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FISCAL NOTE

Drafting Number:	LLS 19-0980	Date:	March 22, 2019
Prime Sponsors:	Rep. Hansen; Catlin Sen. Coram; Zenzinger	Bill Status:	House Energy & Environment
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Bill Topic: MESA VERDE NATIONAL PARK LICENSE PLATE

Summary of Fiscal Impact:

<input checked="" type="checkbox"/> State Revenue	<input 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 creates the Mesa Verde National Park group special license plate. It will increase state and local revenue and state expenditures beginning in FY 2019-20.

Appropriation Summary: In FY 2019-20, the bill requires an appropriation of \$20,105 to the Department of Revenue.

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

**Table 1
State Fiscal Impacts Under HB 19-1255**

		FY 2019-20	FY 2020-21
Revenue	Cash Funds	\$85,030	\$106,272
	State Highway Fund	\$44,688	\$55,851
	Total	\$129,718	\$162,123
Expenditures	Cash Funds	\$20,105	\$20,347
Transfers		-	-
TABOR Refund		-	-

Summary of Legislation

This bill creates the Mesa Verde National Park group special license plate. The license plate is available to all applicants that pay a one-time special license plate fee of \$50 and give a donation to a designated Colorado nonprofit organization as determined by the Colorado Department of Revenue (DOR). The group special license plate will be available by January 1, 2020.

Assumptions

Expected demand for this plate is based on the actual demand for the current Rocky Mountain National Park group special license plate. This plate is used for comparison because it has similar qualification to the new Mesa Verde National Park group special license plate. This fiscal note assumes that 2,750 license plates will be issued in FY 2019-20, and 3,437 will be issued in FY 2020-21 and thereafter.

In addition, the fiscal note assumes that the designated nonprofit organization, as determined by DOR, will be the Mesa Verde Foundation, which has completed all the requirements to seek legislation creating a group special license plate.

State Revenue

This bill is anticipated to increase state cash fund revenue by \$153,780 in FY 2019-20 and by \$192,197 in FY 2020-21 and in future years. Table 2 outlines the revenue generated under this bill.

Table 2
Revenue Under HB 19-1255

Revenue Components	FY 2019-20	FY 2020-21
License Plate Sets Issued	2,750	3,437
Revenue: License Plate Cash Fund (\$5.92)	\$16,280	\$20,347
Revenue: Highway Users Tax Fund (\$25)	\$68,750	\$85,925
Revenue: Licensing Services Cash Fund (\$25)	\$68,750	\$85,925
Total Revenue	\$153,780	\$192,197

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 will be minimal. Fees from plate and tab production are credited to the License Plate Cash Fund (LPCF).

Special license plate fees. Applicants for the Mesa Verde National Park group special license plate are also required to pay an additional \$50 fee, of which \$25 is credited to the Highway Users Tax Fund (HUTF) and \$25 is credited to the Licensing Services Cash Fund (LSCF).

Colorado Department of Transportation. Of the HUTF revenue generated under this bill, 65 percent is credited to the State Highway Fund (SHF) for expenditure by the department, 26 percent is credited to counties, and 9 percent is credited to municipalities. Table 3 outlines the estimated HUTF revenue generated under this bill.

**Table 3
 Estimated HUTF Distributions Under HB 19-1255**

	FY 2019-20	FY 2020-21
License Plate Sets Issued	2,750	3,437
Revenue: State Highway Fund (65 percent)	\$44,688	\$55,851
Revenue: Counties (26 percent)	\$17,875	\$22,341
Revenue: Municipalities (9 percent)	\$6,187	\$7,733
Total Distribution	\$68,750	\$85,925

State Expenditures

State cash fund expenditures in DOR will increase by \$20,105 in FY 2019-20, and by \$20,347 in FY 2020-21 and in future years. State expenditures are detailed in Table 4 and discussed below.

**Table 4
 Expenditures Under HB 19-1255**

	FY 2019-20	FY 2020-21
Department of Revenue		
Plate and Tab Production Cost (\$5.92 per set)	\$16,280	\$20,347
Computer Programming	\$3,825	-
Total Expenditures	\$20,105	\$20,347

Department of Revenue. As discussed in the State Revenue section, plate tab and production costs \$5.92 per license plate set. This fiscal note assumes that 2,750 license plates will be issued in FY 2019-20, and 3,437 will be issued in FY 2020-21 and thereafter. In FY 2019-20, one-time programming costs of \$3,825 are required to update the Driver License, Record, Identification and Vehicle Enterprise Solutions (DRIVES) system. Programming costs are calculated at 17 hours at a rate of \$225 per hour.

In addition, DOR will be required to update rules, forms, manuals, and the department's website to reflect the change in law. Additionally, the DOR will 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. License plate and tab production costs are expended from the LPCF.

Local Government

This bill will increase local government HUTF revenue by an estimated \$24,062 in FY 2019-20 and by \$30,074 in FY 2020-21 and thereafter, as shown 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 takes effect August 2, 2019, if the General Assembly adjourns on May 3, 2019, as scheduled, and no referendum petition is filed.

State Appropriations

For FY 2019-20, the bill requires an appropriation to the Department of Revenue of \$3,825 from the DRIVES Vehicle Services Account, and cash fund spending authority in the amount of \$16,280 from the License Plate Cash Fund.

State and Local Government Contacts

Corrections
Public Safety

County Clerks
Revenue

Information Technology
Transportation