



Legislative
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FISCAL NOTE

Drafting Number:	LLS 19-0657	Date:	January 15, 2019
Prime Sponsors:	Sen. Sonnenberg Rep. Pelton	Bill Status:	Senate Transportation
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Bill Topic: AGRICULTURAL TRAILERS PORT OF ENTRY CLEARANCE

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 exempts certain vehicles carrying only agricultural products or livestock from stopping at a port of entry. It minimally decreases state and local revenue, and impacts state workload beginning in FY 2019-20.

Appropriation Summary: No appropriation is required.

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

Summary of Legislation

Under current law, motor vehicles with an empty weight of 16,000 or more pounds, or a vehicle that weighs 26,001 or more pounds fully loaded, must clear a port of entry within 5 miles of its route. This bill exempts motor vehicles hauling agricultural commodities and livestock from this requirement.

Background

Ports of Entry - Department of Public Safety. The Colorado State Patrol within the Department of Public Safety (DPS) runs the state's ten port of entry locations, which regulate commercial vehicles on major highways. Port of entry weigh stations determine if commercial vehicles have violated weight limits and issue the bulk of citations related to weight limit violations.

Federal funding. To be eligible for certain grant funding from the Federal Highway Administration (FHWA), Colorado must adequately enforce vehicle size and weight regulations on the highway system. Ports of entry are the primary point of size and weight enforcement in Colorado. The Colorado State Patrol recently applied for \$4.5 million in grant funds from the FHWA.

State Revenue

Beginning in FY 2019-20, the bill may decrease state fee and fine revenue, as described below.

Fine revenue. To the extent that fewer penalties are assessed for overweight vehicle violations, revenue will decrease to the Department of Revenue (DOR). Citations written by the Colorado State Patrol are paid directly to DOR, and this revenue is credited to the Commercial Vehicle Enterprise Tax Fund.

Fee revenue. To the extent that fewer vehicles go through ports of entry due to the agricultural exemption in this bill, revenue from the sale of permits issued by DPS may decrease. For example, farm trucks exempt from apportioned registration fees may purchase a temporary commercial registration for agricultural harvest operations in Colorado. The fee for this permit ranges between \$60 to \$200, depending on the number of axles.

State Expenditures

This bill increases workload and potentially decreases expenditures beginning in FY 2019-20, as described below.

Department of Public Safety. In FY 2019-20, this bill will create a minimal workload increase in DPS to modify rules, forms, manuals, and websites to reflect any changes required in this bill. Workload will also increase to train port of entry staff. These workload impacts can be accomplished within existing appropriations. Additionally, workload may decrease for the Colorado State Patrol in DPS to the extent that fewer vehicles go through ports of entry.

Federal funding. In future fiscal years, if the FHWA determines that the state is out of compliance with federal size and weight restrictions as a result of this bill, expenditure decreases of federal funds may occur in DPS and the Colorado Department of Transportation.

TABOR refund. To the extent that the bill decreases state cash fund revenue from fines, the bill will decrease state General Fund obligations for TABOR refunds in FY 2019-20. Under current law and the December 2018 forecast, the bill will correspondingly reduce the amount refunded to taxpayers via the sales tax refunds on income tax returns for tax year 2020. The state is not expected to collect a TABOR surplus in FY 2020-21

Local Government

Similar to the state, local governments that receive portions of revenue collected at ports of entry may see a reduction in those revenues. A portion of port of entry penalties are distributed to the municipality or county where the violation occurred.

Effective Date

The bill takes effect August 2, 2019, if the General Assembly adjourns on May 3, 2019, as scheduled, and no referendum petition is filed.

State and Local Government Contacts

Agriculture
Local Affairs
Revenue

Counties
Municipalities
Transportation

Information Technology
Public Safety