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**FINAL
FISCAL NOTE**

Drafting Number:	LLS 18-0481	Date:	July 17, 2018
Prime Sponsors:	Rep. Danielson Sen. Fields	Bill Status:	Postponed Indefinitely
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Bill Topic: HONOR THE SERVICE OF THE SEABEES

Summary of Fiscal Impact:

<input checked="" type="checkbox"/> State Revenue	<input checked="" type="checkbox"/> TABOR Refund
<input checked="" type="checkbox"/> State Expenditure	<input checked="" type="checkbox"/> Local Government
<input type="checkbox"/> State Transfer	<input type="checkbox"/> Statutory Public Entity

This bill would have created the Seabees military license plate. Beginning in FY 2018-19, this bill would have increased state revenue and expenditures and local government revenue on an ongoing basis.

Appropriation Summary: In FY 2018-19, the bill would have required an appropriation of \$1,918 to the Department of Revenue.

Fiscal Note Status: The fiscal note reflects the reengrossed bill. This bill was not enacted into law; therefore, the impacts identified in this analysis do not take effect.

**Table 1
State Fiscal Impacts Under HB 18-1016**

		FY 2018-19	FY 2019-20
Revenue*	Cash Funds	\$10,018	\$1,268
	State Highway Fund	\$5,265	\$666
	Total	\$15,283	\$1,934
Expenditure	Cash Funds	\$1,918	\$243
	Total	\$1,918	\$243
Transfers		-	-
TABOR Refund	General Fund	\$15,283	\$1,934

* These revenue impacts do not include Highway Users Tax Fund distributions to local governments. See Table 3 for this estimated distribution.

Summary of Legislation

This bill creates the Seabees military license plate. The license plate is available to honorably discharged, retired, reserve, or active members of the U.S. Naval Construction Battalion who submit the required forms and pay a one-time special plate fee of \$50.

Assumptions

Expected demand for this plate is based on the actual demand for the current U.S. Army 10th Mountain Division military license plate, which has similar qualifications. The fiscal note assumes that 324 license plates will be issued in FY 2018-19, and 41 will be issued in FY 2019-20 and thereafter.

State Revenue

This bill would have increased cash fund revenue by \$18,118 in FY 2018-19 and \$2,293 in FY 2019-20 and in future years to the License Plate Cash Fund, the Licensing Services Cash Fund, and the Highway Users Tax Fund (HUTF). Table 2 outlines the revenue generated under this bill.

**Table 2
Revenue Under HB 18-1016**

Revenue Components	FY 2018-19	FY 2019-20
License Plate Sets Issued	324	41
Standard License Plate Revenue <i>License Plate Cash Fund (\$5.92 per plate)</i>	\$1,918	\$243
Special License Plate Revenue <i>Licensing Services Cash Fund (\$25 per plate)</i>	\$8,100	\$1,025
Special License Plate Revenue* <i>Highway Users Tax Fund (\$25 per plate)</i>	\$8,100	\$1,025
Total Revenue	\$18,118	\$2,293

*Table 2 includes HUTF revenue for both the state government and local governments. See Table 3 for estimated HUTF distributions.

Standard license plate fees. Upon registration, all vehicle owners must pay a plate and tab production fee of \$5.92 for a passenger vehicle plate set and \$3.01 for a motorcycle plate set. This fiscal note assumes motorcycle plate issuance for the Seabees military license plate will be minimal. Fees from plate and tab production are credited to the License Plate Cash Fund.

Special license plate fees. Applicants for the Seabees military license plate are also required to pay an additional \$50 fee, of which \$25 is credited to the HUTF and \$25 is credited to the Licensing Services Cash Fund.

HUTF distribution. Of the \$25 in special license plate fees that goes to the HUTF, 65 percent is credited to the State Highway Fund for expenditure by the Colorado Department of Transportation, 26 percent is credited to counties, and 9 percent is credited to municipalities. Table 3 outlines the estimated HUTF distributions generated under this bill.

**Table 3
 Estimated HUTF Distributions Under HB 18-1016**

	FY 2018-19	FY 2019-20
State Highway Fund (65%)	\$5,265	\$666
Counties (26%)	\$2,106	\$267
Municipalities (9%)	\$729	\$92
Total Distribution	\$8,100	\$1,025

TABOR Refund

This bill increases state revenue from fees, which will increase the amount of money required to be refunded under TABOR for FY 2018-19 and FY 2019-20. State revenue subject to TABOR is not estimated for years beyond FY 2019-20. Since the bill increases the TABOR refund obligation without a corresponding change in General Fund revenue, the amount of money available in the General Fund for the budget will decrease by an identical amount.

State Expenditures

State cash fund expenditures in the Department of Revenue would have increased by \$1,918 in FY 2018-19, and by \$243 in FY 2019-20 and in future years. State expenditures are detailed in Table 4.

**Table 4
 Expenditures Under HB 18-1016**

	FY 2018-19	FY 2019-20
Department of Revenue		
License Plate Sets Manufactured	324	41
Plate and Tab Production Cost <i>License Plate Cash Fund</i>	\$1,918	\$243
Total Cost	\$1,918	\$243

Department of Revenue. In FY 2018-19, license plate and tab production costs of \$5.92 per plate set will be expended from the License Plate Cash Fund, and are equal to the revenue generated from standard license plate fees.

The DOR will also be required to update rules, forms, manuals, and the department's website to reflect the change in law, as well as provide training to authorized agents, Title and Registration Section staff, and law enforcement. Any workload increases or costs associated with these activities can be accomplished within existing appropriations.

Local Government

This bill would have increased county and local government HUTF revenue by the amounts shown above in Table 3. HUTF revenue generated by license plate fees is distributed to counties (26 percent) and municipalities (9 percent) for transportation needs.

Effective Date

The bill was postponed indefinitely by the Senate Finance Committee on March 20, 2018.

State Appropriations

For FY 2018-19, the bill requires and includes a cash fund appropriation of \$1,918 from the License Plate Cash Fund to the Department of Revenue.

State and Local Government Contacts

Corrections
Information Technology
Revenue

Counties
Local Affairs
Transportation

County Clerks
Public Safety