

Colorado Legislative Council Staff Fiscal Note

**STATE
FISCAL IMPACT**

Drafting Number: LLS 15-1111
Prime Sponsor(s): Sen. Sonnenberg

Date: April 29, 2015
Bill Status: Senate Transportation
Fiscal Analyst: Kerry White (303-866-3469)

BILL TOPIC: REPEAL MOTORCYCLE OPERATOR SAFETY TRAINING PROGRAM

Fiscal Impact Summary*	FY 2015-2016	FY 2016-2017
State Revenue	(\$805,000)	(\$872,000)
Cash Funds	(733,000)	(800,000)
Federal Funds	(72,000)	(72,000)
State Expenditures	(\$805,000)	(\$872,000)
General Fund	workload increase	0
Cash Funds**	(733,000)	(\$800,000)
Federal Funds	(72,000)	(72,000)
TABOR Set Aside	(\$733,000)	(\$800,000)
FTE Position Change	(0.9 FTE)	(1.0 FTE)
Appropriation Required: FTE reduction only.		

* This summary shows changes from current law under the bill for each fiscal year. Parentheses indicate a decrease in funds.

** This amount includes centrally appropriated costs for the existing FTE.

Summary of Legislation

This bill repeals the Motorcycle Operator Safety Training (MOST) program in the Colorado Department of Transportation (CDOT). It requires the Department of Revenue (DOR) to issue a motorcycle endorsement to an applicant who provides proof of completion of a motorcycle training program that meets the standards of the National Association of State Motorcycle Safety Administrators. Authority to levy surcharges for the program is repealed.

Background

The MOST program is funded by a \$2 surcharge for a motorcycle endorsement on a driver's or provisional driver's license and a \$4 surcharge on the registration of a motorcycle. A surcharge of \$1 is added to any extension for a license with a motorcycle endorsement. Moneys are credited to the MOST Fund and used by CDOT to implement and administer the program. Currently, CDOT is permitted to retain up to 15 percent of annual MOST revenues for administrative purposes; the remainder is distributed to private sector training providers. Moneys in the MOST Fund are continuously appropriated and unspent moneys remain in the fund for use in a future fiscal year. In FY 2013-14, \$771,952 was credited to the MOST Fund. At the end of the fiscal year, the fund had a balance of \$267,096.

State Revenue

Revenue to the MOST Fund is projected to be \$800,000 in FY 2015-16. By repealing the authority to levy surcharges, the fiscal note assumes that revenue will be reduced by \$800,000 per year. The first year's impact is adjusted due to the effective date of the bill. As of this writing, the exact breakdown of revenue by type of surcharge was not available. In addition, \$72,000 per year in National Highway Traffic Safety Administration (federal) funds will no longer be available to the CDOT.

TABOR Impact

This bill will reduce the amount of revenue from surcharges, which will reduce the amount required to be refunded under TABOR. TABOR refunds are paid from the General Fund.

State Expenditures

Beginning in FY 2015-16, this bill decreases state expenditures for CDOT by \$872,000 and 1.0 FTE per year and increases workload for DOR.

CDOT reduction. Under the bill, MOST program expenses of approximately \$805,000 will be reduced in FY 2015-16 and \$872,000 in FY 2016-17 and future years. The full year amount, which is prorated in FY 2015-16, includes 1.0 FTE and assumes up to \$120,000 would have been spent on administrative costs and at least \$680,000 would have been distributed to private sector training providers. In addition, \$72,000 per year in federal National Highway Traffic Safety Administration funds will no longer be expended by CDOT for the MOST program. These funds have been used to fund public relations activities and other expenses not covered by the MOST Fund.

DOR increases. The DOR will be required to update its computer systems to remove the surcharges for registering motorcycles and obtaining an endorsement on a driver's license. The department will program these fees to \$0 rather than remove the fields, thus requiring a minimal workload increase in FY 2015-16 for which no appropriations are required.

State Appropriations

For FY 2015-16, the Colorado Department of Transportation's allocation of FTE should be reduced by 0.9 FTE.

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 and Local Government Contacts

Revenue

Transportation