



Legislative Council Staff

Nonpartisan Services for Colorado's Legislature

# FINAL FISCAL NOTE

<b>Drafting Number:</b>	LLS 19-0712	<b>Date:</b>	July 29, 2019
<b>Prime Sponsors:</b>	Sen. Crowder Rep. Valdez D.; Humphrey	<b>Bill Status:</b>	Signed into Law
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**Bill Topic:** MILITARY VEHICLE MOTOR VEHICLE REGULATION

- Summary of Fiscal Impact:**
- State Revenue (*potential*)
  - State Expenditure
  - State Transfer
  - TABOR Refund
  - Local Government
  - Statutory Public Entity

This bill defines surplus military vehicles and allows them to be titled for off-highway use. It creates potential revenue impacts for state and local government and increases state expenditures for the Department of Revenue in FY 2019-20 only.

**Appropriation Summary:** In FY 2019-20, the bill requires, and includes, an appropriation \$45,000 to the Department of Revenue.

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

**Table 1  
State Fiscal Impacts Under SB 19-054**

		FY 2019-20	FY 2020-21
<b>Revenue</b>		-	-
<b>Expenditures</b>	Cash Funds	\$45,000	-
<b>Transfers</b>		-	-
<b>TABOR Refund</b>		-	-

## **Summary of Legislation**

The bill defines a surplus military vehicle as vehicle built for the U.S. Armed Forces that purchased for nonmilitary use and allows them to be titled as off-highway vehicles. The bill also defines a historical military vehicle as a vehicle that is valued for historical purposes and maintained in a condition that represents its military design and markings. The bill clarifies that historical military vehicles do not fall under the definition of off-highway vehicles and cannot be titled.

## **Background**

Current law defines a military vehicle as a vehicle of any size or weight that is valued for historical purposes, was manufactured for use by any nation's armed forces, and that is maintained in a condition that represents its military design or markings. Military vehicles are not deemed roadworthy in Colorado and under federal safety standards. The state's old title and registration system, CSTARs, was unable to perform system checks for vehicle compliance. Due to this, 349 ineligible surplus military motor vehicles were titled and registered. The state's new DRIVES system now performs a check to prohibit this registration.

## **Data and Assumptions**

There are 349 motor vehicles titled and registered in the state that qualify as surplus military vehicles. The state knows of three surplus military vehicles that have been denied title. It is indeterminate how many individuals in Colorado own unregistered surplus military vehicles.

## **State Revenue**

To the extent that additional surplus military vehicles are titled in Colorado, revenue may increase. Revenue from vehicle title fees is credited to the Colorado DRIVES Vehicle Services Account.

## **State Expenditures**

**Department of Revenue.** In FY 2019-20, one-time programming costs of \$45,000 are required to update the Driver License, Record, Identification and Vehicle Enterprise Solutions (DRIVES) system. Programming costs are calculated at 200 hours at a rate of \$225 per hour.

Also, the bill increases expenditures for DOR to reissue titles for the 349 currently titled military vehicles. Because these vehicles are already titled and registered in Colorado, this increase can be accomplished within existing resources. Additionally, workload will increase in DOR to engage in any required rulemaking and to update 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**

Similar to the state, local governments receive a portion of title fees collected. To the extent that additional surplus military motor vehicles are titled in Colorado, revenue may increase for local governments.

### **Effective Date**

The bill was signed into law by the Governor on May 30, 2019, and took effect July 1, 2019.

### **State Appropriations**

For FY 2019-20, the bill requires, and includes, an appropriation of \$45,000 from the Colorado DRIVES Vehicle Services Account to the Department of Revenue.

### **State and Local Government Contacts**

Information Technology      Revenue