

*Colorado Legislative Council Staff Fiscal Note*  
**STATE and LOCAL**  
**REVISED FISCAL IMPACT**

(replaces fiscal note dated February 7, 2009)

<b>Drafting Number:</b> LLS 09-0164	<b>Date:</b> March 17, 2009
<b>Prime Sponsor(s):</b> Sen. Schwartz Rep. Marostica	<b>Bill Status:</b> House Transportation and Energy <b>Fiscal Analyst:</b> David Porter (303-866-4375)

**TITLE:** CONCERNING THE OPERATION OF LOW-SPEED ELECTRIC SELF-PROPELLED VEHICLES ON PUBLIC RIGHTS-OF-WAY, AND MAKING AN APPROPRIATION IN CONNECTION THEREWITH.

Fiscal Impact Summary	FY 2009-2010	FY 2010-2011
<b>State Revenue</b>		
Cash Funds		
License Plate Cash Fund	<\$ 2,500	<\$ 2,500
Multiple Funds – Penalties and Surcharges	< 2,500	< 2,500
<b>State Expenditures</b>		
Cash Funds		
Auto Dealers License Fund*	\$ 3,708	
License Plate Cash Fund	2,875	
Highway Users Tax Fund – CSTAR Account*	34,767	
<b>FTE Position Change</b>		
<b>Effective Date:</b> The bill is effective August 4, 2009, if the General Assembly adjourns on May 6, 2009, as scheduled, and no referendum petition is filed.		
<b>Appropriation Summary for FY 2009-2010:</b> See State Appropriations section.		
<b>Local Government Impact:</b> 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.

**Summary of Legislation**

This *reengrossed* 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 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 up to 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 identifies a type of low-speed electric vehicle, "Class B low-speed electric vehicles." Class B vehicles can reach speeds above 25 miles per hour but less than 45 miles per hour. Class B vehicles are not to be registered or titled by the Department of Revenue until the U.S. Department of Transportation adopts safety standards for these vehicles. Once these vehicles are authorized, they are allowed to travel on roads with speeds up to 45 miles per hour.

## **State Revenue**

**SB09-175 is expected to increase state revenue due to a \$0.25 registration decal fee and penalties and surcharges.** The amount of revenue cannot be quantified but is expected to be less than \$5,000.

*Registrations.* At the time of writing this fiscal note, the number of low-speed electric vehicles that will register has not been estimated. However, with fee revenue of \$0.25 for each registration decal, state revenue is not expected to exceed \$5,000.

*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. Thus, the only needed appropriation is \$2,875 for registration decals.

## **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.

## **State Appropriations**

For FY 2009-10, the Department of Revenue requires a cash funds appropriation of \$2,875 from the License Plate Cash Fund.

## **Departments Contacted**

Revenue      Local Affairs      Governor's Office      Public Safety