

Department of Planning and Budget

2001 Fiscal Impact Statement

1. Bill Number SB1374

House of Origin ☒ Introduced ☐ Substitute ☐ Engrossed
Second House ☐ In Committee ☐ Substitute ☐ Enrolled

2. Patron Marye

3. Committee Finance

4. Title Personal Property Tax Relief Act of 1998.

5. Summary/Purpose:

Repeals the Personal Property Tax Relief Act of 1998, Chapter 35.1 (§ 58.1-3523 et seq.) of Title 58.1, and other provisions of the Code of Virginia related to the Personal Property Tax Relief Act of 1998 effective January 1, 2002.

6. Fiscal Impact Estimates are:

6a. Expenditure Impact:

<i>Fiscal Year</i>	<i>Dollars</i>	<i>Positions</i>	<i>Fund</i>
2000-01			
2001-02	(\$323,100,000)		General
2002-03			

7. Budget amendment necessary:

Yes. Page 474, line 17, Item 546, strike "\$855,404,025" and insert "\$532,304,025." Page 474, line 22, Item 546, strike "\$855,404,025" and insert "\$532,304,025."

8. Fiscal implications:

There would be a decrease in general fund expenditures for the second year of the biennium, estimated at \$323,100,000. The actual decrease would depend on the timing of the billings submitted by the localities for reimbursement for car tax payments through December 31, 2001.

The Department of the Treasury advises that administrative savings would be minimal, since that agency reimburses the localities in a lump sum by electronic fund transfers.

The Department of Motor Vehicles (DMV) estimates expenditure savings of \$31,900 based on one-time computer systems adjustment costs associated with the dismantling of Personal Property Tax Relief Act (PPTRA) automated programs. There are no potential administrative savings because PPTRA-related expenses for personnel, contractual services, and computer run-time and materials would be reallocated to other DMV services.

The decreased expenditure would be available for appropriation for other purposes or could be returned to the fund balance of the general fund.

9. Specific agency or political subdivisions affected:

Department of Motor Vehicles, Department of the Treasury, all counties and cities.

10. Technical amendment necessary:

No.

11. Other comments:

The bill, if enacted, would return the administration of the personal property tax for motor vehicles to the localities, as was the case prior to the enactment of the Personal Property Tax Relief Act in 1998. Localities would incur costs to modify their PPTRA automated systems to eliminate reductions for tax relief. These costs are unknown and would vary by locality.

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cc: Secretary of Finance

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