



**Colorado  
Legislative  
Council  
Staff**

**HB17-1212**

**FISCAL NOTE**

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

**Drafting Number:** LLS 17-0994  
**Prime Sponsor(s):** Rep. Rosenthal; Sias

**Date:** March 7, 2017  
**Bill Status:** House Transportation  
**Fiscal Analyst:** Ryan Long (303-866-2066)

**BILL TOPIC:** COLORADO AVIATION SPECIAL LICENSE PLATE

<b>Fiscal Impact Summary</b>	<b>FY 2017-2018</b>	<b>FY 2018-2019</b>
<b>State Revenue</b>	<b><u>\$5,201</u></b>	<b><u>\$10,345</u></b>
Cash Funds	2,876	5,720
Highway Users Tax Fund	2,325	4,625
<b>State Expenditures</b>	<b><u>\$4,671</u></b>	<b><u>\$1,095</u></b>
Cash Funds	4,671	1,095
<b>TABOR Impact</b>	\$5,201	\$10,345
<b>Appropriation Required:</b> \$4,671 - Department of Revenue (FY 2017-18).		
<b>Future Year Impacts:</b> Ongoing state revenue and expenditure increase.		

**Summary of Legislation**

This bill creates the Aviation special license plate. The license plate is available to all applicants that pay a one-time special license plate fee of \$50, of which \$25 is credited to the Highway Users Tax Fund (HUTF) and \$25 is credited to the Licensing Services Cash Fund (LSCF). The license plate will be available by January 1, 2018. The Department of Revenue (DOR) may stop issuing Aviation license plates if 3,000 plates are not issued by July 1, 2022; however, anyone issued the Aviation license plate in advance of that date may continue to use the plate. The Aviation license plate will be designed by the Colorado Aviation Business Association.

**Assumptions**

Expected demand for the Aviation plate is based on the actual demand for the current Boy Scouts special license plate. This plate is used for comparison because it does not require any pre-qualifications and it is in the mid-range in issuance as compared with other special license plates. The fiscal note assumes that 93 license plates will be issued in FY 2017-18, and 185 license plates will be issued FY 2018-19 and thereafter.

**State Revenue**

**This bill is anticipated to increase state cash fund revenue by \$5,201 in FY 2017-18 and \$10,345 in FY 2018-19 and in future years.** Table 1 outlines the revenue generated under this bill.

<b>Table 1. Revenue Under HB17-1212</b>		
<b>Revenue Components</b>	<b>FY 2017-18</b>	<b>FY 2018-19</b>
Number of License Plate Sets to be Issued	93	185
Revenue Credited to License Plate Cash Fund (\$5.92)	\$551	\$1,095
Revenue Credited to Highway Users Tax Fund (\$25)	2,325	4,625
Revenue Credited to Licensing Services Cash Fund (\$25)	2,325	4,625
<b>TOTAL</b>	<b>\$5,201</b>	<b>\$10,345</b>

Revenue is generated from the plate and tab production fee of \$5.92 per plate set. As a point of reference, motorcycle plate sets cost \$3.01; this fiscal note assumes motorcycle plate issuance will be minimal. Fees from plate and tab production are credited to the License Plate Cash Fund (LPCF), which all vehicle owners must pay upon registration. Applicants for the Aviation license plate are also required to pay an additional \$50, of which \$25 is credited to the HUTF and \$25 is credited to the Licensing Services Cash Fund (LSCF). The fiscal note assumes that the Department of Revenue (DOR) will issue 93 plate sets in FY 2017-18, and 185 in FY 2018-19 and in future years.

**Colorado Department of Transportation.** Of the HUTF revenue generated under this bill, 65 percent is credited to the State Highway Fund (SHF) for expenditure by the department, 26 percent is credited to counties, and 9 percent is credited to municipalities. Table 2 outlines the estimated HUTF revenue generated under this bill.

<b>Table 2. Estimated HUTF Distribution Under HB17-1212</b>		
<b>HUTF Distribution</b>	<b>FY 2017-18</b>	<b>FY 2018-19</b>
CDOT (65 percent)	\$1,511	\$3,006
Counties (26 percent)	605	1,203
Municipalities (9 percent)	209	416
<b>TOTAL</b>	<b>\$2,325</b>	<b>\$4,625</b>

**TABOR Impact**

This bill increases state cash fund revenue from fees, which will increase the amount of money required to be refunded under TABOR for FY 2017-18 and FY 2018-19. TABOR refunds are paid out of the General Fund. Since the bill increases the TABOR refund obligation without a corresponding change in General Fund revenue, the amount of money available in the General Fund for the budget will decrease by an identical amount.

## State Expenditures

**State cash fund expenditures in DOR will increase by \$4,671 in FY 2017-18, and by \$1,095 in FY 2018-19.** State expenditures are detailed in Table 3.

<b>Cost Components</b>	<b>FY 2017-18</b>	<b>FY 2018-19</b>
Number of License Plate Sets to be Manufactured	93	185
Plate and Tab Production Cost per Set (\$5.92)	\$551	\$1,095
Computer Programming	\$4,120	\$0
<b>TOTAL</b>	<b>\$4,671</b>	<b>\$1,095</b>

**Department of Revenue.** In FY 2017-18, one-time programming costs of \$4,120 are required to update the Colorado State Titling and Registration System (CSTARS), paid from the CSTARS account. Programming costs are calculated at 40 hours at a rate of \$103 per hour, and will be performed by the Office of Information Technology (OIT). The DOR will also update rules, forms, manuals, and the department's website to reflect the change in law. Additionally, the DOR will provide training to authorized agents, Title and Registration Section staff, and law enforcement. Any workload increases or costs associated with these activities can be accomplished within existing appropriations. License plate and tab production costs are expended from the LPCF.

## Local Government Impact

This bill will increase local government HUTF revenue by an estimated \$814 in FY 2017-18 and \$1,619 in FY 2018-19 and thereafter, as shown above in Table 2. HUTF revenue generated by license plate fees is distributed to counties (26 percent) and municipalities (9 percent) for transportation needs.

## Effective Date

The bill takes effect August 9, 2017, if the General Assembly adjourns on May 10, 2017, as scheduled, and no referendum petition is filed.

## State Appropriations

For FY 2017-18, this bill requires the following appropriations to the Department of Revenue:

- \$551 from the License Plate Cash Fund; and
- \$4,120 from the CSTARS Account, reappropriated to the Office of Information Technology.

This bill does not require an appropriation to CDOT as the SHF is continuously appropriated to the department.

## State and Local Government Contacts

Corrections  
Information Technology  
Transportation

Counties  
Public Safety

County Clerks  
Revenue