

Department of Planning and Budget 2011 Fiscal Impact Statement

1. Bill Number: HB1653

House of Origin ☒ Introduced ☐ Substitute ☐ Engrossed
Second House ☐ In Committee ☐ Substitute ☐ Enrolled

2. Patron: Purkey

3. Committee: Finance

4. Title: Motor fuels tax in certain transportation districts; referendum.

5. Summary: This bill imposes an additional 2.1 percent tax on motor fuels sold by a wholesale distributor to retailers in the counties and cities within each transportation district wherein the citizens affirm the imposition at referendum on November 8, 2011. The revenue attributable to each transportation district shall be used solely for the construction of highways, bridges, or tunnels within the respective transportation district.

6. Budget Amendment Necessary: No.

7. Fiscal Impact Estimates: Preliminary.

7a. Expenditure Impact:

<i>Fiscal Year</i>	<i>Dollars</i>	<i>Positions</i>	<i>Fund</i>
2011	-	-	-
2012	-	-	-
2013	\$166,000	3.0	NGF
2014	\$232,000	3.0	NGF
2015	\$239,000	3.0	NGF
2016	\$246,000	3.0	NGF
2017	\$253,000	3.0	NGF

7b. Revenue Impact:

<i>Fiscal Year</i>	<i>Dollars</i>	<i>Fund</i>
2011	-	-
2012	-	-
2013	\$320,500,000	NGF
2014	\$355,000,000	NGF
2015	\$361,900,000	NGF
2016	\$368,600,000	NGF

8. Fiscal Implications: Should the voters in each of the nine transportation districts elect by referendum to impose the additional motor vehicle fuel sales tax, the Department of Taxation would incur expenses for two auditors and one senior auditor. The Department of Taxation would receive revenues from the tax to recover the direct costs of administering the new tax.

Revenue estimates assume that all localities in each transportation district vote in favor of the tax in the referendum and that the tax becomes effective July 1, 2012.

The estimated revenue impact, provided by the Department of Taxation, is based on fuel consumption estimates contained in the December 2010 Commonwealth Transportation Fund forecast and on fuel price forecasts contained in the U.S. Energy Information Administration's short-term price forecasts. Fuels prices have been weighted based on statewide gasoline and diesel consumption (76 percent gasoline, 24 percent diesel). The estimated price per gallon has been reduced by 4 percent to reflect the difference between the wholesale price (gross of state and federal excise taxes) and the retail price paid at the pump. The revenue estimate for FY 2013 is based on 11 months of collections.

The bill designates the following transportation districts/authorities:

- The Bristol Transportation District consisting of the Counties of Bland, Buchanan, Dickenson, Grayson, Lee, Russell, Scott, Smyth, Tazewell, Washington, Wise, and Wythe; and the Cities of Bristol and Norton.
- The Culpeper Transportation District consisting of the Counties of Albemarle, Culpeper, Fauquier, Fluvanna, Greene, Louisa, Madison, Orange, and Rappahannock; and the City of Charlottesville.
- The Fredericksburg Transportation District consisting of the Counties of Caroline, Essex, Gloucester, King George, King and Queen, King William, Lancaster, Mathews, Middlesex, Northumberland, Richmond, Spotsylvania, Stafford, and Westmoreland; and the City of Fredericksburg.
- The Hampton Transportation District consisting of the Counties of Accomack, Greensville, Isle of Wight, James City, Northampton, Southampton, Surry, Sussex, and York; and the Cities of Emporia, Hampton, Newport News, Norfolk, Portsmouth, Chesapeake, Suffolk, Virginia Beach, Williamsburg, Franklin, and Poquoson.
- The Lynchburg Transportation Authority consisting of the Counties of Amherst, Appomattox, Buckingham, Campbell, Charlotte, Cumberland, Halifax, Nelson, Pittsylvania, and Prince Edward; and the Cities of Danville and Lynchburg.
- The Northern Virginia Transportation Authority consisting of the Counties of Arlington, Fairfax, Loudoun, and Prince William; and the Cities of Alexandria, Falls Church, Fairfax, Manassas, and Manassas Park.
- The Richmond Transportation Authority consists of the Counties of Amelia, Brunswick, Charles City, Chesterfield, Dinwiddie, Goochland, Hanover, Henrico, Lunenburg, Mecklenburg, New Kent, Nottoway, Powhatan, and Prince George; and the Cities of Colonial Heights, Hopewell, Petersburg, and Richmond.

- The Salem Transportation Authority consisting of the Counties of Bedford, Botetourt, Carroll, Craig, Floyd, Franklin, Giles, Henry, Montgomery, Patrick, Pulaski, and Roanoke; and the Cities of Galax, Martinsville, Radford, Roanoke, Salem, and Bedford.
- The Staunton Transportation Authority consisting of the Counties of Alleghany, Augusta, Bath, Clarke, Frederick, Highland, Page, Rockbridge, Rockingham, Shenandoah, and Warren; and the Cities of Buena Vista, Covington, Harrisonburg, Lexington, Staunton, Waynesboro, and Winchester.

It should be noted that in addition to the Virginia Motor Fuel Tax that is imposed at a rate of \$0.175 per gallon, a separate 2.1 percent tax is currently imposed on fuel sales in two northern Virginia areas. The Northern Virginia Transportation District (NVTD), managed by the Northern Virginia Transportation Commission, covers the counties of Arlington, Fairfax, Loudoun, and the cities of Alexandria, Falls Church, and Fairfax. The Potomac and Rappahannock Transportation Commission (PRTC) covers Prince William County and Stafford County and the cities of Manassas, Manassas Park, and Fredericksburg. The proceeds of the 2.1 percent tax, directed to NVTD and PRTC, fund public transit in those regions. The bill directs the proceeds of the additional 2.1 percent tax to the Northern Virginia Transportation Authority and Fredericksburg Transportation District, which includes these counties and cities.

9. Specific Agency or Political Subdivisions Affected: Department of Taxation, Virginia Department of Transportation, counties, cities, and towns.

10. Technical Amendment Necessary: The assumed effective date for the purposes of fiscal analysis is July 1, 2012. Consideration may be given to inserting an effective date into the bill.

11. Other Comments: The bill directs the proceeds of the additional tax to the Lynchburg Transportation Authority, the Richmond Transportation Authority, Salem Transportation Authority, the Staunton Transportation Authority, and the Northern Virginia Transportation Authority. Of these, only the Northern Virginia Transportation Authority is currently set out in the Code.

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cc: Secretary of Transportation