



**Colorado
Legislative
Council
Staff**

HB17-1212

**REVISED
FISCAL NOTE**

(replaces fiscal note dated March 7, 2017)

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

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

Date: March 29, 2017
Bill Status: House Appropriations
Fiscal Analyst: Ryan Long (303-866-2066)

BILL TOPIC: COLORADO AVIATION SPECIAL LICENSE PLATE

Fiscal Impact Summary	FY 2017-2018	FY 2018-2019	FY 2019-2020
State Revenue		<u>\$8,621</u>	<u>\$10,345</u>
Cash Funds		4,767	5,720
Highway Users Tax Fund		3,854	4,625
State Expenditures		<u>\$913</u>	<u>\$1,095</u>
Cash Funds		913	1,095
TABOR Impact		\$8,621	\$10,345
Appropriation Required: None.			
Future Year Impacts: Ongoing state revenue and expenditure increase.			

Summary of Legislation

This bill, *as amended by the House Transportation and Energy Committee*, 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 September 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 154 license plates will be issued in FY 2018-19, and 185 license plates will be issued in FY 2019-20 and in future years.

State Revenue

This bill is anticipated to increase state cash fund revenue by \$8,621 in FY 2018-19 and \$10,345 in FY 2019-20 and in future years. Table 1 outlines the revenue generated under this bill.

Table 1. Revenue Under HB17-1212			
Revenue Components	FY 2017-18	FY 2018-19	FY 2019-20
Number of License Plate Sets to be Issued		154	185
Revenue Credited to License Plate Cash Fund (\$5.92)		\$913	\$1,095
Revenue Credited to Highway Users Tax Fund (\$25)		3,854	4,625
Revenue Credited to Licensing Services Cash Fund (\$25)		3,854	4,625
TOTAL		\$8,621	\$10,345

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 DOR will issue 154 plate sets in FY 2018-19, and 185 in FY 2019-20 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.

Table 2. Estimated HUTF Distribution Under HB17-1212			
HUTF Distribution	FY 2017-18	FY 2018-19	FY 2019-20
CDOT (65 percent)		\$2,505	\$3,006
Counties (26 percent)		1,002	1,203
Municipalities (9 percent)		347	416
TOTAL		\$3,854	\$4,625

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 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. TABOR refunds for FY 2019-20 have not been estimated.

State Expenditures

State cash fund expenditures in DOR will increase by \$913 in FY 2018-19, and by \$1,095 in FY 2019-20 and in future years. State expenditures are detailed in Table 3.

Table 3. Expenditures Under HB17-1212			
Cost Components	FY 2017-18	FY 2018-19	FY 2019-20
Number of License Plate Sets to be Manufactured		154	185
Plate and Tab Production Cost per Set (\$5.92)		\$913	\$1,095
TOTAL		\$913	\$1,095

Department of Revenue. In FY 2017-18, DOR will be required to 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.

The DOR has a capital project currently underway to replace the Colorado State Titling and Registration System (CSTARS) with an updated system known as the Driver License, Record, Identification and Vehicle Enterprise Solution (DRIVES). The DRIVES system is expected to be fully operational in August 2018. As a result, the computer programming required under the bill can be accomplished during the update.

Local Government Impact

This bill will increase local government HUTF revenue by an estimated \$1,349 in FY 2018-19 and \$1,619 in FY 2019-20 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 and Local Government Contacts

Corrections
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