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REVISED FISCAL NOTE

(replaces fiscal note dated March 7, 2019)

Drafting Number: LLS 19-0887 Date: April 8, 2019
Prime Sponsors: Sen. Danielson Bill Status: House Finance
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Bill Topic: HONOR COLORADO PROFESSIONAL FIRE FIGHTERS

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

This bill creates the Colorado Professional Fire Fighters group special license plate. It will increase state revenue and expenditures beginning in FY 2019-20.

Appropriation Summary: In FY 2019-20, the bill requires an appropriation of \$56,364 to the Department of Revenue.

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

Table 1
State Fiscal Impacts Under SB 19-167

Table with 4 columns: Category, Sub-category, FY 2019-20, FY 2020-21. Rows include Revenue (Cash Funds, State Highway Fund, Total), Expenditures (Cash Funds, Total), Transfers, and TABOR Refund.

Summary of Legislation

This bill creates the Colorado Professional Fire Fighters 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 directly support first responders, firefighters, and family members of first responders and firefighters, and must report to DOR annually regarding the collection and use of the donation. The group special license plate will be available by January 1, 2020.

Assumptions

Expected demand for this plate is based on the actual demand for the current Colorado Firefighter group special license plate. This plate is used for comparison because it has similar qualification to the new Colorado Professional Fire Fighters group special license plate. This fiscal note assumes that 8,727 license plates will be issued in FY 2019-20, and 10,909 will be issued in FY 2020-21 and thereafter.

State Revenue

This bill is anticipated to increase state cash fund revenue by \$411,653 in FY 2019-20 and \$514,577 in FY 2020-21 and in future years. Table 2 outlines the revenue generated under this bill.

Table 2
Revenue Under SB 19-167

Revenue Components	FY 2019-20	FY 2020-21
License Plate Sets Issued	8,727	10,909
Revenue: License Plate Cash Fund (\$5.92)	\$51,664	\$64,581
Revenue: Highway Users Tax Fund (\$25)	\$218,175	\$272,725
Revenue: Licensing Services Cash Fund (\$25)	\$218,175	\$272,725
Total Cost	\$488,014	\$610,031

Standard license plate fees. Upon registration, all vehicle owners must pay a plate and tab production free of \$5.92 for a passenger vehicle plate set and \$3.01 for a motorcycle plate set. This fiscal note assumes motorcycle plate 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 Professional Fire Fighters 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 (LSCF).

Colorado Department of Transportation. Of the HUTF revenue generated under this bill, 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 Distribution Under SB 19-167

	FY 2019-20	FY 2020-21
License Plate Sets Issued	8,727	10,909
Revenue: State Highway Fund (65 percent)	\$141,814	\$177,271
Revenue: Counties (26 percent)	\$56,725	\$70,909
Revenue: Municipalities (9 percent)	\$19,636	\$24,545
Total Cost	\$218,175	\$272,725

State Expenditures

State cash fund expenditures in DOR will increase by \$56,364 in FY 2019-20, and by \$64,581 in FY 2020-21 and in future years. State expenditures are detailed in Table 4 and discussed below.

Table 4
Expenditures Under SB 19-167

	FY 2019-20	FY 2020-21
Department of Revenue		
Plate and Tab Production Cost (\$5.92 per set)	\$51,664	\$64,581
CCi Design Fee	\$200	
Computer Programming	\$4,500	-
Total Cost	\$56,364	\$64,581

Department of Revenue. As discussed in the State Revenue section, plate tab and production costs \$5.92 per license plate set. This fiscal note assumes that 8,727 license plates will be issued in FY 2019-20, and 10,909 will be issued in FY 2020-21 and thereafter. In FY 2019-20, one-time programming costs of \$4,500 are required to update the Driver License, Record, Identification and Vehicle Enterprise Solutions (DRIVES) system. Programming costs are calculated at 20 hours at a rate of \$225 per hour.

CCi charges a \$200 one-time design fee to design a new license plate. The new Colorado Professional Fire Fighter group special license plate has not been designed by a nonprofit, so DOR will design the plate and pay the fee. See Technical Note.

Finally, 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. License plate and tab production costs are expended from the LPCF.

Local Government

This bill will increase local government HUTF revenue by an estimated \$76,361 in FY 2019-20 and \$95,454 in FY 2020-21 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 August 2, 2019, if the General Assembly adjourns on May 3, 2019, as scheduled, and no referendum petition is filed.

State Appropriations

For FY 2019-20, the bill requires an appropriation to the Department of Revenue of \$4,500 from the DRIVES Vehicle Services Account, and cash fund spending authority in the amount of \$51,864 from the License Plate Cash Fund.

State and Local Government Contacts

County Clerks Revenue Transportation