



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

**Drafting Number:** LLS 11-0113  
**Prime Sponsor(s):** Sen. Giron  
 Rep. Hamner

**Date:** February 14, 2011  
**Bill Status:** Senate Agriculture  
**Fiscal Analyst:** Lauren Ris (303-866-3264)

**TITLE:** CONCERNING THE CONTINUATION OF VESSEL REGULATION BY THE DIVISION OF PARKS AND OUTDOOR RECREATION, AND, IN CONNECTION THEREWITH, IMPLEMENTING THE SUNSET REVIEW RECOMMENDATIONS OF THE DEPARTMENT OF REGULATORY AGENCIES.

<b>Fiscal Impact Summary</b>	<b>FY 2011-2012</b>	<b>FY 2012-2013</b>
<b>State Revenue</b>		
Cash Funds		
Parks and Recreation Cash Fund		\$3.4 million
<b>State Expenditures</b>		
Cash Funds		
Parks and Recreation Cash Fund		\$942,000
Federal Funds		\$750,000
<b>FTE Position Change</b>		2.25 FTE
<b>Effective Date:</b> Upon signature of the Governor, or upon becoming law without his signature.		
<b>Appropriation Summary for FY 2011-2012:</b> None required.		
<b>Local Government Impact:</b> None.		

**Summary of Legislation**

**This sunset review bill, recommended by the Senate Agriculture and Natural Resources Committee,** extends indefinitely vessel registration laws set to expire on July 1, 2011. The Division of Parks and Outdoor Registration in the Department of Natural Resources administers the vessel registration program. The bill also requires the division to report to the President of the Senate and the Speaker of the House of Representatives if federal funding for recreational boating safety are expected to cease for any reason.

**Fiscal Impact of Programs Set to Expire.** The bill continues a program in the DNR that is set to repeal, effective July 1, 2011. Under current law, state agencies may be appropriated funds to wind-up the affairs of an expiring program for 12 months following the repeal date. To account for this wind-up period, the impact of extending the program beyond the current repeal date is shown as beginning in FY 2012-13, 1 year after the repeal date. There is no need for an appropriation in FY 2011-12 since the program's authorization has not yet expired, and ongoing funding for the program is included in the department's base budget request for FY 2011-12.

## **Background**

The sections of statute set to repeal fulfill the requirements needed to participate in the U.S. Coast Guard Recreational Boating and Safety Federal Financial Assistance Program. The purpose of the program is to register and number vessels in accordance with federal standards and to promote boating safety. States that receive grants under the program are required to provide matching funds and adopt certain standards and procedures, including providing a vessel numbering identification system, sufficient patrol and other enforcement activity, and a boating safety education program. Accordingly, Colorado law provides that any boat with a motor or sail operated in Colorado on any public waters must be registered with the division. Once the division approves a registration application, and a registration fee is paid, the division issues a registration number.

Vessels owned and operated by the state or a political subdivision and non-motorized non-sailboat vessels (such as canoes and kayaks) are exempt from the registration requirement. However, canoes, kayaks, and other non-motorized crafts must be durably marked with the owner's name and address. The division also conducts inspections of vessel liveries and conducts youth boating safety courses as part of the program.

## **State Revenue and Expenditures**

Vessel registration program activities are funded through registration fees, and fines for violating registration laws. All revenue is credited to the Parks and Recreation Cash Fund. In FY 2009-10 the division registered 96,000 vessels and received approximately \$3.4 million in registration fees. Registration fees are \$35.25, \$45.25, and \$75.25 depending on the size of the boat.

In 2009, the division issued 39 citations for having an unregistered or improperly registered vessel, which generated \$1,865 in revenue from fines. Violating vessel registration laws are class 2 petty offenses and convictions carry fines from \$15-\$100. The division also inspects boat liveries, however in the past 5 years, the division has only issued 1 \$100 citation.

The vessel registration program is currently staffed by 2.25 FTE. In FY 2012-13, the program is expected to spend \$942,000 and \$750,000 in matching federal funds for total program expenditures of \$1,692,000.

## **Departments Contacted**

Natural Resources