

**JBC STAFF FISCAL ANALYSIS
SENATE APPROPRIATIONS COMMITTEE**

CONCERNING THE SALE OF UNIQUELY VALUABLE REGISTRATION NUMBERS FOR VEHICLES, AND, IN CONNECTION THEREWITH, MAKING AN APPROPRIATION.

Prime Sponsors: Senator Aguilar
Representative Gerou

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Fiscal Impact of Bill as Amended to Date

The most recent Legislative Council Staff Revised Fiscal Note (attached) reflects the fiscal impact of the bill as of 03/11/13.

	No Change: Attached LCS Fiscal Note accurately reflects the fiscal impact of the bill
XXX	Update: Fiscal impact has changed due to <i>new information or technical issues</i>
	Update: Fiscal impact has changed due to <i>amendment adopted</i> after LCS Fiscal Note was prepared
	Non-Concurrence: JBC Staff and Legislative Council Staff disagree about the fiscal impact of the bill

The updated information from the Department of Personnel is that the revenue expected to be generated due to the passage of this bill will trigger the appropriations identified in H.B. 11-1216 (Laura Hershey Disability-Benefit Support Act) to the Governor's Office, the Department of Revenue, and the Department of Personnel. These appropriations are identified in the "Description of Amendments in This Packet" below. The change in revenue generated is because the bill grants an income tax credit of 20.0 percent of the amount that the uniquely valuable license plate number is anticipated to generate interest in the license plate auctions.

Amendments in This Packet for Consideration by Appropriations Committee

Amendment	Description
J.001	Staff-prepared appropriation amendment
J.002	Bill sponsor amendment - changes appropriation

Current Appropriations Clause in Bill

The bill, as amended by the Senate Judiciary Committee Report dated February 27, 2013, includes an appropriation clause that appropriates \$300,000 cash funds from the Registration Number Fund to the Office of the Governor for FY 2013-14. The reference to the Office of the Governor should read "Governor - Lieutenant Governor - State Planning and Budgeting". In addition, the bill requires an appropriation to the Department of Revenue for FY 2013-14.

Description of Amendments in This Packet

J.001 Staff has prepared amendment **J.001** (attached) to change the existing appropriation clause to correct the deficiency identified above and appropriates \$16,000 General Fund to the Department of Revenue, Taxation Business Group, for FY 2013-14 for programming changes to the Department's GenTax software.

This amendment includes appropriations to the Department of Revenue identified in the Legislative Council Staff Revised Fiscal Note (attached).

J.002 Staff has prepared sponsor amendment **J.002** changes the existing appropriation clause to correct the deficiency identified above; appropriates \$15,648 cash funds and 0.3 FTE from the Disability-Benefit Support Fund to the Department of Personnel, Executive Director's Office to implement the "Laura Hershey Disability-Benefit Support Act (H.B. 11-1216); and appropriates \$16,000 General Fund to the Department of Revenue, Taxation Business Group for programming changes to the Department's GenTax software.

This amendment includes appropriations to the Department of Revenue identified in the Legislative Council Staff Revised Fiscal Note, and includes new information provided by the Department of Personnel that changes the fiscal impact of the bill and requires an additional appropriation to the Department of Personnel. Specifically the new information is that the tax credit provision in the bill will spur additional interest in the license plate auctions.

The Committee should adopt either amendment J.001 or J.002, but not both.

Points to Consider*1. General Fund Impact*

The Joint Budget Committee introduced a budget package for FY 2013-14 based on the March 2013 Office of State Planning and Budgeting revenue forecast. The budget package appropriates all but approximately \$8.0 million of General Fund revenues projected to be available, less a statutorily required five percent General Fund reserve. This bill requires a General Fund appropriation of \$16,000 for FY 2013-14.

Section 42-1-407 (3) (a) (I) to (III) specifies transfers to the Disability-Benefit Support Fund and/or the General Fund depending upon the amount of moneys raised by the license plate auctions. Potentially, this could increase General Fund revenue by up to \$1.0 million, providing there are sufficient revenues raised by the license plate auctions. As noted in the Legislative Council Staff Revised Fiscal Note, since no license plate sales have occurred to date, the outlook for these additional revenues is uncertain.

2. *Revenue Source*

Section 42-1-407 (2), C.R.S., authorizes the General Assembly to appropriate moneys, not to exceed 5.0 percent of the fund balance in the Registration Number Fund, to the Department of Revenue, the Governor's Office, and the License Plate Auction Group to implement the License Plate Auction process. The bill currently includes an appropriation of \$300,000 cash funds from the Registration Number Fund to the Governor's Office.

Although the Department of Revenue is authorized to receive moneys from the Registration Number Fund, it is assumed that the programming changes required to implement the bill will precede the receipt of any moneys in the fund and that the appropriation to the Department will be made from the General Fund.