

Department of Planning and Budget 2024 Session Fiscal Impact Statement

1. Bill Number: SB156

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

2. Patron: Head

3. Committee: Passed both Houses.

4. Title: Financial Services Expansion Grant Fund.

5. Summary: Creates the Financial Services Expansion Grant Fund to make grant payments to an eligible financial services company that makes a capital investment of at least \$87 million at a facility in Roanoke County and creates at least 1,100 new full-time jobs at the facility. The eligible financial services company would be eligible for an aggregate of \$15 million in grants paid out over a 10-year period if it meets such performance parameters.

6. Budget Amendment Necessary: Yes, Item 101, language only amendment, see item 8.

7. Fiscal Impact Estimates: Final.

7a. Expenditure Impact:

<i>Fiscal Year</i>	<i>Dollars</i>	<i>Fund</i>
2024	n/a	n/a
2025	\$1,633,216	GF
2026	\$1,404,243	GF
2027	\$1,495,318	GF
2028	\$1,500,000	GF
2029	\$1,500,000	GF
2030	\$1,500,000	GF

7b. Revenue Impact: N/A.

8. Fiscal Implications: This bill establishes the Financial Services Expansion Grant Fund for payment of grants to a qualified company not to exceed an aggregate of \$15.0 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, including a capital investment of at least \$87 million at a facility in Roanoke County and the creation of at least 1,100 new full-time jobs at the facility. Payments are anticipated to begin in fiscal year (FY) 2025 and occur through FY 2034 but may be extended.

The introduced budget bill, HB30/SB30, includes general fund appropriation and budget language for this Fund. Item 101 of HB30/SB30 includes \$1,633,008 the first year and \$1,403,988 the second year from the general fund. These figures were based on initial

estimates from the Virginia Economic Development Partnership. Item 101, which is a holding account for Economic Development Incentive payments, includes \$30,000 in the second year from the general fund that is unobligated. To meet the payment requirements established in the bill, the Director, Department of Planning and Budget, may administratively transfer excess appropriation the second year to the first year. Given this, the only change required to the introduced budget is to the language delineating the annual amounts dedicated to this Fund (see Item 7a.).

House approved amendments to HB30/SB30 include an additional \$208 the first year and \$255 the second year from the general fund to support the payments required in this bill.

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: HB468 is the companion to this bill.