

STATE and LOCAL FISCAL IMPACT

Drafting Number: LLS 12-0476**Date:** February 22, 2012**Prime Sponsor(s):** Rep. Todd
Sen. Heath**Bill Status:** House Transportation**Fiscal Analyst:** Jonathan Senft (303-866-3523)**TITLE:** CONCERNING THE CREATION OF AN OPERATION DESERT STORM LICENSE PLATE.

Fiscal Impact Summary	FY 2012-2013	FY 2013-2014
State Revenue		
Cash Funds	<u>\$16,776</u>	<u>\$2,796</u>
Highway Users Tax Fund	7,550	1,250
Licensing Services Cash Fund	7,550	1,250
License Plate Cash Fund	1,776	296
State Expenditures		
Cash Funds	<u>\$4,936</u>	<u>\$2,960</u>
HUTF - License Plate Cash Fund	1,976	2,960
HUTF - CSTAR Account	2,960	
FTE Position Change		
Effective Date: August 8, 2012, if the General Assembly adjourns on May 9, 2012, as scheduled, and no referendum petition is filed.		
Appropriation Summary for FY 2012-2013: See State Appropriations section.		
Local Government Impact: See Local Government Impact section.		

Summary of Legislation

This bill creates the Operation Desert Storm special license plate. The plate will be available to veterans who served in the U.S. Armed Forces between August 2, 1990 and February 28, 1991. In addition to the standard license plate fees, applicants will pay a one-time additional fee of \$50. Of this fee, \$25 is credited to the Licensing Services Cash Fund (LSCF) and \$25 is credited to the Highway Users Tax Fund (HUTF). The plate will be available on January 1, 2013.

State Revenue

This bill is anticipated to increase state cash fund revenue by up to \$16,776 in FY 2012-13 and \$2,796 in FY 2013-14. Table 1 displays revenue generated by fiscal year.

Table 1. State Revenue Generated Under HB 12-1162		
	FY 2012-13	FY 2013-14
Number of License Plate Sets to be Issued	300	50
Revenue Credited to License Plate Cash Fund (\$5.92)	\$1,776	\$296
\$25 Fee to Highway Users Tax Fund	7,500	1,250
\$25 Fee to Licensing Services Cash Fund	7,500	1,250
Total Revenue	\$16,776	\$2,796

Revenue is generated from the plate and tab production fee of \$5.92 per plate set, credited to the License Plate Cash Fund, which all vehicle owners must pay upon registration. Applicants for the Operation Desert Storm plate are also required to pay an additional \$50 fee; 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, 2013, upon completion of design and administrative preparations. This fiscal note assumes the DOR will issue 300 plate sets in FY 2012-13, and 50 plate sets in FY 2013-14. This estimate is based on the issuance of similar license plates, such as the Veterans of the Iraq War plate and the Veterans of the Afghanistan War plate.

State Expenditures

State cash fund expenditures will increase by \$4,936 in FY 2012-13 and \$296 in FY 2013-14. Table 2 shows the costs required to implement the bill.

Table 2. State Expenditures Under HB 12-1162		
	FY 2012-13	FY 2013-14
Number of License Plate Sets to be Manufactured	300	50
Plate Cost (\$5.92)	\$1,776	\$296
Design Costs	\$200	0
Computer Programming (40 hours at \$74 per hour)	2,960	0
Total	\$4,936	\$296

In FY 2012-13, one-time computer programming costs of \$2,960 are required to update the Colorado State Titling and Registration System (CSTARS). License plate and tab production costs are expended from the LPCF. Based on expected demand for the new plate, an initial run of 500 plate sets will be necessary. The plate will be designed by the Department of Revenue at a cost of \$200.

Local Government Impact

The bill increases Highway Users Tax Fund (HUTF) revenue by \$7,500 in FY 2012-13 and \$1,250 in FY 2013-14. HUTF revenue generated by license plate fees is distributed to the State Highway Fund (65 percent), counties (26 percent) and cities (9 percent) for transportation. Thus, in FY 2013-14, county and other local distributions will be \$2,625, and in FY 2013-14 will be \$437.

State Appropriations

For FY 2012-13, the DOR requires two cash fund appropriations totaling \$4,936 — \$1,796 from the License Plate Cash Fund, and \$2,960 from the HUTF CSTAR Account. In addition, the Governor's Office of Information Technology requires an appropriation of \$2,960 reappropriated funds.

Departments Contacted

Corrections

Governor's Office

Revenue

Transportation