

## Department of Planning and Budget

### 2005 Fiscal Impact Statement

**1. Bill Number** HB1641ER

**House of Origin**    ☐ Introduced    ☐ Substitute    ☐ Engrossed

**Second House**    ☐ In Committee    ☐ Substitute    ☒ Enrolled

**2. Patron**        Orrock

**3. Committee**    Passed Both Houses

**4. Title**            Motor fuels tax; refund.

**5. Summary/Purpose:**

This legislation proposes to amend and reenact § [58.1-2259](#) of the Code of Virginia to provide a 55 percent refund of the motor fuels tax paid by any person purchasing fuel for consumption in a vehicle designed or adapted solely and exclusively for bulk spreading or spraying of agricultural liming materials, chemicals, or fertilizer, where the vehicle's equipment is mechanically or hydraulically driven by an internal combustion engine that propels the vehicle.

**6. Fiscal Impact Estimates are:** Final. See item #8.

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

**8. Fiscal implications:** The Department of Motor Vehicles (DMV) advises that it is difficult to determine the exact fiscal impact of this legislation. The legislation will provide a 55 percent reduction in the motor fuels tax paid by persons purchasing fuel for the consumption in a vehicle designed or adapted solely and exclusively for bulk spreading or spraying of agricultural liming materials, chemicals, or fertilizer, where the vehicle's equipment is mechanically or hydraulically driven by an internal combustion engine that propels the vehicle. DMV advises that this would apply only to a minimal number of vehicles, though it is difficult to determine exactly how many. Given this, it is likely this legislation will result in only a minimal reduction in fuels tax revenues.

**9. Specific agency or political subdivisions affected:** Department of Motor Vehicles

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

**11. Other comments:** This bill is similar to SB 794ER, but has a different implementation date. While HB1641ER has the standard implementation date of July 1, 2005, SB794ER has a specifically enumerated date of January 1, 2006. However, DMV advises the implementation date differences should not significantly impact the agency.

**Date:** 03/08/05 / MEM

**Document:** G:\Fis\05\DMV\Hb1641er.Doc Michael McMahon

cc: Secretary of Transportation