

Department of Planning and Budget 2009 Fiscal Impact Statement

1. Bill Number: SB1534

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

2. Patron: Watkins

3. Committee: Senate Local Government

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 County of Chesterfield and the City of Richmond. The Authority may also include any other locality that is a member of the Richmond Regional Planning District. The Authority shall have powers related to transportation infrastructure improvements, including authority to toll.

The proposed legislation authorizes the member localities to impose an additional recordation tax of up to \$0.40 per \$100 of value, which is called the “regional congestion relief fee.” The bill directs that the recordation tax be collected pursuant to §58.1-802 B., Code of Virginia, which directs that one-half of the taxes be deposited in the state treasury and one-half transferred to the locality.

6. Fiscal Impact Estimates: Preliminary. The recordation tax is collected by the clerk of the circuit court. As such, there would be no administrative cost to the state to implement the provisions of the bill, although clerks of the circuit court may incur implementation costs.

6b. Revenue Impact:

<i>Fiscal Year</i>	<i>State (GF)</i>	<i>Local</i>
2010	\$4,700,000	\$4,700,000
2011	\$4,700,000	\$4,700,000
2012	\$4,700,000	\$4,700,000
2013	\$4,700,000	\$4,700,000
2014	\$4,700,000	\$4,700,000
2015	\$4,700,000	\$4,700,000

7. Budget Amendment Necessary: Yes. The revenue estimate on Page 1 would need to be amended to include the revenue generated by the bill.

8. Fiscal Implications: The bill would have a total positive revenue impact of up to \$9.4 million per year. The current forecast of the total statewide amount of revenue from the grantor’s tax imposed at a rate of 0.50 cents per \$500 is \$46.8 million per year; and Chesterfield County and the City of Richmond collect approximately 5 percent of the amount. Therefore, if a grantor’s tax that was equal to 0.40 cents per \$100 were imposed, the

total amount that would be collected by Chesterfield County and the City of Richmond would be \$9.4 million.

Pursuant to the provisions of §58.1-802 B., Code of Virginia, one-half of this amount would be deposited in the state treasury and the other half would be deposited in the treasuries of the localities. As a result, the \$9.4 million would be divided evenly between Chesterfield County and the City of Richmond and the state, resulting in a \$4.7 million increase in state revenue and local revenue for these localities. The clerks of the circuit courts are not authorized to retain a portion of the tax to compensate for collection expenses. The bill does not direct the localities to transfer the funding to the Authority, although the second enactment clause directs the appropriate entities to develop guidelines, policies, and procedures for the efficient and effective collection and administration of the fees and taxes authorized for use by the Authority.

- 9. Specific Agency or Political Subdivisions Affected:** Department of Transportation, Department of Taxation, Clerks of the Circuit Courts, City of Richmond, Chesterfield County, any locality that is a member of the Richmond Regional Planning District

10. Technical Amendment Necessary: None.

11. Other Comments: None.

Date: 2/9/2009 dpb/smc

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cc: Secretary of Transportation