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Revised Fiscal Note

(replaces fiscal note dated April 5, 2023)

Drafting Number: LLS 23-0823 Date: April 25, 2023
Prime Sponsors: Rep. McCluskie; Soper Bill Status: Senate Transportation
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Bill Topic: DOUBLE FINES SPEEDING TRUCKS ON STEEP GRADES

- Summary of Fiscal Impact:
[X] State Revenue [] TABOR Refund
[X] State Expenditure [X] Local Government
[] State Transfer [] Statutory Public Entity

The bill allows the Colorado Department of Transportation to create steep downhill grade zones, where fines and fees for speeding violations by commercial drivers double. The bill increases state and local revenue and state expenditures beginning in FY 2023-24.

Appropriation Summary: For FY 2023-24, the bill requires and includes an appropriation of \$54,073 to the Department of Revenue.

Fiscal Note Status: This revised fiscal note reflects the reengrossed bill.

Table 1
State Fiscal Impacts Under HB 23-1267

Table with 3 columns: Category, Budget Year FY 2023-24, and Out Year FY 2024-25. Rows include Revenue, Expenditures (Cash Funds), Transfers, and Other Budget Impacts.

Summary of Legislation

The bill allows the Colorado Department of Transportation (CDOT) to designate a steep downhill grade zone on any state highway where the downhill grade is 5 percent or greater and where there are safety concerns related to commercial motor vehicles exceeding the posted speed limits. When designating a zone, CDOT must erect signage that notifies drivers that the area is a steep downhill grade zone. A commercial driver who speeds in a steep downhill grade zone is subject to a doubled traffic fine and surcharge.

The bill requires that half of the fines collected in these zones be credited to the Mountain Highways Commercial Motor Vehicle Safety Account in the Highway User Tax Fund (HUTF), which is created by the bill. Money in the account is continuously appropriated to CDOT to pay for costs associated with educational outreach and public information about runaway truck events; purchase of equipment to reduce runaway truck events; and completing studies on how to reduce runaway truck events.

Background and Assumptions

According to the Department of Revenue (DOR), in the last three fiscal years, there were around 900 speeding citations per year that resulted in a doubled fine (for speeding in a school, wildlife, or construction zones). Of those, around 5 citations were issued to commercial motor vehicles. Data on overall speeding violations from the last three fiscal years, indicates that of the 29,000 annual violations, 83 per year were to commercial motor vehicles. Based on the small number of commercial motor vehicle citations overall, the fiscal note assumes that violations for speeding in a steep downhill grade zone will be minimal.

State Revenue

The bill may minimally increase cash fund revenue to the Mountain Highways Commercial Motor Vehicle Safety Account, the HUTF, the Victims and Witnesses Assistance and Law Enforcement Fund, and the Crime Victim Compensation Fund from fines and surcharges issued in a steep downhill grade zone. The bill requires that half of the fine amount be transmitted to a new account, and the other half be credited to the HUTF. Because the bill is doubling speeding citations that are already occurring under current law, this results in no change in revenue to the HUTF, only a change in revenue to the new account. Surcharges are equally divided between the judicial district's victim funds. Fine and surcharge revenue is subject to the state's TABOR limit. For informational purposes, under current law, speeding violations can carry a penalty of \$30 to \$200 with a \$6 to \$32 surcharge. The bill could increase these penalties from \$60 to \$400 for a penalty and \$12 to \$64 for the surcharge.

State Expenditures

In FY 2023-24, the bill increases state cash fund expenditures in the DOR by \$54,073 from the DRIVES Account as described below. In addition, upon the designation of a steep grade zone, workload and expenditures to CDOT will increase.

Department of Revenue. The bill increases expenditures in the DOR by \$54,073 in FY 2023-24 to perform computer programming in DRIVES. This includes adding the new violation created in the bill and a process to distribute fines to the HUTF and the new account. The updates require an estimated 196 hours of programming at \$238 per hour and 75 hours of testing and support provided by the Office of Information Technology at \$99 per hour. Payments to the OIT are made through real-time billing.

Department of Transportation. Workload in CDOT will increase to identify and designate steep downhill grade zones and to place signs. The fiscal note assumes this work can be accomplished within existing appropriations. To the extent that the increased penalties accrue to the Mountain Highways Commercial Motor Vehicle Safety Account, CDOT will use the funding for outreach, equipment, and studies related to runaway truck events, as required by the bill.

Other Budget Impacts

TABOR refunds. The bill is expected to minimally increase the amount of state revenue required to be refunded to taxpayers as discussed in the State Revenue section above. This estimate assumes the March 2023 LCS revenue forecast. A forecast of state revenue subject to TABOR is not available beyond FY 2024-25. Because TABOR refunds are paid from the General Fund, increased cash fund revenue will reduce the amount of General Fund available to spend or save.

Effective Date

The bill takes effect January 1, 2024, assuming no referendum petition is filed, and applies to offenses committed on or after this date.

State Appropriations

For FY 2023-24, the bill requires and includes an appropriation of \$54,073 from the DRIVES Cash Fund to the Department of Revenue.

State and Local Government Contacts

District Attorneys
Revenue

Information Technology
Transportation

Judicial