

## Department of Motor Vehicles 2001 Fiscal Impact Statement

**1. Bill Number** HB1657

<b>House of Origin</b>	<input checked="" type="checkbox"/> Introduced	<input 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** Parrish

**3. Committee** Finance

**4. Title** Fuels tax; corrections to 'tax at the rack.'

**5. Summary/Purpose:**

Fuels tax; corrections to "tax at the rack." Corrects the Virginia Motor Fuels Act, which was enacted during the 2000 General Assembly Session, as follows: (i) requires shipping documents issued by terminal operators to be machine-printed and those issued by operators of a bulk plant to be printed on a form; (ii) deletes language that would have allowed DMV to inspect books and records that are not maintained on the business' premises at any hour, provided one of the person's places of business is open at the time of inspection; and (iii) places the burden of proof for assessments on the DMV Commissioner rather than the petitioner.

**6. Fiscal Impact Estimates are:** Unknown

**7. Budget amendment necessary:** Not at this time. If the shift in the burden of proof stays in the bill, the impact could possibly result in the need of additional personnel to offset the expected increase in the number of man hours needed to process these cases, in which case a future budget amendment may be needed.

**8. Fiscal implications:** The changes to the requirements relating to shipping documents and the inspection of records have no significant impact on DMV. However, placing the burden of proof on DMV to show that its fuels tax assessments are correct is inconsistent with the current and former fuels tax law and other similar tax laws that establish burdens of proof. It sets a potentially dangerous precedent if allowed to stand. DMV believes it will result in a significant increase in the number of appeals of fuels tax assessments, which in turn, will result in a significant increase in the number of man hours dedicated to handling these cases.

**9. Specific agency or political subdivisions affected:** Department of Motor Vehicles, Attorney General's Office, court system

**10. Technical amendment necessary:** No

**11. Other comments:** The Attorney General's Office has indicated that it strongly believes that shifting the burden of proof will result in more appeals of fuels tax assessment decisions, and in turn, more court cases and significantly more man hours dedicated to these cases on the part of DMV staff as well as the staff of the Attorney General's Office. The Attorney General's Office also agrees that this change would

be inconsistent with the current and former fuels tax law and other similar tax laws that establish burdens of proof and that it would set a dangerous precedent if allowed to stand.

**Date:** 01/11/00 /jmc

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cc: Secretary of Transportation

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