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Fiscal Note

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Prime Sponsors: Rep. Michaelson Jenet Bill Status: House Trans. & Local Govt.
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Bill Topic: HOSPICE AND PALLIATIVE CARE LICENSE PLATE

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

This bill creates the Hospice and Palliative Care special license plate. It increases state and local revenue and state expenditures on an ongoing basis.

Appropriation Summary: For FY 2021-22, the bill requires an appropriation of \$6,907 to the Department of Revenue.

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

Table 1
State Fiscal Impacts Under HB 21-1128

Table with 4 columns: Category, Sub-category, Budget Year FY 2021-22, and Out Year FY 2022-23. Rows include Revenue (Cash Funds, State Highway Fund, Total), Expenditures (Cash Funds, Total), Transfers, and TABOR Refund.

## Summary of Legislation

This bill creates the Hospice and Palliative Care group special license plate. The license plate is available to all applicants that pay a one-time special license plate fee of \$50 and give a donation to a designated Colorado nonprofit organization as determined by the Colorado Department of Revenue (DOR). The nonprofit organization may only use the donations to support hospice and palliative care programming in Colorado. Those who wish to renew the license plate may be required to submit an additional donation.

## Assumptions

Expected demand for this plate is based on the actual demand for the Craig Hospital group special license plate.

## State Revenue

This bill is anticipated to increase state cash fund revenue by \$10,857 in FY 2021-22 and \$13,586 in FY 2022-23, as shown in Table 2. This revenue is subject to TABOR.

**Table 2**  
**Revenue Under HB 21-1128**

	FY 2021-22	FY 2022-23
License Plate Sets Issued	187	234
License Plate Cash Fund (\$8.06)	\$1,507	\$1,886
Highway Users Tax Fund (\$25)	\$4,675	\$5,850
Licensing Services Cash Fund (\$25)	\$4,675	\$5,850
<b>Total Cost</b>	<b>\$10,857</b>	<b>\$13,586</b>

**Standard license plate fees.** Upon registration, all vehicle owners must pay a plate and tab production fee of \$8.06 for a digital passenger vehicle plate set, \$4.73 for an embossed passenger vehicle plate set, or \$3.01 for a motorcycle plate set. All specialty plates are manufactured as digital plates, and the fiscal note assumes motorcycle issuance will be minimal. Fees from plate and tab production are credited to the License Plate Cash Fund (LPCF).

**Special license plate fees.** Applicants for the Hospice and Palliative Care group special license plate are also required to pay an additional \$50 fee, of which \$25 is credited to the Highway Users Tax Fund (HUTF) and \$25 is credited to the Licensing Services Cash Fund.

**Colorado Department of Transportation.** Of the HUTF revenue, 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 3 outlines the estimated HUTF revenue generated under this bill.

**Table 3**  
**Estimated HUTF Distributions Under HB 21-1128**

	FY 2021-22	FY 2022-23
State Highway Fund (65 percent)	\$3,039	\$3,803
Counties (26 percent)	\$1,215	\$1,520
Municipalities (9 percent)	\$421	\$527
<b>Total HUTF Distribution</b>	<b>\$4,675</b>	<b>\$5,850</b>

### State Expenditures

State cash fund expenditures in the DOR will increase by \$6,907 in FY 2021-22 and \$1,886 in FY 2022-23, as shown in Table 4 and detailed below.

**Table 4**  
**Expenditures Under HB 21-1128**

	FY 2021-22	FY 2022-23
<b>Department of Revenue</b>		
Plate and Tab Production Cost	\$1,507	\$1,886
Computer Programming	\$5,400	-
<b>Total Expenditures</b>	<b>\$6,907</b>	<b>\$1,886</b>

**Department of Revenue.** As discussed in the State Revenue section, plate tab and production costs for special group plates are \$8.06 per license plate set. This fiscal note assumes that 187 license plates will be issued in FY 2021-22 and 234 will be issued in FY 2022-23. In FY 2021-22, one-time programming costs of \$5,400 are required to update the Driver License, Record, Identification and Vehicle Enterprise Solutions (DRIVES) system. Programming costs are based on 24 hours of programming at a rate of \$225 per hour, paid from the DRIVES Vehicle Services Account. License plate and tab production costs are expended from the LPCF.

In addition, 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.

### Local Government

This bill will increase local government HUTF revenue by the amounts shown 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 takes effect 90 days following adjournment of the General Assembly sine die, assuming no referendum petition is filed.

## State Appropriations

For FY 2021-22, the bill requires appropriations of \$6,907 to the Department of Revenue. Of this total:

- \$5,400 is from the DRIVES Vehicle Services Account; and
- \$1,507 is from the License Plate Cash Fund.

## Departmental Difference

The DOR estimates that it requires \$16,200 in FY 2021-22 for DRIVES system programming and that the General Fund is required to pay for these costs. The fiscal note estimates that the DOR will have sufficient cash fund balance in the DRIVES Vehicle Services Account to cover the costs related to DRIVES programming, and assumes that the DOR will need \$5,400 for DRIVES programming costs based on previous bills with similar workloads.

## State and Local Government Contacts

Corrections  
Information Technology

Counties  
Revenue

County Clerks  
Transportation