



**Colorado
Legislative
Council
Staff**

SB16-030

FISCAL NOTE

FISCAL IMPACT: State Local Statutory Public Entity Conditional No Fiscal Impact

Drafting Number: LLS 16-0651
Prime Sponsor(s): Sen. Hodge
Rep. Tyler

Date: January 25, 2016
Bill Status: Senate Transportation
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BILL TOPIC: MOTOR VEHICLE WEIGHT VIOLATION SURCHARGES

Fiscal Impact Summary	FY 2016-2017	FY 2017-2018
State Revenue	<u>at least (\$31,470)</u>	<u>at least (\$34,331)</u>
Cash Funds	at least (31,470)	at least (34,331)
State Expenditures	<u>\$12,566</u>	
General Fund	12,566	
TABOR Impact	at least (\$31,470)	at least (\$34,331)
FTE Position Change		
Appropriation Required: \$12,566 - Department of Revenue (FY 2016-17).		
Future Year Impacts: Ongoing reduction in state cash fund revenue.		

Note: *While all agencies were canvassed for this analysis, not all agencies were able to respond with complete information within the time frames provided. The fiscal note will be updated if more information becomes available.*

Summary of Legislation

Under current law, individuals convicted of violating motor vehicle weight limits or the terms of overweight permits must pay a variable penalty and a surcharge, depending on the level of excess weight. This bill changes the variable surcharge rate to a flat 16 percent of the penalty for all violations.

Background

Oversize and overweight vehicles. In Colorado, the legal dimensions and maximum weight limits for commercial vehicles are specified in statute. The Colorado Department of Transportation (CDOT) is responsible for regulating the movement of oversize and overweight vehicles on the state's highways and interstates and accomplishes this by issuing permits and providing route guidelines for commercial vehicles that exceed the normal size and weight limits allowed by law.

Ports of Entry. The Colorado State Patrol within the Department of Public Safety runs the state's ten Port of Entry locations, which regulate commercial vehicles on major highways. Port of Entry weigh stations determine if commercial vehicles have violated weight limits and issue the bulk of the citations related to weight limit violations.

Overweight vehicle penalty and surcharge revenue. Individuals who are cited for overweight vehicle violations by local or municipal law enforcement pay the county or municipal court, which may keep a portion of the penalty revenue and must transmit the remainder to the DOR. Citations written by state patrol are paid directly to the DOR. All revenue collected by the DOR for overweight vehicle violations is credited to the Commercial Vehicle Enterprise Tax Fund.

State Revenue

This bill is expected to decrease state revenue in the Commercial Vehicle Enterprise Tax Fund (fund) by at least \$31,470 in FY 2016-17 and by at least \$34,331 in FY 2017-18. Table 1 below shows the reduction in surcharge collections. FY 2016-17 has been prorated by a month to account for the bill's effective date.

Table 1. Overweight Vehicle Violation Surcharge Rate Impact under SB16-030			
Current Surcharge	Proposed Surcharge	Change FY 2016-17	Change FY 2017-18
\$48,845	\$14,514	(\$31,470)	(\$34,331)

Assumptions

- Because penalties and surcharges are not tracked separately in the fund, annual surcharge revenue is an estimate; the fiscal note estimates 35 percent of total revenue collected in FY 2014-15—\$48,845—came from surcharges and the rest—\$90,712—came from penalties.
- Under the bill, the flat surcharge assessment of 16 percent of the penalty creates a new proportion of surcharge revenue, estimated at 13.8 percent of total revenue from surcharges, resulting in the reductions shown in Table 1.

The revenue reductions above reflect the change to surcharge rates for overweight vehicle violations. The bill also reduces the surcharge rate for overweight *permit* violations. As the number of citations written and the amount of revenue collected for permit violations is unknown, the fiscal note has not estimated the expected revenue reduction from permit violations.

TABOR Impact

This bill reduces state revenue from cash funds, which will reduce the amount of money required to be refunded under TABOR. TABOR refunds are paid out of the General Fund. Since the bill reduces the TABOR refund obligation without a corresponding change in General Fund revenue, the amount of money available in the General Fund for the budget will increase by an identical amount.

State Expenditures

In FY 2016-17, this bill will increase General Fund expenditures by \$12,566 in the DOR. The DOR requires 122 hours of computer programming services to update codes in the Penalty Assessment Express system. The Office of Information Technology provides computer programming services at \$103 per hour. Because of the low Licensing Services Cash Fund balance, General Fund is required.

Local Government Impact

Although local governments may write citations for overweight vehicle violations, they retain no portion of the surcharge revenue, which must be transferred to the DOR. To the extent that local law enforcement must update their citations or systems to reflect the new surcharge rate, workloads may increase. Any increase in workloads is expected to be minimal.

Effective Date

The bill takes effect August 10, 2016, if the General Assembly adjourns on May 11, 2016, as scheduled, and no referendum petition is filed. This bill applies to offenses committed on or after this date.

State Appropriations

This bill requires a General Fund appropriation of \$12,566 to the Department of Revenue, to be reappropriated to the Office of Information Technology.

State and Local Government Contacts

Counties
Revenue

Office of Information Technology
Transportation

Public Safety
Treasury