



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

Drafting Number: LLS 10-1099 **Date:** May 3, 2010
Prime Sponsor(s): Sen. Whitehead; Cadman **Bill Status:** Senate SVMA
 Rep. McKinley **Fiscal Analyst:** Kurtis Morrison (303-866-3140)

TITLE: CONCERNING A REDUCTION IN THE AMOUNT OF THE PENALTY FOR LATE VEHICLE REGISTRATION FOR CERTAIN VEHICLES WITHOUT MOTIVE POWER.

Fiscal Impact Summary	FY 2010-2011	FY 2011-2012
State Revenue		
Cash Funds		
Highway Users Tax Fund	(\$458,786)	(\$443,584)
State Expenditures		
Cash Funds		
Highway Users Tax Fund - CSTAR Account*	\$4,158	
FTE Position Change		
Effective Date: July 1, 2010.		
Appropriation Summary for FY 2010-2011: None required.		
Local Government Impact: See Local Government Impact section.		

* No separate appropriation of these funds 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

Under Senate Bill 09-108, a mandatory \$25 per month fee, capped at \$100, was established for all late vehicle registration violations. Late fee revenue is credited to the Highway Users Tax Fund (HUTF) and subsequently distributed to the State Highway Fund (60%), counties (22%), and municipalities (18%).

Senate Bill 10-198 amends state law, as enacted under House Bill 10-1211, to apply a single \$10 late fee to **nonmotorized vehicles that weigh 2,001 to 16,000 pounds, camper trailers (regardless of weight), and multipurpose trailers (regardless of weight)**. House Bill 10-1211, currently awaiting approval by the Governor, amends the late fee applied to nonmotorized vehicles weighing 2,000 pounds or less, imposing a single \$10 late fee. All late fee revenue collected is retained by county governments. The bill impacts nonmotorized vehicles such as: camper trailers, multi-purpose trailers, trailer coaches, utility trailers, and rental trailers.

State Revenue

Reductions in late fees charged will reduce HUTF revenue by \$458,786 in FY 2010-11 and \$443,584 in FY 2011-12, thereby reducing distributions to the State Highway Fund, counties, and municipalities.

Under current law, late fees applied to trailers weighing 2,000 to 16,000 pounds, camp trailers, and multipurpose trailers are estimated to result in approximately \$551,870 in FY 2010-11 and \$533,584 in FY 2011-12. These figures are based on the first 6 months of late fees collected since enactment of Senate Bill 09-108. During this period, 10,634 late registrations were recorded for these vehicle classes; an average of 1,772 trailers per month. Such vehicles incurred an average late fee of \$59.29. Table 1 illustrates the bill's impact.

Table 1. Highway Users Tax Fund Annual Revenue Collection For Late Fees Under Senate Bill 10-198						
	FY 2010-11			FY 2011-12		
	Current Law	Senate Bill 10-198		Current Law	Senate Bill 10-198	
	<i>Revenue</i>	<i>Revenue</i>	<i>Difference</i>	<i>Revenue</i>	<i>Revenue</i>	<i>Difference</i>
TOTAL Late Fees	\$551,870	\$93,084	(\$458,786)	\$533,584	\$90,000	(\$443,584)
<i>State Highway Fund (60%)</i>	331,122	0	(331,122)	320,150	0	(320,150)
<i>Counties (22%)</i>	121,411	93,084	(28,327)	117,388	90,000	(27,388)
<i>Municipalities (18%)</i>	99,337	0	(99,337)	96,045	0	(96,045)

The fiscal note is based on the following assumptions:

- late registration fees assessed for trailers weighing 2,000 to 16,000 pounds, camp trailers, and multipurpose trailers will continue to decline under current law;
- 750 late registrations per month will continue indefinitely for such vehicles; and
- an average late fee of \$59.29 will continue for such vehicles under current law.

State Expenditures

In FY 2010-11, total state expenditures are \$4,158 for computer programming in the Department of Revenue. Costs are for 24 hours of programming for the Colorado State Titling and Registration System (CSTARS) and 82 hours of programming for ITD/Enforcement at \$39.23 to adjust the fee structures to meet the bill's requirements. No appropriation is necessary for these costs because of ongoing appropriations to the department for computer programming provided in the Long Bill.

Local Government Impact

The bill **reduces HUTF distributions to counties by \$28,327 and to municipalities by \$99,337 in FY 2010-11**, as shown in Table 1. Counties will continue to receive revenue from the \$10 fee for each late registration. Municipalities will receive no HUTF distributions.

Departments Contacted

Revenue