



Legislative Council Staff
Nonpartisan Services for Colorado's Legislature

Final Fiscal Note

Drafting Number: LLS 21-0982 Date: August 18, 2021
Prime Sponsors: Sen. Zenzinger; Danielson Bill Status: Signed into Law
Rep. Carver; Michaelson Jenet Fiscal Analyst: Will Clark | 303-866-4720
Will.Clark@state.co.us

Bill Topic: WOMEN VETERANS WITH DISABILITIES LICENSE PLATE

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

This bill creates the Women Veterans with Disabilities special license plate that is exempt from registration fees and specific ownership tax. It decreases state and local government revenue and increases state government expenditures on an ongoing basis.

Appropriation Summary: For FY 2021-22, this bill requires and includes an appropriation of \$5,481 to the Department of Revenue.

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

Table 1
State Fiscal Impacts Under SB 21-253

Table with 4 columns: Category, Sub-category, Budget Year FY 2021-22, and Out Year FY 2022-23. Rows include Revenue (Cash Funds, State Highway Fund, Total), Expenditures (Cash Funds, Total), Transfers, and TABOR Refund (General Fund).

## Summary of Legislation

The bill creates a military license plate available to disabled veteran women. The license plate is available to veteran women who have received an honorable discharge or are retired from the U.S. Armed Forces and have a qualifying disability.

Individuals with the disabled women veteran license plate will be exempt from registration fees and specific ownership tax (SOT) for one vehicle. Subsequent vehicles will be subject to applicable registration and taxes, as well as a one-time fee of \$50, of which \$25 goes to the Highway Users Tax Fund (HUTF) and the other \$25 goes to the Licensing Services Cash Fund.

## State Revenue

This bill is anticipated to decrease state cash fund revenue by \$581 in FY 2021-22 and FY 2022-23, as shown in Table 2. This is based on the assumption that 10 of these license plates will be ordered by individuals that otherwise would have paid for standard license plates.

**Table 2**  
**Revenue Under SB 21-253**

	<b>FY 2021-22</b>	<b>FY 2022-23</b>
<b>License Plate Sets Issued</b>	10	10
License Plate Cash Fund (\$8.06)	(\$81)	(\$81)
Highway Users Tax Fund (\$25)	(\$250)	(\$250)
Licensing Services Cash Fund (\$25)	(\$250)	(\$250)
<b>Total Cost</b>	<b>(\$581)</b>	<b>(\$581)</b>

**Standard license plate fees.** The disabled women veteran license plate is exempt from the 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 disabled women veteran license plate are also exempt from paying the additional \$50 fee applied for special plates, 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 decreased HUTF revenue under this bill, 65 percent would be credited to the State Highway Fund (SHF) for expenditure by the department, 26 percent would be credited to counties, and 9 percent would be credited to municipalities. Table 3 outlines the estimated decrease in HUTF revenue under this bill.

**Table 3  
Estimated HUTF Distributions Under SB 21-253**

	FY 2021-22	FY 2022-23
State Highway Fund (65 percent)	(\$162)	(\$162)
Counties (26 percent)	(\$65)	(\$65)
Municipalities (9 percent)	(\$23)	(\$23)
<b>Total HUTF Distribution</b>	<b>(\$250)</b>	<b>(\$250)</b>

## State Expenditures

State cash fund expenditures in the DOR will increase by \$5,481 in FY 2021-22 and \$81 in FY 2022-23, as shown in Table 4 and detailed below.

**Table 4  
Expenditures Under SB 21-253**

	FY 2021-22	FY 2022-23
<b>Department of Revenue</b>		
Plate and Tab Production Cost	\$81	\$81
Computer Programming	\$5,400	-
<b>Total Expenditures</b>	<b>\$5,481</b>	<b>\$81</b>

**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 10 license plates will be issued in FY 2021-22 and 10 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.

**TABOR refunds.** The bill is expected to decrease 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 decreases 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 decrease 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 \$5,481 to the Department of Revenue. Of this total:

- \$5,400 is from the DRIVES Vehicle Services Account; and
- \$81 is from the License Plate Cash Fund.

## **Departmental Difference**

DOR estimates that it requires \$15,300 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