



Legislative Council Staff
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Final Fiscal Note

Drafting Number: LLS 23-0912 **Date:** August 31, 2023
Prime Sponsors: Sen. Winter F. **Bill Status:** Signed into Law
Rep. Froelich; Herod **Fiscal Analyst:** Colin Gaiser | 303-866-2677
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Bill Topic: **AUTOMATED VEHICLE IDENTIFICATION SYSTEMS**

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 establishes new regulations on the use of Automated Vehicle Identification Systems (AVIS) by state, county, and city jurisdictions. It increases state and local expenditures in FY 2023-24 and impacts state and local revenue on an ongoing basis.

Appropriation Summary: No appropriation is required.

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

Table 1
State Fiscal Impacts Under SB 23-200

		Budget Year FY 2023-24	Out Year FY 2024-25
Revenue	Cash Funds	\$325	\$3,800
Expenditures	Cash Fund	-	-
Transfers		-	-
Other Budget Impacts	TABOR Refund	\$325	\$3,800

Summary of Legislation

The bill regulates the use of Automated Vehicle Identification Systems (AVIS) by the state, counties, consolidated cities and counties, and municipalities. The bill:

- removes the requirement that penalty assessment notices or summons be served and allows it to be sent through mail;
- changes the deadlines when a jurisdiction is required to issue a notice for a violation detected by AVIS from 90 days to 30 days for vehicles registered in-state and 60 days for vehicles registered outside the state.
- requires the registered owner to pay the notice unless the register owner requests a hearing to dispute the violation;
- requires a jurisdiction implementing a new AVIS system to announce the system's implementation through its website for at least 30 days prior to the use of the system, and issue only warnings for the first 30 days after the system is installed or deployed;
- requires the jurisdiction to report unpaid violations to the Department of Revenue (DOR), and allows the DOR is allowed to collect a \$25 administration fee to cover its administration costs;
- requires the jurisdiction to document data – collected within the last five years – on crashes, speeding, reckless driving, and community complaints on a street designated as an AVIS corridor;
- requires a county or municipality implementing a new AVIS system to publish a report on its website disclosing the number of citations and revenue generated by the AVIS corridor;
- allows a municipality to designate all or a portion of a street as an AVIS corridor within which the municipality may locate a system to detect traffic violation under specified circumstances;
- prohibits a local government from requiring a registered owner to disclose the identity of a driver but allows local government to require the owner to submit evidence that they were not the driver at the time of the violation;
- permits a jurisdiction to compensate a manufacturer or vendor of AVIS system equipment; and
- restricts when AVIS may take photographs and requires most photographs and videos to be destroyed after a specified period.

State Revenue

Administration fee. Starting on June 1, 2024, state revenue to the DRIVES vehicle services account will increase by an estimated \$3,800 per year from a \$25 administration fee from unpaid violations recorded by traffic control devices reported to the DOR. Revenue for FY 2023-24 assumes one month of fee collection. This fiscal note assumes there will be 152 violations per year, based on a three-year average of failure-to-pay citations applied to driver records for failure to comply with a traffic control device. To the extent there are additional AVIS systems statewide that do not currently report unpaid citations to the DOR, revenue could increase above this estimate.

State Expenditures

The bill requires the DOR to update the Driver License, Record, Identification, and Vehicle Enterprise Solutions (DRIVES) system to allow the DOR to record and track unpaid violations. This increase in workload and expenditures is absorbable within existing resources.

Other Budget Impacts

TABOR refunds. The bill is expected to increase the amount of state revenue required to be refunded to taxpayers by the amounts shown in the State Revenue section above. This estimate assumes the March 2023 LCS revenue forecast. A forecast of state revenue subject to TABOR is not available beyond FY 2024-25. Because TABOR refunds are paid from the General Fund, increased cash fund revenue will increase the amount of General Fund available to spend or save.

Local Government

Local government revenue. The bill will likely increase revenue to local governments that implement AVIS by increasing the number of civil penalties that are paid in a timely manner. It is assumed persons committing violations will be more likely to pay in order to avoid having their registration suspended or ability to transfer title restricted. Also, the ability to issue citations by mail, without the need to issue a summons, will also result in increased collections. This impact will vary by jurisdiction and their use of AVIS.

Local government expenditures. The bill may increase workload and expenditures for municipalities and other local jurisdictions that use AVIS. It moves up the deadline in which a jurisdiction is required to issue a violation notice, and requires a jurisdiction implementing a new AVIS system to announce the system's implementation through its website for at least 30 days. It also requires a county or municipality to document five years of data on traffic incidents on streets designated as an AVIS corridor, and requires the county or municipality implementing a new AVIS system to publish a report on its website disclosing the number of citations and revenue generated by the AVIS corridor. These new requirements may require additional staff time. In addition, jurisdictions installing AVIS systems may incur additional costs if they choose to compensate vendors or manufacturers of AVIS equipment.

Effective Date

This bill was signed into law by the Governor and took effect on June 5, 2023; except that, the provision that allows the DOR to collect an administration fee takes effect on June 1, 2024.

State and Local Government Contacts

Corrections
County Clerks
Revenue

Counties
Information Technology
Transportation

County Treasurers
Municipalities