



Legislative Council Staff

Nonpartisan Services for Colorado's Legislature

Final Fiscal Note

Drafting Number:	LLS 21-1021	Date:	July 20, 2021
Prime Sponsors:	Rep. Cutter; Amabile Sen. Fenberg; Rankin	Bill Status:	Signed into Law
		Fiscal Analyst:	Will Clark 303-866-4720 Will.Clark@state.co.us

Bill Topic: SPECIAL OLYMPICS LICENSE PLATE

Summary of Fiscal Impact:	<input checked="" type="checkbox"/> State Revenue	<input checked="" 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

The bill creates the Special Olympics special license plate. It increases state and local revenue and state expenditures on an ongoing basis.

Appropriation Summary: For FY 2021-22, the bill requires and includes an appropriation of \$13,460 to the Department of Revenue.

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

**Table 1
State Fiscal Impacts Under HB 21-1323**

		Budget Year FY 2021-22	Out Year FY 2022-23
Revenue	Cash Funds	\$33,060	\$41,325
	State Highway Fund	\$16,250	\$20,313
	Total	\$49,310	\$61,638
Expenditures	Cash Funds	\$13,460	\$10,075
	Total	\$13,460	\$10,075
Transfers		-	-
TABOR Refund	General Fund	\$49,310	\$61,638
	Total	\$49,310	\$61,638

Summary of Legislation

This bill creates the Special Olympics group special license plate. The license plate will be available to all applicants that pay a one-time special license plate fee of \$50 and give a donation of \$60 to \$100 to a DOR designated nonprofit. For each donation that the nonprofit receives, all must be spent to support athletes with intellectual disabilities.

Assumptions

Expected demand for this plate is based on actual demand for the Colorado Rockies' special license plate.

State Revenue

This bill is anticipated to increase cash fund revenue by \$58,060 in FY 2021-22 and by \$72,575 in FY 2022-23, as shown in Table 2. This revenue is subject to TABOR.

Table 2
Revenue Under HB 21-1323

	FY 2021-22	FY 2022-23
License Plate Sets Issued	1,000	1,250
License Plate Cash Fund (\$8.06)	\$8,060	\$10,075
Highway Users Tax Fund (\$25)	\$25,000	\$31,250
Licensing Services Cash Fund (\$25)	\$25,000	\$31,250
Total Cost	\$58,060	\$72,575

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 Special Olympics 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 21-1323

	FY 2021-22	FY 2022-23
State Highway Fund (65 percent)	\$16,250	\$20,313
Counties (26 percent)	\$6,500	\$8,125
Municipalities (9 percent)	\$2,250	\$2,813
Total HUTF Distribution	\$25,000	\$31,250

State Expenditures

State cash fund expenditures in the DOR will increase by \$13,460 in FY 2021-22 and \$10,075 in FY 2022-23, as shown in Table 4 and detailed below.

Table 4
Expenditures Under HB 21-1323

	FY 2021-22	FY 2022-23
Department of Revenue		
Plate and Tab Production Cost	\$8,060	\$10,075
Computer Programming	\$5,400	-
Total Expenditures	\$13,460	\$10,075

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 1,000 license plates will be issued in FY 2021-22 and 1,250 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, and 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.

TABOR refunds. The bill is expected to increase the amount of state revenue required to be refunded to taxpayers by the amounts shown in the State Revenue section above. TABOR refunds are paid from the General Fund. This estimate is based on the June 2021 LCS revenue forecast, which incorporates the revenue impacts of bills passed during the 2021 session. A forecast of state revenue subject to TABOR is not available beyond FY 2022-23.

Federal ARPA funds. This bill increases state revenue, which may impact the state's flexibility in spending federal American Rescue Plan Act (ARPA) funds. For more information, see the LCS memo, titled "Legislative Changes and Flexibility in Use of American Rescue Plan Funds," available online at: <https://leg.colorado.gov/node/2211881>.

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 was signed into law by the Governor on June 24, 2021, and takes effect on September 7, 2021, assuming no referendum petition is filed.

State Appropriations

For FY 2021-22, the bill requires and includes appropriations of \$13,460 to the Department of Revenue. Of this total:

- \$5,400 is from the DRIVES Vehicle Services Account; and
- \$8,060 is from the License Plate Cash Fund.

Departmental Difference

The DOR estimates that it requires \$14,400 in FY 2021-22 for DRIVES system programming and that the General Fund is required to pay for these costs. The fiscal note estimates that the DOR will have sufficient cash fund balance in the DRIVES Vehicle Services Account to cover the costs related to DRIVES programming, and assumes that the 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