



Legislative  
Council Staff

*Nonpartisan Services for Colorado's Legislature*

**FISCAL NOTE**

**Drafting Number:** LLS 20-0944  
**Prime Sponsors:** Rep. Holtorf  
 Sen. Sonnenberg

**Date:** February 24, 2020  
**Bill Status:** House Trans. & Local Govt.  
**Fiscal Analyst:** Jeff Stupak | 303-866-5834  
 Jeff.Stupak@state.co.us

**Bill Topic:** **AGRICULTURAL PRODUCTS OVERWEIGHT MOTOR VEHICLE**

- Summary of Fiscal Impact:**
- State Revenue
  - TABOR Refund
  - State Expenditure
  - Local Government
  - State Transfer
  - Statutory Public Entity

The bill creates a non-consecutive 100-day overweight vehicle permit for agricultural producers. The bill decreases state revenue beginning in FY 2020-21 and increases state expenditures in FY 2020-21.

**Appropriation Summary:** In FY 2020-21 only, the bill requires a General Fund appropriation of \$4,500 to the Department of Revenue.

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

**Table 1**  
**State Fiscal Impacts Under HB 20-1224**

	FY 2020-21	FY 2021-22
<b>Revenue</b>	-	-
<b>Expenditures</b> General Fund	\$4,500	-
<b>Transfers</b>	-	-
<b>TABOR Refund</b>	-	-

## Summary of Legislation

The bill creates a new overweight divisible load permit for agricultural producers that would allow producers to transport overweight loads a total of 100 days per year. The permit is available to agricultural producers if:

- the vehicle is registered as a farm vehicle;
- the vehicle is used to transport agricultural products from the place of production to the place of storage or sale; and
- the vehicle complies with rules governing the distribution of load on the vehicle's axles.

The permit costs \$40 for general vehicles, and \$50 for vehicles with quad axle groupings or vehicles with trailers with 2 or 3 axle groupings. The revenue from these permits is deposited into the State Highway Fund.

## Background and Assumptions

The Department of Transportation (CDOT) currently issues permits for vehicles with overweight divisible loads. Revenue from the sale of these permits is deposited into the State Highway Fund. These permit prices are summarized in Table 2 below.

**Table 2**  
**CDOT Overweight Permits**

	<b>Single Trip Permits</b>	<b>Six Month Permit</b>	<b>Annual Permit</b>
General Vehicle	\$15 plus \$5 per axle	-	\$400
Quad Axle	\$30 plus \$10 per axle	-	\$500
Two/Three Axle Trailer	\$15 plus \$10 per axle	\$250	\$500

The fiscal note assumes that some portion of individuals who currently purchase the annual permit or the six month permit, and satisfy the eligibility requirements set forth in the bill, will elect to purchase the new 100-day permit. The number of individuals who will elect to purchase the new 100-day permit over the currently available permits is unknown. There are approximately 5,000 six-month and annual permits purchased annually from CDOT.

## State Revenue

To the extent that individuals who currently purchase the annual permit or the six-month permit elect to purchase the new 100-day permit, fee revenue to the State Highway Fund will decrease. Colorado law requires legislative service agency review of measures which create or increase any fee collected by a state agency. The fee amount has not been estimated as the number of potential permits has not been determined. For every individual with a general vehicle that opts for the 100-day permit over the annual permit, revenue will decrease by \$360 dollars. For individuals with quad axle vehicles that opt for the 100-day permit over the annual permit, revenue will decrease by \$450 dollars. For individuals with a two/three axle trailer that opt for the 100 day permit over the six-month permit, revenue will decrease by \$200.

## State Expenditures

The bill will increase expenditures in the Department of Revenue (DOR) by \$4,500 in FY 2020-21 only, and will increase workload in CDOT beginning in FY 2020-21.

**Department of Revenue.** In FY 2020-21, one-time programming costs of \$4,500 are required to create an online interface between CDOT and DOR to allow CDOT to determine the eligibility of vehicles for the new 100-day permit. Programming costs assume 15 hours at a rate of \$225 per hour.

**Department of Transportation.** Workload will increase in CDOT beginning in FY 2020-21 to process the new 100-day permits and to assist customers with applications. This increase in workload can be accomplished within existing appropriations.

**TABOR refund.** The bill is expected to decrease state General Fund obligations for TABOR refunds in FY 2020-21 and FY 2021-22. Under current law and the December 2019 Legislative Council Staff forecast, the bill will correspondingly reduce the amount refunded to taxpayers via sales tax refunds made available on income tax returns for tax years 2021 and 2022. A forecast of state revenue subject to TABOR is not available beyond FY 021-22.

## Effective Date

The bill takes effect August 5, 2020, if the General Assembly adjourns on May 6, 2020, as scheduled, and no referendum petition is filed.

## State Appropriations

In FY 2020-21, the bill requires a General Fund appropriation of \$4,500 to the Department of Revenue.

## State and Local Government Contacts

Information Technology

Public Safety

Revenue

Transportation