

Department of Planning and Budget
2008 Special Session II
Fiscal Impact Statement

1. Bill Number: SB 6009

House of Origin ☒ Introduced ☐ Substitute ☐ Engrossed

Second House ☐ In Committee ☐ Substitute ☐ Enrolled

2. Patron: Saslaw, R.

3. Committee: Senate Transportation

4. Title: Statewide and regional transportation funding.

5. Summary/Purpose:

The proposed legislation would establish new taxes and increases the rates of certain existing taxes with the revenues generated to be used for the funding of transportation on a statewide and regional basis. The bill would provide funds for mass transit and road and highway maintenance statewide by (i) increasing the state motor fuels tax rate by \$0.06 per gallon in increments of \$0.01 per gallon in each of the next six fiscal years, (ii) increasing the state retail sales and use tax by one-quarter of one percent, and (iii) increasing the motor vehicle sales and use tax by one-half of one percent. These increases in taxes would be imposed throughout the Commonwealth.

The bill also would provide funds to be used for transportation purposes in the counties and cities embraced by the Northern Virginia Transportation Authority (NVTa) by (i) establishing an additional one-half of one percent state retail sales and use tax to be imposed in the Counties of Arlington, Fairfax, Loudoun, and Prince William and the Cities of Alexandria, Fairfax, Falls Church, Manassas, and Manassas Park; (ii) establishing a \$5 per day transient occupancy tax to be imposed in such counties and cities; and (iii) increasing the grantor's tax in such counties and cities by \$0.40 per \$100 of value.

The revenues collected under the bill for mass transit and road and highway maintenance would be deposited into the Supplemental Highway Maintenance and Mass Transit Fund. Each year 25 percent of the moneys deposited into the Fund would be distributed to the Commonwealth Mass Transit Fund to be used for mass transit purposes. The remaining 75 percent of such moneys would be used for road and highway maintenance in the construction district in which such moneys were generated or attributable, provided that the Bristol construction district would receive a proportionate share that is not less than such construction district's proportion of the total funds allocated statewide for road and highway maintenance in the Commonwealth's fiscal year ending June 30, 2008.

The revenues from the taxes that would be imposed in the Counties of Arlington, Fairfax, Loudoun, and Prince William and the Cities of Alexandria, Fairfax, Falls Church, Manassas, and Manassas Park would be administered by the Northern Virginia Transportation Authority for transportation purposes in such counties and cities.

All taxes under the bill would be taxes of the Commonwealth..

The bill would repeal the authorization of certain counties and cities in Northern Virginia to impose a local income tax.

6. Fiscal Impact Estimates are: Preliminary

6a. Expenditure Impact:

<i>Fiscal Year</i>	<i>Dollars</i>	<i>Fund</i>
2009	\$511,218	NGF
2010	\$25,725	NGF
2011	\$23,329	NGF
2012	\$23,543	NGF
2013	\$23,867	NGF
2014	\$24,199	NGF

These expenditures would be incurred by the Department of Taxation in implementing the regional sales tax provisions of the proposed legislation. The bill authorizes the agency to cover its expenses from the additional revenues generated by its provisions.

6b. Revenue Impact:

<i>Fiscal Year</i>	<i>Dollars</i>	<i>Fund</i>
2009	\$161,800,000	NGF
2010	\$452,200,000	NGF
2011	\$515,800,000	NGF
2012	\$580,900,000	NGF
2013	\$647,500,000	NGF
2014	\$707,000,000	NGF

The revenues set out above are state-wide revenues. Revenue estimates for the Northern Virginia Transportation Authority are set out in Item 8.

7. Budget amendment necessary: No. The Appropriation Act gives the Department of Planning and Budget the authority to administratively increase nongeneral fund appropriations, if revenue is available.

8. Fiscal implications:

- Bill would designate new revenues to the Supplemental Highway Maintenance and Mass Transit Fund
 - 1 cent per gallon increase in motor fuels tax for each of next 6 years
 - Increase retail sales by .25%
 - Increase motor vehicle sales and use tax by .5%
- New revenues distributed as follows:
 - 25% to the Mass Transit Fund

- 75% for highway maintenance distributed to each construction district based on the share of revenue attributable to each construction district (follows retail sales tax distributions)
 - Bristol must get share at least equal to it share of construction and maintenance funds of the total construction and maintenance funds in FY 2008
- Also increases the road tax and the International Registration Plan (could not estimate) and deposits into the Highway Maintenance and Operation Fund.
- Would generate additional revenues dedicated to the Northern Virginia Transportation Authority. The following table lists the Northern Virginia revenue estimates in millions of dollars by fiscal year:

Fiscal Year	2009	2010	2011	2012	2013	2014
Amount	\$140.7	\$335.4	\$343.0	\$351.8	\$360.8	\$370.6

9. Specific agency or political subdivisions affected:

Department of Transportation
 Department of Rail and Public Transportation
 Department of Taxation
 All counties, cities, and towns
 Northern Virginia Transportation Authority

10. Technical amendment necessary: None.

11. Other comments: None.

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cc: Secretary of Transportation