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Fiscal Note

Drafting Number: LLS 23-0111 **Date:** January 17, 2023
Prime Sponsors: Sen. Winter F. **Bill Status:** Senate Transportation
Rep. Catlin; Froelich **Fiscal Analyst:** Colin Gaiser | 303-866-2677
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Bill Topic: **COMMERCIAL MOTOR CARRIER ENFORCEMENT SAFETY LAWS**

Summary of Fiscal Impact:

<input checked="" type="checkbox"/> State Revenue	<input checked="" 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

The bill changes the amount of civil penalties that may be levied on commercial motor carriers and authorizes the Department of Revenue to cancel or deny registration of a commercial motor carrier that fails to cooperate with the completion of a safety compliance review within 30 days. It increases state expenditures in FY 2023-24 only, and minimally impacts state and local revenue on an ongoing basis.

Appropriation Summary: For FY 2023-24, the bill requires an appropriation of \$132,300 to the Department of Revenue.

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

Table 1
State Fiscal Impacts Under SB 23-012

		Budget Year FY 2023-24	Out Year FY 2024-25
Revenue		-	-
Expenditures	Cash Funds	\$132,300	-
Transfers		-	-
Other Budget Impacts		-	-

Summary of Legislation

The bill changes the amount of civil penalties that may be levied on commercial motor carriers for failure to comply with rules for the safe operation of commercial vehicles by tying the amount of civil penalties to the amount of federal civil penalties for interstate commercial motor carriers. The Department of Revenue (DOR) is authorized to cancel or deny registration of a commercial motor carrier that fails to cooperate with the completion of a safety compliance review within 30 days.

State Revenue

Beginning in FY 2023-24, the bill may minimally increase revenue to the Colorado Department of Transportation and the Judicial Department. Under the bill, penalty revenue, which is subject to TABOR, may increase by a minimal amount; this revenue is deposited to the Highway Users Trust Fund (HUTF) and distributed to CDOT (65 percent), counties (26 percent), and municipalities (9 percent). Any court-related fees are distributed to various cash funds in the Judicial Department.

State Expenditures

In FY 2023-24 only, the bill increases state expenditures in the Department of Revenue (DOR) by \$132,300 from the DRIVES Vehicle Services Account.

Department of Revenue. The DOR must update the Driver License, Record, Identification, and Vehicle Enterprise Solutions (DRIVES) system to include reporting on all commercial carriers in order to implement the registration action required by the bill when a commercial carrier fails to complete a safety compliance review. The version of the Performance and Registration Information Systems Management (PRISM) program that the Division of Motor Vehicles uses currently is limited to reporting only on commercial carriers participating in an International Registration Plan. DRIVES programming is estimated at 500 hours for a cost of \$112,500 in FY 2023-24 only. Programming and testing within the innovation strategy and delivery team, which maintains the DRIVES system, will require an additional \$19,800, which is reappropriated to the Office of Information Technology.

Local Government

Similar to the state, the bill's penalty revenue may minimally increase revenue to local governments. Counties receive 26 percent and municipalities receive 9 percent of traffic penalty revenue credited to the HUTF.

Effective Date

The bill takes effect October 1, 2023, assuming no referendum petition is filed.

State Appropriations

For FY 2023-24, the bill requires an appropriation to the Department of Revenue of \$132,300 from the DRIVES Vehicle Services Account, of which \$19,800 is reappropriated to the Office of Information Technology.

State and Local Government Contacts

Counties
Judicial
Revenue

District Attorneys
Municipalities
Sheriffs

Information Technology
Public Safety
Transportation