

**STATE and LOCAL  
FISCAL IMPACT**

**Drafting Number:** LLS 10-0320

**Date:** January 13, 2010

**Prime Sponsor(s):** Sen. White

**Bill Status:** Senate SVMA

**Fiscal Analyst:** Kurtis Morrison (303-866-3140)

**TITLE:** CONCERNING THE REPEAL OF THE INCREASED PENALTIES FOR LATE VEHICLE REGISTRATION ENACTED BY SENATE BILL 09-108.

<b>Fiscal Impact Summary</b>	<b>FY 2010-2011</b>	<b>FY 2011-2012</b>
<b>State Revenue</b>		
Cash Funds		
Highway Users Tax Fund	(\$19.4 million)	(\$3.6 million)
<b>State Expenditures</b>		
General Fund*	\$2,001	
Cash Funds		
Highway Users Tax Fund - CSTAR Account*	942	
<b>FTE Position Change</b>		
<b>Effective Date:</b> July 1, 2010.		
<b>Appropriation Summary for FY 2010-2011:</b> None required.		
<b>Local Government Impact:</b> See State and Local Revenue 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, two fees were established for late vehicle registration violations, with revenue credited to the Highway Users Tax Fund. The fees are:

- a mandatory \$25 per month fee, capped at \$100, for not registering a vehicle by the applicable deadline; and
- a supplemental \$25 per month fine, capped at \$100, for knowingly not registering a vehicle within 90 days of becoming a state resident.

This bill repeals both late fees and reinstates the \$10 waivable late fee that was previously in effect prior to Senate Bill 09-108.

**State and Local Government Revenue**

**The bill would reduce Highway Users Tax Fund revenue by \$19.4 million in FY 2010-11 and \$3.6 million in FY 2011-12**, thereby reducing subsequent distributions to the State Highway Fund, counties, and municipalities. 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%). Table 1 displays reductions by recipient or account according to the HUTF distribution.

<b>Table 1. Highway Users Tax Fund Distribution Reductions Under Senate Bill 10-044</b>		
	<b>FY 2010-11</b>	<b>FY 2011-12</b>
State Highway Fund	(\$11.6 million)	(\$2.1 million)
Counties	(4.3 million)	(788,315)
Municipalities	(3.5 million)	(\$644,985)
<b>TOTAL</b>	<b>(\$19.4 million)</b>	<b>(3.6 million)</b>

The fiscal note assumes an average monthly decrease of \$117,766 in late vehicle registration fees collected. Assuming a continual declining trend in late registrations, \$19.4 million and \$3.6 million in late fees will be collected in FY 2010-11 and FY 2011-12.

**County revenue.** The bill reinstates a waivable \$10 late vehicle registration fee. Fiscal impact is conditional as county governments are authorized to determine whether to charge late fees within their jurisdictions. Prior to Senate Bill 09-108, the following sample of counties collected late fees during 2008:

- Arapahoe County — \$464,920;
- Boulder County — \$221,010;
- City and County of Denver — \$457,178;
- Douglas County — \$223,288;
- El Paso County — \$445,000;
- Larimer County — \$265,085;
- Mesa County — \$176,912; and
- Pueblo County — \$178,338.

**State Expenditures**

**Total state expenditures to implement the bill are \$2,943.** Two Department of Revenue (DOR) systems require reprogramming work and testing to support the bill's implementation. Expenditures will support 75 hours, at approximately \$39 per hour, of programming and recoding of DOR systems. No appropriation is necessary because of ongoing appropriations to the department for computer programming provided in the Long Bill for new legislation.

**Departments Contacted**

Revenue                      Transportation