



Legislative Council Staff

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Revised Fiscal Note

(replaces fiscal note dated April 11, 2023)

Drafting Number: LLS 23-0912 Date: April 24, 2023
Prime Sponsors: Sen. Winter F. Bill Status: House Trans. & Local Govt.
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Bill Topic: AUTOMATED VEHICLE IDENTIFICATION SYSTEMS

- Summary of Fiscal Impact:
[X] State Revenue [X] TABOR Refund
[X] State Expenditure [X] Local Government
[ ] State Transfer [ ] 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: For FY 2023-24, the bill requires and includes an appropriation of \$118,100 to the Department of Revenue, of which \$16,236 is reappropriated to the Office of Information Technology.

Fiscal Note Status: This revised fiscal note reflects the reengrossed bill.

Table 1
State Fiscal Impacts Under SB 23-200

Table with 4 columns: Category, Sub-category, Budget Year FY 2023-24, and Out Year FY 2024-25. Rows include Revenue (Cash Funds: \$325, \$3,800), Expenditures (Cash Fund: \$118,100, -), Transfers (-, -), and 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 drivers to pay the notice unless the driver 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 instructs the DOR to keep a record of unpaid violations and prohibit the renewal of the registration or prohibit the transfer of title until the penalty is paid. 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;
- 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 increases state expenditures in the DOR by \$118,200 in FY 2023-24, paid from the DRIVES Cash Fund. Expenditures are shown in Table 3 and detailed below.

**Table 3  
Expenditures Under SB 23-200**

|                              | <b>FY 2023-24</b> | <b>FY 2024-25</b> |
|------------------------------|-------------------|-------------------|
| <b>Department of Revenue</b> |                   |                   |
| DRIVES Programming           | \$101,864         | -                 |
| OIT Support                  | \$16,236          | -                 |
| <b>Total Cost</b>            | <b>\$118,100</b>  | <b>-</b>          |

**DRIVES programming.** The DOR must update the Driver License, Record, Identification, and Vehicle Enterprise Solutions (DRIVES) system to allow the DOR to record and track unpaid violations, to suspend registrations, and to prohibit title transfers due to unpaid violations in DRIVES. Programming costs assume 428 hours at \$238 per hour for a cost of \$101,864 in FY 2023-24 only. Office of Information Technology (OIT) support requirements are estimated at 164 hours at a rate of \$99 per hour, which will be appropriated to the DOR and reappropriated to OIT.

**Training and materials updates.** The DOR will have to develop additional processes, training, and materials for the prohibition of title transfers as specified in this bill. The DOR will also need to engage in rulemaking regarding the suspension of registrations to codify these impacts on the DOR, customer, and stakeholder agencies. The additional workload increases and costs associated with these activities can be accomplished 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**

The bill takes effect upon signature of the Governor, or upon becoming law without his signature; except that, the provisions that allow the DOR to prohibit registration renewals or title title transfers, and to collect an administration fee take effect on June 1, 2024.

### **State Appropriations**

For FY 2023-24, the bill requires an appropriation of \$118,100 from the DRIVES Cash Fund to the Department of Revenue, of which \$16,236 will be reappropriated to the Office of Information Technology.

### **State and Local Government Contacts**

Corrections  
County Clerks  
Revenue

Counties  
Information Technology  
Transportation

County Treasurers  
Municipalities