



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

Drafting Number: LLS 11-0036
Prime Sponsor(s): Sen. Spence

Date: January 11, 2011
Bill Status: Senate Transportation
Fiscal Analyst: Kurtis Morrison (303-866-3140)

TITLE: CONCERNING THE CREATION OF A SPECIAL LICENSE PLATE FOR CRAIG HOSPITAL.

Fiscal Impact Summary	FY 2011-2012	FY 2012-2013
State Revenue		
Cash Funds		
Highway Users Tax Fund	\$75,000	\$12,500
Licensing Services Cash Fund	75,000	12,500
License Plate Cash Fund	17,760	2,960
State Expenditures		
Cash Funds		
License Plate Cash Fund	\$17,760	\$2,960
Highway Users Tax Fund - CSTAR Account	2,960	
FTE Position Change		
Effective Date: August 10, 2011, assuming the General Assembly adjourns May 11, 2011, as scheduled and no referendum petition is filed.		
Appropriation Summary for FY 2011-2012: See State Appropriations section		
Local Government Impact: See Local Government Impact section.		

Summary of Legislation

Senate Bill 11-003 creates the Craig Hospital special license plate. The plate will be available to applicants who pay the appropriate license fees, a one-time fee of \$50, and a one-time donation of \$20 to Craig Hospital. Of the \$50 fee, \$25 is credited to the Highway Users Tax Fund (HUTF) and \$25 is credited to the Licensing Services Cash Fund (LSCF). The bill has no other requirements for persons to purchase a Craig Hospital special license plate. The Department of Revenue may stop issuing the plate if less than 3,000 are issued by July 1, 2014.

State Revenue

The bill increases cash fund revenue by **\$167,760 in FY 2011-12 and \$27,960 in FY 2012-13**. Table 1 displays revenue generated by fiscal year and cash funds credited.

Table 1. State Revenue Generated by the Craig Hospital Special License Plate		
	FY 2011-12	FY 2012-13
Number of License Plates to be Issued	3,000	500
Revenue Credited to HUTF (\$25.00)	\$75,000	\$12,500
Revenue Credited to LSCF (\$25.00)	75,000	12,500
Revenue Credited to LPCF (\$5.92 per set)	17,760	2,960
TOTAL	\$167,760	\$27,960

The bill creates a new special license plate available for a one-time fee of \$50, evenly divided between the HUTF and the LSCF. An additional \$5.92 fee is required for plate and tab production, credited to the License Plate Cash Fund (LPCF). The Department of Revenue (DOR) may begin issuing the plate on January 1, 2011, upon completion of design and administrative preparations. This fiscal note assumes that 3,000 plates will be issued in FY 2011-12 and 500 plates will be issued in FY 2012-13. The number of plates issued in subsequent fiscal years is estimated to decrease from these levels.

State Expenditures

The bill increases state cash fund expenditures by \$20,720 in FY 2011-12 and \$2,960 in FY 2012-13. Table 2 describes associated costs to implement the bill.

Table 2. Expenditures Required to Produce and Distribute the Craig Hospital Special License Plate		
	FY 2011-12	FY 2012-13
Number of License Plates to be Manufactured	3,000	500
Plate Cost (\$5.64 per set) and Tab Cost (\$0.28 per set)	\$17,760	\$2,960
Computer Programming (40 hours at \$74.00 per hour)	2,960	0
TOTAL	\$20,720	\$2,960

License plate and tab production costs are expended from the License Plate Cash Fund. One-time computer programming costs of \$2,960 are required to update the Colorado State Titling and Registration System (CSTARS) and are paid from the HUTF CSTAR Account.

Local Government Impact

The bill increases local government HUTF revenue by an estimated \$26,250 in FY 2011-12 and \$4,375 in FY 2012-13. HUTF revenue generated by license plate fees is distributed to the State Highway Fund (65%), counties (26%), and cities (9%) for transportation.

Senate Bill 11-003 is expected to increase HUTF revenue by \$75,000 in FY 2011-12 and \$12,500 in FY 2012-13; thereby increasing county and other local distributions by \$26,250 in FY 2011-12 and \$4,375 in FY 2012-13.

State Appropriations

For FY 2011-12, the DOR requires two cash fund appropriations — \$17,760 from the License Plate Cash Fund, and \$2,960 from the HUTF CSTAR Account. In addition, the Office of Information Technology (OIT) requires spending authority for \$2,960 in reappropriated funds.

Costs for this special license plate bill differ from costs for similar bills considered in previous years for two reasons. First, due to the consolidation of information technology services in the OIT, computer programming now costs \$74.00 per hour. In previous years, the rate was set at \$39.23 per hour. Second, the Joint Budget Committee, prior to this year, provided ongoing appropriations through the Long Bill for DOR system reprogramming costs, but discontinued the policy for 2011. As such, bills of this type now require appropriations separate from the annual Long Bill.

Departments Contacted

Revenue