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Fiscal Note

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Prime Sponsors: Sen. Zenzinger; Danielson Bill Status: Senate Finance
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Bill Topic: WOMEN VETERANS WITH DISABILITIES LICENSE PLATE

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

This bill creates the Women Veterans with Disabilities special license plate that is exempt from registration fees and specific ownership tax. It decreases state and local government revenue and increases state government expenditures on an ongoing basis.

Appropriation Summary: For FY 2021-22, this bill requires an appropriation of \$5,481 to the Department of Revenue.

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

Table 1
State Fiscal Impacts Under SB 21-253

Table with 4 columns: Category, Sub-category, Budget Year FY 2021-22, and Out Year FY 2022-23. Rows include Revenue (Cash Funds, State Highway Fund, Total), Expenditures (Cash Funds, Total), Transfers, and TABOR Refund.

Summary of Legislation

The bill creates a military license plate available to disabled veteran women. The license plate is available to veteran women who have received an honorable discharge or are retired from the U.S. Armed Forces and have a qualifying disability.

Individuals with the disabled women veteran license plate will be exempt from registration fees and specific ownership tax (SOT) for one vehicle. Subsequent vehicles will be subject to applicable registration and taxes, as well as a one-time fee of \$50, of which \$25 goes to the Highway Users Tax Fund (HUTF) and the other \$25 goes to the Licensing Services Cash Fund.

State Revenue

This bill is anticipated to decrease state cash fund revenue by \$581 in FY 2021-22 and FY 2022-23, as shown in Table 2. This is based on the assumption that 10 of these license plates will be ordered by individuals that otherwise would have paid for standard license plates.

Table 2
Revenue Under SB 21-253

	FY 2021-22	FY 2022-23
License Plate Sets Issued	10	10
License Plate Cash Fund (\$8.06)	(\$81)	(\$81)
Highway Users Tax Fund (\$25)	(\$250)	(\$250)
Licensing Services Cash Fund (\$25)	(\$250)	(\$250)
Total Cost	(\$581)	(\$581)

Standard license plate fees. The disabled women veteran license plate is exempt from the plate and tab production fee of \$8.06 for a digital passenger vehicle plate set, \$4.73 for an embossed passenger vehicle plate set, or \$3.01 for a motorcycle plate set. All specialty plates are manufactured as digital plates, and the fiscal note assumes motorcycle 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 disabled women veteran license plate are also exempt from paying the additional \$50 fee applied for special plates, of which \$25 is credited to the Highway Users Tax Fund (HUTF) and \$25 is credited to the Licensing Services Cash Fund.

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

**Table 3
 Estimated HUTF Distributions Under SB 21-253**

	FY 2021-22	FY 2022-23
State Highway Fund (65 percent)	(\$162)	(\$162)
Counties (26 percent)	(\$65)	(\$65)
Municipalities (9 percent)	(\$23)	(\$23)
Total HUTF Distribution	(\$250)	(\$250)

State Expenditures

State cash fund expenditures in the DOR will increase by \$5,481 in FY 2021-22 and \$81 in FY 2022-23, as shown in Table 4 and detailed below.

**Table 4
 Expenditures Under SB 21-253**

	FY 2021-22	FY 2022-23
Department of Revenue		
Plate and Tab Production Cost	\$81	\$81
Computer Programming	\$5,400	-
Total Expenditures	\$5,481	\$81

Department of Revenue. As discussed in the State Revenue section, plate tab and production costs for special group plates are \$8.06 per license plate set. This fiscal note assumes that 10 license plates will be issued in FY 2021-22 and 10 will be issued in FY 2022-23. 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 based on 24 hours of programming at a rate of \$225 per hour, 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 decrease local government HUTF revenue by the amounts 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 \$5,481 to the Department of Revenue. Of this total:

- \$5,400 is from the DRIVES Vehicle Services Account; and
- \$81 is from the License Plate Cash Fund.

Departmental Difference

DOR estimates that it requires \$15,300 in FY 2021-22 for DRIVES system programming and that General Fund is required to pay for these costs. However, this fiscal note estimates that DOR will have sufficient cash fund balance in the DRIVES Vehicle Services Account to cover the costs related to DRIVES programming, and assumes that DOR will need \$5,400 for DRIVES programming costs based on previous bills with similar workloads.

State and Local Government Contacts

Corrections
Information Technology

Counties
Revenue

County Clerks
Transportation