



**Colorado
Legislative
Council
Staff**

SB17-180

**FINAL
FISCAL NOTE**

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

Drafting Number: LLS 17-0935
Prime Sponsor(s): Sen. Cooke
Rep. Esgar

Date: August 30, 2017
Bill Status: Signed into Law
Fiscal Analyst: Erin Reynolds (303-866-4146)

BILL TOPIC: PUC STREAMLINED ENFORCEMENT OF MOTOR CARRIERS

Fiscal Impact Summary	FY 2017-2018	FY 2018-2019
State Revenue	\$0	\$0
<i>State Diversion</i>		
General Fund	(up to 250,000)	(up to 250,000)
Cash Funds	up to 250,000	up to 250,000
State Expenditures	See State Expenditures section.	
Appropriation Required: None.		
Future Year Impacts: Ongoing state revenue diversion.		

Summary of Legislation

This bill modifies the civil penalty authority of the Public Utilities Commission (PUC) related to motor carrier oversight. Under current law, civil penalties collected by the PUC for violations of motor carrier regulations are credited to the General Fund. The bill credits these penalties to the newly created Legal Services Offset Fund, which is continuously appropriated to the Department of Law to offset its costs to represent the PUC in actions related to motor carrier violations. The fund balance and interest earnings remain in the fund at the end of each fiscal year, unless the balance exceeds \$250,000, in which case the excess is transferred to the General Fund.

The bill also:

- removes the requirement that the PUC prove that a violation of motor carrier regulations was intentional;
- clarifies time frames and applicable penalty amounts related to subsequent motor carrier violations; and
- allows the PUC to immediately revoke a limited regulation, towing carrier, or mover permit if a penalty is not paid on time.

Background

PUC regulation of motor carriers. The PUC regulates vehicular passenger carriers, such as taxis, shuttles, charter buses, and transportation network companies, as outlined below.

- *Common carriers:* A provider of a means of transportation or related service in a vehicle that indiscriminately carries passengers for compensation (i.e. taxis).
- *Contract carriers:* A provider of a means of passenger transportation over any public highway in the state with a special contract (i.e. hotel shuttles).
- *Limited regulation carriers:* Includes charter scenic buses, luxury limousines, children's activity buses, and fire-crew transport.
- *Transportation network companies:* Uber and Lyft are currently permitted to operate in the state.

The PUC has the authority to promulgate rules, issue operating permits, take enforcement actions, and establish annual stamp fees. Carriers are subject to insurance, safety, and operational standard oversight by the PUC. In addition, common and contract carriers, which are considered public utilities, are also subject to PUC regulation of rates, routes, services, and market entry, in addition to insurance and safety requirements.

Recent civil penalty collections from motor carriers. The PUC has collected the following total amounts of civil penalties over the last three fiscal years:

- \$220,000 in FY 2014-15;
- \$422,000 in FY 2015-16; and
- \$212,200 in FY 2016-17 to date.

In some years, like FY 2015-16, collections include a single large fine associated with a specific issue; however, civil penalty revenue typically averages \$200,000 to \$300,000 per fiscal year.

State Revenue

State diversion. The bill diverts up to \$250,000 per year to the newly created Legal Services Offset Fund from the General Fund beginning in FY 2017-18.

State Expenditures

Beginning in FY 2017-18, the bill allows the PUC to utilize up to 2,630 hours of legal support at the rate of \$95.05 per hour if it is required to supplement its legal services appropriation with the Legal Services Offset Fund. This hour estimate is based on the up to \$250,000 diversion of penalty revenue per year to the Department of Law. The legal services appropriation has not been fully utilized by the PUC in recent years; however, this continuously appropriated fund source will be utilized when necessary. While the bill clarifies the ability of the PUC to process a permit revocation, the fiscal note assumes that the workload impact is minimal and that no change in appropriations is required.

Effective Date

The bill was signed into law by the Governor on June 1, 2017, and became effective on August 9, 2017.

State and Local Government Contacts

Information Technology
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