



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

Drafting Number: LLS 12-0269
Prime Sponsor(s): Rep. Scott
 Sen. Jahn

Date: February 6, 2012
Bill Status: House Transportation
Fiscal Analyst: Jonathan Senft (303-866-3523)

TITLE: CONCERNING A CHANGE OF THE DEFINITION OF "SALVAGE VEHICLE" TO INCLUDE MOTOR VEHICLES CURRENTLY EXCLUDED.

| Fiscal Impact Summary | FY 2012-2013 | FY 2013-2014 |
|---|---------------------|---------------------|
| State Revenue | Potential Increase | |
| State Expenditures | | |
| FTE Position Change | | |
| Effective Date: This bill takes effect upon signature of the Governor, or upon becoming law without his signature. | | |
| Appropriation Summary for FY 2012-2013: None. | | |
| Local Government Impact: See Local Government section. | | |

Summary of Legislation

This bill alters the definition of a salvage vehicle for the purposes of a title transfer. Broadly, a salvage vehicle is one which has been damaged beyond repair. Under current law, a salvage vehicle must be six years or older at the time of damage. This bill eliminates this requirement.

State Revenue

In order to establish vehicle ownership in Colorado, owners are required to acquire a salvage certificate of title, with an application fee of \$7.20. This fee is the same as a certificate of title for other vehicles. This bill may increase ordinary title applications, but this increase would be offset by a corresponding decrease in salvage vehicle title applications.

To the extent that this bill increases the number of vehicles sold or registered in Colorado, it would increase state revenue from sales taxes and registration fees. Specific Ownership Tax is established from the original MSRP which does not change for the life of the vehicle, regardless if it is classified as a salvage vehicle. Specific Ownership Tax is based on the model year, collected upon registration, and not titling, or how the vehicle title is branded.

Any revenue increase in the volume of vehicle sales from this bill is credited to the Highway Users Tax Fund.

Local Government Impact

To the extent that this bill increases the volume in vehicle sales, there may be a corresponding increase in allocations to the Highway Users Tax Fund from registration fees, and Specific Ownership Taxes.

Departments Contacted

Revenue Transportation