

Department of Planning and Budget
2025 General Assembly Session
State Fiscal Impact Statement

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ORIGINAL

Bill Number: SB1231

Patron: Aird

Bill Title: Virginia Investment Performance Grants.

Bill Summary: Authorizes Virginia Investment Performance Grants to be awarded under more lenient requirements if the recipient is located in a locality with an unemployment rate and poverty rate than exceeds the state average. Specifically, the bill would authorize payment of such grants if the average wage paid by the eligible manufacturer or research and development service, excluding fringe benefits, is no less than 85 percent of the prevailing average wage. Grants may be paid for projects in such localities that pay less than 85 percent of the prevailing average wage, upon a written finding by the Governor that the economic circumstances in the area are sufficiently distressed such that assistance to the locality to attract the project is justified. However, the minimum private investment and number of new jobs required to be created are still a condition of eligibility.

Budget Amendment Necessary: No.

Items Impacted: N/A.

Explanation: This bill involves the Virginia Economic Development Partnership, the Governor and the House Committee on Appropriations and the Senate Committee on Finance and Appropriations; however, no budget amendment is required.

Fiscal Summary: No state fiscal impact.

Fiscal Analysis: This impact statement is preliminary. This bill alters the eligibility requirements of Virginia Investment Performance (VIP) grants. Any fiscal impact associated with this legislation would depend on the number of projects that qualify for grants under the Virginia Investment Partnership Act and on the amounts that are appropriated to fulfill the grant commitments. The current cap on the aggregate amount of grants payable in any fiscal year is \$7.0 million. HB1600/SB800 includes \$2.7 million in FY 2025 and \$3.2 million in FY 2026 from the general fund to support anticipated VIP grant awards. Payment of awards is subject to appropriation.

Other: HB2179 is the companion to this bill.