



Legislative Council Staff

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FISCAL NOTE

Drafting Number: LLS 20-1048 Date: February 26, 2020
Prime Sponsors: Sen. Zenzinger; Danielson Bill Status: Senate Transportation
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Bill Topic: WOMAN VETERAN DISABILITY LICENSE PLATE

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

The bill creates a disabled women veterans military license plate that is exempt from registration fees and specific ownership tax. Beginning in FY 2020-21, this bill will decrease state and local revenue, and it will increase state expenditures in FY 2020-21 only.

Appropriation Summary: For FY 2020-21, the bill requires an appropriation of \$9,675 to the Department of Revenue.

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

Table 1
State Fiscal Impacts Under SB 20-178

Table with 4 columns: Category, Sub-category, FY 2020-21, FY 2021-22. Rows include Revenue, Expenditures, Transfers, and TABOR Refund.

Summary of Legislation

The bill creates a military license plate available to disabled veteran women. The license plate is available to veteran women who have received an honorable discharge or are retired from the U.S. Armed Forces and have a qualifying disability. Additionally, the license plate must bear the inscription "W.D.V." and be issued using a separate number series.

Individuals with the disabled women veteran license plate will be exempt from registration fees and specific ownership tax (SOT) for one vehicle. Subsequent vehicles will be subject to applicable registration and taxes, as well as a one-time fee of \$50, of which \$25 goes to the Highway Users Tax Fund (HUTF) and the other \$25 goes to the Licensing Services Cash Fund.

State Revenue

This bill is anticipated to decrease state cash fund revenue by \$559 beginning in FY 2020-21. Table 2 outlines the revenue decreases under this bill.

Table 2
Revenue Under SB 20-178

Revenue Components	FY 2019-20	FY 2020-21
License Plate Sets Issued	10	10
Revenue: License Plate Cash Fund (\$5.92)	(\$59)	(\$59)
Revenue: Highway Users Tax Fund (\$25)	(\$250)	(\$250)
Revenue: Licensing Services Cash Fund (\$25)	(\$250)	(\$250)
Total Revenue	(\$559)	(\$559)

Standard license plate fees. The disabled women veteran license plate is exempt from the 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 will be minimal. Fees from plate and tab production are credited to the License Plate Cash Fund (LCPF).

Special license plate fees. Applicants for the disabled women veteran license plate are also exempt from paying an additional \$50 fee applied for special license plates, of which \$25 is credited to the Highway Users Tax Fund (HUTF) and \$25 is credited to the Licensing Services Cash Fund (LSCF).

Colorado Department of Transportation. Of the decreased HUTF revenue under this bill, 65 percent is credited to the State Highway Fund (SHF) for expenditure by the department, 26 percent is credited to counties, and 9 percent is credited to municipalities.

State Expenditures

The bill increases state cash fund expenditures by \$9,675 from the DRIVES Vehicles Services Account in the DOR. Additionally, the bill may increase state General Fund expenditures for school finance by a minimal amount. These impacts are discussed below.

Department of Revenue. One-time programming costs of \$9,675 are required to update the DRIVES system to create disabled women veteran license plate inventory types, exempt these plates from taxes and fees, and update reports. Programming costs assume 43 hours at a rate of \$225 per hour.

School finance impact. Based on the share of SOT revenue that goes to school districts and is part of the local share for school finance, the decrease in SOT revenue may increase required state aid by a minimal amount in FY 2020-21 and subsequent years. If the Budget Stabilization Factor remains unchanged, the SOT decrease will be offset by higher state aid.

TABOR refund. The bill is expected to decrease state General Fund obligations for TABOR refunds by \$559 in FY 2020-21 and FY 2021-22. Under current law and the December 2019 Legislative Council Staff forecast, the bill will correspondingly decrease the amount refunded to taxpayers via sales tax refunds made available on income tax returns for tax years 2021 and 2022, respectively. A forecast of state revenue subject to TABOR is not available beyond FY 2021-22.

Local Government and School Districts

The bill will decrease revenue to local governments and school districts beginning in FY 2020-21.

Specific ownership tax. The bill will reduce SOT collections by a minimal amount beginning in FY 2020-21, resulting in decreased revenue for municipalities, counties, special districts, and school districts. SOT revenue that is part of the local share for school finance will be reduced by a minimal amount, which may result in an increase in the state's share of funding that would offset the decrease in SOT revenue for school districts.

Registration fees. The bill decreases HUTF revenue, of which 26 percent is distributed to counties and 9 percent is distributed to municipalities. There are also a number of fees paid when registering a vehicle that go directly to local governments, such as the clerk hire fee and the county road and bridge fee. Because registration fees are assessed in a unique way depending on vehicle characteristics, exact amounts have not been estimated.

Effective Date

The bill takes effect August 5, 2020, if the General Assembly adjourns on May 6, 2020, as scheduled, and no referendum petition is filed.

State Appropriations

For FY 2020-21, the bill requires an appropriation of \$9,675 from the Colorado DRIVES Vehicle Services Account to the Department of Revenue.

State and Local Government Contacts

Corrections	Counties	County Clerks
Information Technology	Revenue	Transportation