



**Colorado
Legislative
Council
Staff**

HB17-1012

**REVISED
FISCAL NOTE**

(replaces fiscal note dated January 24, 2017)

FISCAL IMPACT: State Local Statutory Public Entity Conditional No Fiscal Impact

Drafting Number: LLS 17-0219
Prime Sponsor(s): Rep. Esgar
Sen. Garcia

Date: March 6, 2017
Bill Status: Senate Finance
Fiscal Analyst: Ryan Long (303-866-2066)

BILL TOPIC: PUEBLO CHILE VEHICLE LICENSE PLATE

Fiscal Impact Summary	FY 2017-2018	FY 2018-2019	FY 2019-2020
State Revenue	\$0	\$8,620	\$10,345
Cash Funds	0	4,766	5,720
Highway Users Tax Fund	0	3,854	4,625
State Expenditures	\$0	\$912	\$1,095
Cash Funds	0	912	1,095
TABOR Impact	\$0	\$8,620	\$10,345
Appropriation Required: None.			
Future Year Impacts: Ongoing state revenue and expenditure increase.			

Summary of Legislation

This *reengrossed* bill creates the Pueblo chile special license plate. This license plate will use a design from the Pueblo Chile Growers Association, and will be available to all applicants. In addition to the standard license plate fees, applicants for the Pueblo chile license plate must pay a one-time additional fee of \$50. Of this fee, \$25 is deposited in the Highway Users Tax Fund (HUTF) and \$25 is credited to the Licensing Services Cash Fund (LSCF). This plate will be available September 1, 2018.

Assumptions

As there are currently no other license plates with a similar theme in Colorado, expected demand for this plate is based on the actual demand for the current Boy Scouts special license plate. This plate is used for comparison because it does not require any pre-qualifications and it is in the mid-range in issuance as compared with other special license plates. This fiscal note assumes that 154 license plates will be issued in FY 2018-19, and 185 will be issued in FY 2019-20 and thereafter. The number of license plate sets for FY 2018-19 is prorated to 10 months to account for the effective date.

State Revenue

This bill is anticipated to increase state cash fund revenue by \$8,620 in FY 2018-19 and \$10,345 in FY 2019-20 and thereafter. Table 1 outlines the revenue generated under this bill.

Table 1. Revenue Under HB17-1012			
Revenue Components	FY 2017-18	FY 2018-19	FY 2019-20
Number of License Plate Sets to be Issued	0	154	185
Revenue Credited to License Plate Cash Fund (\$5.92)	\$0	\$912	\$1,095
Revenue Credited to Highway Users Tax Fund (\$25)	\$0	3,854	4,625
Revenue Credited to Licensing Services Cash Fund (\$25)	\$0	3,854	4,625
TOTAL	\$0	\$8,620	\$10,345

Revenue is generated from the plate and tab production fee of \$5.92 per plate set. As a point of reference, motorcycle plate sets cost \$3.01. The fiscal note assumes motorcycle plate issuance will be minimal. Fees from plate and tab production are credited to the License Plate Cash Fund (LPCF), which all vehicle owners must pay upon registration. Applicants for the Pueblo chile license plate are also required to pay an additional \$50, of which \$25 is credited to the HUTF and \$25 is credited to the LSCF. This fiscal note assumes that the Department of Revenue (DOR) will issue 154 plate sets in FY 2018-19, and 185 in FY 2019-20 and thereafter.

Colorado Department of Transportation (CDOT). Of the HUTF revenue generated under this bill, 65 percent is credited to the State Highway Fund (SHF) in CDOT, 26 percent is credited to counties, and 9 percent is credited to municipalities. Table 2 outlines the estimated breakout of HUTF revenue generated under this bill.

Table 2. Estimated HUTF Distribution Under HB17-1012			
HUTF Distribution	FY 2017-18	FY 2018-19	FY 2019-20
CDOT (65 percent)	\$0	\$2,505	\$3,006
Counties (26 percent)	0	1,002	1,203
Municipalities (9 percent)	0	347	416
TOTAL	\$0	\$3,854	\$4,625

TABOR Impact

This bill increases state cash fund revenue from fees, which will increase the amount of money required to be refunded under TABOR for FY 2018-19. TABOR refunds are paid out of the General Fund. 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. TABOR refunds for FY 2019-20 have not been estimated.

State Expenditures

State cash fund expenditures in DOR will increase by \$912 in FY 2018-19, and by \$1,095 in FY 2019-20 and thereafter. State expenditures are detailed in Table 3.

Table 3. Expenditures Under HB17-1012			
Cost Components	FY 2017-18	FY 2018-19	FY 2019-20
Number of License Plate Sets to be Manufactured	0	154	185
Plate and Tab Production Cost per Set (\$5.92)	\$0	\$912	\$1,095
TOTAL	\$0	\$912	\$1,095

Department of Revenue. In FY 2018-19, the 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 increase or costs associated with these activities can be accomplished within existing appropriations. License plate and tab production costs are expended from the LPCF. Based on the expected demand for the Pueblo chile plate, an initial run of 154 will be necessary.

The Pueblo Chile license plate will be designed by the Pueblo Chile Growers Association, which received a \$144,000 grant from the U.S. Department of Agriculture to create a unified brand for the Pueblo chile.

Local Government Impact

This bill will increase local government HUTF revenue by an estimated \$1,349 in FY 2018-19, and \$1,619 in FY 2019-20 and thereafter, as shown in Table 2. 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 upon signature of the Governor, or upon becoming law without his signature. The Pueblo chile special license plate will be issued after September 1, 2018.

State and Local Government Contacts

Corrections
Information Technology
Transportation

Counties
Public Safety

County Clerks
Revenue

Research Note Available

An LCS Research Note for HB 17-1012 is available online and through the iLegislate app. Research notes provide additional policy and background information about the bill and summarize action taken by the General Assembly concerning the bill.