



**Colorado  
Legislative  
Council  
Staff**

**HB16-1295**

**FINAL  
FISCAL NOTE**

**FISCAL IMPACT:**  State  Local  Statutory Public Entity  Conditional  No Fiscal Impact

**Drafting Number:** LLS 16-0234  
**Prime Sponsor(s):** Rep. Salazar  
Sen. Ulibarri

**Date:** May 24, 2016  
**Bill Status:** Postponed Indefinitely  
**Fiscal Analyst:** Erin Reynolds (303-866-4146)

**BILL TOPIC:** CHICANO SPECIAL LICENSE PLATE

| <b>Fiscal Impact Summary</b>   | <b>FY 2016-2017</b>    | <b>FY 2017-2018</b>    |
|--|------------------------|------------------------|
| <b>State Revenue</b>   | <b><u>\$12,987</u></b> | <b><u>\$25,920</u></b> |
| Cash Funds   | 12,987                 | 25,920                 |
| <b>State Expenditures</b>  | <b><u>\$5,461</u></b>  | <b><u>\$2,679</u></b>  |
| Cash Funds   | 5,461                  | 2,679                  |
| <b>TABOR Impact</b>  |                        | \$25,920               |
| <b>Appropriation Required:</b> \$5,461 – Department of Revenue (FY 2016-17). |                        |                        |
| <b>Future Year Impacts:</b> Ongoing revenue and expenditure increases.       |                        |                        |

**Note:** This bill was not enacted into law; therefore, the impacts identified in this analysis do not take effect.

**Summary of Legislation**

The bill creates the Chicana/o special license plate for passenger vehicles and motorcycles. The license plate will be available to those individuals who have made a donation to an organization that meets the bill's criteria of providing services or grants to the Latino community and that is designated by the Department of Revenue (DOR). The DOR must designate one or more such organizations at least once every five years. The organization may establish a minimum donation amount. DOR is to design the plate with input from interested persons.

In addition to the donation, standard license plate taxes and fees apply, and applicants must also pay the one-time, standard special license plate fee of \$50 — \$25 of which is credited to the Licensing Services Cash Fund and the remaining \$25 to the Highway Users Tax Fund. An applicant may also apply for a personalized Chicana/o special license plate, upon payment of the annual personalized plate fee.

The plate will be available January 1, 2017, or when the DOR is prepared to issue the plates, whichever is earlier. The DOR may stop issuing the Chicana/o special license plate if 3,000 are not issued by July 1, 2021, though a person issued the plate may continue to use it even if it is discontinued.

**Assumptions**

The DOR currently issues three cultural group special license plates:

- American Indian Scholars (1,839 issued since January 1, 2002);
- Italian American Heritage (3,575 issued since July 1, 2008); and
- Pioneer (36,747 issued since January 1, 1998).

The fiscal note assumes that the Chicana/o special license plate issuance will be similar to the Italian American Heritage plate, so it is expected that 450 Chicana/o special license plates will be purchased per year.

Motorcycles account for 1 percent of group special license plates overall. It is therefore expected that 1 percent of Chicana/o license plates, or 5 per year, will be issued to motorcycles.

Finally, it is assumed the bill will become effective January 1, 2017, so FY 2016-17 numbers are prorated assuming plates will be issued for a half-year.

**State Revenue**

This bill is anticipated to increase state cash fund revenue by **\$12,987 in FY 2016-17 and \$25,920 in FY 2017-18** to the License Plate Cash Fund (LPCF), the Licensing Services Cash Fund (LSCF), and the Highway Users Tax Fund. State revenue is detailed in Table 1 below.

| <b>Table 1. State Revenue Generated Under HB16-1295</b> |             |                      |                   |                      |                   |
|---|-------------|----------------------|-------------------|----------------------|-------------------|
| <b>Revenue Components</b>                               | <b>Cost</b> | <b>Number Issued</b> | <b>FY 2016-17</b> | <b>Number Issued</b> | <b>FY 2017-18</b> |
| Passenger Vehicle Plate Sets (LPCF)                     | \$5.92      | 225                  | \$1,332           | 450                  | \$2,664           |
| Motorcycle Single Plates (LPCF)                         | 3.01        | 3                    | 9                 | 5                    | 15                |
| Temporary Permits (LPCF)                                | 1.08        | 228                  | 246               | 455                  | 491               |
| Special License Plate Fee (LSCF)                        | 25.00       | 228                  | 5,700             | 455                  | 11,375            |
| Special License Plate Fee (HUTF)                        | 25.00       | 228                  | 5,700             | 455                  | 11,375            |
| <b>TOTALS</b>   |             |                      | <b>\$12,987</b>   |                      | <b>\$25,920</b>   |

The State Highway Fund in the Colorado Department of Transportation receives 65 percent of the HUTF revenues generated through license plate fees, as discussed in the State Expenditures section below; the remainder is divided between counties and municipalities, as discussed in the Local Government section below.

**TABOR Impact**

This bill increases state cash fund revenue from fees, which will increase the amount of money required to be refunded under TABOR. TABOR refunds are paid out of the General Fund. Since the bill increases the TABOR refund obligation without a corresponding change in General Fund revenue, the amount of money available in the General Fund for the budget will decrease by an identical amount. No TABOR refund is expected in FY 2016-17.

**State Expenditures**

State cash fund expenditures are expected to increase by **\$5,461 in FY 2016-17 and by \$2,679 in FY 2017-18**. State expenditures are detailed in Table 2 and discussed below.

| <b>Table 2. State Expenditures Under HB16-1295</b> |             |                      |                   |                      |                   |
|--|-------------|----------------------|-------------------|----------------------|-------------------|
| <b>Cost Components</b>                             | <b>Cost</b> | <b>Number Issued</b> | <b>FY 2016-17</b> | <b>Number Issued</b> | <b>FY 2017-18</b> |
| Passenger Vehicle Plate and Tab                    | \$5.92      | 225                  | \$1,332           | 450                  | \$2,664           |
| Motorcycle Plate and Tab                           | 3.01        | 3                    | 9                 | 5                    | 15                |
| Computer Programming                               |             |                      | \$4,120           |                      | 0                 |
| <b>TOTAL</b>                                       |             |                      | <b>\$5,461</b>    |                      | <b>\$2,679</b>    |

**Materials.** The Chicana/o special license plate will be issued via the Print on Demand program with Colorado Correctional Industries in the Department of Corrections. The DOR will require spending authority for the Chicana/o special license plates, estimated at \$1,341 in FY 2016-17 and \$2,679 in FY 2017-18.

**Computer Programming.** In FY 2016-17, one-time programming costs of \$4,120 are required to update the Colorado State Titling and Registration System (CSTARS) in the DOR. Programming costs are calculated at 40 hours at a rate of \$103 per hour, and paid to the Office of Information Technology (OIT).

**Application and selection process, forms, and training.** To meet the requirement that at least one organization providing services to the Latino community is selected at least every five years, the DOR will need to establish an application and selection process. The DOR will also be required to update forms, manuals, and its website to reflect the change in law, as well as to provide training to authorized agents, staff, and law enforcement. Any workload increase or costs associated with these activities can be accomplished within existing appropriations.

**Highway Users Tax Fund.** The bill will increase HUTF revenue to the continuously appropriated State Highway Fund in CDOT by an estimated \$3,705 in FY 2016-17, and \$7,394 in FY 2017-18.

**Local Government Impact**

HUTF revenue generated by license plate fees is distributed to counties (26 percent) and cities (9 percent) for transportation needs. This bill is expected to increase county revenue by \$1,482 in FY 2016-17, and \$2,958 in FY 2017-18, and municipal revenue by \$513 in FY 2016-17, and by 1,024 in FY 2017-18.

**Effective Date**

The bill was postponed indefinitely by the Senate Finance Committee on May 3, 2016.

## State Appropriations

For FY 2016-17, the Department of Revenue required and was appropriated \$4,120 from the CSTARs Account, and cash fund spending authority in the amount of \$1,341 from the License Plate Cash Fund. The Office of Information Technology required and was reappropriated \$4,120.

## State and Local Government Contacts

Clerk and Records  
Public Safety

Corrections  
Revenue

Information Technology