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FISCAL NOTE

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Prime Sponsors: Sen. Hisey Bill Status: Senate Transportation
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Bill Topic: HAZARDOUS MATERIALS TRANSPORTATION PERMIT ISSUANCE

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

The bill transfers the issuance of permits for the transportation of hazardous materials by motor vehicles from the Public Utilities Commission to the Department of Transportation. The bill increases state expenditures beginning in FY 2020-21.

Appropriation Summary: No appropriation is required. See State Appropriation section.

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

Table 1
State Fiscal Impacts Under SB 20-118

Table with 3 columns: Category, FY 2020-21, FY 2021-22. Rows include Revenue, Expenditures (State Highway Fund, Centrally Appropriated, Total), Total FTE, Transfers, and TABOR Refund.

Summary of Legislation

Under current law, the Public Utilities Commission (PUC) in the Department of Regulatory Agencies issues permits for the transportation of hazardous materials by motor vehicles. This bill relocates the function of issuing permits to the Department of Transportation (CDOT).

Background

In Colorado, several state agencies are involved in the regulation of transportation of hazardous materials by motor vehicles. The PUC registers hazardous materials carriers, ensures that they meet proper insurance requirements, and issues permits. The PUC issued 1,799 permits in FY 2018-19. The Colorado State Patrol (CSP) regulates and enforces the safety of both the interstate and intrastate transportation of hazardous materials. CSP also has the authority to designate which public roads may be used by vehicles transporting hazardous materials. Counties, municipalities, and CDOT may apply for hazardous materials route designations or request changes to existing routes. The Transportation Commission has the authority to regulate transportation of hazardous materials through the Eisenhower-Edwin C. Johnson Memorial Tunnel on Interstate 70.

CDOT funding. CDOT is primarily funded from the State Highway Fund (SHF), which is comprised of federal funds, the state's share of the Highway Users Tax Fund, and other various sources of revenue. The decision-making authority for the majority of state transportation revenue rests with the Transportation Commission, which is responsible for allocating funds from the SHF.

State Expenditures

The bill will increase state expenditures for CDOT from the SHF by \$191,236 and 1.0 FTE in FY 2020-21 and \$176,259 and 2.0 FTE in FY 2021-22. In addition, expenditures may increase for the CSP in the Department of Public Safety. Finally, workload will minimally decrease for the Public Utilities Commission. These costs are shown in Table 2 and discussed below.

Table 2
Expenditures Under SB 20-118

	FY 2020-21	FY 2021-22
Department of Transportation		
Personal Services	\$52,481	\$104,963
Operating Expenses	\$675	\$1,350
Capital Outlay Costs	\$6,200	-
Software and Applications	\$23,691	\$23,661
Maintenance and Support	\$84,900	\$17,600
Centrally Appropriated Costs*	\$23,289	\$28,685
FTE – Personal Services	1.0 FTE	2.0 FTE
Total Cost	\$191,236	\$176,259
Total FTE	1.0 FTE	2.0 FTE

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

Department of Transportation. The bill increases expenditures in CDOT by \$191,236 and 1.0 FTE in FY 2020-21 and \$176,259 and 2.0 FTE in FY 2021-22, paid from the SHF. Funding from the SHF is allocated by the Transportation Commission. The commission will adjust spending from the SHF to accommodate the increase in CDOT expenditures. These expenditures are discussed below.

- *CDOT personal services.* CDOT requires 1.0 FTE to support the new permitting process. The position will assist customers with permit applications and questions, as well as supporting customers through the transition process. FTE impacts in FY 2020-21 are prorated to 0.5 FTE reflect the effective date of January 1, 2021.
- *Office of Information Technology personal services.* The Office of Information Technology (OIT) will require 1.0 FTE to implement and support the new permit program at CDOT. The position will develop and implement the new IT applications for the permit program, as well as provide support functions. This position is OIT staff, but located in and paid by CDOT. Personal services impacts in FY 2020-21 are prorated to 0.5 FTE to reflect the effective date of January 1, 2021.
- *Software, maintenance and support, and applications.* The bill increases CDOT expenditures from the SHF by \$108,591 in FY 2020-21 and \$41,261 in FY 2020-21 to purchase services from OIT. These expenditures are required in order to develop and implement a new permitting application in CDOT in order to process hazardous materials registration, insurance requirements, and permits. The new application will require Salesforce development, as well as cloud-based functioning, technical support, and user licenses. Additional resources may be necessary to allow interconnection between the new permitting system at CDOT and systems in use at the CSP at ports of entry. CDOT will pay OIT directly for these services from the SHF.

Colorado State Patrol. The bill may increase programming costs for the CSP's port of entry system to interface with the new CDOT permitting system. These costs are not estimated at this time.

PUC — Department of Regulatory Agencies. The bill will minimally decrease workload to the PUC as the permitting process is one of several verification processes for motor carriers. PUC staff will still handle other motor carrier verification processes. In addition, workload will decrease as the PUC will no longer be required to pass through revenue from the Hazardous Materials Fund to other recipient agencies, such as the CSP.

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 \$23,289 in FY 2020-21 and \$28,685 in FY 2021-22.

Effective Date

The bill takes effect January 1, 2021, if no referendum petition is filed.

State Appropriations

No appropriation is required. Funding from the SHF is allocated by the Transportation Commission. The commission will adjust spending from the SHF to accommodate the increase in CDOT expenditures under the bill.

State and Local Government Contacts

Information Technology

Regulatory Agencies

Transportation