

Department of Planning and Budget 2015 Fiscal Impact Statement

1. Bill Number: SB754S1

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

2. Patron: Carrico

3. Committee: Finance

4. Title: Vehicle registration; additional fees; establishment of the Public Safety Trust Fund.

5. Summary: The proposal raises the vehicle registration fee by an additional \$1.25 per year on each July 1 from 2015 through 2024. It also establishes the Public Safety Trust Fund (Fund) on the books of the Comptroller. The additional fees proposed in this bill are to be paid into the state treasury and credited to the Fund. The interest earned on moneys in the Fund is to remain in the Fund and be credited to it. It also requires a transfer from the Fund to be made by the Comptroller annually beginning on July 1, 2016, and that such transfer shall consist of all fees collected in the preceding fiscal year for appropriation in the fiscal year after the collection has occurred. The moneys from the Fund are to be used for the purposes of public safety subject to appropriation.

6. Budget Amendment Necessary: No.

7. Fiscal Impact Estimates: Tentative. See 7b.

7b. Revenue Impact:

<i>Fiscal Year</i>	<i>Dollars</i>	<i>Fund</i>
2015	0	NGF (non-general)
2016	9,428,353	NGF
2017	19,177,270	NGF
2018	29,254,926	NGF
2019	39,669,680	NGF
2020	50,430,080	NGF
2021	61,544,870	NGF

8. Fiscal Implications:

The bill annually increases the motor vehicle registration fee on each vehicle type as listed in § 46.2-694 Code of Virginia by \$1.25. The revenue collected from the additional fee is to be deposited into the Public Safety Trust Fund (Fund). The moneys from this fund are to be used for the purposes of public safety subject to appropriation. The proposed \$1.25 fee is to be compounded annually each year from 2015 through 2024. The table below lists the registration fee in respective fiscal years:

FY 2016 \$1.25
FY 2017 \$2.50
FY 2018 \$3.75
FY 2019 \$5.00
FY 2020 \$6.25
FY 2021 \$7.50
FY 2022 \$8.75
FY 2023 \$10.00
FY 2024 \$11.25
FY 2025 \$12.50

The estimated annual revenue from the additional motor vehicle registration fee is based on the fee dollar amount in the respective fiscal multiplied by the projected number of vehicles to be registered in that year. The calculations also reflect a 2 percent annual projected increase in the number of vehicles to be registered.

Under the current vehicle inspection fee schedule as outlined in § 46.2-1168, the Department of State Police has been collecting \$1.50 from each vehicle registered. In FY 2014, \$11.3 million in registration fees revenue was transferred to the Department from the Department of Motor vehicles; and as of June 30, 2014, there were 7.88 million registered vehicles in the Commonwealth.

According to the Department of General Services, the bill is not expected to impact state-owned vehicles.

9. Specific Agency or Political Subdivisions Affected: Department of State Police, state public safety agencies, the Department of Motor vehicles, and the Department of Accounts.

10. Technical Amendment Necessary: None.

11. Other Comments: None.

Date: 2/10/2015-SB754S1.docx (LBJ)