

Department of Planning and Budget 2007 Fiscal Impact Statement

1. Bill Number SB1414

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 Devolites Davis

3. Committee Transportation

4. Title Transportation; supplemental funding for Northern Virginia.

5. Summary/Purpose: The proposed legislation would authorize localities in Northern Virginia to impose additional local fees and transfer the revenues to the Northern Virginia Transportation Authority (the Authority) for transportation purposes.

6. Fiscal Impact Estimates are: Indeterminate. The proposed legislation will require the Department of Motor Vehicles, the Department of Taxation, the State Treasurer and other state agencies to assume administrative responsibility for the collection and deposit of certain local taxes and fees. The costs of these activities have not been accounted for in the legislation.

7. Budget amendment necessary: None.

8. Fiscal implications: The legislation has no impact on state revenues but provides additional revenue to the Northern Virginia Transportation Authority. In total, if all localities adopt by ordinance the additional revenue sources, \$411.4 million would be generated in FY 2008.

The revenues, collected by DMV, Tax, and localities, are to be deposited into accounts established for the Northern Virginia Transportation Authority, an already established entity

The proposed legislation has no required start date for imposition of new taxes and fees but the locality cannot impose them before July 1, 2008. If a locality does not impose ALL the revenues, the locality may not determine projects and services to be funded nor receive an allocation from the Authority.

A condition of receiving funding from the Authority for urban and secondary roads is that the locality must assume responsibility for construction.

The taxes and fees that localities are authorized to impose are:

- Commercial real estate – 25 cents
- Grantor's Tax – 40 cents
- Motor Vehicle Rental Tax – 2%
- Original Driver's License - \$100

Sources	Rate	<u>FY08</u>	<u>FY09</u>	<u>FY10</u>	<u>FY11</u>	<u>FY12</u>
Increase Commercial Real Estate assessment	25 cents	245.5	245.5	245.5	245.5	245.5
Increase the Grantor's Tax	40 cents	151.6	163.6	172	172.4	173.6
Increase the Motor Vehicle Rental Tax	2%	8.3	8.6	8.8	9.0	9.2
Original Driver's Licenses Impact Fee	\$100 unknown	5.9	5.9	5.9	5.9	5.9
Northern Virginia Total - Sources		411.4	423.6	432.2	432.8	434.3

The uses of the revenue are:

- Debt service (no limit other than funding generated by sources)
- WMATA - \$50 million
- VRE - \$30 – I-95 corridor only
- Dulles Metrorail Operating - \$20 million
- Any remainder – 45 percent to urban/secondary construction; and local option and authority allocations

9. Specific agency or political subdivisions affected: Localities comprising the Northern Virginia Transportation Authority, Department of Taxation, Department of Motor Vehicles, Department of Treasury

10. Technical amendment necessary: None.

11. Other comments: None.

Date: 01/30/07 / smc

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cc: Secretary of Finance

Secretary of Transportation