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FISCAL NOTE

Drafting Number: LLS 20-0817
Prime Sponsors: Sen. Priola

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Bill Status: Senate Transportation
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Bill Topic: PLUG-IN ELECTRIC MOTOR VEHICLE REGISTRATION FEES

- Summary of Fiscal Impact:
- State Revenue (checked)
- State Expenditure (checked)
- State Transfer (unchecked)
- TABOR Refund (unchecked)
- Local Government (checked)
- Statutory Public Entity (unchecked)

The bill creates two new registration fees on plug-in electric vehicle owners to fund surface infrastructure transportation projects. Beginning in FY 2020-21, the bill increases state revenue and state and local expenditures on an ongoing basis.

Appropriation Summary: The bill requires an appropriation of \$55,575 to the Department of Revenue in FY 2020-21. The remaining expenditures are paid from a continuously appropriated cash fund.

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

Table 1
State Fiscal Impacts Under SB 20-094

Table with 4 columns: Category, Sub-category, FY 2020-21, FY 2021-22. Rows include Revenue, Expenditures, Transfers, and TABOR Refund.

Summary of Legislation

The bill creates two new registration fees on plug-in electric vehicle owners. Beginning on July 1, 2020, plug-in electric vehicles will pay a surface transportation infrastructure equivalent use fee (use fee) and longevity fee. Plug-in electric vehicle owners will pay a use fee of up to \$120, which will be inflation-adjusted annually by the High-Performance Transportation Enterprise (HPTE) in the Department of Transportation (CDOT). The longevity fee begins at \$2 in a vehicle's second year of service and increases annually for each year until the vehicle's 18th year of service. Fees are credited by the State Treasurer to the Statewide Transportation Enterprise Special Revenue Fund to fund surface infrastructure transportation projects.

Background and Assumptions

Electric vehicle registration fee. Under current law, Colorado assesses a \$50 fee on electric vehicles at the time of annual vehicle registration. Of the \$50 annual registration fee on electric vehicle owners, \$30 goes to the Highway Users Tax Fund, and the remaining \$20 provides funding to the Electric Vehicle Grant Program administered by the Colorado Energy Office. The Highway Users Tax Fund is the primary source of state highway system funding in Colorado. The grant program provides grants to eligible recipients to cover the installation and operating costs of electric vehicle charging stations.

High-Performance Transportation Enterprise. CDOT oversees the HPTE, which is a government-owned business that has the authority to issue revenue bonds, and receives less than 10 percent of its revenue from state and local government sources. HPTE is tasked with actively pursuing innovative means of transportation finance through public-private partnerships, operation of concession agreements, and fee-based projects. Money in the Statewide Transportation Enterprise Special Revenue Fund is continuously appropriated to HPTE.

Number of electric vehicles registered in Colorado. There are currently 15,898 plug-in electric vehicles registered in Colorado. Using historical data and current trends, the fiscal note assumes that an additional 1,787 plug-in electric vehicles will be registered in FY 2020-21 and 1,704 new electric vehicles will be registered in FY 2021-22.

State Revenue

The bill increases state cash fund revenue in the HPTE by \$2.1 million in FY 2020-21 and \$2.4 million in FY 2021-22. Fee revenue credited to the Statewide Transportation Enterprise Special Revenue Fund is exempt from TABOR.

Fee impact on electric vehicle owners. Colorado law requires legislative service agency review of measures which create or increase any fee collected by a state agency. These fee amounts are estimates only, actual longevity fees will be set administratively by the HPTE. Table 2 below identifies the fee impact of this bill.

**Table 2
Fee Impact on Electric Vehicle Owners**

	Proposed Fee	Number	Fee Impact
FY 2020-21			
User Fee	\$120.00	17,426	\$2,091,120
Longevity Fee (Model Year 2019)	\$2.00	4,007	\$8,014
Longevity Fee (Model Year 2018)	\$2.50	2,152	\$5,380
Longevity Fee (Model Year 2017)	\$3.00	2,941	\$8,823
Longevity Fee (Model Year 2016)	\$3.50	1,727	\$6,045
Longevity Fee (Model Year 2015)	\$4.00	1,398	\$5,592
Longevity Fee (Model Year 2014)	\$4.50	1,110	\$4,995
Longevity Fee (Model Year 2013)	\$5.00	1,212	\$6,060
Longevity Fee (Model Year 2012)	\$5.50	584	\$3,212
Longevity Fee (Model Year 2011)	\$6.00	119	\$714
Longevity Fee (Model Year 2010)	\$6.50	82	\$533
Longevity Fee (Model Year 2009)	\$7.00	26	\$182
Longevity Fee (Model Year 2008)	\$7.50	74	\$555
Longevity Fee (Model Year 2007)	\$8.00	65	\$520
Longevity Fee (Model Year 2006)	\$8.50	42	\$357
Longevity Fee (Model Year 2005)	\$9.00	31	\$279
Longevity Fee (Model Year 2004)	\$9.50	9	\$86
Longevity Fee (Model Year 2003 & prior)	\$10.00	60	\$600
FY 2020-21 Total			\$2,143,067
FY 2021-22			
User Fee	\$123.00	19,130	\$2,352,990
Longevity Fee (Model Year 2020)	\$2.00	1,787	\$3,574
Longevity Fee (Model Year 2019)	\$2.50	4,007	\$10,018
Longevity Fee (Model Year 2018)	\$3.00	2,152	\$6,456
Longevity Fee (Model Year 2017)	\$3.50	2,941	\$10,294
Longevity Fee (Model Year 2016)	\$4.00	1,727	\$6,908
Longevity Fee (Model Year 2015)	\$4.50	1,398	\$6,291
Longevity Fee (Model Year 2014)	\$5.00	1,110	\$5,550
Longevity Fee (Model Year 2013)	\$5.50	1,212	\$6,666
Longevity Fee (Model Year 2012)	\$6.00	584	\$3,504
Longevity Fee (Model Year 2011)	\$6.50	119	\$774
Longevity Fee (Model Year 2010)	\$7.00	82	\$574
Longevity Fee (Model Year 2009)	\$7.50	26	\$195
Longevity Fee (Model Year 2008)	\$8.00	74	\$592
Longevity Fee (Model Year 2007)	\$8.50	65	\$553
Longevity Fee (Model Year 2006)	\$9.00	42	\$378
Longevity Fee (Model Year 2005)	\$9.50	31	\$295
Longevity Fee (Model Year 2004 & prior)	\$10.00	69	\$690
FY 2021-22 Total			\$2,416,302

State Expenditures

The bill will increase state cash fund expenditures by up to \$2.1 million in FY 2020-21 and up to \$2.4 million in FY 2021-22 from the Statewide Transportation Enterprise Special Revenue Fund. In FY 2020-21 only, the bill will increase cash fund expenditures in the DOR by \$55,575. The bill may also increase workload for the HPTE. These expenditure impacts are discussed below.

Surface transportation projects. Expenditures will increase from the Statewide Transportation Enterprise Special Revenue Fund, which is continuously appropriated to the HPTE for the purposes of funding surface transportation projects.

Department of Revenue. In FY 2020-21, one-time programming costs of \$55,575 are required to update the Driver License, Record, Identification and Vehicle Enterprise Solutions (DRIVES) system. Programming costs are calculated at 247 hours at a rate of \$225 per hour and are paid from the DRIVES Vehicle Services Account. Additionally, DOR will annually update the longevity fee in DRIVES and self-service kiosks; update rules, forms, manuals, and the department's website to reflect the change in law; and 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.

High-Performance Transportation Enterprise. HPTE and CDOT workload will increase annually to make inflation adjustments to fees; no change in appropriation is required.

Local Government

The bill will increase workload for county clerks to collect and remit the new fee for plug-in electric vehicles. These cost have not been estimated for this fiscal note, but will vary based on jurisdiction.

Effective Date

The bill takes effect upon signature of the Governor, or upon becoming law without his signature.

State Appropriations

The bill requires a cash fund appropriation of \$55,575 to the Department of Revenue from the DRIVES Vehicle Services Account. No appropriation is required for the Statewide Transportation Enterprise Special Revenue Fund, which is continuously appropriated to HPTE.

State and Local Government Contacts

County Clerks
Transportation

Information Technology
Treasury

Revenue