

## Department of Planning and Budget 2013 Fiscal Impact Statement

1. **Bill Number:** HB1984

<b>House of Origin</b>	<input type="checkbox"/> Introduced	<input checked="" type="checkbox"/> Substitute	<input type="checkbox"/> Engrossed
<b>Second House</b>	<input type="checkbox"/> In Committee	<input type="checkbox"/> Substitute	<input type="checkbox"/> Enrolled

2. **Patron:** May

3. **Committee:** Transportation

4. **Title:** Unconventional vehicles.

5. **Summary:** This bill provides for the titling and registration of mopeds and distinctive license plates for low-speed vehicles. The bill also requires a moped operator to carry government-issued photo identification and wear a face shield, safety glasses, or goggles if his moped is not equipped with safety glass or a windshield. The bill exempts mopeds, all-terrain vehicles, and off-road motorcycles from the retail sales and use tax and instead subjects them to the motor vehicle sales and use tax. In addition, it replaces the term "scooter" with "foot-scooter" and makes other largely technical changes based upon recommendations made by the Department of Motor Vehicles (DMV) after a year-long study of Virginia's laws relating to unconventional vehicles.

6. **Budget Amendment Necessary:** No.

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

**7a. Expenditure Impact:**

<i>Fiscal Year</i>	<i>Dollars</i>	<i>Positions</i>	<i>Fund</i>
2013	\$40,000	-	Nongeneral fund

8. **Fiscal Implications:** A one-time information technology cost of \$40,000 is estimated to create systems necessary to implement the provisions of this legislation. DMV could absorb a small cost for plates issued to low-speed vehicles and mopeds, which would be offset by title and registration fees on mopeds.

By applying a three percent motor vehicle sales and use tax to mopeds, all-terrain vehicles, and off-road motorcycles in lieu of the five percent general retail sales and use tax, all of the revenue will be directed to transportation. Using an estimate of approximately 10,000 mopeds, all-terrain vehicles and off-road motorcycles titled per year, and assuming an average sales price of \$8,000, the total impact would be approximately \$1,600,000 annually distributed to the Highway Maintenance and Operating Fund (HMOF) and \$800,000 distributed annually to the Transportation Trust Fund (TTF). Currently, the five percent retail sales and use tax is directed to the general fund, the TTF, localities, and the HMOF, in line with the Governor's introduced budget which directs 0.005 percent to maintenance activities in FY 2014. The loss by the current distribution of \$4,000,000 in retail sales and use tax would occur as follows:

<b>Fund</b>	<b>Amount</b>
General fund, unrestricted	(\$1,960,000)
General fund, restricted (SOQ)	(\$800,000)
Transportation Trust Fund	(\$400,000)
Localities	(\$800,000)
HMOF	(\$40,000)

**9. Specific Agency or Political Subdivisions Affected:** Department of Motor Vehicles, local school districts, localities, Department of Transportation.

**10. Technical Amendment Necessary:** No.

**11. Other Comments:** This bill is a companion to SB 1038.

**Date:** 1/28/13

**Document:** Janet Vogelgesang G:\12-14\FIS\HB1984H1.DOC

c: Secretary of Transportation