

**STATE and LOCAL
FISCAL IMPACT**

Drafting Number: LLS 09-0092
Prime Sponsor(s): Rep. Marostica
 Sen. Williams

Date: January 28, 2009
Bill Status: House Transportation and Energy
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TITLE: CONCERNING THE APPLICATION OF VEHICLE LAWS TO LOW-POWER VEHICLES THAT OPERATE WITH LESS THAN FOUR WHEELS IN CONTACT WITH THE GROUND, AND, IN CONNECTION THEREWITH, DEFINING "LOW-POWER SCOOTER".

Fiscal Impact Summary	FY 2009-2010	FY 2010-2011
State Revenue		
Cash Funds		
Auto Dealers License Fund	\$ 12,450	\$ 12,450
Highway Users Tax Fund –		
Motorist Insurance Identification Account	0	3,264
Multiple Cash Funds - Penalties and Surcharges	< 5,000	< 5,000
State Expenditures		
Cash Funds		
Highway Users Tax Fund –		
Motorist Insurance Identification Account*	\$ 27,275	\$ 0
CSTARS Account**	15,452	0
Auto Dealers License Fund**	3,708	0
FTE Position Change	0.0 FTE	0.0 FTE
Effective Date: Sections 1 and 34 of the bill are effective July 1, 2010. The remainder of the bill is effective July 1, 2009.		
Appropriation Summary for FY 2009-2010: See State Appropriations section.		
Local Government Impact: See Local Government Impact section.		

* *The Motorist Insurance Identification Account of the HUTF currently has sufficient funds to cover these programming costs.*

** *No separate appropriation for this cost is required because of ongoing appropriations to the Department of Revenue for computer programming provided in the Long Bill for new legislation.*

Summary of Legislation

HB09-1026, recommended by the Transportation Legislation Review Committee, simplifies Colorado's statutory definitions applicable to low-power self-propelled vehicles, creates a category of speeding penalties specific to the vehicles, imposes a requirement for the purchase of liability insurance, and mandates the licensure of companies selling the vehicles. Specifically, the bill:

- ▶ replaces several categories of self-propelled vehicles in Colorado law, including: "motor-driven cycle," "motor scooter," and "motorized bicycle," with the two categories "motorcycle" and "low-power scooter";
- ▶ defines "low-power scooter" as a vehicle with not more than 3 wheels, no manual clutch, and a power capacity under 50 cubic centimeters or 4,476 watts;
- ▶ puts new speeding penalties in place for low-power scooter operators who exceed 40 miles per hour, specifically:
 - P a fine of \$56 for traveling 41 to 44 miles per hour;
 - P a fine of \$85 and 2 points for traveling 45 to 49 miles per hour; and
 - P a fine of \$116 and 4 points for traveling 50 or more miles per hour;
- ▶ applies compulsory liability insurance laws to operators of low-power scooters, effective July 1, 2010;
- ▶ requires persons selling low-power scooters to obtain a powersports vehicle distributor license from the Colorado Department of Revenue; and
- ▶ specifies that drug and alcohol driving offenses apply to operators of low-power scooters, farm tractors, and off-highway vehicles, but not to bicycle operators.

State Revenue

Total revenue resulting from this bill is estimated to be at least \$12,450 in FY 2009-10 and \$15,714 in FY 2010-11. Revenue is from registration, licensing, and other fees charged of low-power scooter dealers and owners. Revenue from speeding violations is also expected but is not quantified.

Colorado Dealer Licensing Board Fund (\$12,450). The bill classifies low-power scooters as powersports vehicles. As a result, low-power scooter dealers and salespersons must have powersports dealer or salesperson licenses. Fee calculations are based on current fees charged of an estimated 30 dealers and salespersons and are as follows:

- ▶ Powersports Dealer License – \$335 per license * 30 dealers = \$10,050; and
- ▶ Powersports Salesperson License – \$80 per license * 30 persons = \$2,400.

Highway Users Tax Fund (HUTF) – Motorist Insurance Identification Account (\$3,264 beginning FY 2010-11). Currently, most vehicles that will be classified as low-power scooters are registered as motorized bicycles. However, motorized bicycles are not required to carry insurance. Due to the requirement that low-power scooter owners have insurance beginning on July 1, 2010, charges to register the vehicle will include \$0.50 to validate insurance against the motorist insurance identification database. For the estimated 6,528 motorized bicycles that will now register as low-power scooters, this results in \$3,264 in revenue to the motorist insurance identification account in the HUTF.

Note that vehicles that do not currently fit the definition of either a motorized bicycle or a motorcycle may now be identified as low-powered scooter. Revenue has not been estimated for these vehicles.

Penalties and Surcharges. Speeding violations in this bill carry penalties between \$50 and \$100 and a surcharge between \$6 and \$16. Penalty revenue from citations issued by both state patrol officers and local law enforcement is credited to the HUTF and distributed to the state, counties, and municipalities for highway purposes. Surcharge revenue is split evenly between the Victims and Witnesses Assistance and Law Enforcement Fund and the Crime Victim Compensation Fund and is distributed to victims and witnesses. The number of violations have not been quantified but are expected to result in less than \$5,000 in revenue.

State Expenditures

Total state expenditures under HB09-1026 are \$46,435 in FY 2009-10. All costs are in the Department of Revenue and are related to reprogramming existing licensing and registration databases. The following are the required programming costs:

- ▶ ***Motorist Insurance Identification Database (\$27,275)*** – The MIIDB must be updated to allow insurance agencies to submit low-power scooter insurance policy information and to match information by Vehicle Identification Numbers (VIN's). Project costs include developing specifications, supplementary documentation, and programming. The effort will require 261 hours of contracted services at an average rate of \$104.50 per hour.
- ▶ ***Colorado State Titling and Registration System (CSTARS – \$15,452)*** – The titling and registration system must be updated to include a database of low-power scooters and to interface with the MIIDB to validate insurance. Programming costs are for 400 hours at \$38.63 per hour.
- ▶ ***Auto Industry System Database (\$3,708)*** – The auto industry system database must be modified to include low-power scooter dealers and salespersons. Programming costs are for 96 hours at \$38.63 per hour.

The Auto Industry Division in the Department of Revenue will also update procedures and documentation in the Auto Industry Division to incorporate low-power scooters and review of low-power low-power scooter dealer and salesperson applications. These tasks are expected to be accomplished within existing appropriations.

Local Government Impact

This bill may increase HUTF fine revenue distributions to local governments. Counties and municipalities receive 35 percent of HUTF fine revenue for highway purposes.

State Appropriations

This bill requires a cash funds appropriations of \$27,275 from the Motorist Insurance Identification Account of the Highway Users Tax Fund to the Department of Revenue in FY 2009-10.

Departments Contacted

Revenue Public Safety Judicial Transportation