

Department of Planning and Budget 2021 Fiscal Impact Statement

1. **Bill Number:** SB1156

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

2. **Patron:** Howell

3. **Committee:** Finance and Appropriations

4. **Title:** Technology Development Grant Fund created.

5. **Summary:** Creates the Technology Development Grant Fund to make grant payments to a qualified technology company that makes a capital investment of at least \$64 million at a facility in Fairfax County and creates at least 1,500 new full-time jobs at the facility. A qualified technology company would be eligible for an aggregate of \$22.5 million in grants paid over four years if it meets performance parameters and complies with the terms of a memorandum of understanding agreed upon by the company, the Commonwealth, and the Virginia Economic Development Partnership Authority.

6. **Budget Amendment Necessary:** No, see item 8.

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

7a. Expenditure Impact:

<i>Fiscal Year</i>	<i>Dollars</i>	<i>Fund</i>
2021	\$0	n/a
2022	\$5,625,000	GF
2023	\$5,625,000	GF
2024	\$5,625,000	GF
2025	\$5,625,000	GF

7b. Revenue Impact: N/A

8. **Fiscal Implications:** This bill establishes a new grant program referred to as the Technology Development Grant Fund. The bill stipulates that Commonwealth will provide an aggregate of \$22.5 million, expected to be paid in four annual installments of \$5.625 million in FY 2022 through FY 2025, should the company meet its performance metrics.

HB1800/SB1100 as introduced includes \$5.25 million from the general fund in the second year to support this program, and budget language in Item 112 references this legislation. Funding will be required in future fiscal years to support the program and fulfill 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 will 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: None.