **Fiscal Impact Estimates:** Preliminary.

8. **Fiscal Implications:** This bill establishes a new fund and grant program referred to as the Local Food and Farming Infrastructure Grant Program. To capitalize the fund and make it operational, a budget amendment will be required.

The bill directs VDACS to administer this program. The bill does not authorize VDACS to charge administrative costs to the Fund. VDACS administers several grant programs that are similar to the proposed legislation, including the Agriculture and Forestry Industries Development (AFID) Fund. To administer AFID, which provides \$1.0 million in grants each year, the department employs two FTEs at a cost of \$233,692 annually from the general fund.

VDACS anticipates that it will require one additional FTE at an annual cost of \$111,805, including benefits and travel expenses to administer the program established in this bill.

9. **Specific Agency or Political Subdivisions Affected:** Department of Agriculture and Consumer Services.

10. **Technical Amendment Necessary:** No.

11. **Other Comments:** None.