

Department of Planning and Budget

2014 Fiscal Impact Statement

1. Bill Number: HB975

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

2. Patron: Rust

3. Committee: Finance

4. Title: Annual license tax on hybrid electric motor vehicles

5. Summary: This bill eliminates the \$64 annual license tax on hybrid electric motor vehicles that was first imposed beginning July 1, 2013.

6. Budget Amendment Necessary: Yes, Item 445.

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	\$52,150	-	Motor Vehicle Special Fund

7b. Revenue Impact:

<i>Fiscal Year</i>	<i>Dollars</i>	<i>Fund</i>
2015	(\$6,900,000)	Highway Maintenance and Operating Fund
2016	(\$7,800,000)	Highway Maintenance and Operating Fund
2017	(\$8,800,000)	Highway Maintenance and Operating Fund
2018	(\$9,800,000)	Highway Maintenance and Operating Fund
2019	(\$10,700,000)	Highway Maintenance and Operating Fund
2020	(\$10,700,000)	Highway Maintenance and Operating Fund

8. Fiscal Implications: This bill repeals the \$64 annual license tax on hybrid electric motor vehicles imposed by HB 2313, effective July 1, 2013. The bill does not provide for refunds of the license tax paid on hybrid electric motor vehicles. Since the tax was implemented on July 1, 2013, 75,500 drivers have paid a licensing tax for hybrid vehicles.

To implement the provisions of the proposed legislation, the Department of Motor Vehicles will incur a one-time information technology cost of \$52,150, which would be absorbed within existing resources.

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

10. Technical Amendment Necessary: No.

11. Other Comments: This bill is a companion to HB 72 and SB 221.

Date: 1/15/14

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C: Secretary of Transportation