

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

PUBLISHED: 1/20/2025 11:53 AM

ORIGINAL

Bill Number: HB2358

Patron: Torian

Bill Title: Current and Mature Semiconductor Technology Grant Fund.

Bill Summary: Establishes the Current and Mature Semiconductor Technology Grant Fund to, subject to appropriation, fund 15 annual grant award installments, in an aggregate amount not to exceed \$60 million, to a qualified company that engages in the manufacture of semiconductors and that executes a memorandum of understanding with the Commonwealth and, on and after July 1, 2024, but before June 30, 2040, is expected to (i) make a capital investment, defined in the bill, of at least \$2.2 billion and (ii) create and maintain at least 340 new full-time jobs, in an eligible locality, defined in the bill. The bill also authorizes bonus grants of up to \$10 million that a qualified company may earn for certain new full-time job creation and maintenance. The bill also repeals the existing Semiconductor Manufacturing Grant Fund.

Budget Amendment Necessary: No.

Items Impacted: N/A.

Explanation: This bill involves the Virginia Economic Development Partnership Authority and the Secretaries of Administration and Commerce and Trade; however, a budget amendment is not required.

Fiscal Summary: A budget amendment is not required in the 2024-2026 biennium; however, it is anticipated that a general fund appropriation will be required beginning in FY 2027. See Fiscal Analysis.

General Fund Expenditure Impact:

Agency	FY2025	FY2026	FY2027	FY2028	FY2029	FY2030
EDIP	\$0	\$0	\$1,395,020	\$4,457,370	\$5,987,040	\$5,862,630
TOTAL	\$0	\$0	\$1,395,020	\$4,457,370	\$5,987,040	\$5,862,630

Fiscal Analysis: This impact statement is preliminary. The bill establishes a new fund, referred to as the Current and Mature Semiconductor Technology Grant Fund, to award grants to a qualified company that engages in the manufacture of semiconductors that makes a capital investment at a facility in City of Manassas of at least \$2.2 billion and creates at least 340 new full-time jobs. The bill provides that a qualified company shall be eligible to receive grants beginning in FY 2027 and ending in FY 2041. The bill provides that the timeframe may be extended in accordance with the memorandum of understanding between the qualified company and the Commonwealth. In addition, the bill specifies that the aggregate amount of grants payable, to be paid in 15 annual fiscal year installments, shall not exceed \$60.0 million. The bill also authorizes bonus grants of up to \$10 million that a qualified company may earn for certain new full-time job creation and maintenance. The actual amount of grants paid from the Fund is 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.

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

The Fund will be administered by the Virginia Economic Development Partnership (VEDP) and the Secretary of Commerce and Trade. VEDP is a political subdivision of the Commonwealth and is not a part of the state accounting system, Cardinal. This bill specifies that the Fund shall be a part of the state treasury. As such, a fiscal agent will be necessary to assist with administration of the Fund. Currently, the Division of Executive Administrative Services under the Secretary of Administration serves as fiscal agent for VEDP for other grant funds. It is anticipated that any costs to administer the program may be absorbed in current resources.

Other: The introduced budget bill, HB1600/SB800, includes \$1.4 million in FY 2026 from the general fund for deposit to this Fund under Item 101 T.

SB1208 is the companion to this bill.