



Legislative
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FISCAL NOTE

Drafting Number:	LLS 19-1007	Date:	March 28, 2019
Prime Sponsors:	Sen. Danielson; Zenzinger Rep. Michaelson Jenet; Duran	Bill Status:	Senate Transportation
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Bill Topic: HONOR SERVICE OF WOMEN VETERANS

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

This bill creates the U.S. Women Veteran military license plate. It will increase state and local government revenue and state expenditures beginning in FY 2019-20.

Appropriation Summary: In FY 2019-20, the bill requires an appropriation of \$14,771 to the Department of Revenue.

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

**Table 1
State Fiscal Impacts Under SB 19-205**

		FY 2019-20	FY 2020-21
Revenue	Cash Funds	\$57,171	\$71,456
	State Highway Fund	\$30,046	\$37,554
	Total	\$87,217	\$109,010
Expenditures	Cash Funds	\$14,771	\$13,681
Transfers		-	-
TABOR Refund		-	-

Summary of Legislation

This bill creates the U.S. Women Veteran military license plate. The license plate is available to honorably discharged or retired members of the U.S. Armed Forces who submit the required forms and pay a one-time special plate fee of \$50.

Assumptions

Expected demand for this plate is based on the actual demand for the current Honorably Discharged Veteran military license plate. This plate is used for comparison because it has similar qualifications to the new U.S. Women Veteran military license plate. This fiscal note assumes that 1,849 license plates will be issued in FY 2019-20, and 2,311 will be issued in FY 2020-21 and thereafter.

State Revenue

This bill is anticipated to increase state cash fund revenue by \$103,396 in FY 2019-20 and by \$129,231 in FY 2020-21 and in future years. Table 2 outlines the revenue generated under this bill.

Table 2
Revenue Under SB 19-205

Revenue Components	FY 2019-20	FY 2020-21
License Plate Sets Issued	1,849	2,311
Revenue: License Plate Cash Fund (\$5.92)	\$10,946	\$13,681
Revenue: Highway Users Tax Fund (\$25)	\$46,225	\$57,775
Revenue: Licensing Services Cash Fund (\$25)	\$46,225	\$57,775
Total Revenue	\$103,396	\$129,231

Standard license plate fees. Upon registration, all vehicle owners must pay a plate and tab production fee 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 U.S. Women Veteran military 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 Distributions Under SB 19-205**

	FY 2019-20	FY 2020-21
License Plate Sets Issued	1,849	2,311
Revenue: State Highway Fund (65 percent)	\$30,046	\$37,554
Revenue: Counties (26 percent)	\$12,018	\$15,021
Revenue: Municipalities (9 percent)	\$4,161	\$5,200
Total Distribution	\$46,225	\$57,775

State Expenditures

State cash fund expenditures in DOR will increase by \$14,771 in FY 2019-20, and by \$13,681 in FY 2020-21 and in future years. State expenditures are detailed in Table 4 and discussed below.

**Table 4
 Expenditures Under SB 19-205**

	FY 2019-20	FY 2020-21
Department of Revenue		
Plate and Tab Production Cost (\$5.92 per set)	\$10,946	\$13,681
Computer Programming	\$3,825	-
Total Expenditures	\$14,771	\$13,681

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 1,849 license plates will be issued in FY 2019-20, and 2,311 will be issued in FY 2020-21 and thereafter. In FY 2019-20, one-time programming costs of \$3,825 are required to update the Driver License, Record, Identification and Vehicle Enterprise Solutions (DRIVES) system. Programming costs are calculated at 17 hours at a rate of \$225 per hour.

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

Local Government

This bill will increase local government HUTF revenue by an estimated \$16,179 in FY 2019-20 and by \$20,221 in FY 2020-21 and thereafter, as 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 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 \$3,825 from the DRIVES Vehicle Services Account, and cash fund spending authority in the amount of \$10,946 from the License Plate Cash Fund.

State and Local Government Contacts

Corrections
Public Safety

County Clerks
Revenue

Information Technology
Transportation