

**Legislative
Council Staff***Nonpartisan Services for Colorado's Legislature***FISCAL NOTE****Drafting Number:** LLS 18-0481
Prime Sponsors: Rep. Danielson**Date:** January 18, 2018
Bill Status: House Transportation
Fiscal Analyst: Ryan Long | 303-866-2066
RyanC.Long@state.co.us**Bill Topic:** HONOR THE SERVICE OF THE SEABEES**Summary of
Fiscal Impact:** State Revenue TABOR Refund
 State Expenditure Local Government
 State Transfer Statutory Public Entity

This bill creates the Seabees military license plate. Beginning in FY 2018-19, this bill will increase state revenue and expenditures and local government revenue, on an ongoing basis.

**Appropriation
Summary:** In FY 2018-19, the bill requires an appropriation of \$1,918 to the Department of Revenue.**Fiscal Note
Status:** The fiscal note reflects the introduced bill.

Table 1
State Fiscal Impacts Under HB 18-1016

		FY 2018-19	FY 2019-20
Revenue	Cash Funds	\$1,918	\$243
	Highway Users Tax Fund	\$16,200	\$2,050
	Total	\$18,118	\$2,293
Expenditure	Cash Funds	\$1,918	\$243
	Total	\$1,918	\$243
Transfers		-	-

Summary of Legislation

This bill creates the Seabees military license plate. The license plate is available to honorably discharged, retired, reserve, or active members of the US naval construction battalion who submit the required forms and pay a one-time special plate fee of \$50.

Assumptions

Expected demand for this plate is based on the actual demand for the current US Army 10th Mountain Division military license plate, which has similar qualifications. The fiscal note assumes that 324 license plates will be issued in FY 2018-19, and 41 will be issued in FY 2019-20 and thereafter.

State Revenue

This bill will increase state cash fund revenue by \$18,118 in FY 2018-19 and \$2,293 in FY 2019-20 and in future years to the Department of Revenue from the License Plate Cash Fund (LPCF) and the Licensing Services Cash Fund and the Department of Transportation from the Highway Users Tax Fund. Table 2 outlines the revenue generated under this bill.

Table 2
Revenue Under HB 18-1016

Revenue Components	FY 2018-19	FY 2019-20
License Plate Sets Issued	324	41
Standard License Plate Revenue <i>License Plate Cash Fund (\$5.92 per plate)</i>	\$1,918	\$243
Special License Plate Revenue <i>Licensing Services Cash Fund (\$25 per plate)</i>	\$8,100	\$1,025
Special License Plate Revenue <i>Highway Users Tax Fund (\$25 per plate)</i>	\$8,100	\$1,025
Total Revenue	\$18,118	\$2,293

Standard license plate fees. Upon registration, all vehicle owners must pay a plate and tab production fee of \$5.92 for a passenger vehicle plate set and \$3.01 for a motorcycle plate set. This fiscal note assumes motorcycle plate issuance for the Seabees military license plate will be minimal. Fees from plate and tab production are credited to the LPCF.

Special license plate fees. Applicants for the Seabees military license plate are also required to pay an additional \$50 fee, of which \$25 is credited to the Highway Users Tax Fund (HUTF) and \$25 is credited to the Licensing Services Cash Fund.

HUTF distribution. Of the \$25 in special license plate fees that goes to the HUTF, 65 percent is credited to the State Highway Fund for expenditure by the Colorado Department of Transportation, 26 percent is credited to counties, and 9 percent is credited to municipalities. Table 3 outlines the estimated HUTF distributions generated under this bill.

Table 3
Estimated HUTF Distributions Under HB 18-1016

	FY 2018-19	FY 2019-20
State Highway Fund	\$10,530	\$1,332
Counties	\$4,212	\$533
Municipalities	\$1,458	\$185
Total Distribution	\$16,200	\$2,050

State Expenditures

State cash fund expenditures in the Department of Revenue will increase by \$1,918 in FY 2018-19, and by \$243 in FY 2019-20 and in future years. State expenditures are detailed in Table 4.

Table 4
Expenditures Under HB 18-1016

	FY 2018-19	FY 2019-20
Department of Revenue		
License Plate Sets Manufactured	324	41
Plate and Tab Production Cost - LPCF	\$1,918	\$243
Total Cost	\$1,918	\$243

Department of Revenue. In FY 2018-19, DOR will be required to update rules, forms, manuals, and the department's website to reflect the change in law. Additionally, the DOR will provide training to authorized agents, Title and Registration Section staff, and law enforcement. Any workload increases or costs associated with these activities can be accomplished within existing appropriations.

License plate and tab production costs of \$1,918 will be expended from the LPCF, and are equal to the revenue generated from standard license plate fees.

Local Government

This bill will increase county and local government HUTF revenue by an estimated \$5,670 in FY 2018-19 and \$718 in FY 2019-20 and thereafter, as shown above in Table 3. HUTF revenue generated by license plate fees is distributed to counties (26 percent) and municipalities (9 percent) for transportation needs.

Effective Date

The bill takes effect August 8, 2018, if the General Assembly adjourns on May 9, 2018, as scheduled, and no referendum petition is filed.

State Appropriations

For FY 2018-19, the bill requires a cash fund appropriation of \$1,918 from the License Plate Cash Fund to the Department of Revenue.

State and Local Government Contacts

Counties
Information Technology
Revenue

County Clerks
Local Affairs
Transportation

Corrections
Public Safety