SB09-108

Colorado Legislative Council Staff Fiscal Note

STATE and LOCAL FISCAL IMPACT

Drafting Number:	LLS 09-0497	**Date:**	January 26, 2009
Prime Sponsor(s):	Sen. Gibbs Rep. Rice	**Bill Status:**	Senate Transportation
		Fiscal Analyst:	Chris Ward (303-866-5834)

TITLE: CONCERNING THE IMPROVEMENT OF THE TRANSPORTATION SYSTEM OF THE STATE, AND, IN CONNECTION THEREWITH, PROVIDING ADDITIONAL SOURCES OF FUNDING FOR TRANSPORTATION AND MODIFYING THE TRANSPORTATION PLANNING PROCESS.

Fiscal Impact Summary	FY 2009-2010	FY 2010-2011
State Revenue		
Cash Funds		
Multiple Sources - Fees, Fines, and Surcharges	at least $200 million	at least $250 million
State Expenditures		
General Fund*	Increase	Increase
Cash Funds		
Highway Users Tax Fund	at least $150 million	at least $150 million
Bridge Special Fund	at least $50 million	at least $100 million
Highway Users Tax Fund/CSTARS Account*	Increase	Increase
FTE Position Change	0.0 FTE	0.0 FTE
Effective Date: Upon signature of the Governor or upon becoming law without his signature.		
Appropriation Summary for FY 2009-2010: None required.		
Local Government Impact: Increased HUTF allocations to counties and municipalities		

* *The Department of Revenue is likely to incur computer programming costs as a result of the bill. At this time, these costs have yet to be identified. No separate appropriation of moneys is required for such costs because the annual Long Bill includes funding for computer programming costs associated with special legislation.*

NOTE: This fiscal note reflects a preliminary analysis based on somewhat limited information provided by state agencies. It will be revised as more information becomes available.

Summary of Legislation

The bill makes several changes to the financing and administration of transportation improvements. It also creates several new functional units within the Colorado Department of Transportation (CDOT), all of which are established as government-owned business enterprises with the authority to issue revenue bonds. Specifically, the bill:

- increases fees, fines, and surcharges to provide an estimated $250 million in new annual funding for statewide transportation improvements;

- creates the Statewide Bridge Enterprise with the authority to finance, repair and maintain certain designated bridges in the state highway system, and to impose a bridge safety surcharge to repay bonds;

- creates the High-Performance Transportation Enterprise to enter into public-private partnerships and assess user fees on existing highways to repay bonds issued for transportation infrastructure projects;

- creates the Mileage-Based Revenue Commission to establish a pilot program to study the future use of vehicle mileage-based revenue sources; and

- requires CDOT to create a standing efficiency and accountability committee charged with seeking ways to maximize the efficiency of the department.

State Revenue

The bill is expected to increase state revenue by **at least $200 million in FY 2009-10** and at least $250 million per year thereafter. This includes revenue from fees, fines, and surcharges which would all be assessed at the time a vehicle is registered. This estimate does not include revenue from any user fees that might be assessed for traveling on existing highways or any revenue that might be generated by a mileage-based revenue program. Table 1 outlines the new revenue, consistent with Section 2-2-322, C.R.S., which requires legislative service agency review of measures which create or increase any fee collected by a state agency.

Table 1. Estimated Revenue from Fees, Fines, and Surcharges Under SB 09-108

Type of Fee	Current Fee	New Fee *	Fee Change	Number Affected	Total Fee Impact
Road Safety Surcharge *	$0.00	$23.13	$23.13	5,580,862	$129,079,385
Bridge Safety Surcharge *	$0.00	$9.15	$9.15	5,580,862	$51,050,525
Daily Fee on Rental Cars **	$0.00	$2.00	$2.00	12,138,750	$24,277,500
Oversize Vehicle Surcharge *	$79.60	$159.20	$79.60	54,847	$4,366,046
Late Registration Fee ***	$10.00	$25.00	$15.00	n/a	n/a
				TOTAL	**$208,773,456**

* *This represents an average proposed fee for all vehicles in FY 2009-10. Road and Bridge Safety Surcharges will increase in FY 2010-11*

** *Assumes 62,250 vehicles rented for 195 days each.*

*** *No information is available on the number of vehicles subject to the late registration fee.*

Allocation of Revenue. With the exception of the bridge safety surcharge, all revenue from fees, fines, and surcharges imposed by this bill (about $158 million in FY 2009-10) will be credited to the Highway Users Tax Fund (HUTF). Revenue from the bridge safety surcharge ($51 million in FY 2009-10) will be credited to the newly-created Bridge Special Fund. The amount for bridges will double to at least $100 million in FY 2010-11, because the bill limits the amount of the surcharge in FY 2009-10 to one-half the statutory level. Both the road safety surcharge and the bridge safety surcharge must be adjusted annually to reflect changes in inflation. Therefore, revenue will increase in future years beyond the amounts estimated here.

Additional Charges. In addition to the fees and surcharges shown in Table 1, the bill allows the High-Performance Transportation Enterprise to impose user fees on existing highways. It also establishes a Mileage-Based Revenue Commission charged with studying and implementing a pilot program to impose mileage-based charges. Any amount of state revenue that might be raised through these charges is unknown at this time. Finally, the bill increases the fine for failing to register a vehicle. Data on the impact of these provisions is not available at this time.

State Expenditures

The bill will increase state expenditures beginning in FY 2009-10, but the total increase was unknown at the time of this fiscal note. Further information will be provided in a revised fiscal note as it becomes available.

Department of Transportation. The bill provides new funding for transportation improvements totaling at least $200 million in FY 2009-10 and at least $250 million per year thereafter. These moneys are credited to either the HUTF or the Bridge Special Fund and are continuously appropriated. To administer new functions, the bill establishes or requires the Transportation Commission to establish the following new entities:

- the Statewide Bridge Enterprise;
- the High-Performance Transportation Enterprise;
- the Mileage-Based Revenue Commission; and
- an efficiency and accountability committee.

It also abolishes the Statewide Tolling Enterprise. Staff and financial support for these newly-created entities will require reassignment of existing personnel, but will not require additional appropriations.

Department of Revenue. Implementing new fees, fines, and surcharges will require computer programming changes to several systems administered by the Department of Revenue. These systems include the Colorado State Titling and Registration System (CSTARS) for regular motor vehicles and the International Registration Program (IRP) system for interstate trucks. CSTARS programming is paid from the CSTARS account of the HUTF; IRP programming is paid from the General Fund. Despite the need for computer programming, no additional appropriation will be necessary if the department receives sufficient appropriations in the FY 2009-10 Long Bill,

as has traditionally been the case. It should be noted that ongoing computer programming changes will be necessary because the bill requires that both the road safety surcharge and the bridge safety surcharge be adjusted annually to reflect changes in inflation.

Local Government Impact

The bill will increase HUTF allocations to counties and municipalities.

Departments Contacted

Judicial	Personnel and Administration	Revenue
Transportation	Treasury	