

DEPARTMENT OF TAXATION

2003 Fiscal Impact Statement

1. **Patron** Phillips

2. **Bill Number** HB 2163

3. **Committee** House Finance

House of Origin:

 X **Introduced**

 Substitute

 Engrossed

4. **Title** Local Coal and Gas Road Improvement Tax:
Use of Funds by Dickenson County

Second House:

 In Committee

 Substitute

 Enrolled

5. **Summary/Purpose:**

This bill would authorize Dickenson County to use up to \$1 million per year from the special one percent severance tax on coal and gas for any purpose. Under current law, all revenues generated by the local coal and gas road improvement tax are to be paid into a special fund and used solely for road improvement, water quality improvement, and economic development.

The effective date of this bill is not specified.

6. **No Fiscal Impact.** (See Line 8.)

7. **Budget amendment necessary:** No.

8. **Fiscal implications:**

This bill would have no impact on state or local revenues. The bill addresses how Dickenson County may use revenue generated from the local coal and gas road improvement tax.

9. **Specific agency or political subdivisions affected:**

Dickenson County

10. **Technical amendment necessary:** No.

11. **Other comments:**

The local coal and gas road improvement tax was enacted in 1978. It is an additional coal and gas severance tax, with revenues dedicated to road and regional water projects. The General Assembly has extended the sunset date of the tax four times, most recently in 2002, when it extended the sunset date to 2007.

This bill provides Dickenson County with the authority to use up to one million dollars of the monies generated by this special tax for purposes other than transportation and water projects.

cc: Secretary of Finance

Date: 01/13/03 /SLR

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