

## Department of Planning and Budget 2011 Fiscal Impact Statement

**1. Bill Number:** HB2499

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

**2. Patron:** Albo

**3. Committee:** House Finance

**4. Title:** Insurance license tax.

**5. Summary:** Currently, one-third of insurance premium taxes is deposited into the Priority Transportation Fund and used for debt service. The remaining two-thirds are deposited into the general fund. The proposed legislation would phase in an additional one-third to transportation, with one-ninth in FY 2013, two-ninths in FY 2014 and one-third in FY 2015 being deposited to the Highway Maintenance and Operating Fund.

**6. Budget Amendment Necessary:** None, the bill does not take effect until next biennium.

**7. Fiscal Impact Estimates:** Preliminary.

**7b. Revenue Impact:**

<i>Fiscal Year</i>	<i>Dollars</i>	<i>Fund</i>
2011	\$0	
2012	\$0	
2013	(\$47,400,000)	GF
2014	(99,300,000)	GF
2015	(149,000,000)	GF
2016	(149,000,000)	GF
2017	(149,000,000)	GF

<i>Fiscal Year</i>	<i>Dollars</i>	<i>Fund</i>
2011	\$0	
2012	\$0	
2013	\$47,400,000	HMOF
2014	99,300,000	HMOF
2015	149,000,000	HMOF
2016	149,000,000	HMOF
2017	149,000,000	HMOF

**8. Fiscal Implications:** The proposed legislation would transfer general fund dollars to the Highway Maintenance and Operating Fund. This action may require future budget reductions

in some general fund agencies or programs to account for the reduced general fund revenue in the future. The additional funding provided to the maintenance program would partially offset the required annual transfer from the construction program to fully support the Commonwealth's maintenance needs. This transfer in FY 2012 is estimated to be \$448.9 million.

**9. Specific Agency or Political Subdivisions Affected:** Agencies supported by the general fund, Department of Transportation

**10. Technical Amendment Necessary:** None.

**11. Other Comments:** The current one-third of insurance premium tax revenues is representative of the amount generated from insurance policies on automobiles.

**Date:** 1/28/2011 dpb/smc

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