

*Department of Housing and Community Development
Commission on Local Government*

Estimate of Local Fiscal Impact
2007 General Assembly Session

Bill: HB 2640

Patron: Gear

Date: February 2, 2007

In accordance with the provisions of §30-19.03 through 30-19.03:1.1 of the Code of Virginia, the staff of the Commission on Local Government offers the following analysis of the above-referenced legislation:

I. Bill Summary

HB 2640 would prohibit imposition of local vehicle license taxes and fees on inoperable vehicles.

II. Fiscal Impact Analysis

The Commission on Local Government received fiscal impact estimates concerning HB 2640 from four local governments (the Counties of Rockingham and Spotsylvania and the Cities of Danville, Virginia Beach and Winchester). Four localities (County of Rockingham and the Cities of Danville, Virginia Beach and Winchester) reported that the net reduction in revenue resulting from this legislation would be less than \$5,000. The County of Spotsylvania reported that it was unable to determine the revenue impact of this measure because inoperable vehicles are not separately tracked in its system.

III. Conclusion

The fiscal impact of HB 2640 on local governments would be minimal. The bill would only affect certain localities, those that currently charge a license fee or tax on inoperable vehicles that do not have license plates and a current (or any) inspection decal. It appears that even those localities that charge a fee or tax for such vehicles, the revenue reduction impact of this bill would not be significant.