Department of Planning and Budget
2014 Fiscal Impact Statement

1. **Bill Number:** SB127

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

2. **Patron:** Newman

3. **Committee:** Finance

4. **Title:** Annual license tax on hybrid electric motor vehicles

5. **Summary:** This bill repeals the $64 annual license tax on hybrid electric motor vehicles that was first imposed beginning July 1, 2013. The bill also provides for refunds of the license tax paid on hybrid electric motor vehicles for registration years beginning on or after July 1, 2013.

6. **Budget Amendment Necessary**: Yes, Item 445.

7. **Fiscal Impact Estimates:** Preliminary. See Item #8.

7a. Expenditure Impact:

Fiscal Year	*Dollars*	*Positions*	*Fund*
2014	$109,760	-	Motor Vehicle Special Fund

7b. Revenue Impact:

Fiscal Year	*Dollars*	*Fund*
		REFUND
2015	($6,500,000)	Highway Maintenance and Operating Fund
		REVENUE IMPACT
2015	($6,900,000)	Highway Maintenance and Operating Fund
2016	($7,800,000)	Highway Maintenance and Operating Fund
2017	($8,800,000)	Highway Maintenance and Operating Fund
2018	($9,800,000)	Highway Maintenance and Operating Fund
2019	($10,700,000)	Highway Maintenance and Operating Fund
2020	($10,700,000)	Highway Maintenance and Operating Fund

8. **Fiscal Implications:** This bill repeals the $64 annual license tax on hybrid electric motor vehicles imposed by HB 2313, effective July 1, 2013. The bill provides for refunds of the license tax paid on hybrid electric motor vehicles for registration years beginning on or after July 1, 2013. Since the tax was implemented on July 1, 2013, 75,500 drivers have paid a licensing tax for hybrid vehicles. Issuing refunds to all of these drivers will cost $6.5 million.

To implement the provisions of the proposed legislation, the Department of Motor Vehicles will incur a one-time information technology cost of $109,760, which would be absorbed within existing resources.

9. Specific Agency or Political Subdivisions Affected: Virginia Department of Transportation, Department of Motor Vehicles.

10. Technical Amendment Necessary: No.

11. Other Comments: This bill is similar to SB 38, SB 1, SB 506, HB 4, and HB 47.

Date: 1/15/14
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C: Secretary of Transportation