



<b>Table 1. State Revenue Generated Under HB 14-1046</b>		
<b>Revenue Components</b>	<b>FY 2014-15</b>	<b>FY 2015-16</b>
Number of License Plate Sets to be Issued	1,000	700
Revenue Credited to License Plate Cash Fund (\$5.92)	\$5,920	\$4,144
Revenue Credited to Highway Users Tax Fund (\$25)	\$25,000	\$17,500
Revenue Credited to Licensing Services Cash Fund (\$25)	\$25,000	\$17,500
<b>TOTAL</b>	<b>\$55,920</b>	<b>\$39,144</b>

Revenue is generated from the plate and tab production fee of \$5.92 per plate set, credited to the License Plate Cash Fund (LPCF), which all vehicle owners must pay upon registration. Applicants for the Scottish American special license plate are also required to pay an additional \$50 fee; of this, \$25 is credited to the HUTF and \$25 is credited to the LSCF. The State Highway Fund (SHF) receives 65 percent of the HUTF revenues generated through license plate fees.

**State Expenditures**

State cash fund expenditures will increase by \$10,040 in FY 2014-15 and by \$4,144 each year thereafter. State expenditures are detailed in Table 2, below, and discussed in more detail in the explanation that follows.

**Assumptions.** This note assumes that 1,000 plate sets will be issued in FY 2014-15 and 700 sets will be issued each year thereafter.

<b>Table 2. State Expenditures Under HB 14-1046</b>		
<b>Cost Components</b>	<b>FY 2014-15</b>	<b>FY 2015-16</b>
Number of License Plate Sets to be Manufactured	1,000	700
Plate and Tab Production Cost per Set (\$5.92)	\$5,920	\$4,144
Computer Programming	\$4,120	\$0
<b>TOTAL</b>	<b>\$10,040</b>	<b>\$4,144</b>

**Department of Revenue.** In FY 2014-15, one-time programming costs of \$4,120 are required to update the Colorado State Titling and Registration System (CSTARS) in the DOR. Programming costs are calculated at 40 hours at a rate of \$103 per hour. The 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 increase or costs associated with these activities will be accomplished within existing appropriations. License plate and tab production costs are expended from the LPCF. Based on the expected demand for the Scottish American plate, an initial run of 1,000 plate sets will be necessary.

**Local Government Impact**

This bill will increase local government HUTF revenue by an estimated \$8,750 in FY 2014-15 and by \$6,125 per year thereafter. HUTF revenue generated by license plate fees is distributed to counties (26 percent) and cities (9 percent) for transportation needs.

**Effective Date**

The bill takes effect August 6, 2014, if the General Assembly adjourns on May 7, 2014, as scheduled, and no referendum petition is filed.

**State Appropriations**

For FY 2014-15, the bill appropriates \$4,120 from the CSTARS account of the HUTF and \$5,920 from the License Plate Cash Fund to the Department of Revenue. In addition, the bill provides spending authority to the Governor's Office of Information Technology for \$4,120 in reappropriated funds.

**State and Local Government Contacts**

Revenue      Corrections      Transportation      Office of Information Technology