



**Colorado
Legislative
Council
Staff**

HB16-1173

FISCAL NOTE

FISCAL IMPACT: State Local Statutory Public Entity Conditional No Fiscal Impact

Drafting Number: LLS 16-0432
Prime Sponsor(s): Rep. Mitsch Bush
Sen. Scott

Date: February 19, 2016
Bill Status: House Agriculture
Fiscal Analyst: Clare Pramuk (303-866-2677)

BILL TOPIC: SUNSET CONTINUE WATER VESSEL REGISTRATION

Fiscal Impact Summary	FY 2016-2017	FY 2017-2018	
This bill changes and continues a program that would otherwise end September 1, 2016, so the fiscal note shows the new and continuing fiscal impacts.	New	New	Continuation
State Revenue		\$3.2 million	
Cash Funds			3.2 million
State Expenditures		\$68,504	
Cash Funds			54,840
Centrally Appropriated Costs			13,664
FTE Position Change			1.1 FTE
Appropriation Required: None.			
Future Year Impacts: Ongoing state revenue and expenditure increase.			

Summary of Legislation

This bill implements the recommendation of the 2015 sunset review for the Vessel Registration Program conducted by the Department of Regulatory Agencies to continue the registration and regulation of vessels program by Colorado Parks and Wildlife (CPW) in the Department of Natural Resources (DNR) indefinitely by removing the program from the sunset schedule. The bill also clarifies that the identification number refers to the hull identification number.

Background

The CPW Registration Unit registers vessels (boats), off-highway vehicles, and snowmobiles. Colorado's vessel registration program complies with the federal Recreational Boating Safety (RBS) Grant Program which enables the state to receive federal grant funds to promote boating safety. Unless exempt, any vessel operated on the waters of Colorado or at a vessel staging area must be registered with the CPW and display that registration number on the

vessel's hull. Exempted vessels include canoes, kayaks, inner tubes, non-motorized or hand-propelled craft, and vessels registered in another jurisdiction. Funds raised through the vessel registration program support CPW's boating safety activities, which include running a statewide patrol team, training marine officers, producing educational materials and classes, and maintaining recreational boating facilities. Registration fees are also used in the United States Coast Guard's calculations for federal matching funds under the RBS grant program.

In FY 2014-15, a total of 85,158 vessels were registered with CPW. To register a vessel, the owner of the vessel must complete an application, pay a fee, and present proof of ownership. CPW then provides the owner with a vessel registration number that must be displayed on both sides of the vessel's hull.

Fiscal Impact of Programs Set to Expire

This bill continues a program in CPW in the DNR that is set to repeal effective September 1, 2016. Under current law, state agencies may be appropriated funds to wind up the affairs of an expiring program for 12 months following the repeal date. To account for the wind-up period, the impact of extending the program beyond the current repeal date is shown as beginning in FY 2017-18, one year after the repeal date. There is no need for an appropriation of the \$68,504 base funding in FY 2016-17, since the program's authorization has not yet expired, and ongoing funding for the program is included in the DNR's base budget request for FY 2016-17. Because the DNR budget does not separate out funding for the vessel registration program, the expenditure numbers in the fiscal note are estimated.

The state revenue and state expenditures impact for FY 2017-18 reflects the program's anticipated fee revenue and base budget request beginning that year. Based on DNR's budget request for FY 2016-17 for the Vessel Registration Program, costs are expected to be \$68,504 and 1.1 FTE in FY 2016-17. The program generates approximately \$3.2 million per year for the staffing of the program as well as expenditures elsewhere in the CPW. The Vessel Registration Program fees and federal match provide approximately \$4.0 million per year to support boating safety education programs and physical infrastructure.

Effective Date

The bill takes effect August 10, 2016, if the General Assembly adjourns on May 11, 2016, as scheduled, and no referendum petition is filed.

State and Local Government Contacts

Information Technology

Natural Resources