



**Colorado
Legislative
Council
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SB17-251

FISCAL NOTE

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

Drafting Number: LLS 17-1057
Prime Sponsor(s): Sen. Tate

Date: March 24, 2017
Bill Status: Senate Business
Fiscal Analyst: Ryan Long (303-866-2066)

BILL TOPIC: DEPT REVENUE RECORDS INSURER & SALVAGE POOL

Fiscal Impact Summary	FY 2017-2018	FY 2018-2019
State Revenue	<u>\$2,500</u>	<u>\$2,500</u>
Cash Funds	2,500	2,500
State Expenditures	<u>\$5,717</u>	<u>\$6,704</u>
General Fund	4,526	5,431
Centrally Appropriated Costs	1,191	1,273
TABOR Impact	\$2,500	\$2,500
FTE Position Change	0.1 FTE	0.1 FTE
Appropriation Required: \$4,526 - Department of Revenue (FY 2017-18).		
Future Year Impacts: Ongoing revenue and expenditure increase.		

Summary of Legislation

Under current law, a tow carrier who tows abandoned motor vehicles uses an electronic system to access the Department of Revenue's (DOR) records to determine and notify the motor vehicle's owner or lienholder. This bill allows insurers and salvage pools to use the same electronic system to determine a vehicle's owner or lienholder if the vehicle is the subject of an insurance claim processed by the insurer or is possessed by a salvage pool.

Background

Under current law, the DOR provides a user interface for tow operators and law enforcement to perform Colorado records searches related to abandoned vehicles. Records are used to return stolen vehicles and to notify relevant parties that the vehicle will be sold at auction if not claimed. Tow operators are required to pay a fee of \$2.20 for each vehicle search performed; there is no charge for vehicle searches performed by law enforcement.

State Revenue

The bill increases state revenue to DOR by \$2,500 beginning in FY 2017-18. The fiscal note assumes that approximately 460 insurers and 40 salvage pools will require access to the electronic system. It is assumed that each insurer and salvage pool will be required to pay a \$5.00 fee to establish their account, or \$2,500 for the 500 insurers and salvage pools. As of this writing, it is unknown to which cash fund these fees will be remitted. The fee for each search is currently \$2.20; the number of searches is not expected to change significantly under this bill.

TABOR Impact

This bill increases state cash fund revenue from fees, which will increase the amount of money required to be refunded under TABOR for FY 2017-18 and FY 2018-19. 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.

State Expenditures

This bill will increase cash fund expenditures in DOR by \$5,717 and 0.1 FTE in FY 2017-18 and \$6,704 and 0.1 FTE in FY 2018-19. These expenditures are outlined in Table 1 and explained below.

Table 1. Expenditures Under SB 17-251.		
Cost Components	FY 2017-18	FY 2018-19
Personal Services	\$4,526	\$5,431
FTE	0.1 FTE	0.1 FTE
Centrally Appropriated Costs*	1,191	1,273
TOTAL	\$5,717	\$6,704

* Centrally appropriated costs are not included in the bill's appropriation.

Personal Services. The DOR requires an allocation of 0.1 FTE in FY 2017-18 and in future years to process new applications from insurers and salvage pools. The fiscal note assumes that any new employees will start in September 2017. It is assumed that it will take the department approximately 185 hours annually to establish new accounts, process payments for searches performed, and maintain accounts.

Centrally appropriated costs. Pursuant to a Joint Budget Committee policy, certain costs associated with this bill are addressed through the annual budget process and centrally appropriated in the Long Bill or supplemental appropriations bills, rather than in this bill. The centrally appropriated costs subject to this policy are estimated in the fiscal note for informational purposes and summarized in Table 2.

Table 2. Centrally Appropriated Costs Under SB 17-251		
Cost Components	FY 2017-18	FY 2018-19
Employee Insurance (Health, Life, Dental, and Short-term Disability)	\$785	\$786
Supplemental Employee Retirement Payments	406	487
TOTAL	\$1,191	\$1,273

Effective Date

The bill takes effect August 9, 2017, if the General Assembly adjourns on May 10, 2017, as scheduled, and no referendum petition is filed.

State Appropriations

For FY 2017-18, the bill requires an appropriation of \$4,526 General Fund and an allocation of 0.1 FTE to the Department of Revenue.

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