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**FINAL
FISCAL NOTE**

Drafting Number: LLS 18-0232 **Date:** July 19, 2018
Prime Sponsors: Rep. Duran; Carver **Bill Status:** Signed into Law
 Sen. Cooke; Kefalas **Fiscal Analyst:** Ryan Long | 303-866-2066
 Ryan.Long@state.co.us

Bill Topic: CHILDHOOD CANCER AWARENESS SPECIAL 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

This bill creates the childhood cancer awareness special license plate. Beginning in FY 2018-19, this bill will increase state revenue and expenditures and local government revenue on an ongoing basis.

Appropriation Summary: In FY 2018-19, this bill requires an appropriation of \$8,288 to the Department of Revenue.

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

**Table 1
State Fiscal Impacts Under HB 18-1255**

		FY 2018-19	FY 2019-20
Revenue*	Cash Funds	\$43,288	\$5,411
	Highway Users Tax Fund	\$35,000	\$4,375
	Total	\$78,288	\$9,786
Expenditure	Cash Funds	\$8,288	\$1,036
	Total	\$8,288	\$1,036
Transfers		-	-
TABOR Refund	General Fund	-	-

* These revenue impacts do not include Highway Users Tax Fund distributions to local governments. See Table 3 for this estimated distribution.

Summary of Legislation

This bill creates the childhood cancer awareness special license plate. This license plate is available to anyone who donates to an organization chosen by the Department of Revenue and pays a one-time special plate fee of \$50. At least once every five years, the DOR will choose an organization to which applicants must donate to qualify for this license plate. This organization must:

- have an office in Colorado;
- have been in existence for at least one year; and
- provide financial assistance to families with a minor being treated for cancer or research foundations that provide money for pediatric cancer research.

Assumptions

Expected demand for this plate is based on the actual demand for the current Juvenile Diabetes special license plate, which has similar qualifications. The fiscal note assumes that 1,400 license plates will be issued in FY 2018-19, and 175 will be issued in FY 2019-20 and ongoing.

State Revenue

This bill is expected to increase state cash fund revenue by \$78,288 in FY 2018-19 and \$9,786 in FY 2019-20 and in future years to the License Plate Cash Fund, the Licensing Services Cash Fund, and the Highway Users Tax Fund (HUTF). Table 2 outlines the revenue generated under this bill.

**Table 2
Revenue Under HB 18-1255**

Revenue Components	FY 2018-19	FY 2019-20
License Plate Sets Issued	1,400	175
Standard License Plate Revenue <i>License Plate Cash Fund (\$5.92 per plate)</i>	\$8,288	\$1,036
Special License Plate Revenue <i>Licensing Services Cash Fund (\$25 per plate)</i>	\$35,000	\$4,375
Special License Plate Revenue <i>Highway Users Tax Fund (\$25 per plate)</i>	\$35,000	\$4,375
Total Revenue	\$78,288	\$9,786

* Table 2 includes HUTF revenue for both the state government and local governments. See Table 3 for estimated HUTF distributions.

Standard license plate fees. Upon registration, all vehicle owners must pay a plate and tab production fee of \$5.92 for a passenger vehicle plate set and \$3.01 for a motorcycle plate set. This fiscal note assumes motorcycle plate issuance for the childhood cancer special license plate will be minimal. Fees from plate and tab production are credited to the License Plate Cash Fund.

Special license plate fees. Applicants for the childhood cancer awareness special license plate are also required to pay an additional \$50 fee, of which \$25 is credited to the HUTF and \$25 is credited to the Licensing Services Cash Fund.

HUTF distribution. Of the \$25 in special license plate fees that goes to the HUTF, 65 percent is credited to the State Highway Fund for expenditure by the Colorado Department of Transportation, 26 percent is credited to counties, and 9 percent is credited to municipalities. Table 3 outlines the estimated HUTF distributions under this bill.

**Table 3
 Estimated HUTF Distributions Under HB 18-1255**

	FY 2018-19	FY 2019-20
State Highway Fund (65%)	\$22,750	\$2,844
Counties (26%)	\$9,100	\$1,137
Municipalities (9%)	\$3,150	\$394
Total Distribution	\$35,000	\$4,375

TABOR Refund

This bill increases state revenue from fees, which will increase the amount of money required to be refunded under TABOR for FY 2018-19 and FY 2019-20. State revenue subject to TABOR is not estimated for years beyond FY 2019-20. 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

State cash fund expenditures in the Department of Revenue will increase by \$8,288 in FY 2018-19, and by \$1,036 in FY 2019-20 and in future years. State expenditures are detailed in Table 4 and described below.

**Table 4
 Expenditures Under HB 18-1255**

	FY 2018-19	FY 2019-20
Department of Revenue		
License Plate Sets Manufactured	1,400	175
Plate and Tab Production Cost (License Plate Cash Fund)	\$8,288	\$1,036
Total Cost	\$8,288	\$1,036

Department of Revenue. In FY 2018-19, license plate and tab production costs of \$5.92 per plate set will be expended from the License Plate Cash Fund, and are equal to the revenue generated from standard license plate fees.

The DOR will also be required to update rules, forms, manuals, and the department's website to reflect the change in law, as well as 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.

Local Government

This bill will increase county and local government HUTF revenue by the amounts shown above 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 May 22, 2018, and takes effect August 8, 2018, assuming no referendum petition is filed.

State Appropriations

For FY 2018-19, the bill requires a cash fund appropriation of \$8,288 from the License Plate Cash Fund to the Department of Revenue.

State and Local Government Contacts

Counties
Information Technology
Revenue

County Clerks
Local Affairs
Transportation

Corrections
Public Safety