


Colorado Legislative Council Staff Fiscal Note
STATE
FISCAL IMPACT

Drafting Number: LLS 11-0277

Date: January 21, 2011

Prime Sponsor(s): Sen. Heath

Bill Status: Senate SMVA

Fiscal Analyst: Jonathan Senft (303-866-3523)

TITLE: CONCERNING THE CREATION OF A WORLD WAR II SPECIAL LICENSE PLATE.

Fiscal Impact Summary	FY 2011-2012	FY 2012-2013
State Revenue		
Cash Funds		
License Plate Cash Fund	\$8,880	\$10,360
State Expenditures		
Cash Funds		
License Plate Cash Fund	\$9,080	\$10,360
Highway Users Tax Fund - CSTAR Account	2,960	
FTE Position Change		
Effective Date: August 10, 2011, if the General Assembly adjourns on May 11, 2011, as scheduled, and no referendum petition is filed.		
Appropriation Summary for FY 2011-2012: See State Appropriations section.		
Local Government Impact: None.		

Summary of Legislation

Senate Bill 11-037 creates the World War II specialty license plate. The plate will be available to applicants who were members of the US armed services between December 7, 1941 and September 2, 1945. Applicants must show a DD214, or similar form, to demonstrate evidence of their veteran status.

State Revenue

The bill increases cash fund revenue by \$8,880 in FY 2011-12 and \$10,360 in FY 2012-13. Table 1 displays revenue generated by fiscal year.

	FY 2011-12	FY 2012-13
Number of License Plates to be Issued	1,500	1,750
Revenue Credited to LPCF (\$5.92)	\$8,880	\$10,360

The sole source of revenue for the license plates is the plate and tab production fee, credited to the License Plate Cash Fund (LPCF), which all vehicle owners must pay upon registration. 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 1,500 plates will be issued in FY 2011-12 and 1,750 plates will be issued in FY 2012-13. The number of plates to be issued in subsequent years is expected to decrease from these levels. An estimated 45,000 World War II veterans reside in Colorado. This fiscal note assumes that 3% of these veterans per year would seek the new plate.

State Expenditures

The bill increases cash fund expenditures by \$12,040 in FY 2011-12 and \$10,360 in FY 2012-13. Table 2 describes the costs required to implement the bill.

Table 2. State Expenditures Under SB 11-037		
	FY 2011-12	FY 2012-13
Number of License Plates to be Manufactured	1,500	1,750
Plate Cost (\$5.64) and Tab Cost (\$0.28)	\$8,880	\$10,360
One-time Design Fee	200	0
Computer Programming (40 hours at \$74.00 per hour)	2,960	0
Total	\$12,040	\$10,360

License plate and tab production costs, and a one-time design fee of \$200, are expended from the LPCF. One-time computer programming costs of \$2,960 are required to update the ITD/Colorado State Titling and Registration System (CSTARS). This amount is paid from the Highway Users Tax Fund CSTAR account. The net cost to the state is \$3,160 for design and programming.

State Appropriations

For FY 2011-12, the DOR requires two cash fund appropriations — \$9,080 from the License Plate Cash Fund, and \$2,960 from the HUTF CSTAR Account. In addition, the Governor's Office of Information Technology requires spending authority for \$2,960 in reappropriated funds.

Departments Contacted

Revenue Military Affairs