

*Colorado Legislative Council Staff Fiscal Note*  
**STATE and LOCAL**  
**REVISED FISCAL IMPACT**

(replaces fiscal note dated January 30, 2013)

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<b>Drafting Number:</b> LLS 13-0063	<b>Date:</b> February 7, 2013
<b>Prime Sponsor(s):</b> Rep. Holbert Sen. Tochtrop	<b>Bill Status:</b> House Finance
	<b>Fiscal Analyst:</b> Jonathan Senft (303-866-3523)

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**TITLE:** CONCERNING THE TYPE OF VEHICLE THAT QUALIFIES TO REGISTER AS A COLLECTOR VEHICLE.

Fiscal Impact Summary	FY 2013-14	FY 2014-15	FY 2015-16	FY 2016-17	FY 2018-19
<b>State Revenue</b>					
Cash Funds - Various	\$120,000	(\$59,000)	(\$66,500)	(\$73,200)	(\$80,800)
<b>State Expenditures</b>					
Cash Funds					
CSTAR Account (HUTF)	\$604				
<b>FTE Position Change</b>					
<b>Effective Date:</b> August 7, 2013, if the General Assembly adjourns on May 8, 2013, as scheduled, and no referendum petition is filed.					
<b>Appropriation Summary for FY 2013-2014:</b> See State Appropriations section.					
<b>Local Government Impact:</b> See Local Government section.					

**Summary of Legislation**

This bill, *as amended by the House Transportation Committee*, allows a vehicle with a model year that is at least 32 years old to become a collector's vehicle. A vehicle that becomes a collector's vehicle under this bill will have to pass an emissions test within 12 months of registration, if the vehicle is within the Enhanced Emissions program area. Under current law, vehicles with model year 1975 or older are eligible to become collector's vehicles. This bill expands the eligible model years to 1976 through 1981, and increases one additional year forward with each year's passing.

**State Revenue**

**In FY 2013-14, this bill will increase state revenue will increase by \$120,000, cash funds.** This increase is offset in future years, however, because these funds cover a five-year registration period. Revenue is subsequently reduced in each year after the initial registration. This money is currently collected as motor vehicle registration fees and emissions testing by the Department of Revenue and by the Department of Public Health and Environment. The registration for collector's vehicles is valid for five years.

When the collector's vehicle is renewed, the owner pays all taxes and fees for five full years, but only one year of the Bridge and Road Safety surcharges amounting to \$41, in addition to the other fees. The owner does not pay these surcharges again until the vehicle is renewed. On that occasion, the owner similarly pays just one year of the surcharges. Since the collector's registration is paid forward for five years, the state will receive no revenue from that registration in the second, third, fourth and fifth years, when it normally would receive approximately \$71 per vehicle each year.

This fiscal note assumes one tenth of the eligible vehicles in any given year will opt to become a collector's vehicle, foregoing annual registration costs and paying for a five-year registration. It is anticipated that approximately 1,000 vehicles will be effected by this bill in the first year, and 100 will be added each year thereafter.

Eligible collector's vehicles under this bill require must also pass an emissions test within 12 months preceding registration, which will be required every five years thereafter. The Department Revenue and the Department of Public Health and Environment collects twenty five cents each per car that passes the emissions test.

In addition, owners of collector's vehicles may choose to buy collector's specialty plates for their vehicle. The cost for such plates are the same as regular plates. Because this cost becomes fiscally neutral, this fiscal note does not quantify this amount. Revenue changes are displayed in Table 1.

<b>Table 1. Revenue For 1,000 Vehicles Under HB13-1071</b>						
<b>Cost Components</b>	<b>FY 2013-14</b>	<b>FY 2014-15**</b>	<b>FY 2015-16</b>	<b>FY 2016-17</b>	<b>FY 2017-18</b>	<b>Total</b>
Current Law*	\$71,500	\$71,000	\$71,500	\$71,000	\$71,500	\$356,500
HB 13-1071	191,500	0	0	0	0	\$191,500

\* Emissions tests are required bi-annually, increasing revenue by \$500 per test.

\*\* (Not Shown) Each year, another 100 vehicles is added, compounding revenue loss from the previous year. For the purpose of simplicity these losses are not shown in this table.

### **State Expenditures**

**For FY 2013-14, this bill is expected to increase cash fund expenditures by \$604 within the Department of Revenue.** These costs are associated with computer programming to the CSTAR software, which is used by the department to register vehicles.

In addition, owners of collector's vehicles may choose to buy collector's specialty plates for their vehicle. The cost for such plates are the same as regular plates, therefore this fiscal note does not quantify this amount.

**Local Government Impact**

This bill maintains local government Highway Users Tax Fund (HUTF) revenue by an estimated \$23,000 in 2013-14, but reduces this revenue by \$23,000 in second, third, fourth and fifth year of the collector's registration. In addition, approximately 100 vehicles will be added to this program, generating an increase in revenue in the first year, reducing revenue by \$2,300 each year for the next four. HUTF revenue generated by the Road Safety Surcharge is distributed to the State Highway Fund (60 percent), counties (22 percent) and cities (18 percent) for transportation.

**State Appropriations**

For FY 2013-14, this bill requires an appropriation of \$604, cash funds, to the Department of Revenue.

**Departments Contacted**

Revenue            Public Health