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

PUBLISHED: 3/7/2025 10:34 AM **ORIGINAL**

Bill Number: HB2163ER **Patron:** Carr
Bill Title: Enterprise Zone Grant Program.

Bill Summary: Defines "major qualified investor," and requires that, starting July 1, 2025, grants to major qualified zone investors are 25% of qualified real property investment above $500,000 for new construction and above $100,000 for rehabilitating or expanding existing buildings, with a cap of $300,000 per five-year period per building or facility. Requires that the Department of Housing and Community Development (DHCD), in collaboration with the Virginia Economic Development Partnership (VEDP), convene a work group to review enterprise zones and recommend renewals or terminations and report its findings, including legislative recommendations, to the Senate and House Committees by November 1, 2025.

Budget Amendment Necessary: **No** **Items Impacted:** **N/A**

Explanation: This bill involves DHCD and VEDP. See Fiscal Analysis section, below.

Fiscal Summary: DHCD indicates that the requirements of this bill can be absorbed within current resources. However, the cumulative impact of this and other bills pertaining to stakeholder work groups and task forces may result in an unabsorbable fiscal impact.

General Fund Expenditure Impact:

Agency	FY2025	FY2026	FY2027	FY2028	FY2029	FY2030
DHCD	**$0**	**$6,000**	**$0**	**$0**	**$0**	**$0**
TOTAL	$0	$6,000	$0	$0	$0	$0

Fiscal Analysis: The agency anticipates that this bill will require members to convene up to four times, with an estimated cost of $6,000 in FY2026. DHCD's estimate is based on anticipated meetings, which may be in-person, requiring supplies, travel, and sustenance reimbursement. Existing agency staff is to provide administrative support. DHCD indicates that the requirements of this bill can be absorbed within current resources. However, the cumulative impact of this and other bills pertaining to stakeholder work groups and task forces may result in an unabsorbable fiscal impact. Any funding for this purpose can be allocated to Item 104 in HB1600/SB800, as introduced.

It is anticipated that VEDP can absorb any impact that may result from this bill.

Other: None.