

## Department of Planning and Budget 2024 Session Fiscal Impact Statement

**1. Bill Number:** SB302

**House of Origin**     Introduced     Substitute     Engrossed  
**Second House**     In Committee     Substitute     Enrolled

**2. Patron:** DeSteph

**3. Committee:** General Laws and Technology

**4. Title:** Virginia First Manufacturing Incentive Program and Fund; creation.

**5. Summary:** Creates the Virginia First Manufacturing Incentive Program and Fund to facilitate the growth of existing manufacturing industries by creating a reshoring, nearshoring, and inshoring program focused on expanding and recruiting manufacturing operations that produce products identified as critical infrastructure by providing discretionary incentive funding for trade assistance.

**6. Budget Amendment Necessary:** Yes, to capitalize the new fund. See item 8.

**7. Fiscal Impact Estimates:** Preliminary.

**8. Fiscal Implications:** This bill creates a new fund in the state treasury called the Virginia First Manufacturing Incentive Fund. The Virginia Economic Development Partnership (VEDP) is tasked with managing and administering the Fund. To capitalize the Fund, an appropriation is required. The bill does not identify a funding source. The second enactment clause of the bill specifies that VEDP create a proposed budget and business plan for the new Virginia First Manufacturing Incentive Program.

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.

At this time, the size and scope of the program is indeterminate. The bill does not authorize the use of the Fund for administration of the program. As such, VEDP may require additional staff to support this program.

**9. Specific Agency or Political Subdivisions Affected:** Virginia Economic Development Partnership; Division of Executive Administrative Services.

**10. Technical Amendment Necessary:** No.

**11. Other Comments:** None.