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Revised Fiscal Note

(replaces fiscal note dated January 25, 2023)

Drafting Number: LLS 23-0102
Prime Sponsors:

Rep. Froelich
 Sen. Bridges

Date: February 10, 2023
Bill Status: House Finance
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Bill Topic: **REGISTRATION OF VEHICLES IN RENTAL FLEETS**

Summary of Fiscal Impact:

<input type="checkbox"/> State Revenue	<input type="checkbox"/> TABOR Refund
<input checked="" type="checkbox"/> State Expenditure	<input type="checkbox"/> Local Government
<input type="checkbox"/> State Transfer	<input type="checkbox"/> Statutory Public Entity

This bill allows fleet operators to transfer license plates from one fleet vehicle to another vehicle upon transfer or assignment of the owner's title or interest. It increases state expenditures in FY 2023-24 only.

Appropriation Summary: For FY 2023-24, the bill requires an appropriation of \$2,700 to the Department of Revenue.

Fiscal Note Status: The revised fiscal note reflects the introduced bill, as amended by the House Transportation, Housing, and Local Government Committee.

Table 1
State Fiscal Impacts Under HB 23-1022

	Budget Year FY 2023-24	Out Year FY 2024-25
Revenue	-	-
Expenditures	Cash Funds	\$2,700
Transfers	-	-
Other Budget Impacts	-	-

Summary of Legislation

The bill allows motor vehicle fleet operators to transfer license plates from one fleet vehicle to another, when the fleet operator transfers or assigns the owner's title or interest from which the number plates are being transferred. This does not apply to number plates issued to a fleet operator that are easily legible and in good condition.

Background

Since the passage of [Senate Bill 21-069](#), fleet operators are prohibited from transferring license plates between fleet vehicles, and must now purchase new license plates during the titling and registration process at the local county clerk's office. This transaction is completed in the Colorado Driver License, Record, Identification, and Vehicle Enterprise Solution (DRIVES), administered by the DOR. Fleet vehicle owners are currently permitted to conduct bulk transactions.

State Expenditures

In FY 2023-24 only, the DOR must update its Driver License, Record, Identification, and Vehicle Enterprise Solutions (DRIVES) system to update programming to allow the transfer of fleet license plates from one vehicle to another upon transfer or assignment of the owner's title or interest. Programming costs assume 12 hours at a rate of \$225, paid to the vendor, for a cost of \$2,700, funded from the DRIVES Cash Fund. Required development and testing work in support of DRIVES programming is minimal and can be completed with existing resources.

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 2023-24, the bill requires an appropriation of \$2,700 from the DRIVES Cash Fund to the Department of Revenue.

State and Local Government Contacts

Information Technology

Revenue