

Department of Planning and Budget

2008 Fiscal Impact Statement

1. Bill Number: HB1573

House of Origin X Introduced Substitute Engrossed
Second House In Committee Substitute Enrolled

2. Patron: Hall

3. Committee: Counties, Cities and Towns

4. Title: **Central Virginia Regional Transportation Authority.**

5. Summary: The proposed legislation would create the Central Virginia Regional Transportation Authority (the Authority) to include the Counties of Chesterfield, Hanover and Henrico, and the City of Richmond and set the initial membership. The Authority may also include other localities that are members of the Richmond Regional Planning District Commission. The proposed legislation would grant the Authority the power to assess the taxes and fees authorized for the Northern Virginia and Hampton Roads transportation authorities by legislation passed during the 2007 General Assembly session. However, the fees and taxes shall only be imposed or assessed by the Authority if (i) at least three of the four governing bodies of the core localities embraced by the Authority that include at least 51 percent of the population of the core localities embraced by the Authority pass a duly adopted resolution stating their approval of such power of the Authority. The Authority would also be given authority to impose and collect tolls, administer contracts and hire staff. The proposed legislation does not specify certain projects the Authority is to undertake.

6. Fiscal Impact Estimates: The proposed legislation would require state agencies to collect revenue on behalf of the Central Virginia Regional Transportation Authority. The expenses incurred by the agencies would be recovered through the collected revenue.

7. Budget Amendment Necessary: None.

8. Fiscal Implications: The proposed legislation would allow the Authority, upon an affirmative vote, to impose the additional local taxes and fees, to include: i) an annual license fee of \$10; ii) an initial registration fee at the rate of 1 percent; iii) an additional inspection fee of \$10; iv) the Motor Vehicle Repair Labor and Services Sales and Use Tax ("Repair Tax") at the rate of 5 percent; v) a congestion relief grantor's tax at the rate of \$0.40 per \$100; vi) the Motor Vehicle Fuel Sales Tax at the rate of 2 percent; and vii) a 2 percent daily car rental fee.

Central Virginia Regional Transportation Authority Anticipated Revenues*

(millions of dollars)

	<u>Rate</u>	<u>FY09</u>	<u>FY10</u>	<u>FY11</u>	<u>FY12</u>	<u>FY13</u>	<u>FY14</u>
Retail Motor Fuels Sales Tax	2%	\$9.3	\$22.4	\$22.4	\$22.4	\$22.4	\$22.4
Grantor's Tax	40 cents	13.4	29.3	28.9	28.8	28.9	29.3
Motor Vehicle Rental Tax	2%	1.1	2.3	2.4	2.5	2.6	2.7
Local Vehicle Registration Fee	\$10	4.1	8.2	8.2	8.2	8.2	8.2
First Time Vehicle Registration	1%	11.6	24.4	24.7	25.2	25.8	26.1
Auto Repairs	5%	5.7	14.3	14.8	15.3	15.9	16.4
Vehicle Inspection Fee	\$10	3.7	7.5	7.5	7.5	7.5	7.5
Hampton Roads Total		\$48.9	\$108.4	\$108.9	\$109.9	\$111.3	\$112.6

** Assumes an effective date of January 1, 2009*

9. Specific Agency or Political Subdivisions Affected: Department of Transportation, Department of Taxation, Department of Motor Vehicles, City of Richmond, Counties of Chesterfield, Hanover and Henrico

10. Technical Amendment Necessary: None.

11. Other Comments: The bill will become effective on July 1, 2008. In order to allow the local governments to prepare for the new taxes and fees, an effective date of January 1, 2009 was used for the revenues generated by the authorized taxes and fees.

Date: 1/31/2008 dpb/smc

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cc: Secretary of Transportation