

Department of Planning and Budget 2020 Fiscal Impact Statement

1. Bill Number: SB611

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

2. Patron: Hanger

3. Committee: Passed both Houses.

4. Title: Truck Manufacturing Grant Fund; creation.

5. Summary: Creates the Truck Manufacturing Grant Fund to make grant payments to an eligible truck manufacturer that makes a capital investment of at least \$397 million at a facility in Pulaski County and creates at least 777 new full-time jobs at the facility. The eligible truck manufacturer would be eligible for an aggregate of \$16.5 million in grants paid out over a 10-year period if it meets such performance parameters.

6. Budget Amendment Necessary: No. See item 8.

7. Fiscal Impact Estimates: Final.

7a. Expenditure Impact:

<i>Fiscal Year</i>	<i>Dollars</i>	<i>Fund</i>
2021	\$2,000,000	General Fund
2022	\$2,000,000	General Fund
2023	\$300,000	General Fund
2024	\$1,742,857	General Fund
2025	\$1,742,857	General Fund
2026	\$1,742,857	General Fund

8. Fiscal Implications: This bill establishes a new grant program referred to as the Truck Manufacturing Grant Fund. The bill stipulates that the Commonwealth will provide an aggregate of \$16.5 million, payable over a 10 year company to an eligible company, should the company meet its performance metrics. Of the \$16.5 million, \$4.0 million is allocated to the company's achievement of its capital investment targets and is authorized to be paid in two tranches of \$2.0 million each in FY 2021 and FY 2022. The remaining \$12.5 million is allocated to the company's achievement of its employment targets and is authorized to be paid \$300,000 in FY 2023, then seven annual installments of \$1.74 million each payable in FY 2024 through FY 2030.

HB30/SB30 as introduced includes \$2.0 million the first year and \$2.0 million the second year to support this program. Budgetary language in Item 112 references this legislation. Funding will be required in the outyears to support the program and fulfil commitments made to the company.

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: HB1361 is the companion to this bill.