

Department of Planning and Budget 2020 Fiscal Impact Statement

1. Bill Number: HB1541

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

2. Patron: McQuinn

3. Committee: Finance

4. Title: Creation of the Central Virginia Transportation Authority; funding.

5. Summary: Creates the Central Virginia Transportation Authority, composed of the counties and cities located in Planning District 15. The Authority will administer transportation funding generated through the imposition of an additional regional 0.7 percent sales and use tax and a 2.1 percent wholesale gas tax.

6. Budget Amendment Necessary: Yes. Item 451. An amendment would be needed to appropriate the revenues generated by this bill and allow for their distribution.

7. Fiscal Impact Estimates: Preliminary. See item 8.

7a. Expenditure Impact:

<i>Fiscal Year</i>	<i>Dollars</i>	<i>Positions</i>	<i>Fund</i>
2020	-	-	-
2021	\$179,497,782	-	Central Virginia Transportation Fund
2022	\$198,158,342	-	Central Virginia Transportation Fund
2023	\$200,252,202	-	Central Virginia Transportation Fund
2024	\$202,317,512	-	Central Virginia Transportation Fund
2025	\$204,598,900	-	Central Virginia Transportation Fund
2026	\$207,098,551	-	Central Virginia Transportation Fund

7b. Revenue Impact:

<i>Fiscal Year</i>	<i>Dollars</i>	<i>Fund</i>
2020	-	-
2021	\$179,497,782	Central Virginia Transportation Fund
2022	\$198,158,342	Central Virginia Transportation Fund
2023	\$200,252,202	Central Virginia Transportation Fund
2024	\$202,317,512	Central Virginia Transportation Fund
2025	\$204,598,900	Central Virginia Transportation Fund
2026	\$207,098,551	Central Virginia Transportation Fund

8. Fiscal Implications: The bill would create the Central Virginia Transportation Authority (CVTA) consisting of 16 members representing the counties, cities, and towns in Planning District 15 which include: Charles City County, Chesterfield County, Goochland County,

Hanover County, Henrico County, New Kent County, Powhatan County, the City of Richmond, and the Town of Ashland.

The bill also would create the Central Virginia Transportation Fund which would be used to fund transportation projects in Planning District 15. The fund would consist of revenues generated by an additional regional 0.7 percent sales and use tax and a 2.1 percent wholesale gas tax. Both taxes would be applied in the localities within Planning District 15. The following table summarizes the revenue that would be generated by the additional taxes proposed by this bill, based on estimates from the Department of Taxation.

Fiscal Year	2.1% Motor Fuels Sales Tax Revenue	0.7% Additional Sales and Use Tax Revenue	Total New Revenue
2021*	\$47,093,109	\$132,404,673	\$179,497,782
2022	\$51,405,817	\$146,752,525	\$198,158,342
2023	\$51,151,637	\$149,100,565	\$200,252,202
2024	\$50,831,338	\$151,486,174	\$202,317,512
2025	\$50,688,947	\$153,909,953	\$204,598,900
2026	\$50,726,039	\$156,372,512	\$207,098,551

* FY2021 estimate is for 11 months of collections

The bill provides that the Fund is to be allocated as follows: 35 percent retained by the Authority for transportation projects benefitting the localities within the Authority, 15 percent dedicated to the Greater Richmond Transit Company (GRTC) for transit and mobility services in the region, and 50 percent distributed to each locality, proportionally based on the share of total taxes generated or attributable to each locality, to improve local mobility.

Fiscal Year	Retained by CVTA	Transit Services	Distributed to Localities	Total
2021	\$62,824,224	\$26,924,667	\$89,748,891	\$179,497,782
2022	\$69,355,420	\$29,723,751	\$99,079,171	\$198,158,342
2023	\$70,088,271	\$30,037,830	\$100,126,101	\$200,252,202
2024	\$70,811,129	\$30,347,627	\$101,158,756	\$202,317,512
2025	\$71,609,615	\$30,689,835	\$102,299,450	\$204,598,900
2026	\$72,484,493	\$31,064,783	\$103,549,276	\$207,098,551

The Authority created by this bill would have the authority to employ a chief executive officer and other staff as deemed necessary to carry out the duties of the Authority. The number of staff needed, and the resulting costs, are currently indeterminate; however, the bill provides that the Authority's expenses are to be paid from the Fund in the absence of other funding being provided. Therefore, any impact related to expenses for the Authority and its staff and board members is included in the revenue and expenditure impacts identified.

The bill provides that staff members of the Department of Rail and Public Transportation (DRPT) will be made available to assist the Authority if requested. The amount of assistance that would be requested of DRPT is unknown; as a result, the fiscal impact to DRPT is indeterminate.

The bill would require that the Commonwealth Transportation Board (CTB) and the Virginia Department of Transportation (VDOT) continue to provide maintenance and operating support for bridges and roadways in the district's area at the level that support was being provided on July 1, 2020, until the Authority and VDOT or the CTB agree otherwise in writing.

The Department of Taxation is responsible for collecting state sales and use taxes; there is no anticipated fiscal impact resulting from this bill to the department. The Department of Motor Vehicles (DMV) is responsible for collecting gas taxes; this bill provides that DMV would be able to retain the direct costs of administering this collection.

- 9. Specific Agency or Political Subdivisions Affected:** Department of Rail and Public Transportation; Department of Motor Vehicles; Virginia Department of Transportation; Commonwealth Transportation Board

- 10. Technical Amendment Necessary:** No.

- 11. Other Comments:** The bill also provides that its provisions generating extra revenue for transportation funding shall expire if the General Assembly, any locality located in Planning District 15, or the CVTA appropriates any of the funding generated by the bill for any non-transportation purpose.