

Department of Planning and Budget
2006 SSI Fiscal Impact Statement

1. Bill Number HB 5082

House of Origin ☒ Introduced ☐ Substitute ☐ Engrossed

Second House ☐ In Committee ☐ Substitute ☐ Enrolled

2. Patron Wardrup

3. Committee Appropriations

4. Title Transportation; dedication of certain state recordation tax revenue to localities.

5. Summary/Purpose:

The bill increases the transfers of revenues from the state recordation tax with funds which currently support the general fund. The bill increases the transfer to the Route 58 Corridor Development Fund by \$10 million and the transfer to localities by \$60 million. The bill also changes the restrictions on the use of the funds by localities.

6. Fiscal Impact: Preliminary.

<i>General Fund</i>	
<i>Fiscal Year</i>	<i>Amount</i>
FY 2008	(70,000,000)
FY 2009	(70,000,000)
FY 2010	(70,000,000)
FY 2011	(70,000,000)
FY 2012	(70,000,000)

<i>Nongeneral Fund</i>	
<i>Fiscal Year</i>	<i>Amount</i>
FY 2008	70,000,000
FY 2009	70,000,000
FY 2010	70,000,000
FY 2011	70,000,000
FY 2012	70,000,000

7. Budget amendment necessary: Yes. The reduction in general fund revenues would likely require there be significant reductions in general fund appropriations for some programs or some agencies in FY 2008.

8. Fiscal implications:

The state recordation tax is currently split between localities and the state. An amount equal to \$40 million is distributed to counties and cities based on their share of the recordation taxes paid to the state. Localities must use their recordation tax revenues for transportation or public education purposes. Another \$40 million is allocated to a fund for road improvements to the Route 58 corridor. The remainder of the state recordation tax supports the general fund.

The bill increases the amounts for these two transfers, totaling \$70 million, using funds currently supporting the general fund.

For FY 2008, the bill grants localities some discretion in the distribution of the recordation tax revenue. Up to \$40 million may be used for public education or transportation purposes, while the remaining \$60 million must be used for transportation. Beginning in FY 2009, the full \$100 million amount must be used for transportation purposes.

The provisions of the bill become effective on July 1, 2007.

9. Specific agency or political subdivisions affected:

All county and city governments
Department of Transportation
Department of Accounts

10. Technical amendment necessary: None.

11. Other comments: None.

Date: 09/13/06 / smc

Document: F:\SMC\GA\FIS 2006\HB5082.Doc

cc: Secretary of Finance

Secretary of Transportation