



**Colorado
Legislative
Council
Staff**

SB17-251

**REVISED
FISCAL NOTE**

(replaces fiscal note dated March 24, 2017)

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

Drafting Number: LLS 17-1057	Date: April 12, 2017
Prime Sponsor(s): Sen. Tate	Bill Status: House Business
Rep. Arndt; Liston	Fiscal Analyst: Ryan Long (303-866-2066)

BILL TOPIC: DEPT REVENUE RECORDS INSURER & SALVAGE POOL

Fiscal Impact Summary	FY 2017-2018	FY 2018-2019
State Revenue	\$2,500	\$2,500
Cash Funds	2,500	2,500
State Expenditures	Minimal workload impact.	
TABOR Impact	\$2,500	\$2,500
Appropriation Required: None.		
Future Year Impacts: Ongoing minimal workload impact.		

Note: This fiscal note has been updated to reflect new information from the department.

Summary of Legislation

Under current law, a tow carrier who tows abandoned motor vehicles uses an electronic system to access the Department of Revenue's (DOR) records to determine and notify the motor vehicle's owner or lienholder. The **reengrossed** bill allows insurers and salvage pools to use the same electronic system to determine a vehicle's owner or lienholder if the vehicle is the subject of an insurance claim processed by the insurer or is possessed by a salvage pool.

Background

Under current law, the DOR provides a user interface for tow operators and law enforcement to perform Colorado records searches related to abandoned vehicles. Records are used to return stolen vehicles and to notify relevant parties that the vehicle will be sold at auction if not claimed. Tow operators are required to pay a fee of \$2.20 for each vehicle search performed; there is no charge for vehicle searches performed by law enforcement.

State Revenue

The bill increases state revenue to DOR by \$2,500 beginning in FY 2017-18 to the State Titling and Registration account in the Highway Users Tax Fund. The fiscal note assumes that approximately 460 insurers and 40 salvage pools will require access to the electronic

system. It is assumed that each insurer and salvage pool will be required to pay a \$5 annual fee to establish their account, for a total of \$2,500 per year. The fee for each search is currently \$2.20; the number of searches is not expected to change significantly under this bill.

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

Beginning in FY 2017-18, the DOR will have a workload increase to annually establish new accounts, process payments for searches performed, and maintain accounts for insurers and salvage pools accessing the system. Workload will also decrease due to a reduction in searches performed by title and registration staff. As a result, no change in appropriations is required.

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

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