

Department of Planning and Budget 2022 Fiscal Impact Statement

1. Bill Number: HB324

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

2. Patron: Williams Graves

3. Committee: Appropriations

4. Title: Shipping and Logistics Headquarters Grant Program; updates certain provisions.

5. Summary: Updates some provisions of the Shipping and Logistics Headquarters Grant Program to reflect changes in the agreement between the Commonwealth and a qualified company.

6. Budget Amendment Necessary: No. Funding is included in the HB30/SB30, as Introduced. See item 8.

7. Fiscal Impact Estimates: Preliminary.

7a. Expenditure Impact:

<i>Fiscal Year</i>	<i>Dollars</i>	<i>Positions</i>	<i>Fund</i>
2023	\$1,359,500	n/a	GF
2024	\$1,154,500	n/a	GF
2025	\$954,500	n/a	GF
2026	\$954,500	n/a	GF
2027	\$954,500	n/a	GF
2028	\$954,500	n/a	GF
2029	\$954,500	n/a	GF

8. Fiscal Implications: This bill updates provisions of the Shipping and Logistics Headquarters Grant Program to reflect changes in the agreement between the Commonwealth and a qualified company. Under the original agreement, the legislation provided that Commonwealth would provide an aggregate of \$9.5 million, expected to be paid in two installments of \$6.33 million in FY 2022 and \$3.17 million FY 2023, should the company meet its performance metrics. However, this bill amends the provisions to provide an aggregate of \$9.04 million, to be paid in nine annual installments of \$1.4 million in FY 2023, \$1.2 million in FY 2024, \$954,500 in FY 2025, FY 2026, FY 2027, FY 2028, FY 2029, FY 2030, and \$801,875 in FY 2031, should the company meet its performance metrics.

HB30/SB30, as introduced, includes a general fund appropriation of \$1.4 million the first year and \$1.2 million the second year from the general fund for deposit to the Shipping and Logistics Headquarters Grant Fund. Funding will be required in the out years 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 incurred by either the Partnership or the Secretary's Office to administer the program can 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: SB103 is the companion to this bill.