



**Colorado  
Legislative  
Council  
Staff**

**HB17-1205**

**FISCAL NOTE**

**FISCAL IMPACT:**  State  Local  Statutory Public Entity  Conditional  No Fiscal Impact

**Drafting Number:** LLS 17-0946 **Date:** March 7, 2017  
**Prime Sponsor(s):** Rep. Melton **Bill Status:** House Business  
 Sen. Martinez Humenik **Fiscal Analyst:** Ryan Long (303-866-2066)

**BILL TOPIC:** MOTOR VEHICLE TOTAL LOSS TITLE INSURANCE

<b>Fiscal Impact Summary</b>	<b>FY 2017-2018</b>	<b>FY 2018-2019</b>
<b>State Revenue</b> Cash Funds	Potential minimal impact. See State Revenue section.	
<b>State Expenditures</b>	Potential minimal workload increase.	
<b>TABOR Impact</b>	Potential minimal impact.	
<b>Appropriation Required:</b> None.		
<b>Future Year Impacts:</b> Ongoing minimal revenue impacts and workload increase.		

**Summary of Legislation**

The bill changes the definition of salvage vehicle to mean a vehicle damaged by collision, fire, flood, accident, trespass, or other occurrence, and determined to be a total loss by the insurer or other person acting on behalf of the owner. Hail damage and theft are not included in this definition.

**Background**

Under current law, a vehicle is considered a salvage vehicle when it is damaged by collision, fire, flood, accident, trespass, or other occurrence, and the cost of repairing it to roadworthy condition exceeds the fair market value immediately prior to the damage. Hail damage is not included in this definition.

**State Revenue**

To the extent that more vehicles qualify as salvage vehicles under the definition in this bill, fee revenue to the Colorado State Patrol in the Department of Public Safety (DPS) may minimally increase. Additionally, excluding vehicles that have damage related to theft may minimally decrease fee revenue. Each VIN inspection generates \$20 in cash fund revenue.

**State Expenditures**

The bill is expected to minimally increase workload in the Department of Revenue (DOR) and the Colorado State Patrol in DPS. A minimal workload increase in the DOR is expected in FY 2017-18 to train staff, and to update rules, forms, and manuals. These workload increases can be accomplished within existing appropriations. Additionally, to the extent the bill increases VIN inspections for salvage vehicles, the bill could minimally increase workload for the Colorado State Patrol. It is assumed that these increases can be accomplished within existing appropriations, and that the need for any additional resources will be addressed during the budget process.

**Effective Date**

The bill takes effect August 9, 2017, if the General Assembly adjourns on May 10, 2017, as scheduled, and no referendum petition is filed. This act applies to motor vehicle damage occurring on or after the effective date of this act.

**State and Local Government Contacts**

Information Technology  
Regulatory Agencies

Public Safety  
Revenue