

*Colorado Legislative Council Staff Fiscal Note*

**STATE and LOCAL  
FISCAL IMPACT**

**Drafting Number:** LLS 15-0937 **Date:** March 31, 2015  
**Prime Sponsor(s):** Sen. Woods **Bill Status:** Senate Finance  
 Rep. Joshi; Mitsch Bush **Fiscal Analyst:** Erin Reynolds (303-866-4146)

**BILL TOPIC:** ALS MOTOR VEHICLE LICENSE PLATE

<b>Fiscal Impact Summary*</b>	<b>FY 2015-2016</b>	<b>FY 2016-2017</b>
<b>State Revenue</b>	<b>\$11,184</b>	<b>\$22,368</b>
Cash Funds	11,184	22,368
<b>State Expenditures</b>	<b>\$5,304</b>	<b>\$2,368</b>
Cash Funds	5,304	2,368
<b>FTE Position Change</b>		
<b>TABOR Set-Aside</b>	\$11,184	\$22,368
<b>Appropriation Required: \$5,304 – Multiple agencies (FY 2015-16).</b>		

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

**Summary of Legislation**

The bill creates the Amyotrophic Lateral Sclerosis (ALS) license plate. The license plate will be available—to any applicant who pays the standard license plate taxes and fees and a one-time additional special license plate fee of \$50—on January 1, 2016, or when the Rocky Mountain Chapter of the ALS Association has collected 3,000 signatures of individuals committing to purchase the plate, whichever is later. The Department of Revenue (DOR) may stop issuing ALS license plates if 3,000 license plates are not issued by July 1, 2020. Anyone issued the ALS license plate in advance of that date may continue to use the plate.

**State Revenue**

This bill is anticipated to increase state cash fund revenues by \$11,184 in FY 2015-16, and by \$22,368 each year thereafter. State revenue is outlined in Table 1, and discussed further below.

**Assumptions.** The fiscal note assumes the following:

- The bill will take effect January 1, 2016. Because the first fiscal year of issuance is a half-fiscal year, 200 plate sets will be issued in FY 2015-16, and 400 will be issued each fiscal year thereafter. Expected demand for the ALS license plate is based on the actual demand for the Juvenile Diabetes license plate, which went into effect January 2012, and has an average annual issuance of about 400 plates.
- Although ALS license plates for motorcycles will be available under the bill, there has been a low issuance of Juvenile Diabetes motorcycle license plates; therefore, the fiscal note does not include these costs.

- Under the bill, the Rocky Mountain Chapter of the ALS Association is authorized to design the special license plate, as long as the design conforms with license plate standards established by the DOR. The fiscal note therefore assumes that the DOR will incur no costs for design.

<b>Table 1. State Revenue Under SB15-229</b>		
<b>Revenue Components</b>	<b>FY 2015-16</b>	<b>FY 2016-17</b>
<i>Number of License Plate Sets Issued</i>	200	400
Revenue Credited to License Plate Cash Fund (\$5.92)	\$1,184	\$2,368
Revenue Credited to Highway Users Tax Fund (\$25)	5,000	10,000
Revenue Credited to Licensing Services Cash Fund (\$25)	5,000	10,000
<b>TOTAL</b>	<b>\$11,184</b>	<b>\$22,368</b>

**Department of Revenue.** Revenue is generated from the plate and tab production fee of \$5.92 per plate set, credited to the License Plate Cash Fund (LPCF) in the DOR. Per the assumptions section, revenue from motorcycle plate and tab production, \$3.01 per single plate, is not included in the analysis due to the expected low issuance. Applicants for the ALS license plate are also required to pay an additional \$50 special license plate fee. Of this, \$25 is credited to the HUTF and \$25 is credited to the LSCF.

**Department of Transportation (CDOT).** The State Highway Fund in CDOT receives 65 percent of the HUTF revenues generated through license plate fees, which is expected to amount to \$3,250 in FY 2015-16, and \$6,500 each year thereafter under the bill.

**TABOR Impact**

This bill increases state cash fund revenue, which will increase the amount required to be refunded under TABOR. TABOR refunds are paid from General Fund.

**State Expenditures**

State cash fund expenditures will increase by \$5,304 in FY 2015-16, and by \$2,368 each year thereafter. State expenditures are outlined in Table 2, and discussed further below.

<b>Table 2. State Expenditures Under SB15-229</b>		
<b>Cost Components</b>	<b>FY 2015-16</b>	<b>FY 2016-17</b>
Material Costs	\$1,184	\$2,368
Computer Programming	4,120	0
<b>TOTAL</b>	<b>\$5,304</b>	<b>\$2,368</b>

**Material costs.** License plate and tab production costs are \$5.92 per license plate set. Because the fiscal note assumes that 200 ALS license plate sets will be issued in the first half-fiscal year, and 400 in each full fiscal year thereafter, production costs are expected to be \$1,184 in FY 2015-16, and \$2,368 each year thereafter. Material costs are expended from the LPCF in the DOR.

**Computer programming.** One-time computer programming costs of \$4,120 are required to update the Colorado State Titling and Registration System (CSTARS) in the DOR. The Office of Information Technology will perform 40 hours of programming at an hourly rate of \$103.

**Plate inventory.** The Department of Motor Vehicles within the DOR, in partnership with Colorado Correctional Industries in the Department of Corrections, uses a print-on-demand business model for special license plates. No appropriation is required for the stocking of license plate inventory.

**Updates and training.** 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.

### **Local Government Impact**

This bill is expected to increase local government HUTF revenue by \$1,750 in FY 2015-16, and by \$3,500 each year thereafter. HUTF revenue generated by license plate fees is distributed to counties (26 percent) and municipalities (9 percent) for transportation projects.

### **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. The license plate issuance becomes effective January 1, 2016, or upon the Rocky Mountain Chapter of the ALS Association collecting 3,000 signatures committing to purchase the plate, whichever is later.

### **State Appropriations**

For FY 2015-16, the Department of Revenue requires a cash fund appropriation of \$5,304; \$1,184 from the License Plate Cash Fund, and \$4,120 from the CSTARS Account. The Office of Information Technology requires \$4,120 in reappropriated funds from the Department of Revenue.

### **State and Local Government Contacts**

Revenue  
Clerk and Recorders  
Local Affairs

Corrections  
Public Safety  
Counties

Transportation  
Office of Information Technology  
Municipalities