



Fiscal Impact Statement for Proposed Legislation

Virginia Criminal Sentencing Commission

Senate Bill No. 890 **Amendment in the Nature of a Substitute** **(Patron Prior to Substitute – Saslaw)**

LD#: 20108632

Date: 02/24/2020

Topic: Transportation and motor vehicle fuels tax

Fiscal Impact Summary:

- **State Adult Correctional Facilities:**
None (\$0)
- **Local Adult Correctional Facilities:**
None (\$0)
- **Adult Community Corrections Programs:**
None (\$0)

- **Juvenile Direct Care:**
None (\$0) **
- **Juvenile Detention Facilities:**
None (\$0) **

** Provided by the Department of Juvenile Justice

Summary of Proposed Legislation:

The proposal amends numerous *Code* sections and adds several others related to transportation funds, revenue sources, construction, and safety programs. The proposal includes numerous structural changes to the transportation funding system in the Commonwealth. Funds would be disbursed, based on codified formulas, to subfunds established to meet the varying transportation needs of different modes of transportation.

The proposal amends § 58.1-2295 to establish a new wholesale fuels tax structure at a rate of 7.6 cents per gallon on gasoline and gasohol and at a rate of 7.7 cents per gallon on diesel fuel. Moreover, according to the proposal, beginning July 1, 2021, the tax rate shall be adjusted annually based on the greater of (i) the change in the United State Average Consumer Price Index for all items, all urban consumers (CPI-U), as published by the Bureau of Labor Statistics for the U.S. Department of Labor for the previous year or (ii) zero.

Currently, under § 58.1-2299.10, any person who willfully evades or circumvents fuels sales tax requirements, or assists another to evade or circumvent such taxes, is guilty of a Class 6 felony.

Analysis:

According to fiscal year (FY) 2014 through FY2019 Circuit Court Case Management System (CMS) data, there were no felony convictions for fuels sales tax violations under § 58.1-2299.10.

Impact of Proposed Legislation:

State adult correctional facilities. While the proposal restructures state motor vehicle fuels taxes for fuel distributors, it is not anticipated to expand tax liability to new distributors or other stakeholders. In this way, the proposal is not expected to increase the state-responsible (prison) bed space needs of the Commonwealth.

Local adult correctional facilities. The proposal will not affect local-responsible (jail) bed space needs.

Adult community corrections programs. The proposal will not affect adult community corrections programs.

Virginia's sentencing guidelines. Felony convictions under § 58.1-2299.10 are not covered by the sentencing guidelines when the offense is the primary, or most serious, offense in a case. No adjustment to the guidelines would be necessary under the proposal.

Juvenile direct care. According to the Department of Juvenile Justice, the proposal is not expected to impact direct care (juvenile correctional center or alternative commitment placement) bed space needs.

Juvenile detention facilities. The Department of Juvenile Justice reports that the proposal is not expected to impact the bed space needs of juvenile detention facilities.

Pursuant to § 30-19.1:4, the estimated amount of the necessary appropriation is \$0 for periods of imprisonment in state adult correctional facilities and \$0 for periods of commitment to the custody of the Department of Juvenile Justice.

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