



Legislative Council Staff

Nonpartisan Services for Colorado's Legislature

Revised Fiscal Note

(replaces fiscal note dated March 8, 2021)

Drafting Number: LLS 21-0228 **Date:** March 18, 2021
Prime Sponsors: Rep. Kipp; Soper **Bill Status:** House Finance
 Sen. Jaquez Lewis; Simpson **Fiscal Analyst:** Will Clark | 303-866-4720
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Bill Topic: SUPPORT POLLINATOR 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

This bill creates the Support Pollinators special license plate. It increases state revenue and expenditures and local government revenue on an ongoing basis.

Appropriation Summary: For FY 2021-22, the bill requires an appropriation of \$22,544 to the Department of Revenue.

Fiscal Note Status: This revised fiscal note reflects the introduced bill, as amended by the House Energy and Environment committee. It has also been updated to reflect new assumptions on the number of license plates issued.

Table 1
State Fiscal Impacts Under HB 21-1145

		Budget Year FY 2021-22	Out Year FY 2022-23
Revenue	Cash Funds	\$70,319	\$8,794
	State Highway Fund	\$34,564	\$4,323
	Total	\$104,882	\$13,116
Expenditures	Cash Funds	\$22,544	\$2,144
	Total	\$22,544	\$2,144
Transfers		-	-
TABOR Refund		-	-

Summary of Legislation

This bill creates the Support Pollinators 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 support pollination programs and education.

Assumptions

Expected demand for this plate is based on the actual demand from an average of four group special license plates. These include the Share the Road, Childhood Cancer Awareness, Juvenile Diabetes, and Child Loss Awareness group special license plates.

State Revenue

This bill is anticipated to increase state cash fund revenue by \$123,494 in FY 2021-22 and \$15,444 in FY 2022-23, as shown in Table 2. This revenue is subject to TABOR.

Table 2
Revenue Under HB 21-1145

	FY 2021-22	FY 2022-23
License Plate Sets Issued	2,127	266
License Plate Cash Fund (\$8.06)	\$17,144	\$2,144
Highway Users Tax Fund (\$25)	\$53,175	\$6,650
Licensing Services Cash Fund (\$25)	\$53,175	\$6,650
Total Cost	\$123,494	\$15,444

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 support pollinators 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 21-1145

	FY 2021-22	FY 2022-23
State Highway Fund (65 percent)	\$34,564	\$4,323
Counties (26 percent)	\$13,826	\$1,729
Municipalities (9 percent)	\$4,786	\$599
Total HUTF Distribution	\$53,175	\$6,650

State Expenditures

State cash fund expenditures in the DOR will increase by \$22,544 in FY 2021-22 and \$2,144 in FY 2022-23, as shown in Table 4 and detailed below.

Table 4
Expenditures Under HB 21-1145

	FY 2021-22	FY 2022-23
Department of Revenue		
Plate and Tab Production Cost	\$17,144	\$2,144
Computer Programming	\$5,400	-
Total Expenditures	\$22,544	\$2,144

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 2,127 license plates will be issued in FY 2021-22 and 266 will be issued in 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. 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.

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 \$22,544 to the Department of Revenue. Of this total:

- \$5,400 is from the DRIVES Vehicle Services Account; and
- \$17,144 is from the License Plate Cash Fund.

Departmental Difference

DOR estimates that it requires \$16,200 in FY 2021-22 for DRIVES system programming and that General Fund is required to pay for these costs. However, this fiscal note estimates that DOR will have sufficient cash fund balance in the DRIVES Vehicle Services Account to cover the costs related to DRIVES programming, and assumes that 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