

Department of Planning and Budget 2020 Fiscal Impact Statement

1. Bill Number: HB779

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

2. Patron: Reid

3. Committee: Finance

4. Title: Virginia Fuels Tax Act; refueling vehicles

5. Summary: This bill exempts persons properly licensed by the Department of Motor Vehicles from the prohibition on delivering fuel from a transport truck or tank wagon to the fuel tank of a highway vehicle, provided that such vehicle is on certain premises or a site approved by the local fire official. The bill requires the Department to license such delivery persons.

6. Budget Amendment Necessary: No.

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

8. Fiscal Implications: This bill contains amendments which allow mobile fueling operations, provided that certain conditions are met, including that the Department of Motor Vehicles (DMV) license the mobile fueling operation. However, DMV does not currently license retail dealers of fuel and considers a mobile fueling operation to be a retail dealer of fuel. Retail dealers generally pay the tax to the wholesale distributor from whom they purchase the fuel and it is the responsibility of either the wholesale distributor or of the supplier at the rack to remit the tax to DMV. A mobile fueling company may require a license if it is also acting as a wholesale distributor or some other licensed role, but under current law it would not require a license solely to sell fuel at retail.

The Department of Motor Vehicle does not anticipate a fiscal impact resulting from this legislation. However, the agency's Virginia Excise Tax System (VAETS) is designed to process distributor-level transactions, not retail level transactions. There are generally a higher number of retail transactions; therefore, if mobile fueling companies are required to report retail level transactions to DMV, there is a risk that the VAETS system will be inundated with retail mobile fueling transactions. If so, transaction processing time would be negatively impacted.

9. Specific Agency or Political Subdivisions Affected: Department of Motor Vehicles.

10. Technical Amendment Necessary: No.

11. Other Comments: None.