

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

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<b>Drafting Number:</b> LLS 11-0128	<b>Date:</b> February 15, 2011
<b>Prime Sponsor(s):</b> Rep. Vaad	<b>Bill Status:</b> House Transportation
Sen. Spence; Williams S.	<b>Fiscal Analyst:</b> Kurtis Morrison (303-866-3140)

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**TITLE:** CONCERNING THE CREATION OF A TAXICAB LICENSE PLATE FOR MOTOR VEHICLES AUTHORIZED TO PROVIDE TAXICAB SERVICES.

Fiscal Impact Summary	FY 2011-2012	FY 2012-2013
<b>State Revenue</b>		
Cash Funds		
License Plate Cash Fund	\$7,400	\$8,880
<b>State Expenditures</b>		
Cash Funds		
HUTF CSTAR Account	\$8,880	
License Plate Cash Fund	14,800	1,480
Licensing Services Cash Fund	2,072	
<b>FTE Position Change</b>		
<b>Effective Date:</b> August 10, 2011, if the General Assembly adjourns on May 11, 2011, as scheduled, and no referendum petition is filed.		
<b>Appropriation Summary for FY 2011-2012:</b> See State Appropriations section.		
<b>Local Government Impact:</b> See Local Government Impact section.		

**Summary of Legislation**

House Bill 11-1234 creates the taxicab license plate, effective January 1, 2012. The bill requires that persons or businesses authorized to provide taxicab services, or both luxury limousine and taxicab services, are required to register their motor vehicles with the Department of Revenue (DOR) and have taxicab license plates affixed. Only persons verified by the Public Utilities Commission (PUC) as authorized to provide taxicab services may be issued a taxicab license plate.

**Public Utilities Commission.** The bill requires the PUC to either create a form or an electronic system to verify to the DOR, or county clerks and recorders, that a person is authorized to provide taxicab services. The bill also authorizes the PUC to promulgate rules regarding implementation and enforcement of the verification system. The PUC is further required to inform authorized taxicab companies of these requirements, by January 1, 2012.

**Department of Revenue.** The bill requires the DOR to only issue taxicab license plates if a person either submits a PUC verification form or if the PUC electronically verifies that the plate applicant is eligible to provide taxicab services. Taxicab license plates affixed to motor vehicles that are transferred or sold to other persons or businesses which are not authorized to provide taxicab services must be returned to the DOR within 10 days of being notified.

**Violations.** Violations of the bill's provisions are a Class B traffic infraction, punishable by a \$75 fine, a \$15 dollar penalty, and a \$4 surcharge.

### State Revenue

**The bill increases cash fund revenue by approximately \$7,400 in FY 2011-12 and \$8,880 in FY 2012-13.** Table 1 displays revenue generated by fiscal year and cash funds credited.

<b>Table 1. State Revenue Generated by the Taxicab License Plate</b>		
	<b>FY 2011-12 (6 months)</b>	<b>FY 2012-13 (12 months)</b>
Number of License Plates to be Issued	1,250	1,500
Revenue Credited to License Plate Cash Fund — \$5.64 per plate, \$0.28 per tab	\$7,400	\$8,880
<b>TOTAL</b>	<b>\$7,400</b>	<b>\$8,880</b>

In 2009, the PUC recorded approximately 1,900 to 2,000 motor vehicles used to provide taxicab services. This number is anticipated to fluctuate due to varying economic conditions and business factors impacting the operations of taxicab carrier companies and their fleets. The fiscal note assumes that the net number of taxicab motor vehicles in operation during 2009 will remain at current levels in future fiscal years, and accounts for potential increases in such vehicles requiring taxicab license plates. The fiscal note also anticipates no fiscal impact from violations.

### State Expenditures

**The bill increases state cash fund expenditures by a net \$25,752 in FY 2011-12 and \$1,480 in FY 2012-13.** To implement the bill, both license plate production costs and computer system reprogramming costs are necessary. Table 2 summarizes associated costs to implement the bill.

<b>Table 2. State Expenditures Required to Implement by the House Bill 11-134</b>			
<b>Expenditure</b>	<b>Cash Fund</b>	<b>FY 2011-12 (6 months)</b>	<b>FY 2012-13 (12 months)</b>
Number of License Plates to be Produced		2,500	250
CSTARS Programming <i>— 120 hours at \$74 per hour</i>	CSTAR Account	\$8,880	\$0
Driver's License System Programming <i>— 28 hours at \$74 per hour</i>	Licensing Services Cash Fund	2,072	0
Plate and Tab Cost <i>— \$5.64 per plate, \$0.28 per tab</i>	License Plate Cash Fund	14,800	1,480
<b>TOTAL</b>		<b>\$25,752</b>	<b>\$1,480</b>

The fiscal note assumes that the PUC will employ a form-based system of informing the DOR of authorized taxicab carriers. Related PUC costs for establishment and management of a PUC form affirming to the DOR vehicles eligible for the taxicab license plate are anticipated to be minimal and absorbable within existing resources. Additional carrier notification, mailing, and postage costs are also anticipated to be minimal and absorbable within existing resources.

**State Appropriations**

For FY 2011-12, the DOR requires three cash fund appropriations:

- \$8,880 from the Highway Users Tax Fund (HUTF) Colorado State Titling and Registration (CSTAR) Account;
- \$2,072 from the Licensing Services Cash Fund; and
- \$14,800 from the License Plate Cash Fund.

In addition, the Office of Information Technology (OIT) requires spending authority for \$10,952 in reappropriated funds.

**Local Government Impact**

**The bill increases local government expenditures by a minimal amount.** Additional county clerk and recorder staff time will be necessary for training and to make various form and paperwork updates to implement the bill. Such time is estimated to be minimal and can be absorbed by existing clerk and recorder personnel.

**Departments Contacted**

Corrections                      Regulatory Affairs                      Revenue