



Legislative Council Staff

Nonpartisan Services for Colorado's Legislature

Fiscal Note

Drafting Number: LLS 22-0720
Prime Sponsors: Rep. Exum

Date: February 16, 2022
Bill Status: House Trans. & Local Govt.
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Bill Topic: **MOTOR VEHICLE DIGITAL NUMBER PLATES**

Summary of Fiscal Impact:

- | | |
|---|--|
| <input type="checkbox"/> State Revenue | <input 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 |

The bill allows registered vehicle owners in Colorado to use digital license plates. Starting in FY 2022-23, the bill increases state and local expenditures.

Appropriation Summary: No appropriation is required.

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

Summary of Legislation

Starting in FY 2022-23, the bill allows Colorado vehicle owners to use digital license plates instead of the metal plates issued by the Department of Revenue (DOR). The digital plates must display the vehicle's registration and expiration date, and be clearly visible at a distance of one hundred feet in normal sunlight. The DOR may adopt rules for the use of digital license plates, and allow messages to be displayed on the plates in addition to other functionality made possible by the use of digital technology.

Assumptions

The fiscal note assumes that vehicle owners who choose to use digital license plates will continue to register with the DOR, receive metal license plates and pay all applicable fees as currently outlined in statute. The fiscal note also assumes that the DOR will not charge or receive additional fees related to usage of digital license plates, but that DOR will be responsible for authorizing vendors to provide allowable digital license plates and related services in Colorado.

State Expenditures

Starting in FY 2022-23, the bill increases expenditures for multiple state agencies, as described below.

Regulation of digital license plate vendors. Starting in FY 2022-23, expenditures will increase for the DOR to select a vendor or vendors that can offer digital license plates in Colorado, using standard state procurement rules and processes. The fiscal note assumes that any work to authorize a vendor, enter into agreements, and regulate usage of allowable digital license plates and services can be accomplished within existing appropriations.

Regulation of digital license plate usage. The DOR will have costs to update rules, forms, manuals and websites to reflect new rules for the usage of digital license plates. The DOR will also provide training to authorized agents, Vehicle Services Section staff, law enforcement and other entities affected by the bill. Law enforcement and state enterprises that rely upon license plate scanners and other automated systems may need to update their systems to properly read and capture information from digital license plates. This fiscal note assumes that costs for updates, training and changes to automated systems can be achieved within existing appropriations.

Local Government

Starting in FY 2022-23, local governments will update policies and procedures to reflect changes in allowable usage of digital license plates. Local governments may also have costs to ensure that any automated systems they oversee or operate for scanning license plates are updated to properly read and capture information from digital license plates. These costs will vary by local government, and are dependent upon usage of automated technologies.

Effective Date

The bill takes effect 90 days following adjournment of the General Assembly sine die, assuming no referendum petition is filed.

State and Local Government Contacts

Corrections
Information Technology
Revenue

Counties
Municipalities
Sheriffs

County Clerks
Public Safety
Transportation