

**Department of Planning and Budget**  
**2008 Special Session II**  
**Fiscal Impact Statement**

**1. Bill Number:** HB6042

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

**2. Patron:**        Albo

**3. Committee:** House Rules

**4. Title:**        **Transportation funding and administration.**

**5. Summary:** The proposed legislation would provide for state-imposed fees and taxes on the regions of Northern Virginia and Hampton Roads. Those fees and taxes would replace certain fees and taxes for Northern Virginia and Hampton Roads authorized pursuant to Chapter 896 of the Acts of Assembly of 2007 that are within the ambit of the Supreme Court of Virginia's decision on February 29, 2008, that they are unconstitutional. The bill replaces the Hampton Roads Transportation Authority by transferring its duties to other entities.

The bill also provides for the Auditor of Public Accounts to initiate an operational and programmatic performance review of the Departments of Transportation and Rail and Public Transportation, along with other agencies within the Transportation Secretariat, with an interim report to be completed by December 15, 2008, and a final report to be completed by August 1, 2009. The review shall be conducted by a private management consulting firm. The goal of the review is to determine an objective and independent cost savings assessment of the Commonwealth's organizational structure and efficiency of the Commonwealth's transportation programs to provide information to the Governor and the General Assembly on ways to reduce duplication of effort and implement cost savings measures and programmatic efficiencies in the operation of state transportation programs. Any potential monetary savings realized from implementation of recommendations of the performance review shall be applied to the Highway Maintenance and Operating Fund. The bill provides that the costs of conducting the review be paid from existing appropriations to agencies within the Transportation Secretariat.

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

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

**8. Fiscal Implications:** The bill does not impact statewide revenues. The revenue increases contained in the bill are dedicated to the Northern Virginia Transportation Authority and a new fund supporting Hampton Roads. The tables on the following page show the totals generated for the two regions. The cost of the audit for the Department of Transportation and the Department of Rail and Public Transportation is to be provided out of existing appropriation for the agencies.

**Northern Virginia Transportation Authority****All provisions, with the exception of the original drivers license fee, effective 1/1/2009**

(millions of dollars)

	<u>Rate Change</u>	<u>FY09</u>	<u>FY10</u>	<u>FY11</u>	<u>FY12</u>	<u>FY13</u>	<u>FY14</u>
Original Drivers License Fee	\$100	\$3.1	\$6.2	\$6.2	\$6.2	\$6.2	\$6.2
Increase the Grantor's Tax	40 cents	53.4	116.6	114.7	114.7	114.7	116.6
Motor Vehicle Rental Tax	2%	3.1	7.7	7.9	8.2	8.5	8.8
Commerical Real Estate	25 cents	20.9	41.7	41.7	41.7	41.7	41.7
Increase Transient Occupancy Tax	2%	10.7	26.7	27.9	29.0	30.2	31.5
<b><u>TOTAL</u></b>		<b>\$91.2</b>	<b>\$198.9</b>	<b>\$198.4</b>	<b>\$199.9</b>	<b>\$201.4</b>	<b>\$204.8</b>

**Hampton Roads Transportation Authority, all provisions effective 1/1/2009**

(millions of dollars)

	<u>Rate Change</u>	<u>FY09</u>	<u>FY10</u>	<u>FY11</u>	<u>FY12</u>	<u>FY13</u>	<u>FY14</u>
Vehicle Inspection Fee	\$20	\$12.6	\$25.2	\$25.2	\$25.2	\$25.2	\$25.2
Motor Vehicle Rental Tax	2%	1.4	3.5	3.6	3.7	3.9	4.0
Commerical Real Estate	10 Cents	10.2	20.3	20.3	20.3	20.3	20.3
Local Vehicle Registration Fee	\$20	13.7	27.4	27.4	27.4	27.4	27.4
<b><u>TOTAL</u></b>		<b>\$37.9</b>	<b>\$76.4</b>	<b>\$76.5</b>	<b>\$76.7</b>	<b>\$76.8</b>	<b>\$76.9</b>

**9. Specific Agency or Political Subdivisions Affected:** VDOT, Northern Virginia Transportation Authority, and counties and cities in Northern Virginia and Hampton Roads

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

**11. Other Comments:** None.

**Date:** 6/25/2008 dpb/smc

**Document:** G:\GA\FIS 2008 SSII\HB6042.doc

cc: Secretary of Transportation