

Department of Planning and Budget

2016 Fiscal Impact Statement

1. Bill Number: SB719

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

2. Patron: DeSteph

3. Committee: Transportation

4. Title: Oversize watercraft; removes authority of localities to issue permit & authorizes Commissioner of the Department of Motor Vehicles

5. Summary: This bill removes the authority of cities and towns to issue permits for oversize watercraft and authorizes the Commissioner of the Department of Motor Vehicles to issue such permits.

6. Budget Amendment Necessary: No.

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

7b. Revenue Impact:

<i>Fiscal Year</i>	<i>Dollars</i>	<i>Fund</i>	<i>Dollars</i>	<i>Fund</i>
2016	-	-	-	-
2017	(46,800)	DMV	62,400	HMOF
2018	(46,800)	DMV	62,400	HMOF
2019	(46,800)	DMV	62,400	HMOF
2020	(46,800)	DMV	62,400	HMOF
2021	(46,800)	DMV	62,400	HMOF
2022	(46,800)	DMV	62,400	HMOF

8. Fiscal Implications: The Department of Motor Vehicles (DMV) already issues permits for the transportation of oversize watercraft over state highways (but not over local roads). In FY 2015, the agency issued 520 permits for boats with widths of between 8.5 and 9 feet. It is not expected that the elimination of local permits will result in any increase in the number of permits issued by DMV, as it is believed that many boat owners currently obtain only a DMV-issued permit to transport their watercraft, either because they are unaware of local permit requirements or because they do not wish to pay the fee for a local permit.

Even if the bill does not result in DMV issuing more permits, the legislation will have an impact on DMV revenues. Under current law, the fee for an annual permit to haul an oversized load is \$100, all of which DMV retains. Under this legislation, the fee for a boat permit will be \$130, and the revenue will be allocated as prescribed under § 46.2-1140.1: \$10 to DMV, \$120 to the Highway Maintenance and Operating Fund (HMOF), to be

provided in turn to localities in proportion to lane miles in each jurisdiction. DMV would thus lose 90 percent of the revenue it currently receives annually from permit fees for these boats ($\$100 \times 520 \times 0.9 = \$46,800$), while the HMOF would receive additional revenue of \$62,400 annually ($\120×520).

The potential impact from this legislation on local revenues cannot be estimated.

9. Specific Agency or Political Subdivisions Affected: Department of Motor Vehicles, Department of Transportation, cities and towns.

10. Technical Amendment Necessary: No.

11. Other Comments: None.

Date: 2/25/16

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c: Secretary of Transportation