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Fiscal Note

Drafting Number: LLS 22-0534
Prime Sponsors: Rep. Pico
Sen. Hisey

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Bill Status: House Trans. & Local Govt.
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Bill Topic: **MOTORCYCLE AND AUTOCYCLE DEFINITIONS**

Summary of Fiscal Impact:

- State Revenue
- State Expenditure
- State Transfer
- TABOR Refund
- Local Government
- Statutory Public Entity

The bill removes autocycle from the definition of a motorcycle and makes clarifying changes to the definition of an autocycle. The bill increases state and local expenditures in FY 2022-23, and decreases state cash fund revenue on an ongoing basis.

Appropriation Summary: For FY 2022-23, the bill requires an appropriation of \$15,976 to the Department of Revenue.

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

Table 1
State Fiscal Impacts Under HB 22-1043

		Budget Year FY 2022-23	Out Year FY 2023-24
Revenue	Cash Funds	(\$488)	(\$488)
	Total Revenue	(\$488)	(\$488)
Expenditures	General Fund	\$15,976	-
	Total Expenditures	\$15,976	-
Transfers		-	-
Other Budget Impacts	TABOR Refund	(\$488)	(\$488)
	General Fund Reserve	\$2,396	-

Summary of Legislation

The bill creates a distinct definition for autocycles and makes changes to the current definition of a motorcycle. It clarifies that the driver of an autocycle does not need a motorcycle endorsement, and that certain exceptions to the use of eye protection and helmets apply to autocycle operators. Autocycles are no longer subject to a \$2 license fee and \$4 registration fee for motorcycle operator safety training, but will otherwise continue to pay the same taxes and fees for licensing, titling and registration. Finally, the bill expands the definition of vulnerable road user to include autocycles.

Background

There are currently 122 vehicles registered in Colorado as a motorcycle with an autocycle designation.

Comparable Crime Analysis

Legislative Council Staff is required to include certain information in the fiscal note for any bill that creates a new crime, changes the classification of an existing crime, or creates a new factual basis for an existing crime. This section outlines data on crimes comparable to the offense in this bill and discusses assumptions on future rates of criminal conviction for those offense.

Prior conviction data and assumptions. This bill creates a new factual basis for the existing offense of injuring a vulnerable road user by adding autocycles to the definition of a vulnerable road user. From FY 2018-19 to FY 2020-21, 11 individuals have been convicted of and sentenced for this offense. Of the persons convicted, 7 were male and 4 were female. Demographically, 10 were White and 1 was Asian. Autocycles are already covered under the existing offense because of their current definition as a motorcycle. Therefore, the fiscal note assumes that there will be no additional criminal case filings or convictions for this offense as a result of this bill. Because the bill is not expected to have a tangible impact on criminal justice-related revenue or expenditures at the state or local levels, these potential impacts are not discussed further in this fiscal note. Visit leg.colorado.gov/fiscalnotes for more information about criminal justice costs in fiscal notes.

State Revenue

The bill reduces state cash fund revenue to the Motorcycle Operator Safety Training (MOST) fund by \$488 in FY 2022-23 and out years from annual autocycle registration fees, which assumes the number of registered autocycles in the state will remain constant. The bill also reduces state cash fund revenue to the MOST fund by at least \$244 over the next five years due to a reduction in autocycle licensing fees. However, the annual distribution of these impacts will depend on the timing of license renewal for autocycle owners. These revenue reductions are not expected to impact the MOST program's operations, which are administered by the Colorado State Patrol in the Department of Public Safety.

State Expenditures

State expenditures in the Department of Revenue (DOR) will increase by \$15,976 in FY 2022-23 from the General Fund, as described below.

Computer programming. The DOR will require one-time programming costs to update the Driver License, Record, Identification and Vehicle Enterprise Solutions (DRIVES) system. Programming costs are based on 56 hours of programming at a rate of \$225 per hour, as well as \$3,376 in other implementation costs, which include implementation support to the vendor from DOR staff and quality assurance support from the Office of Information Technology. Additional programming may be required if autocycles will be issued a different plate type; see Technical Note.

Title re-issuance. Costs will increase for the DOR to recall current autocycle titles, which are issued as a motorcycle, and reissue those titles as a motor vehicle. These costs, including associated workload and materials for new titles, are absorbable within existing appropriations.

Other updates. The DOR will 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.

Other Budget Impacts

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 for FY 2022-23 and out years. This estimate assumes the December 2021 LCS revenue forecast. A forecast of state revenue subject to TABOR is not available beyond FY 2023-24. Because TABOR refunds are paid from the General Fund, decreased cash fund revenue will increase the amount of General Fund available to spend or save.

General Fund reserve. Under current law, an amount equal to 15 percent of General Fund appropriations must be set aside in the General Fund statutory reserve beginning in FY 2022-23. Based on this fiscal note, the bill is expected to increase the amount of General Fund held in reserve by \$2,396 in FY 2022-23, which will decrease the amount of General Fund available for other purposes.

Local Government

In FY 2022-23, this bill will increase workload for local governments to update traffic regulations to conform with the new definitions for motorcycles and autocycles.

Technical Note

The bill removes autocycle from the definition of a motorcycle, and requires the DOR to issue a single license plate to autocycles. This fiscal note assumes the intent of the bill is for autocycles to continue using motorcycle plates. If it is the intent of the bill for autocycles to be issued a single motor vehicle license plate, expenditures for DOR to update computer programming in DRIVES will increase by an incremental \$13,665 in FY 2022-23.

Effective Date

The bill takes effect 90 days following adjournment of the General Assembly sine die, assuming no referendum petition is filed. It applies to offenses committed on or after the bill's effective date.

State Appropriations

For FY 2022-23, the bill requires an appropriation of \$15,976 to the Department of Revenue from the General Fund.

State and Local Government Contacts

Counties
Municipalities
Transportation

County Clerks
Public Safety

Information Technology
Revenue