



Legislative
Council Staff

Nonpartisan Services for Colorado's Legislature

FINAL FISCAL NOTE

Drafting Number:	LLS 19-1031	Date:	June 26, 2019
Prime Sponsors:	Rep. Gray; Landgraf Sen. Cooke; Pettersen	Bill Status:	Signed into Law
		Fiscal Analyst:	Katie Ruedebusch 303-866-3001 Katie.Ruedebusch@state.co.us

Bill Topic: VEHICLE IDENTIFICATION NUMBER INSPECTION FEE

Summary of Fiscal Impact:

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

This bill increases the fee for performing a certified vehicle identification number inspection and limits inspector certification to three years. Beginning in FY 2019-20, the bill increases state and local revenue and expenditures on an ongoing basis.

Appropriation Summary: No appropriation is required.

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

Table 1
State Fiscal Impacts Under HB 19-1300

		FY 2019-20	FY 2020-21
Revenue	Cash Funds	\$471,960	\$532,022
Expenditure	Cash Funds	-	-
Transfer		-	-
TABOR Refund		-	-

Summary of Legislation

Under current law, the fee for performing a certified vehicle identification number (VIN) inspection is \$20. The bill increases the fee to \$50 and, beginning July 1, 2020, allows the fee to be adjusted annually for inflation. In addition, the bill clarifies that a certification to perform VIN inspections expires after three years.

Background and Assumptions

A VIN verification is a physical inspection to determine whether the VIN on a vehicle matches the VIN on the title. The verification also entails checking the VIN number on the vehicle against state and national databases of wanted and stolen vehicles. In some cases, a certified VIN inspection is required. A certified VIN inspection may only be conducted by a Peace Officers Standards and Training (P.O.S.T.) certified inspector. The certified inspector checks both the public VIN (which may be located on the dashboard, or another highly visible area), and discreet VINs, the locations of which are only provided to law enforcement by the vehicle's manufacturer. The following vehicles require a certified VIN inspection:

- bonded title vehicles;
- rebuilt vehicles;
- reconstructed vehicles; and
- vehicles assembled from a kit (including trailers).

Over the last three years, the Colorado State Patrol (CSP) conducted an average of 17,162 VIN inspections per year.

State Revenue

The bill increases state revenue to the Vehicle Identification Number Inspection Fund by \$471,960 in FY 2019-20 and \$532,022 in FY 2020-21.

Fee impact on vehicle owners. Colorado law requires legislative service agency review of measures which create or increase any fee collected by a state agency. Fee revenue is subject to TABOR; however, under the March 2019 Legislative Council Staff forecast, a TABOR surplus is not expected in FY 2019-20 or FY 2020-21. The table below identifies the fee impact of this bill. The fee in FY 2020-21 is adjusted to reflect the 2.2 percent consumer price index increase under the March 2019 Legislative Council Staff forecast.

Table 2
Fee Impact on Vehicle Owners

FY	Type of Fee	Current Fee	Fee Increase	Number Affected	Total Current Fee	Total Fee Increase	Total Change in Revenue
FY 19-20	VIN Inspection	\$20	\$50	15,732	\$314,640	\$786,600	\$471,960
FY 20-21	VIN Inspection	\$20	\$51	17,162	\$343,240	\$875,262	\$532,022

This fiscal note assumes that CSP will conduct 15,732 VIN inspections in FY 2019-20 and 17,162 VIN inspections in FY 2020-21. Impacts for FY 2019-20 are prorated to account for the August 2019 effective date.

State Expenditures

The bill will increase workload for the Department of Revenue on an ongoing basis and may increase state expenditures in CSP.

Department of Revenue. The bill will increase workload in the Department of Revenue (DOR) in order to validate VIN inspections, investigate fraud complaints, and annually calculate the fee. Additionally, workload in DOR will increase to engage in any rulemaking and to update forms, manuals, and the department's website to reflect the change in law, as well as provide training to authorized agents, Vehicle Services Section staff, and law enforcement. Any workload increases or costs associated with these activities can be accomplished within existing appropriations.

Department of Public Safety. The bill may increase state expenditures in CSP to hire additional part-time and/or temporary VIN inspectors, purchase additional equipment, increase the hours of current temporary VIN inspectors, provide overtime for trooper VIN inspectors, and pay for inspector re-certification courses. Any increases in expenditures will be requested through the annual budget process.

Local Government

The bill will increase revenue and expenditures for local governments law enforcement agencies that conduct certified VIN inspections. Local government revenue and expenditure increases will vary based on jurisdiction and have not been estimated for this fiscal note.

Effective Date

The bill was signed into law by the Governor on May 23, 2019, and takes effect August 2, 2019, assuming no referendum petition is filed.

State and Local Government Contacts

Counties
Personnel
Transportation

Information Technology
Public Safety

Municipalities
Revenue