

## Department of Planning and Budget 2018 Fiscal Impact Statement

**1. Bill Number:** SB 583

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

**2. Patron:**        Hanger

**3. Committee:** Finance

**4. Title:**            Western Virginia Transportation Fund; revenues

**5. Summary:** This bill creates the Western Virginia Transportation Fund (WVTF), to be used by the Western Virginia Transportation Commission, which is also created by this bill, to fund priority transportation projects in Planning Districts 1, 2, 3, 4, 5, 6, and 7. The bill imposes an additional 2.1 percent tax on motor vehicle fuels in the counties and cities in such planning districts to generate revenue for the Fund.

**6. Budget Amendment Necessary:** Yes. Item 453. A new service area will need to be established for the expenditures of the Fund to the districts.

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

**Expenditure and Revenue Impacts:**

<i>Fiscal Year</i>	<i>Dollars</i>	<i>Fund</i>
2019	\$65,000,000	WVTF
2020	\$71,800,000	WVTF
2021	\$72,400,000	WVTF
2022	\$73,100,000	WVTF
2023	\$73,800,000	WVTF
2024	\$74,600,000	WVTF

**8. Fiscal Implications:** The revenue impact for FY 2019, as estimated by the Department of Taxation, reflects 11 months of revenue. Taxpayers are required to pay the tax on the 20<sup>th</sup> day of the second month following the month in which the activity occurred, but must file and pay both April and May taxes in June.

The Department of Motor Vehicles (DMV) would require two additional tax examiners and three additional auditors to administer the Motor Vehicle Fuels Sales Tax in Western Virginia. Pursuant to the provisions of Va. Code § 58.1-2299.20(C) proposed in this bill, DMV will recover these and other direct costs of administration of the expansion of the Motor Vehicle Fuels Sales Tax from the Western Virginia Transportation Fund.

**9. Specific Agency or Political Subdivisions Affected:** Department of Motor Vehicles, Virginia Department of Transportation, Localities in Planning Districts 1, 2, 3, 4, 5, 6, and 7.

**10. Technical Amendment Necessary:** Consideration may be given to including language contained in § 33.2-2600 (Hampton Roads Transportation Fund) allowing distribution of the Fund and investment of excess moneys. Line 32, after “into the Fund” insert “and thereafter distributed to the Commission as soon as practicable for use in accordance with this chapter. If the Commission determines that such moneys distributed to it exceed the amount required to meet the current needs and demands to fund transportation projects pursuant to this chapter, the Commission may invest such excess moneys to the same extent and in the same manner as provided in subsection A of § 33.2-1525 for excess funds in the Transportation Trust Fund.”

**11. Other Comments:** None.

**Date:** 2/14/2018

**Document:** G:\18-20\FIS 2018\SB583S2.docx

c: Secretary of Transportation