

**STATE and LOCAL
FISCAL IMPACT**

Drafting Number: LLS 15-1018	Date: March 31, 2015
Prime Sponsor(s): Rep. Becker K. Sen. Baumgardner	Bill Status: House Transportation & Energy
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BILL TOPIC: ROCKY MOUNTAIN NATIONAL PARK LICENSE PLATE

Fiscal Impact Summary*	FY 2015-2016	FY 2016-2017
State Revenue	\$12,582	\$25,164
Cash Funds	12,582	25,164
State Expenditures	\$5,452	\$2,664
Cash Funds	5,452	2,664
FTE Position Change		
TABOR Set-Aside	\$12,582	\$25,164
Appropriation Required: \$5,452 – Multiple agencies (FY 2015-16).		

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

Summary of Legislation

The bill creates the Rocky Mountain National Park (RMNP) license plate. The license plate will be available to any applicant—provided he or she makes a donation to support RMNP, as well as paying the standard license plate taxes and fees and a one-time additional special license plate fee of \$50—on November 15, 2015, or when the Department of Revenue (DOR) is able, whichever is later. The DOR may stop issuing RMNP license plates if 3,000 license plates are not issued by July 1, 2020. Anyone issued the RMNP license plate in advance of that date may continue to use the plate.

The DOR is required to designate a nonprofit organization working in RMNP, at least once every five years, to be the recipient of license plate donations based on a set of criteria outlined in the bill and DOR methodology. Under the bill, this organization will establish the minimum donation amount that a license plate applicant must make in order to receive a certification of donation.

State Revenue

This bill is anticipated to increase state cash fund revenues by \$12,582 in FY 2015-16, and \$25,164 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, 225 plate sets will be issued in FY 2015-16, and 450 will be issued each fiscal year thereafter. Expected demand for the RMNP license plate is based on the actual demand for the State Parks license plate, which went into effect January 2011, and has an average annual issuance of about 450 plates.

- Although RMNP license plates for motorcycles will be available under the bill, there has been a low issuance of State Parks motorcycle license plates. Therefore, the fiscal note does not include these impacts.
- Under the bill, the Rocky Mountain Conservancy 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.

Revenue Components	FY 2015-16	FY 2016-17
<i>Number of License Plate Sets Issued</i>	225	450
Revenue Credited to License Plate Cash Fund (\$5.92)	\$1,332	\$2,664
Revenue Credited to Highway Users Tax Fund (\$25)	5,625	11,250
Revenue Credited to Licensing Services Cash Fund (\$25)	5,625	11,250
TOTAL	\$12,582	\$25,164

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. In addition to presenting a certificate of payment from the RMNP nonprofit that is selected to receive the donation under the bill, applicants for the RMNP 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 \$3,656 in FY 2015-16, and \$7,313 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 \$5,452 in FY 2015-16, and by \$2,664 each year thereafter. State expenditures are outlined in Table 2, and discussed further below.

Cost Components	FY 2015-16	FY 2016-17
Material Costs	\$1,332	\$2,664
Computer Programming	4,120	0
TOTAL	\$5,452	\$2,664

Material costs. License plate and tab production costs are \$5.92 per license plate set. Because the fiscal note assumes that 225 RMNP license plate sets will be issued in the first half-fiscal year, and 450 in each full fiscal year thereafter, production costs are expected to be \$1,332 in FY 2015-16, and \$2,664 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 \$1,969 in FY 2015-16, and by \$3,938 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 November 15, 2015, or when the DOR is able to issue the plates, whichever is later.

State Appropriations

For FY 2015-16, the Department of Revenue requires a cash fund appropriation of \$5,452; \$1,332 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