

**STATE and LOCAL
FISCAL IMPACT**

Drafting Number: LLS 13-0889 **Date:** April 8, 2013
Prime Sponsor(s): Sen. Kerr; Baumgardner **Bill Status:** Senate Transportation
 Rep. Hamner; Wright **Fiscal Analyst:** Jonathan Senft (303-866-3523)

TITLE: CONCERNING THE CREATION OF A "PROTECT OUR RIVERS" LICENSE PLATE FOR COLORADO TROUT UNLIMITED.

Fiscal Impact Summary	FY 2013-2014	FY 2014-2015
State Revenue		
Cash Funds	<u>\$55,920</u>	<u>\$5,592</u>
Highway Users Tax Fund	\$25,000	\$2,500
Licensing Services Cash Fund	25,000	2,500
License Plate Cash Fund	5,920	592
State Expenditures		
Cash Funds	<u>\$8,882</u>	<u>\$592</u>
HUTF - License Plate Cash Fund	\$5,920	\$592
HUTF - CSTAR Account	2,972	
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 Protect Our Rivers special license plate. The plate will be available to all applicants who pay a one-time additional fee of \$50 and demonstrate they have donated \$25 to Colorado Trout Unlimited, a non-profit organization. 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 \$25 donation to Colorado Trout Unlimited is not to be used for litigation or lobbying.

State Revenue

This bill is anticipated to increase state cash fund revenue by up to \$55,920 in FY 2013-14 and \$5,592 in FY 2014-15. Table 1 displays revenue generated by fiscal year.

Table 1. State Revenue Generated Under SB 13-224		
	FY 2013-14	FY 2014-15
Number of License Plate Sets to be Issued	1,000	100
Revenue Credited to License Plate Cash Fund (\$5.92)	\$5,920	\$592
\$25 Fee to Highway Users Tax Fund	25,000	2,500
\$25 Fee to Licensing Services Cash Fund	25,000	2,500
Total Revenue	\$55,920	\$5,592

Revenue is generated from the plate and tab production fee of \$5.92 per plate set, credited to the License Plate Cash Fund, which all vehicle owners must pay upon registration. Applicants for the Protect Our Rivers plate are also required to pay an additional \$50 fee; of this, \$25 is credited to the Highway Users Tax Fund and \$25 is credited to the Licensing Services Cash Fund. 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 1,000 plate sets in FY 2013-14, and 100 plate sets in FY 2014-15.

State Highway Fund. This bill increases State Highway Fund revenue in the Department of Transportation by an estimated \$16,250 in FY 2013-14 and \$1,625 in FY 2014-15. HUTF revenue generated by license plate fees is distributed to the State Highway Fund (65 percent), counties (26 percent) and municipalities (9 percent) for transportation purposes.

State Expenditures

State expenditures will increase by \$8,892 in FY 2013-14 and \$592 in FY 2014-15. Table 2 shows the costs required to implement the bill.

Table 2. State Expenditures Under SB 13-224		
	FY 2013-14	FY 2014-15
Number of License Plate Sets to be Manufactured	1,000	100
Plate and Tab Production cost (\$5.92)	\$5,920	592
Computer Programming (40 hours at \$74.00 per hour)	2,972	0
Total	\$8,892	\$592

In FY 2013-14, one-time computer programming costs of \$2,972 are required to update the Colorado State Titling and Registration System (CSTARS), which is paid from the HUTF - CSTAR account. Plate and tab production costs are expended from the License Plate Cash Fund (LPCF). Based on expected demand for the new plate, an initial run of 1,000 plate sets will be necessary. The plate will be designed by the Colorado Trout Unlimited and, therefore, the DOR will not incur standard design costs of \$200.

Local Government Impact

The bill increases county and municipal government revenue by an estimated \$8,750 in FY 2013-14 and \$875 in FY 2014-15. Since this bill is expected to increase HUTF revenue by \$25,000 in FY 2013-14, and \$2,500 in FY 2014-15, county and other local distributions are increased accordingly. HUTF revenue generated by license plate fees is distributed to the State Highway Fund (65 percent), counties (26 percent) and municipalities (9 percent) for transportation.

State Appropriations

For FY 2013-14, the DOR requires two cash fund appropriations — \$5,920 from the License Plate Cash Fund, and \$2,972 from the HUTF CSTAR Account. In addition, the Governor's Office of Information Technology requires an appropriation of \$2,960 in reappropriated funds.

Departments Contacted

Corrections Governor's Office of Information Technology Revenue