



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

Drafting Number: LLS 11-1062
Prime Sponsor(s): Rep. Priola
 Sen. Johnston

Date: May 2, 2011
Bill Status: House Transportation
Fiscal Analyst: Jonathan Senft (303-866-3523)

TITLE: CONCERNING THE CREATION OF CERTAIN SPORTS SPECIAL LICENSE PLATES FOR KROENKE SPORTS CHARITIES.

| Fiscal Impact Summary | FY 2011-2012 | FY 2012-2013 |
|--|---------------------|---------------------|
| State Revenue | | |
| Cash Funds | <u>\$335,520</u> | <u>\$55,920</u> |
| Highway Users Tax Fund | 150,000 | 25,000 |
| Licensing Services Cash Fund | 150,000 | 25,000 |
| License Plate Cash Fund | 35,520 | 5,920 |
| State Expenditures | | |
| Cash Funds | <u>\$41,440</u> | <u>\$5,920</u> |
| License Plate Cash Fund | 35,520 | |
| Highway Users Tax Fund - CSTAR Account | 5,920 | |
| 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

This bill creates both the Colorado Avalanche and Denver Nuggets special license plate. The plate will be available to applicants who pay the appropriate one-time license fee of \$50, and make a one-time donation of \$45 to Kroenke Sports charities. 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 Department of Revenue (DOR) may stop issuing the plate if less than 3,000 are issued by July 1, 2016.

State Revenue

The bill increases cash fund revenue by \$335,520 in FY 2011-12 and \$55,920 in FY 2012-13. Tables 1 and 2 display revenue generated by fiscal year and cash funds credited.

| Table 1. State Revenue Generated by the Colorado Avalanche Special License Plate | | |
|---|-------------------|-------------------|
| | FY 2011-12 | FY 2012-13 |
| Number of Vehicles Registered with the Colorado Avalanche License Plate | 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) | 17,760 | 2,960 |
| TOTAL | \$167,760 | \$27,960 |

| Table 2. State Revenue Generated by the Denver Nuggets Special License Plate | | |
|---|-------------------|-------------------|
| | FY 2011-12 | FY 2012-13 |
| Number of Vehicles Registered with the Denver Nuggets License Plate | 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) | 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, 2012, upon completion of design and administrative preparations. This fiscal note assumes that 3,000 Colorado Avalanche special plate sets and 3,000 Denver Nuggets special plate sets will be issued in FY 2011-12 and 500 of each plate set types 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 \$42,180 in FY 2011-12 and \$5,920 in FY 2012-13. Tables 3 and 4 describe associated costs to implement the bill.

| Table 3. Expenditures Required to Produce and Distribute the Colorado Avalanche Special License Plate | | |
|--|-------------------|-------------------|
| | FY 2011-12 | FY 2012-13 |
| Number of Special License Plate Sets Issued | 3,000 | 500 |
| Plate Cost and Tab Cost (\$5.92) | \$17,760 | \$2,960 |
| Computer Programming (40 hours at \$74.00 per hour) | 3,330 | 0 |
| TOTAL | \$21,090 | \$2,960 |

| Table 4. Expenditures Required to Produce and Distribute the Denver Nuggets Special License Plate | | |
|--|-------------------|-------------------|
| | FY 2011-12 | FY 2012-13 |
| Number of Special License Plate Sets Issued | 3,000 | 500 |
| Plate Cost and Tab Cost (\$5.92) | \$17,760 | \$2,960 |
| Computer Programming (40 hours at \$74.00 per hour) | 3,330 | 0 |
| TOTAL | \$21,090 | \$2,960 |

License plate and tab production costs are expended from the License Plate Cash Fund. A one-time computer programming cost of \$3,330 is required for both plate types 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 \$52,500 in FY 2011-12 and \$8,750 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. This bill is expected to increase HUTF revenue by \$150,000 in FY 2011-12 and \$25,000 in FY 2012-13; thereby increasing county and other local distributions.

State Appropriations

For FY 2011-12, the DOR requires two cash fund appropriations — \$35,520 from the License Plate Cash Fund, and \$6,660 from the HUTF CSTAR Account. In addition, the Office of Information Technology (OIT) requires spending authority for \$6,660 in reappropriated funds.

Departments Contacted

Corrections

Office of Information Technology

Revenue