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FISCAL IMPACT REPORT

SPONSOR Silva DATE TYPED 02-05-04 HB 514

SHORT TITLE Create State Transit Fund From Vehicle Tax SB _____

ANALYST Taylor

APPROPRIATION

Appropriation Contained		Estimated Additional Impact		Recurring or Non-Rec	Fund Affected
FY04	FY05	FY04	FY05		
	400.0			Recurring	State Transit

(Parenthesis () Indicate Expenditure Decreases)

REVENUE

Estimated Revenue		Subsequent Years Impact	Recurring or Non-Rec	Fund Affected
FY04	FY05			
	(400.0)	(420.0)	Recurring	General Fund
	400.0	420.0	Recurring	State Transit Fund

(Parenthesis () Indicate Revenue Decreases)

SOURCES OF INFORMATION

LFC Files

SUMMARY

House Bill 514 creates the state transit fund in the state treasury. It transfers a portion of motor vehicle excise tax revenues from the general fund to the state transit fund. The transfer is equal to 0.33 percent of motor vehicle excise tax revenues. Money in the fund is appropriated to the department of transportation to pay for administration, operating and construction costs of mass transit projects.

The bill has an effective date of July 1, 2004.

FISCAL IMPLICATIONS

The bill is estimated to decrease general fund revenue by \$400 thousand in FY05. This estimate equals 0.33 percent multiplied by \$122 million. \$122 million is the amount of money expected in FY05 from the motor vehicle tax excise tax. This money is transferred to the state transit fund, from which it appropriated for mass transit projects.

This bill creates a new fund and provides for continuing appropriations. The LFC objects to including continuing appropriation language in the statutory provisions for newly created funds. Earmarking reduces the ability of the legislature to establish spending priorities.

ADMINISTRATIVE IMPLICATIONS

The impact to TRD should be minor.

BT/dm:lg