



Legislative Council Staff

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Revised Fiscal Note

(replaces fiscal note dated March 30, 2021)

Drafting Number: LLS 21-0815 **Date:** May 3, 2021
Prime Sponsors: Rep. Esgar; Mullica **Bill Status:** Senate Finance
 Sen. Moreno; Buckner **Fiscal Analyst:** Will Clark | 303-866-4720
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Bill Topic: NURSES SPECIAL LICENSE PLATE

Summary of Fiscal Impact:

<input checked="" type="checkbox"/> State Revenue	<input 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

The bill creates the Colorado Nurses 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 \$17,490 to the Department of Revenue.

Fiscal Note Status: This revised fiscal note reflects the reengrossed bill.

Table 1
State Fiscal Impacts Under HB 21-1219

		Budget Year FY 2021-22	Out Year FY 2022-23
Revenue	Cash Funds	\$49,590	\$49,590
	State Highway Fund	\$24,375	\$24,375
	Total	\$73,965	\$73,965
Expenditures	Cash Funds	\$17,490	\$12,090
	Total	\$17,490	\$12,090
Transfers		-	-
TABOR Refund		-	-

Summary of Legislation

This bill creates the Colorado Nurses group special license plate. The license plate will be available to all applicants that pay a one-time special license plate fee of \$50 and give a donation to the Colorado Nurses Association. For each donation that the association receives in association with this special plate, a portion must be used to provide scholarships to nurses from minority populations.

Assumptions

Expected demand for this plate is based on the assumption that at least 3,000 individuals who committed to purchasing the plate will purchase it in the first year it is available. This fiscal note also assumes that these purchases will be spread evenly over FY 2021-22 and FY 2022-23.

State Revenue

This bill is anticipated to increase cash fund revenue by \$87,090 in both FY 2021-22 and FY 2022-23, as shown in Table 2. This revenue is subject to TABOR.

Table 2
Revenue Under HB 21-1219

	FY 2021-22	FY 2022-23
License Plate Sets Issued	1,500	1,500
License Plate Cash Fund (\$8.06)	\$12,090	\$12,090
Highway Users Tax Fund (\$25)	\$37,500	\$37,500
Licensing Services Cash Fund (\$25)	\$37,500	\$37,500
Total Cost	\$87,090	\$87,090

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 Colorado Nurses 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 21-1219

	FY 2021-22	FY 2022-23
State Highway Fund (65 percent)	\$24,375	\$24,375
Counties (26 percent)	\$9,750	\$9,750
Municipalities (9 percent)	\$3,375	\$3,375
Total HUTF Distribution	\$37,500	\$37,500

State Expenditures

State cash fund expenditures in the DOR will increase by \$17,490 in FY 2021-22 and \$12,090 in FY 2022-23, as shown in Table 4 and detailed below.

Table 4
Expenditures Under HB 21-1219

	FY 2021-22	FY 2022-23
Department of Revenue		
Plate and Tab Production Cost	\$12,090	\$12,090
Computer Programming	\$5,400	-
Total Expenditures	\$17,490	\$12,090

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 1,500 license plates will be issued in both FY 2021-22 and 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, and 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 \$17,490 to the Department of Revenue. Of this total:

- \$5,400 is from the DRIVES Vehicle Services Account; and
- \$12,090 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