

Colorado Legislative Council Staff Fiscal Note

**STATE and LOCAL
FISCAL IMPACT**

Drafting Number: LLS 14-0917	Date: February 28, 2014
Prime Sponsor(s): Rep. Tyler; Coram Sen. Todd; Crowder	Bill Status: House Transportation and Energy
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SHORT TITLE: LEGISLATIVE LICENSE PLATE REGISTRATION NUMBER

Fiscal Impact Summary*	FY 2014-2015	FY 2015-2016
State Revenue	\$170	\$23
Cash Funds	\$170	\$23
State Expenditures	(\$394)	(\$541)
Cash Funds	(\$394)	(\$541)
FTE Position Change		
Appropriation Required: None		

* This summary shows changes from current law under the bill for each fiscal year.

Summary of Legislation

The Department of Revenue (DOR) is currently authorized to issue legislative license plates to members of the Colorado General Assembly. This bill makes changes to the process and requirements under which these license plates are registered and issued.

Under the bill, the DOR will register legislative license plates as the primary registration for the vehicle and place an "H" or an "S" on the plate along with the legislator's Senate or House District number. The letter and number combination on the plate will serve as the legislator's vehicle registration number. Only one vehicle per legislator may be registered with the legislative license plate and the plate cannot be used on a vehicle other than the one to which the plate is registered. The vehicle registration must be renewed annually through the current vehicle registration renewal process, and the vehicle owner must pay annual registration taxes and fees and pass a vehicle emissions inspection where applicable. The license plate expires when the legislator leaves office for any reason. The bill applies to vehicles registered or legislative license plates issued on or after January 1, 2015.

Background

Under current law, legislative license plates are issued directly by the DOR to members of the Colorado General Assembly. County Department of Motor Vehicle (DMV) locations are not authorized to issue the plates. The legislative license plate is a digital plate manufactured annually for each legislator. The plates are currently registered as a secondary registration to the legislator and may be used on any vehicle owned by that legislator. Plates are not returned to the DOR after a legislator's term of service has ended. All standard vehicle registration fees and taxes are paid by each legislator on the primary registration of the vehicle in the county where the legislator lives. The legislator does not currently pay a material fee for the legislative license plate.

State Revenue

This bill is expected to increase state cash fund revenue by about \$170 in FY 2014-15 and by about \$23 in FY 2015-16.

Department of Revenue. The DOR annually issues a new legislative license plate set to each of the 100 members of the Colorado General Assembly. The cost to manufacture a plate set is \$5.64 per set, paid from the License Plate Cash Fund (LPCF). The DOR does not currently recover the plate manufacturing costs upon issuance of the plate set. Under the bill, the DOR is authorized to recover the material costs of the legislative license plate set when it is registered to a legislator's vehicle.

Under the bill, all 100 legislative license plate sets will no longer be manufactured and issued annually, but rather the vehicle registration to which the plate is tied will be renewed annually. Based on the number of new legislators joining the General Assembly and those members switching houses over the last six years, and assuming that all new legislators and those switching houses will purchase the license plate, revenue to the DOR is expected to increase by an estimated \$170 per year during election years (FY 2014-15), and by an estimated \$23 (FY 2015-16) during non-election years.

State Expenditures

Overall, this bill is expected to reduce state cash fund expenditures by about \$394 in FY 2014-15 and by about \$541 in FY 2015-16.

Department of Revenue. As discussed above, the DOR annually issues new sets of legislative license plates to each of the General Assembly's 100 members at a total cost of \$564 per year. Under the bill, all 100 legislative license plates will no longer be manufactured and issued annually, therefore reducing costs to produce the plates by \$564 per year.

Costs to manufacture the plates will be incurred when a legislator elects to purchase the plate. It is assumed that, based on the number of new legislators joining the General Assembly and those members switching houses each year, that approximately 30 new plates will be manufactured in FY 2014-15, at a total cost of \$170, and that 4 new plates will be manufactured in FY 2015-16, at a total cost of \$23.

Local Government Impact

Local governments may experience an increase in revenue collected by tolling and parking authorities and by law enforcement. Because legislative license plates are currently designated by the DOR as a secondary registration, tolling and parking authorities and law enforcement are unable to search for vehicle owner information based on a legislative license plate. With the changes proposed by the bill, a legislator's plates will be registered as the vehicle's primary registration and will be searchable in all enforcement systems which will enable local authorities to issue fines and penalties as necessary.

Effective Date

The bill takes effect August 6, 2014, if the General Assembly adjourns on May 7, 2014, as scheduled, and no referendum petition is filed, and applies to vehicles registered or legislative license plates issued on or after January 1, 2015.

State and Local Government Contacts

Revenue

Corrections

Legislature