

**STATE and LOCAL
FISCAL IMPACT**

Drafting Number: LLS 13-0539

Date: February 19, 2013

Prime Sponsor(s): Rep. Coram
Sen. Jahn

Bill Status: House Transportation and Energy
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TITLE: CONCERNING THE EXEMPTION OF RENTED VEHICLES THAT WEIGH AT LEAST TEN THOUSAND POUNDS DECLARED EMPTY VEHICLE WEIGHT FROM THE DAILY VEHICLE RENTAL FEE, AND, IN CONNECTION THEREWITH, REQUIRING THE OWNER OF SUCH A VEHICLE TO PAY ROAD SAFETY AND BRIDGE SAFETY SURCHARGES IN LIEU OF THE FEE WHEN REGISTERING THE VEHICLE.

Fiscal Impact Summary	FY 2013-2014	FY 2014-2015
State Revenue		
Cash Funds		
Highway Users Tax Fund	(\$127,130)	(\$127,130)
Statewide Bridge Enterprise Special Revenue Fund	10,246	10,246
State Expenditures		
Cash Funds		
CSTARS Account (HUTF)	\$1,776	
FTE Position Change		
Effective Date: August 7, 2013, if the General Assembly adjourns on May 8, 2013, as scheduled, and no referendum petition is filed.		
Appropriation Summary for FY 2013-2014: See State Appropriations Section.		
Local Government Impact: See Local Government Impact Section.		

Summary of Legislation

The bill exempts rented vehicles that weigh at least 10,000 pounds from the \$2 daily rental fee when registering the vehicle. Under current law, vehicles that do not pay the daily rental fee must pay the bridge and road safety surcharges.

Background

Senate Bill 09-108, Funding Advancement for Surface Transportation and Economy Recovery (FASTER), created new registration fee surcharges for road and bridge safety and a \$2 daily fee for rental vehicles. There are currently 338 rental vehicles in Colorado with an empty weight exceeding 10,000 pounds. Of these, 148 have an empty vehicle weight exceeding 16,000 pounds. In FY 2011-12, the Department of Revenue (DOR) collected \$26.1 million in total daily rental fees, or \$414 on average per vehicle.

State Revenue

Overall, the bill will decrease state revenue from fees by \$116,884 per year beginning in FY 2013-14. These impacts are shown in Table 1 and described in greater detail below.

Table 1. HB 13-1161 Fee Impact on Individuals, Families or Businesses					
Type of Fee	Current Fee	New Fee	Fee Change	Number Affected	Total FY 2013-14
Daily Rental Fee (assumes an average of 207 rental days)					
Empty vehicle weight of at least 10,000 pounds	\$2	\$0	(\$2)	338	(\$139,932)
Road Safety Surcharge					
Empty vehicle weight of 10,000 to 15,999 pounds	\$0	\$37	\$37	190	7,030
Empty vehicle weight over 16,000 pounds	\$0	\$39	\$39	148	5,772
Bridge Safety Surcharge					
Empty vehicle weight of 10,000 to 15,999 pounds	\$0	\$29	\$29	190	5,510
Empty vehicle weight over 16,000 pounds	\$0	\$32	\$32	148	4,736
TOTAL					(\$116,884)
HUTF					(\$127,130)
Statewide Bridge Enterprise Special Revenue Fund					\$10,246

Decrease from daily rental fee. By exempting vehicles from the daily rental fee, the bill will decrease cash fund revenue by \$139,932. The \$2 daily rental fee is currently paid by 338 registered rental vehicles, at an average of \$414 per rental vehicle. Revenue from the daily rental fee is credited to the HUTF.

Increase from road safety surcharge. By subjecting certain rental vehicles to the road safety surcharge, the bill will increase cash fund revenue by \$12,802 beginning in FY 2013-14. The road safety surcharge is \$37 for vehicles with an empty vehicle weight between 10,000 pounds and 15,999 pounds; the surcharge is \$39 for vehicles over 16,000 pounds. Revenue from the road safety surcharge is credited to the HUTF.

Increase from bridge safety surcharge. By subjecting vehicles to the bridge safety surcharge, the bill will increase cash fund revenue by \$10,246 beginning in FY 2013-14. The bridge safety surcharge is \$29 for vehicles with an empty vehicle weight between 10,000 pounds and 15,999 pounds; the surcharge is \$32 for vehicles over 16,000 pounds. Revenue from the bridge safety surcharge is credited to the Statewide Bridge Enterprise Special Revenue Fund.

State Expenditures

Cash fund expenditures will increase by \$1,776 in FY 2013-14 within the Department of Revenue. The Office of Information Technology will incur one-time computer programming costs to update the Colorado State Titling and Registration System (CSTARS). These costs are paid from the CSTARS Account of the HUTF.

Local Government Impact

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. Because this bill decreases HUTF revenue, it also reduces the funds received by counties and cities. Table 2 shows the decrease in revenue to local governments under the bill.

	FY 2013-14	FY 2014-15
Counties	(\$33,053)	(33,053)
Cities	(11,441)	(11,441)
TOTAL	(44,494)	(44,494)

State Appropriations

The Department of Revenue will require a one-time cash fund appropriation of \$1,776 from the HUTF CSTARS Account in FY 2013-14. This amount should be reappropriated to the Governor's Office of Information Technology.

Departments Contacted

Revenue Transportation Counties