



Legislative Council Staff

Nonpartisan Services for Colorado's Legislature

FISCAL NOTE

Drafting Number: LLS 18-0512 Date: January 30, 2018
Prime Sponsors: Rep. Liston Bill Status: House Business
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Bill Topic: MOTOR AND POWERSPORTS VEHICLE LICENSE REQUIREMENT

Summary of Fiscal Impact:
State Revenue (minimal)
State Expenditure (minimal)
State Transfer
TABOR Refund
Local Government (minimal)
Statutory Public Entity

This bill makes changes regarding penalties for illegally selling powersports vehicles. This bill will minimally decrease state revenue and workload for state agencies. It will also decrease fine revenue for local governments.

Appropriation Summary: No appropriation is required.

Fiscal Note Status: The fiscal note reflects the introduced bill.

Summary of Legislation

Beginning in FY 2018-19, this bill clarifies that any business owner selling a powersports vehicle is exempt from licensing requirements if:

- the vehicle has been owned for more than one year;
the vehicle has been used exclusively for business purposes;
the vehicle is titled in the name of the business;
the vehicle has all taxes paid; and
the business owner does not sell more than 20 vehicles in a two-year period.

Under current law, all fine revenue from violations for illegally selling powersports vehicles is awarded to the law enforcement agency that investigated and issued the citation for the violation. This bill diverts half of the fines collected to the Auto Dealers License Fund.

Comparable Crime

Legislative Council Staff is required to include certain information in the fiscal note for any bill that creates a new crime, changes the classification of an existing crime, or changes an element of the existing crime that creates a new factual basis for the offense. Between January 2015 to December 2017, there was one case charged for acting as a powersports vehicle manufacturer, or distributor without proper authorization. This is a class 3 misdemeanor, and punishable by a fine of \$100 to \$500, or between \$500 to \$2,500 if the offender is a corporation.

**State Revenue**

Beginning in FY 2018-19, exempting certain businesses from licensing requirements to sell powersports vehicles may decrease state revenue from fines and fees. As there was only one violation pertaining to powersports manufacturing and distribution in the previous three years, this revenue decrease is expected to be minimal.

**TABOR Refund**

The bill may minimally decrease state revenue subject to TABOR in FY 2018-19 and FY 2019-20. State revenue is not currently expected to exceed the TABOR limit in either year and no refund is required. Therefore, the bill is not expected to impact TABOR refunds in these years. However, refunds in future years when the state next collects a TABOR surplus will be reduced.

**State Expenditures**

Beginning in FY 2018-19, this bill may decrease the number of fines that are appealed to the Judicial Department. This will result in a workload decrease, which is expected to be minimal. No change to appropriations is required.

**Local Government**

Beginning in FY 2018-19, this bill results in a revenue decrease for counties and municipalities and a minimal decrease in workload for District Attorneys, as described below.

**Local governments.** Under current law, all fine revenue from violations for illegally selling powersports vehicles is awarded to the law enforcement agency that investigated and issued the citation for the violation. This bill clarifies that half of this fine revenue will now be diverted to the Auto Dealers License Fund. It is unknown how many fines are issued from county and municipal law enforcement agencies, however, the number of infractions is assumed to be small. To the extent that fines are issued for illegally selling powersports vehicles, this will reduce revenue to county and local law enforcement agencies.

**District Attorneys.** To the extent that District Attorneys charge for powersport dealer crimes, this bill may minimally decrease their workload. According to available data, District Attorneys have only charged powersport dealer crimes three times in the last five years.

**Effective Date**

The bill takes effect August 8, 2018, if the General Assembly adjourns on May 9, 2018, as scheduled, and no referendum petition is filed.

**State and Local Government Contacts**

Counties	Judicial	Public Safety	Revenue
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