

# STATE and LOCAL FISCAL IMPACT

**Drafting Number:** LLS 11-0672**Date:** February 22, 2011**Prime Sponsor(s):** Rep. Murray  
Sen. Aguilar**Bill Status:** House Transportation**Fiscal Analyst:** Jonathan Senft (303-866-3523)**TITLE:** CONCERNING THE CREATION OF A TYPE 1 DIABETES SPECIAL LICENSE PLATE.

<b>Fiscal Impact Summary</b>	<b>FY 2011-2012</b>	<b>FY 2012-2013</b>	<b>FY 2013-14</b>
<b>State Revenue</b>			
Cash Funds			
Highway Users Tax Fund (HUTF)	\$37,500	\$43,750	\$12,500
HUTF - Licensing Services Cash Fund	37,500	43,750	12,500
HUTF - License Plate Cash Fund	8,880	10,360	2,960
<b>State Expenditures</b>			
Cash Funds			
HUTF - License Plate Cash Fund	\$9,080	\$10,360	\$2,960
HUTF - CSTAR Account	2,960		
<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 Impact section.			

## Summary of Legislation

This bill creates the Type I Diabetes special license plate. The plate will be available to all applicants who pay the necessary fees, including a one-time additional charge of \$50. Of the \$50 fee, \$25 is credited to the Licensing Services Cash Fund (LPCF) and \$25 is credited to the Highway Users Tax Fund (HUTF).

## State Revenue

This bill has the potential to increase state cash fund revenue by up to \$83,880 in FY 2011-12, \$97,860 in FY 2012-13, and \$27,960 in 2013-14. Table 1 displays revenue generated by fiscal year.

<b>Table 1. State Revenue Generated Under HB 11-1166</b>			
	<b>FY 2011-12</b>	<b>FY 2012-13</b>	<b>FY 2013-14</b>
Number of License Plate Sets to be Issued	1,500	1,750	500
Revenue Credited to LPCF (\$5.92)	\$8,880	\$10,360	\$2,960
\$25 Fee to HUTF	37,500	43,750	12,500
\$25 Fee to LSCF	37,500	43,750	12,500
<b>Total Revenue</b>	<b>\$83,880</b>	<b>\$97,860</b>	<b>\$27,960</b>

Under this bill, revenue is generated from the plate and tab production fee of \$5.92 per plate set, credited to the License Plate Cash Fund (LPCF), which all vehicle owners must pay upon registration. Applicants are required to pay an additional \$50; of this, \$25 is credited to the Highway Users Tax Fund and \$25 is credited to the Licensing Services Cash Fund. 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 the DOR will issue 1,500 sets of plates in FY 2011-12, 1,750 sets of plates in FY 2012-13, and 500 sets of plates in FY 2013-14.

### **State Expenditures**

**State Expenditures will increase by \$12,040 in FY 2011-12, \$10,360 in 2012-13 and \$2,960 in FY 2013-14.** Table 2 shows costs required to implement the bill.

<b>Table 2. State Expenditures Under HB 11-1166</b>			
	<b>FY 2011-12</b>	<b>FY 2012-13</b>	<b>FY 2013-14</b>
Number of License Plate Sets to be Manufactured	1,500	1,750	500
Plate Cost (\$5.64) and Tab Cost (\$0.28)	\$8,880	\$10,360	\$2,960
Computer Programming (40 hours at \$74.00 per hour)	2,960	0	0
Design Costs	200	0	0
<b>Total</b>	<b>\$12,040</b>	<b>\$10,360</b>	<b>\$2,960</b>

In FY 2011-12, one-time computer programming costs of \$2,960 are required to update the ITD/Colorado State Titling and Registration System (CSTARS). The net cost to the state is \$3,160, including plate design costs of \$200, and programming costs of \$2,960. License plate and tab production costs are expended from the LPCF.

### **Local Government Impact**

**The bill increases local government Highway Users Tax Fund (HUTF) revenue by an estimated \$13,125 in FY 2011-12, \$15,312 in FY 2012-13 and \$4,375 in FY 2013-14.** HUTF revenue generated by license plate fees is distributed to the State Highway Fund (65%), counties (26%) and cities (9%) for transportation. House Bill 11-1166 is expected to increase HUTF revenue by \$37,500 in FY 2011-12, \$43,750 in FY 2012-13 and \$12,500 in FY 2013-14; thereby increasing county and other local distributions.

### **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**

Corrections

Revenue