

**STATE and LOCAL
FISCAL IMPACT**

Drafting Number: LLS 13-0425

Date: February 13, 2013

Prime Sponsor(s): Sen. Harvey

Bill Status: Senate Transportation

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TITLE: CONCERNING THE CREATION OF A NAVY SEAL LICENSE PLATE.

Fiscal Impact Summary	FY 2013-2014	FY 2014-2015
State Revenue		
Cash Funds	<u>\$3,355</u>	<u>\$559</u>
Highway Users Tax Fund	1,500	250
Licensing Services Cash Fund	1,500	250
License Plate Cash Fund	355	59
State Expenditures		
Cash Funds	<u>At least \$3,315</u>	<u>\$59</u>
HUTF License Plate Cash Fund	355	59
HUTF - CSTAR Account	2,960	
FTE Position Change		
Effective Date: August 7, 2013, if the General Assembly adjourns on May 8, 2013, as scheduled, and no referendum petition is filed.		
Appropriation Summary for FY 2013-2014: See State Appropriations section.		
Local Government Impact: See Local Government Impact section.		

Summary of Legislation

This bill creates the Navy SEALs special license plate. The plate will be available to honorably discharged, retired, reserve or active members of the Navy SEALs, who pay regular license plate fees, including a one-time additional fee of \$50. Of this fee, \$25 is credited to the Licensing Services Cash Fund (LSCF) and \$25 is credited to the Highway Users Tax Fund (HUTF). The plate will indicate whether the owner is a veteran, reserve member, or active member of the Navy SEALs, and will be available January 1, 2014.

State Revenue

This bill is anticipated to increase state cash fund revenue by up to \$3,355 in FY 2013-14 and \$559 in FY 2014-15. Table 1 displays revenue generated by fiscal year.

Table 1. State Revenue Generated Under SB 13-120		
	FY 2013-14	FY 2014-15
Number of License Plate Sets to be Issued	60	10
Revenue Credited to License Plate Cash Fund (\$5.92)	\$355	\$59
\$25 Fee to Highway Users Tax Fund	1,500	250
\$25 Fee to Licensing Services Cash Fund	1,500	250
Total Revenue	\$3,355	\$559

Revenue is generated from the plate and tab production fee of \$5.92 per plate set, credited to the License Plate Cash Fund (LPCF), which all vehicle owners must pay upon registration. Applicants for the Navy SEALs plate are also required to pay an additional \$50 fee; of this, \$25 is credited to the HUTF and \$25 is credited to the Licensing Services Cash Fund (LSCF). The Department of Revenue (DOR) may begin issuing the plate on January 1, 2014, upon completion of design and administrative preparations. This fiscal note assumes the DOR will issue 60 plate sets in FY 2013-14, 10 plate sets per year in FY 2014-15, and 10 plates each year thereafter.

State Expenditures

State cash fund expenditures will increase by at least \$3,315 in FY 2013-14 and \$59 in FY 2014-15. Table 2 shows the costs required to implement the bill.

Table 2. State Expenditures Under SB 13-120		
	FY 2013-14	FY 2014-15
Number of License Plate Sets to be Manufactured	60	10
Plate Cost (\$5.92)	\$355	\$59
Computer Programming (40 hours at \$74.00 per hour)	2,960	0
Total	\$3,315	\$59

In FY 2013-14, one-time computer programming costs of \$2,960 are required to update the Colorado State Titling and Registration System (CSTARS). License plate and tab production costs are expended from the LPCF. Based on expected demand for the new plate, an initial run of 60 plate sets will be necessary. The plate is expected to be designed by the UDT/ SEAL Association, Rocky Mountain chapter. In addition, the plate will identify whether the owner is a veteran, reserve member, or active member of the Navy SEALs. This identifier is expected to have additional costs, although an estimate is not available at the time of this writing.

It should also be noted that any increase in revenue to the HUTF will be expended in the year of the increase.

Local Government Impact

The bill increases HUTF revenue by an estimated \$1500 in FY 2013-14 and \$250 in FY 2014-15. HUTF revenue generated by license plate fees is distributed to the State Highway Fund (65 percent), counties (26 percent), and cities (9 percent) for transportation.

State Appropriations

For FY 2013-14, the DOR requires two cash fund appropriations — \$355 from the License Plate Cash Fund, and \$2,960 from the HUTF CSTAR Account. In addition, the Governor's Office of Information Technology requires spending authority for \$2,960 in reappropriated funds.

Departments Contacted

Corrections

Military Affairs

Revenue