



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

Drafting Number: LLS 10-0774
Prime Sponsor(s): Rep. Tyler
 Sen. Williams

Date: February 2, 2010
Bill Status: House Transportation and Energy
Fiscal Analyst: Kurtis Morrison (303-866-3140)

TITLE: CONCERNING A REDUCTION IN THE AMOUNT OF THE PENALTY FOR LATE VEHICLE REGISTRATION OF A VEHICLE WITHOUT MOTIVE POWER THAT WEIGHS TWO THOUSAND POUNDS OR LESS.

Fiscal Impact Summary	FY 2010-2011	FY 2011-2012
State Revenue		
Cash Funds		
Highway Users Tax Fund	(\$20,176)	
State Expenditures		
Cash Funds		
Highway Users Tax Fund - CSTAR Account*	\$942	
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%).

House Bill 10-1211 amends the late fee applied to **nonmotorized vehicles weighing 2,000 pounds or less**. Under the bill, owners of such unregistered nonmotorized vehicles would be subject to 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 \$20,176 in FY 2010-11, thereby reducing distributions to the State Highway Fund, counties, and municipalities. All impacts are in FY 2010-11 as late registrations are expected to reach a minimal level by FY 2011-12. Table 1 illustrates the bill's impact.

Table 1. Highway Users Tax Fund Revenue Collection for Late Fees			
	Current Law	Under HB 10-1211	
	FY 2010-11	FY 2010-11	Difference
State Highway Fund (60%)	\$14,434	\$0	(\$14,434)
Counties (22%)	5,292	3,880	(1,412)
Municipalities (18%)	4,330	0	(4,330)
TOTAL	\$24,056	\$3,880	(\$20,176)

Current Law. In the 6 months since Senate Bill 09-108 became law, late fees assessed on trailers weighing less than 2,000 pounds averaged \$62. Based on the current declining trend in late registrations, this analysis assumes that 388 trailers will be charged a late fee in FY 2010-11. At an average of \$62 per late fee, this results in \$24,056 in revenue.

HB 10-1211. Assuming all 388 small trailers are assessed at the maximum amount allowed by this bill, \$10, total FY 2010-11 revenue will be \$3,880 — a difference of \$20,176. Since all revenue is credited to counties, State Highway Fund revenue is reduced by \$14,434.

State Expenditures

In FY 2010-11, total state expenditures are \$942 for computer programming in the Department of Revenue. Costs are for 24 hours of programming 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 county and municipal governments by \$5,742 in FY 2010-11**, as shown in Table 1. Counties continue to receive revenue from the \$10 fee for each late registration.

Departments Contacted

Revenue Transportation