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Fiscal Note

Drafting Number: LLS 21-0689
Prime Sponsors: Rep. Van Beber;
Michaelson Jenet

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Bill Status: House Trans. & Local Govt.
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Bill Topic: **SUPPORT FOSTER FAMILIES 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 Support Foster Families license plate. It increases state revenue and expenditures and increases local government revenue on an ongoing basis.

Appropriation Summary: For FY 2021-22, the bill requires an appropriation of \$43,841 to the Department of Revenue.

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

Table 1
State Fiscal Impacts Under HB 21-1073

		Budget Year FY 2021-22	Budget Year FY 2022-23	Budget Year FY 2023-24
Revenue	Cash Funds	\$241,616	\$302,027	\$60,411
	State Highway Fund	\$132,064	\$165,084	\$33,020
	Total	\$373,680	\$467,111	\$93,431
Expenditures	Cash Funds	\$43,841	\$48,052	\$9,611
	Total	\$43,841	\$48,052	\$9,611
Transfers		-	-	-
TABOR Refund		-	-	-

Summary of Legislation

This bill creates the Support Foster Families 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 nonprofit organization may only use the donations to support foster families. The group special license plate will be available on or after January 1, 2022, or when DOR is able to issue the plates.

Assumptions

Expected demand for this plate is based on the actual demand for the Adopt a Shelter Pet group special license plate. There is currently no other group special plate with a similar theme or cause to Support Foster families, but the Adopt a Shelter Pet plate has a similar qualification.

State Revenue

This bill is anticipated to increase state cash fund revenue by \$444,791 in FY 2021-22, \$556,002 in FY 2022-23, and \$111,211 in FY 2023-24. This revenue is subject to TABOR. Table 2 outlines the revenue generated under this bill.

Table 2
Revenue Under HB 21-1073

	FY 2021-22	FY 2022-23	FY 2023-24
License Plate Sets Issued	8,127	10,159	2,032
License Plate Cash Fund (\$4.73)	\$38,441	\$48,052	\$9,611
Highway Users Tax Fund (\$25)	\$203,175	\$253,975	\$50,800
Licensing Services Cash Fund (\$25)	\$203,175	\$253,975	\$50,800
Total Cost	\$444,791	\$556,002	\$111,211

Standard license plate fees. Upon registration, all vehicle owners must pay a plate and tab production fee of \$4.73 for an embossed passenger vehicle plate set or \$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 support foster families group special license plate are also required to pay an additional \$50.00 fee, of which \$25.00 is credited to the Highway Users Tax Fund (HUTF) and \$25.00 is credited to the Licensing Services Cash Fund.

Colorado Department of Transportation. Of the HUTF revenue, 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 21-1073

	FY 2021-22	FY 2022-23	FY 2023-24
License Plate Sets Issued	8,127	10,159	2,032
State Highway Fund (65 percent)	\$132,064	\$165,084	\$33,020
Counties (26 percent)	\$52,825	\$66,033	\$13,208
Municipalities (9 percent)	\$18,286	\$22,858	\$4,572
Total Revenue	\$203,175	\$253,975	\$50,800

State Expenditures

State cash fund expenditures in the DOR will increase by \$43,841 in FY 2021-22, \$48,052 in FY 2022-23, and \$9,611 in FY 2023-24.

Table 4
Expenditures Under HB 21-1073

	FY 2021-22	FY 2022-23	FY 2023-24
Department of Revenue			
Plate and Tab Production Cost (\$4.73 per set)	\$38,441	\$48,052	\$9,611
Computer Programming	\$5,400	-	-
Total Expenditures	\$43,841	\$48,052	\$9,611

Department of Revenue. As discussed in the State Revenue section, plate tab and production costs are \$4.73 per license plate set. This fiscal note assumes that 8,127 license plates will be issued in FY 2021-22, 10,159 will be issued in FY 2022-23, and 2,032 will be issued in FY 2023-24. In FY 2021-22, one-time programming costs of \$5,400 are required to update the Driver License, Record, Identification and Vehicle Enterprise Solutions (DRIVES) system. Programming costs are calculated at 24 hours at a rate of \$225 per hour and are paid from the DRIVES Vehicle Services Account. License plate and tab production costs are expended from the LPCF.

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.

Local Government

This bill will increase local government HUTF revenue by an estimated \$71,111 in FY 2021-22, by \$88,891 in FY 2022-23, and by \$17,780 in FY 2023-24, 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 90 days following adjournment of the General Assembly sine die, assuming no referendum petition is filed.

State Appropriations

For FY 2021-22, the bill requires appropriations of \$43,841 to the Department of Revenue. Of this total:

- \$5,400 is from the DRIVES Vehicle Services Account; and
- \$38,441 is from the License Plate Cash Fund.

State and Local Government Contacts

Corrections
Human Services
Transportation

Counties
Information Technology

County Clerks
Revenue