

## Department of Planning and Budget

### 2023 Fiscal Impact Statement

**1. Bill Number:** SB862

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

**2. Patron:** Newman

**3. Committee:** Transportation

**4. Title:** Highway use fee and mileage-based user fee program; repeal

**5. Summary:** This bill would eliminate the highway use fee and mileage-based user fee program and require the Commissioner of the Department of Motor Vehicles to refund the prorated cost of the highway use fee covering any months after the bill's effective date of July 1, 2023. The bill additionally directs the Commissioner of the Department of Motor Vehicles to continue to reimburse the cost of the highway use fee to any applicant that paid a highway use fee and is eligible for reimbursement of the original vehicle registration fee pursuant to relevant law.

**6. Budget Amendment Necessary:** No

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

**8. Fiscal Implications:** The bill repeals the Highway Use Fee on July 1, 2023, and directs the Department of Motor Vehicles (DMV) to refund any fees previously collected for months beyond that date.

Approximately \$30.7 million would be required for refunds to customers for FY 2023 highway use fee payments that cover periods after July 1, 2023, in addition to highway use fee payments made for multi-year registrations in FY 2021 and FY 2022. The cost of the multi-year registrations that extend past FY 2023 is unable to be estimated at this time. The elimination of the highway use fee would result in an estimated loss of revenues to the Commonwealth Transportation Fund of approximately \$64.4 million for FY 2024, and likely greater in subsequent years as the number of alternative fuel vehicles, electric motor vehicles, or fuel-efficient vehicles increases within the Commonwealth.

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

**10. Technical Amendment Necessary:** No.

**11. Other Comments:** None.