

**Concerns of House Bill 09-1029 from the Colorado County Clerk's Association,
Concerning the Registration of Mobile Machinery operated in Interstate Commerce
By Rep. Sonnenberg and Senator Renfroe with the Transportation Legislation Review Committee**

The bill as introduced has created many concerns regarding the collection of Specific Ownership tax based on the conversion of the registration process used to register items of mobile machinery and self-propelled construction equipment for the Colorado County Clerk's Association and its designated taxing authorities. The current version of the bill includes ALL mobile machinery. Currently the fee distribution of these pieces of equipment remains in the county of base jurisdiction.

By placing these types of equipment in the Class A distribution category the counties and their taxing authorities will be greatly impacted regarding the collection of the Specific Ownership Tax which is distributed to various entities such as school districts, fire districts, hospital districts, etc. based on the taxable value of the units.

The distribution of the ownership tax is addressed in **C.R.S. 42-3-107 (6) – Taxable value of classes of property – rate of tax- when and where payable – department duties – apportionment of tax collections – definitions** which states “the aggregate amount of specific ownership taxes ...shall be apportioned to each county of the state in the proportion that the mileage of the state highway system located within the boundaries of each county bears to the total mileage of the state highway system.”

There are currently 64,162 pieces of equipment registered in the State of Colorado with a collection of \$22,741,388.41 in specific ownership taxes. Not knowing the amount of equipment that may chose to do business based on interstate commerce, an estimate of the fiscal impact was determined by using 50 percent of the total registered vehicle. This total is quite significant to all 64 counties in Colorado.

A sample of this impact is shown below:

County	Equipment Count	Total OT when distributed to the based county	50% Conversion - Estimated	Total State Hwy Miles	Percentage of Miles	Projected Distribution	Difference in OT
Adams	10125	\$2,343,960	\$1,171,960	207.61	2.27%	\$258,458	-\$2,085,505
Denver	3436	\$ 596,088	\$ 298,044	87.59	.96%	\$218,082	-\$ 378,006
Douglas	2637	\$1,077,234	\$ 538,617	138.67	1.52%	\$345,260	-\$ 731,973
El Paso	5869	\$1,574,040	\$ 787,020	213.58	2.34%	\$531,754	-\$1,042,265
Garfield	2104	\$1,342,657	\$ 671,328	175.71	1.92	\$437,481	-\$ 905,175
Jefferson	3944	\$1,275,126	\$ 637,563	226.5	2.48%	\$563,935	-\$ 711,191
Larimer	4181	\$1,167,408	\$ 583,704	290.07	3.18%	\$722,220	-\$ 445,187
Mesa	3667	\$2,553,324	\$1,276,662	263.13	2.88%	\$655,143	-\$1,898,181
Pueblo	2104	\$ 763,910	\$ 381,955	250.65	2.74%	\$624,065	-\$ 138,844
Rio Blanco	839	\$ 690,883	\$ 345,416	144.21	1.58	\$359,051	-\$ 331,762

As illustrated by the above samples some counties will suffer greatly . This is not new revenue that the counties will be receiving it is revenue that will be pro-rated out to various other counties. This is a very difficult situation to address and would propose that the bill be postponed until further research and clarification of the effected registrations can be addressed.