



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

Drafting Number: LLS 10-0817

Date: March 5, 2010

Prime Sponsor(s): Rep. Judd

Bill Status: House Transportation and Energy

Fiscal Analyst: Kerry White (303-866-3469)

TITLE: CONCERNING THE TRANSFER OF MONEYS FROM THE MOTORIST INSURANCE IDENTIFICATION ACCOUNT IN THE HIGHWAY USERS TAX FUND TO THE COLORADO STATE TITLING AND REGISTRATION ACCOUNT IN THE HIGHWAY USERS TAX FUND.

| Fiscal Impact Summary | FY 2010-2011 | FY 2011-2012 |
|--|--------------------------------|---------------------|
| State Revenue | | |
| State Expenditures Cash Funds Highway Users Tax Fund (HUTF) | See State Expenditures section | |
| FTE Position Change | | |
| Effective Date: Upon signature of the Governor, or upon becoming law without his signature. | | |
| Appropriation Summary for FY 2010-2011: See State Appropriations section. | | |
| Local Government Impact: See Local Government Impact section. | | |

Summary of Legislation

Under current law, monies in the Motorist Insurance Identification (MII) account of the HUTF that exceed the account's annual appropriations are transferred to the primary HUTF account on a monthly basis. Approximately 35 percent of these funds are then distributed to counties and cities, and 65 percent is credited to the State Highway Fund in the Department of Transportation. HB10-1341 instead diverts these monies to the Department of Revenue's (DOR) Colorado State Titling and Registration (CSTAR) account in the HUTF for FY 2009-10 and FY 2010-11 only.

State Expenditures

This bill does not change total state expenditures, but shifts an estimated \$2.8 million from one purpose to another. Assuming the bill will take effect in April 2010, monthly transfers from the MII account will no longer be distributed with other HUTF monies. Instead, these monies will be credited to the CSTAR account and used by the DOR to pay programming and operations costs for the state's titling and registration system.

In FY 2009-10, an estimated \$550,000 will be diverted to the CSTAR account. This will reduce transfers to the State Highway Fund by \$357,500, distributions to counties by \$143,000, and distributions to cities by \$49,500. In FY 2010-11, approximately \$2.2 million will be credited to the CSTAR account, which will reduce transfers to the State Highway Fund by \$1.4 million, and distributions to counties by \$600,000 and to cities by \$200,000. Beginning in FY 2011-12, the diversion ends and the current law distributions will resume.

Local Government Impact

This bill will reduce HUTF distributions to counties and cities between April 2010 and June 2011 by \$992,500.

State Appropriations

The Department of Revenue will require an appropriation of \$550,000 in the current fiscal year of FY 2009-10, and an appropriation of \$2.2 million in FY 2010-11 from the CSTAR account of the HUTF.

Departments Contacted

Revenue

Transportation

Treasury