

## Department of Planning and Budget 2008 Fiscal Impact Statement

**1. Bill Number:** SB767

House of Origin      X      Introduced                  Substitute                  Engrossed  
Second House                 In Committee              Substitute                  Enrolled

**2. Patron:**        Watkins

**3. Committee:** Senate Finance

**4. Title:**        **Richmond Metropolitan Authority; composition of Board; revenue authority.**

**5. Summary:** The proposed legislation would revise the composition of the Board of Directors of the Richmond Metropolitan Authority (the Authority) and provide an opportunity for additional localities to join the Authority.

The Authority is also granted additional revenue authority. However, the fees and taxes authorized by this Act by the Authority shall only be imposed or assessed by the Authority if (i) the member localities approve the restructuring of the Board of Directors of the Authority as proposed by this Act and (ii) a majority of Authority members that include at least 51 percent of the population of the localities embraced by the Authority pass a duly adopted resolution stating its approval of such power of the Authority.

The proposed legislation states that the current assets and obligations of the Authority are not affected by the passage of the legislation. The Authority currently operates several toll facilities in the Richmond area, and revenues from toll collections pay debt service on revenue bonds.

**6. Fiscal Impact Estimates:** Preliminary.

**6a. Expenditure Impact:** The proposed legislation would require state agencies to collect revenue on behalf of the Richmond Metropolitan Authority. The expenses incurred by the agencies would be recovered through the collected revenue.

**7. Budget Amendment Necessary:** None.

**8. Fiscal Implications:** The bill would authorize the Richmond Metropolitan Authority (the Authority) to impose additional local taxes and fees to be used by the Authority for transportation purposes within the localities. The additional local taxes and fees would include: i) an annual license fee of \$10; ii) an initial registration fee at the rate of 1 percent; iii) an additional inspection fee of \$10; iv) the Motor Vehicle Repair Labor and Services Sales and Use Tax ("Repair Tax") at the rate of 5 percent; v) a congestion relief grantor's tax at the rate of \$0.40 per \$100; vi) the Motor Vehicle Fuel Sales Tax at the rate of 2 percent; and vii) a 2 percent daily car rental fee.

**Richmond Metropolitan Authority Anticipated Revenues\***

(millions of dollars)

	<u>Rate</u>	<u>FY09</u>	<u>FY10</u>	<u>FY11</u>	<u>FY12</u>	<u>FY13</u>	<u>FY14</u>
Retail Motor Fuels Sales Tax	2%	\$9.3	\$22.4	\$22.4	\$22.4	\$22.4	\$22.4
Grantor's Tax	40 cents	13.4	29.3	28.9	28.8	28.9	29.3
Motor Vehicle Rental Tax	2%	1.1	2.3	2.4	2.5	2.6	2.7
Local Vehicle Registration Fee	\$10	4.1	8.2	8.2	8.2	8.2	8.2
First Time Vehicle Registration	1%	11.6	24.4	24.7	25.2	25.8	26.1
Auto Repairs	5%	5.7	14.3	14.8	15.3	15.9	16.4
Vehicle Inspection Fee	\$10	3.7	7.5	7.5	7.5	7.5	7.5
<b>Hampton Roads Total</b>		<b>\$48.9</b>	<b>\$108.4</b>	<b>\$108.9</b>	<b>\$109.9</b>	<b>\$111.3</b>	<b>\$112.6</b>

*\* Assumes an effective date of January 1, 2009*

**9. Specific Agency or Political Subdivisions Affected:** Richmond Metropolitan Authority, Department of Transportation, Department of Taxation, Department of Motor Vehicles, City of Richmond, Counties of Chesterfield, Hanover and Henrico

**10. Technical Amendment Necessary:** None.

**11. Other Comments:** The bill will become effective on July 1, 2008. In order to allow the local governments to prepare for the new taxes and fees, an effective date of January 1, 2009 was used for the revenues generated by the authorized taxes and fees.

The bill is similar to HB1573, although that bill would create a new entity to collect the taxes and fees.

**Date:** 2/4/2008 dpb/smc

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cc: Secretary of Transportation