



Legislative  
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**FISCAL NOTE**

**Drafting Number:** LLS 18-1045  
**Prime Sponsors:** Rep. Pabon  
 Sen. Jahn

**Date:** March 29, 2018  
**Bill Status:** House Transportation  
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**Bill Topic:** DEREGULATION OF LARGE-MARKET TAXICAB SERVICE

- Summary of Fiscal Impact:**
- State Revenue
  - TABOR Refund
  - State Expenditure
  - Local Government
  - State Transfer
  - Statutory Public Entity

This bill changes the level of regulation for companies providing large-market taxicab services. It will increase state revenue and expenditures on an ongoing basis.

**Appropriation Summary:** For FY 2018-19, the bill requires an appropriation of \$182,379 to the Department of Regulatory Agencies.

**Fiscal Note Status:** The fiscal note reflects the introduced bill.

**Table 1**  
**State Fiscal Impacts Under HB 18-1320**

		FY 2018-19	FY 2019-20
<b>Revenue</b>	Cash Funds	\$194,179	\$74,541
	<b>Total</b>	<b>\$194,179</b>	<b>\$74,541</b>
<b>Expenditures</b>	Cash Funds	\$182,379	\$61,524
	Centrally Appropriated	\$11,800	\$13,017
	<b>Total</b>	<b>\$194,179</b>	<b>\$74,541</b>
	<b>Total FTE</b>	<b>0.9 FTE</b>	<b>1.0 FTE</b>
<b>Transfer</b>		-	-
<b>TABOR Refund</b>	General Fund	\$194,179	\$74,541

## Summary of Legislation

Under current law, taxicab companies are regulated by the Public Utilities Commission (PUC) in the Department of Regulatory Agencies (DORA) as common carriers. Common carriers are subject to the broadest PUC regulation, including market entry, services, routes, rates, operational standards, insurance, and safety.

This bill reclassifies large-market taxicab services — defined as providers serving counties with a population of 70,000 or more — as limited regulation carriers subject to operational standards, insurance, and safety regulation. Requirements that drivers undergo fingerprint background checks and engage in nondiscriminatory practices remain.

The PUC must promulgate rules requiring every taxicab service company to collect individual driving record information for all drivers as well as information about violations that occurred while a driver was providing taxicab services. This information is to be shared with PUC at intervals it determines by rule. Upon a taxicab service company's request, the PUC must report back driver information provided by another company. This information is not subject to the Colorado Open Records Act.

Finally, the bill removes from statute the different market entry standards related to location and population of a taxicab market.

## Data and Assumptions

There are at least seven companies subject to the bill: All Cities Cab, Denver Yellow Cab, Freedom Cab, Metro Taxi, Mile High Cab, Union Taxi Cooperative, and Yellow Cab of Colorado Springs. This represents 5 percent of common carriers regulated by the PUC. The largest volume of regulatory workload for the PUC with common carriers relates to safety and insurance regulations, to which this group is still subject. As a result, no workload offset is created. Additionally, the removal of market entry regulations could create growth in the industry; the fiscal note has not estimated industry growth.

## State Revenue

The bill will increase state cash fund revenue from fees by \$194,179 in FY 2018-19, and \$74,541 in FY 2019-20 to the Motor Carriers Cash Fund. This amount reflects the administrative costs incurred by the PUC as a result of this bill as discussed in the State Expenditures section, and will be paid by regulated companies. The Motor Carriers Cash Fund is supported by permit and stamp fees on regulated motor carriers, and revenue from interstate trucking fees.

## 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. 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 revenue subject to TABOR is not estimated for years beyond FY 2019-20.

**State Expenditures**

The bill will increase expenditures in the PUC by \$194,179 and 0.9 FTE in FY 2018-19 and \$74,541 and 1.0 FTE in FY 2019-20 from the Motor Carriers Cash Fund.

**Table 2  
Expenditures Under HB 18-1320**

	<b>FY 2018-19</b>	<b>FY 2019-20</b>
<b>Department of Regulatory Agencies</b>		
Personal Services	\$50,541	\$55,135
Operating Expenses and Capital Outlay Costs	\$5,558	\$950
Contract Services	\$17,500	-
Computer Programming and Maintenance	\$108,780	\$5,439
Centrally Appropriated Costs*	\$11,800	\$13,017
<b>Total Cost</b>	<b>\$194,179</b>	<b>\$74,541</b>
<b>Total FTE</b>	<b>0.9 FTE</b>	<b>1.0 FTE</b>

\* Centrally appropriated costs are not included in the bill's appropriation.

**Public Utilities Commission.** Beginning in FY 2018-19, the PUC requires 1.0 FTE Administrator III to manage incoming and outgoing driver data, audit records, compile data, develop and produce reports, and process requests for data retrieval. This staff has been prorated for the bill's effective date and includes capital outlay costs in the first year. The PUC will perform rulemaking within the normal course of business.

*Contract services.* In FY 2018-19 only, the PUC will also require approximately 140 hours of contract staff at an hourly rate of \$125 to assist with the scoping, approval, and development process of the new database.

*Computer programming.* Because the PUC has no system in place to collect, retain, compile, and distribute driver violation data, it will work with the Office of Information Technology to develop a system, estimated at a cost of \$108,780 in FY 2018-19, and \$5,439 in FY 2019-20 and ongoing. This amount assumes 660 hours of computer programming at an hourly rate of \$112, 140 hours of testing at an hourly rate of \$108, and 140 hours of a project manager at an hourly rate of \$141.

**Centrally appropriated costs.** Pursuant to a Joint Budget Committee policy, certain costs associated with this bill are addressed through the annual budget process and centrally appropriated in the Long Bill or supplemental appropriations bills, rather than in this bill. These costs, which include employee insurance and supplemental employee retirement payments, are estimated to be \$11,800 in FY 2018-19 and \$13,017 in FY 2019-20.

**Effective Date**

The bill takes effect August 8, 2018, if the General Assembly adjourns on May 9, 2018, as scheduled, and no referendum petition is filed.

**State Appropriations**

For FY 2018-18, the bill requires a cash fund appropriation of \$182,379 to the Public Utilities Commission from the Motor Carriers Cash Fund and an allocation of 0.9 FTE. Of this amount, \$108,780 is reappropriated to the Office of Information Technology.

**State and Local Government Contacts**

Counties  
Municipalities

Information Technology  
Public Safety

Law  
Regulatory Agencies