

Department of Planning and Budget 2008 Fiscal Impact Statement

1. Bill Number: SB 798

House of Origin	<u>X</u>	Introduced	___	Substitute	___	Engrossed
Second House	___	In Committee	___	Substitute	___	Enrolled

2. Patron: Wagner

3. Committee: Senate Transportation

4. Title: Revenues for the Hampton Roads Transportation Authority.

5. Summary: This impact statement is revised to accurately label the funds generated by the taxes and fees as state revenue sources. The proposed legislation revises the enabling legislation regarding the sources of revenue for the Hampton Roads Transportation Authority (the Authority). The bill repeals or amends the sections of the Code of Virginia enabling the Authority to impose the taxes and fees, and imposes those taxes and fees directly on the counties and cities embraced by the Authority.

The State Supreme Court recently released an opinion that the imposition of taxes and fees directly by the Northern Virginia Transportation Authority is unconstitutional. The proposed legislation would directly impose the taxes and fees within the localities included in the Hampton Roads Transportation Authority. The bill does not amend the legislation regarding the Northern Virginia Transportation Authority.

6. Fiscal Impact Estimates: Preliminary. See Item 8.

7. Budget Amendment Necessary: None.

8. Fiscal Implications: The bill does not amend the rates of the taxes and fees, but would have the effect of turning the revenues generated by the taxes and fees into state revenue sources. The Commonwealth would transfer the revenue to the Hampton Roads Transportation Authority Revenue Fund. The rates of the taxes and fees remain the same as when the Authority was created during the 2007 Session of the General Assembly. The bill does not contain an emergency enactment clause, and therefore would take effect July 1, 2008. As such, the Authority would not collect any revenue in FY 2008. Prior to the ruling of the State Supreme Court, the Authority planned to begin collecting taxes and fees May 1, 2008. The expected revenues, by source, are shown on the following table:

SB 798 Hampton Roads Transportation Authority

(millions of dollars)

	<u>Rate Change</u>	<u>FY08</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%	\$0.0	43.9	47.4	48.0	48.9	50.3	50.6
Grantor's Tax	40 cents	0.0	45.7	49.8	49.1	49.0	49.1	49.8
Motor Vehicle Rental Tax	2%	0.0	3.1	3.5	3.6	3.7	3.9	4.0
Local Vehicle Registration Fee	\$10	0.0	12.6	13.7	13.7	13.7	13.7	13.7
First Time Vehicle Registration	1%	0.0	38.0	43.5	44.0	45.0	46.1	46.6
Auto Repairs	5%	0.0	16.9	19.1	19.8	20.5	21.2	22.0
Vehicle Inspection Fee	\$10	0.0	12.6	12.6	12.6	12.6	12.6	12.6
HRTA Total		\$0.0	\$172.9	\$189.6	\$190.9	\$193.5	\$196.9	\$199.2

For those state agencies involved in the collection of the revenue streams authorized in this legislation, the cost of collection is recovered from collected revenues.

- 9. Specific Agency or Political Subdivisions Affected:** Department of Taxation, Department of Motor Vehicles, Department of Transportation, Department of Accounts, Hampton Roads Transportation Authority, Cities of Chesapeake, Hampton, Newport News, Norfolk, Poquoson, Portsmouth, Suffolk, Virginia Beach, and Williamsburg, and the counties of Isle of Wight, James City and York.

10. Technical Amendment Necessary: None.

11. Other Comments: None.

Date: 3/5/2008 dpb/smc

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cc: Secretary of Transportation