

**STATE and LOCAL
FISCAL IMPACT**

Drafting Number: LLS 13-0288
Prime Sponsor(s): Sen. Baumgardner

Date: February 11, 2013
Bill Status: Senate Transportation
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TITLE: CONCERNING MODIFICATION OF THE FEE FOR LATE REGISTRATION OF A VEHICLE.

Fiscal Impact Summary	FY 2013-2014	FY 2014-2015
State Revenue Highway Users Tax Fund	(\$12.1 million)	(\$12.2 million)
State Expenditures Cash Funds HUTF - CSTAR Account	\$3,411	
FTE Position Change		
Effective Date: Upon signature of the Governor, or upon becoming law without his signature, and applies to late fees accrued on or after July 1, 2013.		
Appropriation Summary for FY 2013-2014: See State Appropriations section.		
Local Government Impact: See Local Government Impact section.		

Summary of Legislation

This bill reduces the fee for late vehicle registration from \$25 per month (up to a cap of \$100) to a flat fee of \$20. This bill also removes exemptions on late fees for vehicles that have expired temporary registration number plates, tags, or certificates.

State Revenue

This bill is expected to reduce state revenue by approximately \$12.1 million in FY 2013-14 and \$12.2 million in FY 2014-15. The Department of Revenue (DOR) currently collects an average of \$38 per late fee on approximately 450,000 late registrations per year. This decrease in revenue is partially offset by new revenue generated under this bill from approximately 50,000 exempted vehicles per year, which have expired temporary registration plates, tags or certificates.

Fee Impact on Individuals, Families or Business

Section 2-2-322, C.R.S., requires legislative service agency review of measures which create or increase any fee collected by a state agency. The table below identifies the fee impact of this bill.

Table 1. Fee Impact on Individuals, Families or Business					
Type of Fee	Current Fee	Proposed Fee	Fee Change	Number Affected	Total Fee Impact
Late Registration Fee *	\$38	\$10	(\$28)	450,000	(\$12,600,000)
Late Fee for Expired Temporary Registration	\$0	\$10	\$10	\$50,000	\$500,000
TOTAL					12,100,000

* The actual fee is \$25 per month up to a maximum of \$100. The figure shown represents the average late fee.

Beginning FY 2013-14, this bill reduces Highway Users Tax Fund (HUTF) distributions to the State Highway Fund by an estimated \$7.26 million. Table 2 displays the estimated reductions in HUTF distributions for the state and local governments.

Table 2. Reduced Late Registration Fee Revenue Under House Bill 13-068	
<i>State Highway Fund (60%)</i>	(\$7.26 million)
<i>Counties (22%)</i>	(\$2.66 million)
<i>Municipalities (18%)</i>	(\$2.18 million)
TOTAL	(\$12.1 million)

State Expenditures

This bill is expected to increase one-time cash fund expenditures by \$3,411 in FY 2013-14. The Governor's Office of Information Technology requires these funds for reprogramming the state's GenTax and Colorado State Titling and Registrations System (CSTARS) software to conform to the changes required by this bill.

Local Government Impact

This bill will reduce HUTF revenue to counties and municipalities by \$4.8 million, as shown in Table 2.

State Appropriations

For FY 2013-14, the DOR requires an appropriation of \$3,411 from the CSTAR account. This amount should be reappropriated to the Office of Information Technology (OIT).

Departments Contacted

Revenue

Transportation