

**STATE and LOCAL  
FISCAL IMPACT**

**Drafting Number:** LLS 15-0317  
**Prime Sponsor(s):** Rep. Roupe

**Date:** January 9, 2015  
**Bill Status:** House SVMA  
**Fiscal Analyst:** Erin Reynolds (303-866-4146)

**BILL TOPIC:** RESERVED PARKING DISABLED MILITARY LICENSE PLATES

<b>Fiscal Impact Summary*</b>	<b>FY 2015-2016</b>	<b>FY 2016-2017</b>
<b>State Revenue</b>	<b><u>\$49,040</u></b>	<b><u>\$49,040</u></b>
Cash Funds	\$49,040	\$49,040
<b>State Expenditures</b>	<b><u>\$72,532</u></b>	<b><u>\$5,190</u></b>
Cash Funds	\$72,532	\$5,190
<b>FTE Position Change</b>		
<b>Appropriation Required:</b> \$72,532 - Department of Revenue (FY 2015-16)		

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

**Summary of Legislation**

Under current law, a military veteran who meets the statutory requirements for physical impairment may be issued either a "handicap disabled veteran" special license plate or a "disabled veteran" special license plate. The "handicap disabled veteran" special license plate allows the plate holder to utilize reserved parking for people with disabilities (PWD), while the "disabled veteran" special license plate comes without parking privileges. Disabled veterans without "handicap disabled veteran" special license plates may still utilize PWD reserved parking, if eligible, by displaying a rearview mirror placard issued by the Department of Revenue (DOR).

This bill allows the Division of Motor Vehicles (DMV) within the DOR to create and issue a PWD version for each of the 36 other military special license plates. The DMV will also create a PWD version of each of the 36 military motorcycle special license plates. In total, 72 new PWD military veterans license plates will be created. This bill applies to license plates issued on or after January 1, 2016.

**State Revenue**

This bill is anticipated to increase one-time state cash fund revenues by \$49,040 in FY 2015-16 and FY 2016-17. State revenue assumptions are discussed below, and outlined in Table 1.

**Assumptions.** Expected demand for the PWD military special license plates is based on the current demand for existing military special license plates, and specifically the "handicap disabled veteran" and the "disabled veteran" special license plates. As of November 2014, there were 129,840 total vehicles registered with a military special license plates, 3,439 of these with "handicap disabled veteran" special license plates and 21,974 of these with "disabled veteran"

special license plates. Using a ratio derived from the number of "handicap disabled veteran" special license plates to all disabled veteran special license plates — 13.5 percent — it is estimated that approximately 17,528 of the 129,840 vehicle owners who are currently registered with military special license plates would qualify for the new PWD military special license plate types.

It is assumed that 10 percent of these eligible vehicle owners — 1,753 — would convert to one of the new PWD military special license plates. Because the license plate becomes available on January 1, 2016, the conversion is assumed to take place in one calendar year, which spans FY 2015-16 and FY 2016-17, so the 1,753 is divided between them, 877 each year. As of November 2014, only 63 motorcycles were registered with "handicap disabled veteran" special motorcycle license plates. It is therefore assumed that the number of PWD military special motorcycle license plates will be nominal.

<b>Table 1. State Revenue Generated Under HB 15-1026</b>		
<b>Revenue Components</b>	<b>FY 2015-16</b>	<b>FY 2016-17</b>
Number of License Plate Sets to be Issued with Fee	877	877
Revenue Credited to License Plate Cash Fund (\$5.92)	\$5,190	\$5,190
Revenue Credited to Highway Users Tax Fund (\$25)	\$21,925	\$21,925
Revenue Credited to Licensing Services Cash Fund (\$25)	\$21,925	\$21,925
<b>TOTAL</b>	<b>\$49,040</b>	<b>\$49,040</b>

Revenue is generated from the plate and tab production fee of \$5.92 per digital license plate set (this fee is \$3.01 for motorcycles, but it is assumed that only a nominal amount of motorcycle plates will be issued), credited to the License Plate Cash Fund (LPCF), which all automobile, truck, and recreational vehicle owners must pay upon registration. Revenue is also generated from the \$50 fee that all applicants for special license plates are required to pay, of which \$25 is credited to the Highway Users Tax Fund (HUTF) and \$25 is credited to the Licensing Services Cash Fund (LSCF).

The State Highway Fund (SHF) receives 65 percent of the HUTF revenue generated through license plate fees for expenditure by the Department of Transportation. This bill is estimated to increase SHF revenue by about \$14,250 in both FY 2015-16 and FY 2016-17.

### **TABOR Impact**

Increased revenue from this bill will increase TABOR refunds starting in FY 2016-17. TABOR refunds are paid from General Fund.

### **State Expenditures**

This bill is expected to increase one-time state expenditures by \$72,532 in FY 2015-16 and by \$5,190 in FY 2016-17. State expenditures are outlined in Table 2.

<b>Table 2. Expenditures Under HB 15-1026</b>		
<b>Cost Components</b>	<b>FY 2015-16</b>	<b>FY 2016-17</b>
Number of License Plate Sets to be Manufactured	877	877
Plate and Tab Production Cost (\$5.92/set)	\$5,190	\$5,190
Plate Design (72 plates at \$200/plate)	\$14,400	\$0
Computer Programming (514 hours)	\$52,942	\$0
<b>TOTAL</b>	<b>\$72,532</b>	<b>\$5,190</b>

**Department of Revenue.** The DMV within the DOR, in partnership with Colorado Correctional Industries (CCI), uses a print-on-demand business model for all military special license plates. The DMV cost for material is \$5.92 per passenger vehicle license plate set, and \$3.01 per each motorcycle single license plate. Because this fiscal note assumes that only a nominal amount of motorcycle license plates will be issued under the bill, the \$5.92 cost is applied throughout the calculation. License plate and tab production costs, estimated to be \$5,190 in FY 2015-16 and FY 2016-17, are expended from the License Plate Cash Fund.

A one-time computer programming cost of \$52,942 is required to update the Colorado State Titling and Registration System (CSTARS) in the DOR, payable from the CSTARS Cash Fund. Computer programming costs are calculated at 514 hours at a rate of \$103 per hour, and will cover implementation planning, modification of registration and title modules and tables, testing, and deployment by the Governor's Office of Information Technology (OIT).

Finally, the DOR will be required to update rules, forms, manuals, and the department's website to reflect the change in law. Additionally, the DOR will provide training to authorized agents, Title and Registration Section staff, and law enforcement. Any workload increase or costs associated with these activities will be accomplished within existing appropriations.

**Department of Corrections.** This bill requires that 36 types of military special license plates be redesigned with a PWD version, and statute further requires that all military special license plates include a version for motorcycles. Therefore a total of 72 new PWD military special license plate designs will be created by the CCI at a rate of \$200 per plate design. The one-time \$14,400 design expenditure will come from the CSTARS Cash Fund in FY 2015-16. The design will include the international wheelchair symbol and may impact other design elements on Colorado's existing military license plates.

### **Local Government Impact**

This bill is expected to increase local government HUTF revenue by an estimated \$7,675 in FY 2015-16 and FY 2016-17. A portion of HUTF revenue generated by license plate fees is distributed to counties (26 percent) and cities (9 percent) for transportation needs.

### **Effective Date**

The bill takes effect August 5, 2015, if the General Assembly adjourns on May 6, 2015, as scheduled, and no referendum petition is filed.

**State Appropriations**

For FY 2015-16, the DOR requires a cash fund appropriation of \$72,532 of which \$5,190 comes from the License Plate Cash Fund and the remaining \$67,342 from the CSTARs Cash Fund. In addition, the OIT requires spending authority for \$52,942 in reappropriated funds.

**State and Local Government Contacts**

Cities and Counties  
Office of Information Technology

Clerk and Records  
Revenue

Corrections  
Transportation