



**Colorado
Legislative
Council
Staff**

HB17-1205

**FINAL
FISCAL NOTE**

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

Drafting Number: LLS 17-0946 **Date:** August 1, 2017
Prime Sponsor(s): Rep. Melton **Bill Status:** Signed into Law
 Sen. Martinez Humenik **Fiscal Analyst:** Ryan Long (303-866-2066)

BILL TOPIC: MOTOR VEHICLE TOTAL LOSS TITLE INSURANCE

Fiscal Impact Summary	FY 2017-2018	FY 2018-2019
State Revenue Cash Funds	Potential minimal impact. See State Revenue section.	
State Expenditures	Potential minimal workload increase.	
Appropriation Required: None.		
Future Year Impacts: Ongoing minimal revenue impacts and workload increase.		

Summary of Legislation

This bill amends the definition of salvage vehicle to include vehicles damaged by collision, fire, flood, accident, trespass, or other occurrence, excluding damage related to hail or theft, to the extent that the vehicle is determined to be a total loss by the insurer or other person acting on behalf of the owner.

Background

Under current law, a vehicle is considered a salvage vehicle when it is damaged by collision, fire, flood, accident, trespass, or other occurrence, and the cost of repairing it to roadworthy condition exceeds the fair market value immediately prior to the damage. Hail damage is not included in this definition.

State Revenue

To the extent that more vehicles qualify as salvage vehicles under the definition in this bill, fee revenue to the Colorado State Patrol in the Department of Public Safety (DPS) may minimally increase. Additionally, excluding vehicles that have damage related to theft may minimally decrease fee revenue. Each VIN inspection generates \$20 in cash fund revenue.

State Expenditures

The bill is expected to minimally increase workload in the Department of Revenue (DOR) and the Colorado State Patrol in DPS. A minimal workload increase in the DOR is expected in FY 2017-18 to train staff, and to update rules, forms, and manuals. These workload increases can be accomplished within existing appropriations. Additionally, to the extent the bill increases VIN inspections for salvage vehicles, the bill could minimally increase workload for the Colorado State Patrol. It is assumed that these increases can be accomplished within existing appropriations, and that the need for any additional resources will be addressed during the budget process.

Effective Date

The bill was signed into law by the Governor on April 28, 2017, and takes effect August 9, 2017, assuming no referendum petition is filed.

State and Local Government Contacts

Information Technology
Regulatory Agencies

Public Safety
Revenue