



Legislative
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HB 18-1244

**FINAL
FISCAL NOTE**

Drafting Number: LLS 18-0774
Prime Sponsors: Rep. Danielson
 Sen. Todd; Gardner
Date: July 19, 2018
Bill Status: Signed into Law
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Bill Topic: HONOR THE SERVICE OF SUBMARINE VETERANS

Summary of Fiscal Impact:

<input checked="" type="checkbox"/> State Revenue	<input checked="" type="checkbox"/> TABOR Refund
<input checked="" type="checkbox"/> State Expenditure	<input checked="" type="checkbox"/> Local Government
<input type="checkbox"/> State Transfer	<input type="checkbox"/> Statutory Public Entity

This bill creates the submarine service license plate. Beginning in FY 2018-19, it will increase state revenue and expenditures, and local government revenue, on an ongoing basis.

Appropriation Summary: In FY 2018-19, this bill requires an appropriation of \$2,960 to the Department of Revenue.

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

**Table 1
State Fiscal Impacts Under HB 18-1244**

		FY 2018-19	FY 2019-20
Revenue*	Cash Funds	\$15,460	\$3,865
	Highway Users Tax Fund	\$12,500	\$3,125
	Total	\$27,960	\$6,990
Expenditure	Cash Funds	\$2,960	\$740
	Total	\$2,960	\$740
Transfers		-	-

* These revenue impacts do not include Highway Users Tax Fund distributions to local governments. See Table 3 for this estimated distribution.

Summary of Legislation

This bill creates the submarine service military license plate. The license plate is available to honorably discharged, retired, reserve, or active members of the submarine service of the U.S. Navy who submit the required forms and pay a one-time special plate fee of \$50.

Assumptions

Expected demand for this plate is based on the actual demand for the current U.S. Army 4th Infantry Division military license plate, which has similar qualifications. The fiscal note assumes that 500 license plates will be issued in FY 2018-19, and 125 will be issued in FY 2019-20 and ongoing.

State Revenue

This bill is expected to increase state cash fund revenue by \$27,960 in FY 2018-19 and \$6,990 in FY 2019-20 and in future years to the License Plate Cash Fund, the Licensing Services Cash Fund, and the Highway Users Tax Fund (HUTF). Table 2 outlines the revenue generated under this bill.

**Table 2
Revenue Under HB 18-1244**

Revenue Components *	FY 2018-19	FY 2019-20
License Plate Sets Issued	500	125
Standard License Plate Revenue <i>License Plate Cash Fund (\$5.92 per plate)</i>	\$2,960	\$740
Special License Plate Revenue <i>Licensing Services Cash Fund (\$25 per plate)</i>	\$12,500	\$3,125
Special License Plate Revenue <i>Highway Users Tax Fund (\$25 per plate)</i>	\$12,500	\$3,125
Total Revenue	\$27,960	\$6,990

* Table 2 includes HUTF revenue for both the state government and local governments. See Table 3 for estimated HUTF distributions.

Standard license plate fees. Upon registration, all vehicle owners must pay a plate and tab production fee of \$5.92 for a passenger vehicle plate set and \$3.01 for a motorcycle plate set. This fiscal note assumes motorcycle plate issuance for the submarine military license plate will be minimal. Fees from plate and tab production are credited to the License Plate Cash Fund.

Special license plate fees. Applicants for the submarine military license plate are also required to pay an additional \$50 fee, of which \$25 is credited to the HUTF and \$25 is credited to the Licensing Services Cash Fund.

HUTF distribution. Of the \$25 in special license plate fees that goes to the HUTF, 65 percent is credited to the State Highway Fund for expenditure by the Colorado Department of Transportation, 26 percent is credited to counties, and 9 percent is credited to municipalities. Table 3 outlines the estimated HUTF distributions under this bill.

Table 3
Estimated HUTF Distributions Under HB 18-1244

	FY 2018-19	FY 2019-20
State Highway Fund (65%)	\$8,125	\$2,031
Counties (26%)	\$3,250	\$813
Municipalities (9%)	\$1,125	\$281
Total Distribution	\$12,500	\$3,125

TABOR Refund

This bill increases state revenue from fees, which will increase the amount of money required to be refunded under TABOR for FY 2018-19 and FY 2019-20. State revenue subject to TABOR is not estimated for years beyond FY 2019-20. 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 the Department of Revenue will increase by \$2,960 in FY 2018-19, and by \$740 in FY 2019-20 and in future years. State expenditures are detailed in Table 4 and described below.

Table 4
Expenditures Under HB 18-1244

	FY 2018-19	FY 2019-20
Department of Revenue		
License Plate Sets Manufactured	500	125
Plate and Tab Production Cost (<i>License Plate Cash Fund</i>)	\$2,960	\$740
Total Cost	\$2,960	\$740

Department of Revenue. In FY 2018-19, license plate and tab production costs of \$5.92 per plate set will be expended from the License Plate Cash Fund, and are equal to the revenue generated from standard license plate fees.

The DOR will also be required to update rules, forms, manuals, and the department's website to reflect the change in law, as well as 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.

Local Government

This bill will increase county and local government HUTF revenue by the amounts shown above in Table 3. HUTF revenue generated by license plate fees is distributed to counties (26 percent) and municipalities (9 percent) for transportation needs.

Effective Date

The bill was signed into law by the Governor on June 1, 2018, and takes effect August 8, 2018, assuming no referendum petition is filed.

State Appropriations

For FY 2018-19, the bill requires a cash fund appropriation of \$2,960 from the License Plate Cash Fund to the Department of Revenue.

State and Local Government Contacts

Corrections
Information Technology
Revenue

Counties
Local Affairs
Transportation

County Clerks
Public Safety