

Department of Planning and Budget

2022 Fiscal Impact Statement

1. Bill Number: HB458

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: Bulova

3. Committee: Appropriations

4. Title: MEI Project Approval Commission; incentives requiring review.

5. Summary: Adds to the incentive packages for economic development, film, and episodic television projects that require MEI Project Approval Commission (the Commission) review and approval any incentive package in which one of the incentives being sought includes a cash payment of more than \$3.5 million from any fund prior to any performance metrics being met by the proposed project. The bill clarifies that in calculating whether the value of proposed incentives exceeds \$10 million and thus requires review under current law, the value of applicable existing tax credits and incentives shall not be considered, with the exception of the sales tax exemption for data centers and the motion picture tax credit. Finally, the bill provides that economic development projects that propose to relocate or expand operations in one area of the Commonwealth while closing or reducing operations in another area of the Commonwealth shall be subject to Commission review only if the value of the proposed incentives exceeds \$2.5 million.

6. Budget Amendment Necessary: No.

7. Fiscal Impact Estimates: Preliminary.

8. Fiscal Implications: It is anticipated that this bill will not result in a state fiscal impact.

9. Specific Agency or Political Subdivisions Affected: Major Employment and Investment Commission; Virginia Economic Development Partnership.

10. Technical Amendment Necessary: No.

11. Other Comments: None.