

**STATE
FISCAL IMPACT**

Drafting Number: LLS 11-0370
Prime Sponsor(s): Sen. Harvey
 Rep. Kagan

Date: February 8, 2011
Bill Status: Senate Business Labor & Technology
Fiscal Analyst: Jonathan Senft (303-866-3523)

TITLE: CONCERNING THE ISSUANCE OF A CERTIFICATE OF AUTHORITY TO PROVIDE TAXICAB SERVICE.

Fiscal Impact Summary	FY 2011-2012	FY 2012-2013
State Revenue		
Public Utilities Commission Cash Fund	\$9,625	\$1,925
State Expenditures		
Motor Carrier Cash Fund	\$33,769	\$33,769
FTE Position Change	0.6 FTE	0.6 FTE
Effective Date: Upon signature of the Governor, or upon becoming law without his signature.		
Appropriation Summary for FY 2011-2012: See State Appropriations section.		
Local Government Impact: None.		

Summary of Legislation

The bill changes the standard for the Public Utilities Commission (PUC) to approve new taxi and other service providers. Instead of having to prove that a new service is required to meet a public convenience or necessity, the revised standard allows the PUC to approve service offered by an operator that meets a series of standards.

Under the bill, the PUC will grant a certificate of authority to any applicant that meets all of the following:

- Has at least 50 vehicles (3% functional for the disabled);
- Has a 24-hour communications and dispatch in operation 365 days per year;
- Has \$500,000 in capital;
- Requires each driver and owner to undergo a successful fingerprint-based criminal history check;
- Participates in the federal e-verify program; and
- Has financial responsibility in the form of liability coverage or a surety bond.

Companies wishing to carry passengers must pay an initial fee of \$800 and an annual fee of \$250. Revenue from the fees are credited to the Public Utilities Commission Cash Fund.

State Revenue

State revenue from fees will increase by at least \$9,625 in FY 2011-12 and \$1,925 per year thereafter. This total includes fees paid to the PUC by taxi companies, fees paid by owners and drivers for background checks, and subtracts fees passed on to the FBI. The FY 2012-13 total has removed \$1,100, which will be passed on to the FBI. The table below identifies the fee impact of this bill.

Table 1. Fee Impact on Individuals, Families or Business						
	FY 2011-12			FY 2012-13		
Type of Fee	Proposed Fee	Number Affected	Fee Impact	Proposed Fee	Number Affected	Fee Impact
Application fee	\$800	5	\$4,000	\$800	1	\$800
Vehicle ID fees (per vehicle)	5	250	1,250	5	50	250
Background Check fee	39.50	250	9,875	39.50	50	1,975
TOTAL			\$15,125			\$3,025
State Revenue Subtotal			\$9,625			\$1,925
Federal Pass-through			\$5,500			\$1,100

PUC Fees on Taxi Service Licenses. Assuming 5 companies apply for and are awarded a new certificate of authority, revenue from application fees is expected to increase \$4,000 in FY 2011-12 and by \$800 each year thereafter. Revenue from vehicle identification fees is expected to increase by \$1,250 in FY 2011-12 and \$250 each year thereafter.

Background Checks. Owners and drivers must submit to fingerprint criminal background checks, which will increase state revenue from fees by \$4,375 in FY 2010-12 and \$1,975 per year thereafter. This estimate assumes 250 background checks in FY 2011-12 and 50 per year thereafter. The fee for a fingerprint background check is \$39.50, of which \$17.50 is paid to the Colorado Bureau of Investigation (CBI) and \$22 is passed on to the Federal Bureau of Investigation (FBI). A total of \$5,500 would be passed through to the FBI in FY 2011-12. Beginning in FY 2012-13, the pass-through would total \$1,100 per year.

Civil Penalties. An indeterminate amount of revenue may be generated in civil penalties collected from violators of the new policy. Since the new rules may be interpreted as less onerous, penalties cannot be determined until the new policy takes effect.

State Expenditures

This bill is expected to increase state expenditures by \$33,769 and 0.6 FTE in FY 2011-12 and beyond. Table 2 describes these expenditures.

Table 2. Expenditures Under SB11-065		
Cost Components	FY 2011-12	FY 2012-13
Personal Services (DORA)	\$33,769	\$33,769
FTE	0.6	0.6
TOTAL	\$33,769	\$33,769

The addition of 5 new taxi companies is expected to generate additional complaints that must be handled by the Public Utilities Commission in the Department of Regulatory Agencies. This increased workload is expected to rise to 0.4 FTE in FY 2011-12 and beyond. In addition, the increase in complaints is expected to yield one investigation per company per month. The investigation of these complaints will require 0.2 FTE per year.

Expenditures Not Included

Table 3 indicates expenditures for this bill that are centrally appropriated in the Long Bill under a policy of the Joint Budget Committee.

Table 3. Expenditures Not Included Under SB 11-065*		
Cost Components	FY 2011-12	FY 2012-13
Employee Insurance (Health, Life, Dental, and Short-term Disability)	\$4,260	\$4,260
Supplemental Employee Retirement Payments	1,502	1,502
TOTAL	\$5,762	\$5,762

**More information is available at: <http://colorado.gov/fiscalnotes>*

State Appropriations

For FY 2012-12, the Department of Regulatory Agencies (DORA) requires \$33,769 from the Motor Vehicle Cash Fund and 0.6 FTE.

Departments Contacted

Regulatory Agencies