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FINAL FISCAL NOTE

Drafting Number: LLS 20-1116 Date: August 14, 2020
Prime Sponsors: Sen. Todd Bill Status: Postponed Indefinitely
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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

The bill would have created the Hospice and Palliative Care group special license plate. It would have increased state and local revenue and state expenditures beginning in FY 2020-21.

Appropriation Summary: In FY 2020-21, the bill would have required an appropriation of \$5,163 to the Department of Revenue.

Fiscal Note Status: This fiscal note reflects the introduced bill. This bill was not enacted into law; therefore, the impacts identified in this analysis do not take effect.

Table 1
State Fiscal Impacts Under SB 20-196

Table with 5 columns: Category, Sub-category, FY 2020-21, FY 2021-22, FY 2022-23. Rows include Revenue (Cash Funds, State Highway Fund, Total), Expenditures (Cash Funds, Total), Transfers, and TABOR Refund.

Summary of Legislation

The 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 group special license plate will be available by January 1, 2021.

Assumptions

Expected demand for this license plate is based on the actual demand for the current Craig Hospital group special license plate. This plate is used for comparison because it has similar qualifications and theme to the hospice and palliative care group special license plate. This fiscal note assumes that 150 license plates will be issued in FY 2020-21, 188 license plates will be issued in FY 2021-22, and 38 license plates in FY 2022-23 and each fiscal year thereafter.

State Revenue

The bill increases state cash fund revenue by \$8,388 in FY 2020-21, \$10,513 in FY 2021-22, and 2,125 in FY 2022-23 and in future years. Table 2 outlines the revenue generated under this bill.

Table 2
Revenue Under SB 20-196

Revenue Components	FY 2020-21	FY 2021-22	FY 2022-23
License Plate Sets Issued	150	188	38
Revenue: License Plate Cash Fund (\$5.92)	\$888	\$1,113	\$225
Revenue: Highway Users Tax Fund (\$25)	\$3,750	\$4,700	\$950
Revenue: Licensing Services Cash Fund (\$25)	\$3,750	\$4,700	\$950
Total Revenue	\$8,388	\$10,513	\$2,125

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 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 (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 20-196

	FY 2020-21	FY 2021-22	FY 2022-23
Revenue: State Highway Fund (65 percent)	\$2,438	\$3,055	\$618
Revenue: Counties (26 percent)	\$975	\$1,222	\$247
Revenue: Municipalities (9 percent)	\$337	\$423	\$85
Total HUTF Distribution	\$3,750	\$4,700	\$950

State Expenditures

State cash fund expenditures in the DOR will increase by \$5,163 in FY 2020-21, \$1,113 in FY 2021-22, and \$225 in FY 2022-23 and thereafter.

Table 4
Expenditures Under SB 20-196

	FY 2020-21	FY 2021-22	FY 2022-23
Department of Revenue			
Plate and Tab Production Cost (\$5.92 per set)	\$888	\$1,113	\$225
Computer Programming	\$4,275	-	-
Total Expenditures	\$5,163	\$1,113	\$225

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 150 license plates will be issued in FY 2020-21, 188 will be issued in FY 2021-22, and 38 will be issued in FY 2022-23 and each year thereafter. In FY 2020-21, one-time programming costs of \$4,275 are required to update the Driver License, Record, Identification and Vehicle Enterprise Solutions (DRIVES) system. Programming costs are calculated at 19 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 \$1,312 in FY 2020-21, by \$1,645 in FY 2021-22, and by \$332 in FY 2022-23 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

This bill was postponed indefinitely by the Senate Transportation and Energy Committee on May 26, 2020.

State Appropriations

For FY 2020-21, the bill requires an appropriation to the Department of Revenue of \$4,275 from the DRIVES Vehicle Services Account, and cash fund spending authority in the amount of \$888 from the License Plate Cash Fund.

State and Local Government Contacts

Corrections
Information Technology

Counties
Revenue

County Clerks
Transportation