

Department of Planning and Budget 2007 Fiscal Impact Statement

1. Bill Number SB1415

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 Stolle

3. Committee Transportation

4. Title Transportation; supplemental funding for Hampton Roads.

5. Summary/Purpose: The proposed legislation would create the Hampton Roads Transportation Authority and authorize localities in Hampton Roads to impose additional local fees 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, which could amount to hundreds of thousands of dollars, have not been accounted for in the legislation.

7. Budget amendment necessary: None.

8. Fiscal implications:

The legislation authorizes the creation of the Hampton Roads Transportation Authority which can be created by affirmative action of 6 localities included within the Authority boundaries. The Authority must be in place by January 1, 2008.

The proposed legislation requires all the fees and taxes to be imposed by ordinance by September 1, 2007 and be effective January 1, 2008. The estimated total revenues of the proposed legislation are \$167.1 million in FY 2008 and \$175.9 million in FY 2009.

The revenue sources in the proposal include:

- Commercial real estate – 30 cents
- Grantor's Tax – 30 cents
- Motor Vehicle Rental Tax – 2%
- Driver's License - \$10
- First Time Vehicle Registration – 1%
- Elimination of the sales and use tax exemption on auto repair
- Vehicle Registration Fee - \$10
- Vehicle Inspection Fee - \$10

The estimated revenue impact is shown below:

Sources	Rate	<u>FY08</u>	<u>FY09</u>	<u>FY10</u>	<u>FY11</u>	<u>FY12</u>
Rental Car Transportation Impact Fee	2%	3.4	3.5	3.6	3.7	3.8
Increase Commercial Real Estate assessment	30 cents	60.9	60.9	60.9	60.9	60.9
Increase the Grantor's Tax	30 cents	34.1	36.8	38.7	38.8	39.1
First Time Vehicle Registration	1%	37.4	41.2	41.9	42.2	42.9
Remove Sales Tax Exemption of Automobile Repairs		1.5	3.7	3.8	4.0	4.1
Increase the Local Vehicle Registration Fee	\$10	13.3	13.3	13.3	13.3	13.3
Increase the Vehicle Inspection Fee	\$10	12.3	12.3	12.3	12.3	12.3
Increase the Driver's License Fee	\$20	4.3	4.3	4.3	4.3	4.3
Hampton Roads Total		167.1	175.9	178.8	179.4	180.6

The uses of the revenue are for projects included in the region's 2030 Transportation Plan. The first phase is to include the following projects:

- Route 460,
- I-64,
- Midtown Tunnel/MLK Extension,
- Southeastern Parkway/Dominion Blvd,
- I-664 widening in Newport News,
- I-664 widening in Southside,
- I-664 Tunnel widening

The second phase includes I-64 to Intermodal Connector; I-564; and the Craney Island Connector

9. Specific agency or political subdivisions affected: Localities included in the Hampton Roads Transportation Authority, Department of Motor Vehicles, Department of Taxation, Department of Treasury

10. Technical amendment necessary: None.

11. Other comments: None.

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cc: Secretary of Finance
Secretary of Transportation