

**JBC STAFF FISCAL ANALYSIS
HOUSE APPROPRIATIONS COMMITTEE**

CONCERNING ESTABLISHMENT OF A TWO-YEAR REGISTRATION FOR VEHICLES.

Prime Sponsors: Representative King S.

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Summary of Amendments Made to the Bill After the 04/13/10 Legislative Council Staff Revised Fiscal Note Was Prepared

None.

JBC Staff Concurrence with Legislative Council Staff Fiscal Note

Concurs **Does Not Concur** **Updated Analysis**

Amendments/Appropriation Status

The bill neither requires nor contains an appropriation clause for FY 2010-11.

Bill Sponsor Amendments

Staff is not aware of any sponsor amendments to be offered.

Points to Consider

1. The bill includes conflicting revenue schedules in Sections 42-3-305 and 306, C.R.S. One schedule is for years of TABOR surplus revenue, and the other is for years in which TABOR surplus revenues are insufficient. Legislative Council certifies to the Department of Revenue which schedule will be used for the next fiscal year based on the March Revenue Forecast. The Department is concerned that it could use one fee schedule for the two year registration, but the second year would require use of the other fee schedule. This would place the Department in the position of either refunding the registration or billing the registrant for the second year of the two-year registration. Either the refund or the billing would reduce any savings to the Department from the implementation of the two-year registration.

2. As noted in the Legislative Council Staff Revised Fiscal Note dated April 13, 2010, the Department of Revenue had requested an appropriation of \$580,252 cash funds for FY 2010-11 to purchase one-year and two-year tabs for each vehicle. Legislative Council Staff assumes the Department will send a one-year tab each year for a two-year registration. While

this lowers the savings envisioned in the bill, it is the most cost-effective solution for FY 2010-11. As the Department gains experience with the numbers of vehicles that are registered for two years, it can then more accurately judge the number of one-year and two-year tabs that it orders. JBC Staff agrees with Legislative Council Staff and therefore has not included an appropriation clause for FY 2010-11 in the bill.