

Department of Planning and Budget

2022 Fiscal Impact Statement

1. Bill Number: HB476

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: Murphy

3. Committee: Commerce and Energy

4. Title: Retail Small Business Grant Program and Fund.

5. Summary: Establishes the Retail Small Business Grant Program and Fund to support existing Virginia small businesses, attract new businesses, increase the Commonwealth's tax base, create new job opportunities for Virginia residents, and enhance commercial activity in Virginia. The bill provides that an eligible Virginia small business, defined in the bill, is eligible for grants of up to \$50,000. The total amount of grants awarded in a fiscal year is capped at \$10.0 million.

6. Budget Amendment Necessary: Yes, in order to capitalize the Fund. . See item 8, below

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

8. Fiscal Implications: The fiscal impact of this bill will depend on the size and scope of the program established by DSBSD. This bill requires the Department of Small Business and Supplier Diversity (DSBSD), establish a new grant program and nongeneral fund, the Retail Small Business Grant Program and Fund. The bill provides for grant awards of up to \$50,000 each, and establishes a cap of \$10.0 million as the maximum amount of grants that can be awarded in any fiscal year. A budget amendment will be required to capitalize the Fund established in this bill. Additional funding may be required for the department to administer the program, as the bill does not allow the department to recover administration expenses from the Fund.

To develop an estimate, the department used its recent experience with the Rebuild Virginia program. Based on agency experience in administering the RebuildVA program, the Small Business Financing Authority (SBFA) anticipates that if the program is established and funding is appropriated to support \$10.0 million in grant awards per fiscal year, the agency will need \$517,000 in funding to administer the program. The bill does not allow the department to recover its administrative expenses. This estimate includes the cost of four contractors, at \$292,000, to process applications and approximately 200 awards. The department anticipates programmatic changes will be needed to the Rebuild Virginia portal to support the new program established in this bill at an estimated cost of \$225,000, including anticipated any necessary updates and maintenance. Additionally, it is anticipated that the bill

will require staff work, to be performed by existing personnel. The department anticipates leveraging the Executive Director and Accounting Manager of the SBFA.

SBFA anticipates structuring this program to reimburse eligible small businesses, similar to RebuildVA.

- 9. Specific Agency or Political Subdivisions Affected:** Virginia Small Business Financing Authority; Department of Small Business and Supplier Diversity.
- 10. Technical Amendment Necessary:** As written, this bill does not define what state agency is “the Department”.
- 11. Other Comments:** None.