

**STATE and LOCAL
FISCAL IMPACT**

Drafting Number: LLS 09-0164
Prime Sponsor(s): Sen. Schwartz
 Rep. Marostica

Date: February 7, 2009
Bill Status: Senate Transportation
Fiscal Analyst: David Porter (303-866-4375)

TITLE: CONCERNING THE OPERATION OF LOW-SPEED ELECTRIC SELF-PROPELLED VEHICLES ON PUBLIC RIGHTS-OF-WAY.

Fiscal Impact Summary	FY 2009-2010	FY 2010-2011
State Revenue		
General Fund		
Cash Funds		
Electric Vehicle Grant Fund	Cannot be quantified	
License Plate Cash Fund	"	
Multiple Funds – Penalties and Surcharges	<\$ 5,000	
State Expenditures		
General Fund*	\$ 3,708	
Cash Funds		
Electric Vehicle Grant Fund	Cannot be quantified	Cannot be quantified
License Plate Cash Fund**	2,875	
Highway Users Tax Fund – CSTARS Account*	34,767	
FTE Position Change		
Effective Date: The bill is effective August 4, 2009, if the General Assembly adjourns on May 6, 2009, as scheduled, and no referendum petition is filed.		
Appropriation Summary for FY 2009-2010: None required.		
Local Government Impact: See Local Government Impact section.		

* 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.

** The cost of registration stickers can be absorbed within existing appropriations.

Summary of Legislation

This bill defines a new category of vehicles, low-speed electric vehicles. This category replaces and expands upon the current regulation of neighborhood electric vehicles. A low-speed electric vehicle is identified as follows:

- ▶ electricity is its primary source of energy for propulsion;
- ▶ it has at least 3 wheels;
- ▶ it has a maximum speed of 25 miles per hour;
- ▶ it is steered by something other than handlebars; and
- ▶ it has a manufacturer's vehicle identification number (VIN).

Under the bill, low-speed electric vehicles can be operated on roadways with speed limits under 35 miles per hour and can cross roads with higher speed limits. They cannot be driven on limited-access highways.

Low-speed electric vehicles must be registered with the Department of Revenue. The bill stipulates mechanical requirements of the vehicles, such as lighting, mirrors, and markings. It is a class 1 misdemeanor to sell a low-speed electric vehicle unless the vehicle complies with the bill's requirements. Operating a low-speed electric vehicle that does not meet the mechanical requirements specified by the bill or driving the vehicle on roads other than those with a 35 mile per hour speed limit is a class B traffic infraction.

The bill also creates the Electric Vehicle Grant Fund in the Governor's Energy Office. The fund is designated for grants to local governments for the installation of electric recharging stations. A \$25 registration fee charged on each low-speed electric vehicle is transferred to the new fund as well as any gifts, grants, and donations. The fund is subject to annual appropriation.

State Revenue

SB09-175 is expected to increase state revenue due to the \$25 registration fee, a \$0.25 registration decal fee, and penalty and surcharge fees. The amount of revenue cannot be quantified.

Registrations. At the time of writing this fiscal note, the number of low-speed electric vehicles has not been estimated. However, each vehicle will result in fee revenue of \$25 for the registration and \$0.25 for the registration decal.

Gifts, Grants, and Donations. The bill permits the Governor's Office of Energy to solicit and accept gifts, grants, and donations for the Electric Vehicle Grant Fund. At this time, no gifts, grants, or donations have been identified.

Penalties, Surcharges, and Fines. Low-speed electric vehicle violations in this bill are a class B traffic infraction. The penalty for a class B traffic infraction is \$15 and the surcharge is \$4. 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.

Selling a noncompliant low-power vehicle is a class 1 misdemeanor. The penalty for a class 1 misdemeanor is 6 to 18 months imprisonment in a county jail, a fine of \$500 to \$5,000, or both. Fine revenue that is not otherwise appropriated is deposited into the Fines Collection Cash Fund. Because the courts have the discretion of incarceration, imposing a fine, or both, the impact to state revenue cannot be determined, but it is expected to be minimal.

State Expenditures

State expenditures of \$41,350 are expected in FY 2009-10 only. Expenditures are in the Department of Revenue as discussed in the next section.

Department of Revenue (\$41,350). DOR costs are to program the registration and licensure system and to purchase registration stickers. The following are the cost components:

- ▶ *Colorado State Titling and Registration System (CSTARS – \$34,767)* – CSTARS programming to add a new type of vehicle to the registration database will require 900 hours at \$38.63 per hour. Included in this cost is the addition of the new traffic infractions.
- ▶ *Auto Industry Dealer (\$3,708)* – Including low-speed vehicles to the types of vehicles sold by dealers and salespersons will require 96 hours of programming at \$38.63 per hour.
- ▶ *Registrations Decals (\$2,875)* – The DOR will provide 115 driver's license facilities with 100 decals for low-speed electric vehicles at a cost of \$0.25 each.

The DOR will develop rules, procedures, and application materials for both low-speed electric vehicles and for the auto industry dealer licenses. The DOR receives a Long Bill appropriation for programming costs that result from legislation and no appropriation is needed for these costs. It is assumed that the decal costs will be absorbed within existing appropriations.

Governor's Office of Energy. The Governor's Office of Energy will be able to administer the Electric Vehicle Grant Fund within existing appropriations. As this fiscal note has not identified revenue to the fund, no appropriation is made from it. The office will need to seek an appropriation through the budget process in the event that sufficient funds materialize.

Local Government Impact

Due to the possible penalties, this bill may increase HUTF fine revenue distributions to local governments. Counties and municipalities receive 35 percent of HUTF fine revenue for highway purposes.

The penalty for a class 1 misdemeanor is 6 to 18 months imprisonment in a county jail, a fine of \$500 to \$5,000, or both. Because the courts have the discretion of incarceration or imposing a fine, the impact at the local level cannot be determined. The cost to house an offender in county jails varies from \$45 to \$50 per day in smaller rural jails to \$62 to \$65 per day for larger Denver-metro area jails. For the current fiscal year, the state reimburses county jails a daily rate of \$50.44 to house state inmates. It is assumed that the impact of this new misdemeanor will be minimal and will not create the need for additional county jail space.

Departments Contacted

Revenue Local Affairs Governor's Office Public Safety