

Department of Planning and Budget

2014 Fiscal Impact Statement

1. Bill Number: HB623

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

2. Patron: Watts

3. Committee: Finance

4. Title: Annual fee on electric, hybrid electric, and alternative fuel motor vehicles

5. Summary: This bill replaces the \$64 annual license tax on electric, hybrid electric, and alternative fuel motor vehicles with a \$64 annual road usage fee on (i) electric motor vehicles and (ii) any other motor vehicle that has a combined city/highway fuel economy rating equal to or greater than 40 miles per gallon or 40 miles per gallon of gasoline-equivalent (MPGe), according to standards and regulations of the U.S. Environmental Protection Agency.

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>
2014	\$132,860	-	Motor Vehicle Special Fund

7b. Revenue Impact: Indeterminate.

8. Fiscal Implications: This legislation will have an unknown positive impact on the Commonwealth Transportation Fund, according to the Department of Taxation.

The Department of Motor Vehicles (DMV) does not currently collect miles-per-gallon (MPG) data and automobile manufacturers and dealers do not currently report this data in a way that could be transmitted to the agency. This information is neither embedded within the Vehicle Identification Number (VIN), nor contained on the manufacturer's certificate of origin. In addition, DMV currently has no reliable source of data for the MPG rating on used cars and, as in the case with new vehicles, no way to collect it.

Should a comprehensive rating guide for all model years be developed, DMV would incur a one-time information technology cost of \$132,860 to implement the provisions of the proposed legislation, which would be absorbed within existing resources.

9. Specific Agency or Political Subdivisions Affected: Department of Motor Vehicles, Virginia Department of Transportation.

10. Technical Amendment Necessary: No.

11. Other Comments: None.

Date: 1/16/14

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c: Secretary of Transportation