

**Department of Planning and Budget**  
**2026 General Assembly Session**  
**State Fiscal Impact Statement**

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**ORIGINAL**

**Bill Number:** SB417

**Patron:** Stuart

**Bill Title:** Cloud Computing Cluster Infrastructure Grant Fund; reclaimed water usage.

**Bill Summary:** Requires data center operators applying for grant payments from the Cloud Computing Cluster Infrastructure Grant Fund to utilize reclaimed water, defined in the bill, for water-dependent cooling processes at data center and cloud computing cluster operations facilities. The bill gradually increases the reclaimed water utilization requirement at such facilities from 60 percent of all water-dependent cooling processes beginning on July 1, 2027, to 100 percent on and after July 1, 2031.

**Budget Amendment Necessary:** No.

**Items Impacted:** N/A.

**Explanation:** This bill involves the Virginia Economic Development Partnership Authority (VEDP); a budget amendment is not required.

**Fiscal Summary:** It is anticipated that VEDP will not require additional resources to implement this bill. The bill may impact state revenue.

**Fiscal Analysis:** This impact statement is preliminary. VEDP does not expect an operational fiscal impact from this bill. However, the bill may affect state revenues and the anticipated payments from the Cloud Computing Infrastructure Grant Fund to the applicable company. To be eligible to receive grants from the Fund, a company must make at least a \$50 billion capital investment and create at least 1,500 full-time jobs paying at least 1.5 times the prevailing average wage in the locality where the jobs are located.

VEDP has entered into a memorandum of understanding (MOU) with an eligible company under this grant program. This legislation would require VEDP to revise the terms of the MOU with the company to include the use of reclaimed water for water-dependent cooling processes. Currently, the eligible company has begun its capital investment, and the first installment of grant payments is expected in FY 2027. According to VEDP, these new requirements could delay or prevent such company from completing construction of its facility, which may indeterminately impact both state revenues and the anticipated state payments.

Item 101 of the introduced budget bill, HB30/SB30, includes \$7.7 million the second year from the general fund for deposit to the Cloud Computing Infrastructure Grant Fund. All awards are subject to appropriation.

**Other:** None.