



**Legislative
Council Staff**

Nonpartisan Services for Colorado's Legislature

FISCAL NOTE

Drafting Number: LLS 18-1286
Prime Sponsors: Rep. Winkler

Date: May 4, 2018
Bill Status: House Judiciary
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Bill Topic: PROHIBIT MISLEADING SIGNS DISCLAIMING LIABILITY

Summary of Fiscal Impact:

<input checked="" type="checkbox"/> State Revenue (<i>minimal</i>)	<input checked="" type="checkbox"/> TABOR Refund (<i>minimal</i>)
<input checked="" type="checkbox"/> State Expenditure	<input checked="" type="checkbox"/> Local Government (<i>minimal</i>)
<input type="checkbox"/> State Transfer	<input type="checkbox"/> Statutory Public Entity

The bill makes displaying a sign that states an owner or driver is not liable for any damage or injury caused by something falling out of their vehicle a class B traffic infraction. The bill will increase state and local revenue, expenditures, and workload on an ongoing basis.

Appropriation Summary: For FY 2018-19, the bill requires an appropriation of \$9,000 to the Department of Revenue.

Fiscal Note Status: This fiscal note reflects the introduced bill.

**Table 1
State Fiscal Impacts under HB 18- 1439**

		FY 2018-19	FY 2019-20
Revenue		-	-
Expenditures	Cash Funds	\$9,000	-
Transfers		-	-
TABOR Refund		-	-

Summary of Legislation

This bill makes displaying a sign that states an owner or driver of a vehicle is not liable for any damage or injury caused by an item falling out of that vehicle a class B traffic offense.

Comparable Crime

Legislative Council Staff is required to include certain information in the fiscal note for any bill that creates a new crime, changes the classification of an existing crime, or changes an element of the existing crime that creates a new factual basis for the offense. The bill creates a new class B traffic offense for a driver that displays a sign stating that they are not liable for any damage caused by an item falling out of their vehicle. For comparison purposes, under current law it is a class B traffic infraction if a vehicle is displaying an official designation, sign, or insignia of any public corporation, government entity, or organization or society of which the owner is not a member without proper authority. From May 2015 to May 2018, there have been no convictions for displaying an official designation without proper authority. Based on this data, the fiscal note assumes that there will be a minimal increase in convictions as a result of the bill.

State Revenue

Starting in FY 2018-19, the bill is expected to increase state cash fund revenue by a minimal amount per year. The penalty for a class B traffic infraction is a fine between \$15 to \$100. The fiscal note assumes that the increase of class B traffic infractions will be minimal and therefore any increase in revenue will also be minimal. Fine revenue is credited to the Highway Users Tax Fund (HUTF), of which 65 percent is credited to the State Highway Fund within the Department of Transportation, 26 percent is credited to counties, and 9 percent is credited to municipalities.

TABOR Refund

This bill increases state revenue from fines, which will increase the amount of money required to be refunded under TABOR for FY 2018-19 and FY 2019-20. Since the bill increases the TABOR refund obligation without a corresponding change in General Fund revenue, the amount of money available in the General Fund for the budget will decrease by an identical amount.

State Expenditures

Starting in FY 2018-19, this bill will increase state expenditures and workload as discussed below.

DRIVES upgrades. In FY 2018-19, Department of Revenue (DOR) expenditures will increase by \$9,000 from the DRIVES Vehicle Services Account for upgrades to its DRIVES system. Programming is necessary to create a new common code for the citation and configure the new fees with this citation. It is estimated that 40 hours of work at \$225 per hour is necessary.

Judicial Department. This bill will increase caseload for the Judicial Department on an ongoing basis starting in FY 2018-19. Based on the assumed increase in caseload, it is assumed that any workload increase will be minimal and can be accomplished within existing appropriations.

Local Government

Similar to the state, the bill is expected to result in an increase of fines and fees to local governments starting in the current FY 2018-19. This includes a minimal increase in local government HUTF revenue, as well as any revenue resulting from traffic infractions heard in municipal court or the Denver County Court. Workload and expenditures for the local courts is expected to increase by a minimal amount as a result of the anticipated caseload increase.

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 Appropriation

In FY 2018-19, the bill requires an appropriation of \$9,000 from the DRIVES Vehicle Services Account to the Department of Revenue.

State and Local Government Contacts

Counties Revenue	Information Technology Municipalities	Judicial Sheriffs	Public Safety Transportation
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