Legislative Council Staff
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FISCAL NOTE

Drafting Number:	LLS 20-0400
Prime Sponsors:	Sen. Crowder Rep. Will

Date:	January 10, 2020
Bill Status:	Senate SVMA
Fiscal Analyst:	Katie Ruedebusch | 303-866-3001 Katie.Ruedebusch@state.co.us

Bill Topic:	**SURPLUS MILITARY VEHICLES HIGHWAY USE IF FIREFIGHTING**

Summary of Fiscal Impact:	☒ State Revenue ☒ State Expenditure ☐ State Transfer	☐ TABOR Refund ☒ Local Government ☐ Statutory Public Entity
	This bill exempts surplus military vehicles used by local governments and fire protection districts for fire protection purposes from the definition of an off-highway vehicle. The bill minimally increases state revenue beginning in FY 2020-21 and increases state expenditures in FY 2020-21 only.	
Appropriation Summary:	For FY 2020-21, the bill requires an appropriation of $3,375 to the Department of Revenue.	
Fiscal Note Status:	This fiscal note reflects the introduced bill, which was recommended by the Wildfire Matters Review Committee.	

Table 1
State Fiscal Impacts Under SB 20-056

		FY 2020-21	FY 2021-22
Revenue		-	-
Expenditure	Cash Funds	$3,375	-
Transfer		-	-
TABOR Refund		-	-

Summary of Legislation

This bill clarifies that a surplus military vehicle is not included in the definition of an off-highway vehicle if a municipality, county, or fire protection districts uses the surplus military vehicle for firefighting efforts, including mitigating the risk of wildfires.

Background

Military vehicles are not deemed roadworthy in Colorado nor under federal safety standards. In 2019, Senate Bill 19-054 created a new definition for surplus military vehicles. Surplus military vehicles are off-highway vehicles that are built for the United States armed forces and purchased for nonmilitary use. Surplus military vehicles can be titled as off-highway vehicles for use and sale, but not registered for on-road use.

Although Colorado law does not allow off-highway vehicles on state highways, local governments may authorize off-highway vehicles to use local roads or streets. In addition, off-highway vehicles used for agricultural purposes are allowed to use public roads. Finally, federal law allows local governments that lease surplus military vehicles from the Department of Defense to operate surplus military vehicles on public roads and does not require states to register these leased vehicles. Currently, 58 surplus military vehicles are owned by local governments or fire protection districts.

State Revenue

If more surplus military vehicles are registered by local governments and fire protection districts, state cash fund revenue will increase. Local governments and fire protection districts will be required to register the vehicles, pay applicable fees and surcharges, and purchase government license plates. This revenue increase, and any resulting impact to TABOR refunds, is expected to be minimal.

State Expenditures

In FY 2020-21, one-time programming costs of $3,375 are required to update the Driver License, Record, Identification and Vehicle Enterprise Solutions (DRIVES) system. Programming costs are calculated at 15 hours at a rate of $225 per hour.

Additionally, workload will increase in the DOR to engage in any required rulemaking and to update forms, manuals, and the department's website to reflect the change in law, as well as provide training to authorized agents, Title and Registration Section staff, and law enforcement. Any workload increases or costs can be accomplished within existing appropriations.

Local Government and Fire Protection Districts

If local governments and fire protection districts register more surplus military vehicles, expenditures will increase.

Effective Date

The bill takes effect August 5, 2020, if the General Assembly adjourns on May 6, 2020, as scheduled, and no referendum petition is filed.

State Appropriations

For FY 2020-21, the bill requires an appropriation of $3,375 from the Colorado DRIVES Vehicle Services Account to the Department of Revenue.

State and Local Government Contacts

Counties
Municipalities
Transportation

Fire Chiefs
Public Safety

Information Technology
Revenue