

Department of Planning and Budget 2011 Fiscal Impact Statement

1. Bill Number: SB973

House of Origin ☒ Introduced ☐ Substitute ☐ Engrossed
Second House ☐ In Committee ☐ Substitute ☐ Enrolled

2. Patron: Whipple

3. Committee: Agriculture, Conservation and Natural Resources

4. Title: Inspecting and testing of weights and measures; imposition of a fee used for inspecting and testing

5. Summary: Imposes a fee of one-tenth of one cent on fuels subject to Virginia's fuels taxes, with the proceeds to be used solely to inspect and test petroleum dispensing pumps. The bill also states the intent of the General Assembly that each weight and measure commercially used be inspected and tested at least annually. Such additional fee would be collected by the Department of Motor Vehicles (DMV) as part of that agency's regular collection of fees associated with the Virginia Petroleum Storage Tank Fund. The additional fee would be remitted by DMV to VDACS for the purpose of inspecting and testing petroleum dispensing pumps

6. Budget Amendment Necessary: Yes, item 88 of SB 800.

7. Fiscal Impact Estimates:

7a. Expenditure Impact:

<i>Fiscal Year</i>	<i>Dollars</i>	<i>Positions</i>	<i>Fund</i>
2012	\$ 4,200,000	42 FTE's	NGF
2013	\$ 4,200,000	42 FTE's	NGF
2014	\$ 4,200,000	42 FTE's	NGF
2015	\$ 4,200,000	42 FTE's	NGF
2016	\$ 4,200,000	42 FTE's	NGF
2017	\$ 4,200,000	42 FTE's	NGF

7a. Expenditure Impact:

<i>Fiscal Year</i>	<i>Dollars</i>	<i>Positions</i>	<i>Fund</i>
2012	(\$ 1,065,844)	(29.00)	GF
2013	(\$ 1,065,844)	(29.00)	GF
2014	(\$ 1,065,844)	(29.00)	GF
2015	(\$ 1,065,844)	(29.00)	GF
2016	(\$ 1,065,844)	(29.00)	GF
2017	(\$ 1,065,844)	(29.00)	GF

7b. Revenue Impact:

<i>Fiscal Year</i>	<i>Dollars</i>	<i>Fund</i>
2011		
2012	\$ 4,200,000	NGF
2013	\$ 4,200,000	NGF
2014	\$ 4,200,000	NGF
2015	\$ 4,200,000	NGF
2016	\$ 4,200,000	NGF
2017	\$ 4,200,000	NGF

8. Fiscal Implications:

The Department of Agriculture and Consumer Services' Office of Weights and Measures is responsible for enforcing the provisions of the Weights and Measures Law, §3.2-5600 et seq, Code of Virginia, which requires the Commissioner of VDACS to inspect weighing and measuring devices that are used commercially in Virginia. The office is also responsible for administering the provisions of the Motor Fuels and Lubricating Oils Law, §59.1-149 et seq. of the Code. VDACS estimates that there are 130,500 weighing and measuring devices being used commercially at 13,100 locations in Virginia. Of the 130,500 devices, approximately 87,500 are liquid measuring devices (i.e. motor fuel dispensers).

The Weights and Measures Program's general fund budget is \$2,131,680 for FY 2011. At this funding level, VDACS staff cannot respond effectively to the demand for inspection activities. At present, the overall frequency of inspection for all devices exceeds 24 months. The funding mechanism provided in this bill will generate sufficient funds to hire the adequate number of inspectors and related equipment to reduce the frequency of inspections to 12 months as stipulated in the bill.

It is assumed that the nongeneral fund resources generated by the weights and measures fee will be used to supplant existing general fund resources used for the inspection of petroleum devices. This will include transferring 34 positions to nongeneral fund support, including the existing 23 positions that are currently filled, four inspector vacancies and two metrologist vacancies, and creating five new inspector positions to meet the inspection rate requirements of the bill.

Nongeneral Fund (VDACS):

The total personnel cost for the inspection of petroleum devices, including salaries and fringe benefits would be approximately \$2,560,375. Related administrative overhead, including IT support, would be approximately \$213,528. Vehicle related expenses, including acquisition of four new large-capacity scale testing trucks, lease, and fuel expenses, are estimated at \$1,093,600. The Metrology Laboratory requires comprehensive upgrades totaling approximately \$380,000. There will be ongoing costs over the next few years to acquire much needed equipment and to replace other equipment that has fallen in disrepair.

General Fund (VDACS):

The inspection and testing of other weights and measures devices, including small and large capacity scales, will continue to be supported by the existing general fund appropriation for the program. This component of the weights and measures program will require 8 positions and related costs such as support costs, vehicle leases, and travel. The estimated annual cost will be \$1,065,836. Therefore, the general fund support for the program may be reduced by \$1,065,844, as outlined in item 6.

Other:

The Department of Motor Vehicles (DMV) would be required, in its administration of the motor fuels tax, to collect additional fees that it would deposit into the Weights and Measures Fund. Currently DMV collects fees on transactions subject to the motor fuels tax that it deposits into the Petroleum Storage Tank Fund. The agency believes that it could administer at minimal cost the additional fee proposed in this legislation.

9. Specific Agency or Political Subdivisions Affected: Virginia Department of Agriculture and Consumer Services (VDACS), Department of Motor Vehicles (DMV)

10. Technical Amendment Necessary: No

11. Other Comments: None

Date: 2/1/2011