

donating a specific amount to the 10th Mountain Division Foundation, Inc. The fiscal note assumes that this requirement will likely decrease the number of these plates issued annually, and therefore will reduce revenue collections to the HUTF and LSCF. The extent to which the qualification requirements under the bill will dissuade vehicle owners from purchasing the plate is unknown, and therefore, reductions in revenue cannot be calculated, but are expected to be minimal.

Department of Revenue. The LSCF within the DOR funds the operations of licensing offices. A \$25 fee is collected and credited to the fund from applicants for special license plates. Revenue to the fund may be reduced as a result of the bill; however, the amount of this reduction cannot be determined.

Colorado Department of Transportation. The CDOT receives 65 percent of HUTF revenue collected from the \$25 fee required of special license plate applicants. To the extent that there is a reduction in the number of 10th Mountain Division license plates issued, so too will revenue to the CDOT from the HUTF be reduced.

State Expenditures

For FY 2014-15, state cash fund expenditures in the DOR are expected to increase by \$94,760.

Department of Revenue. For FY 2014-15, the DOR will be required to purchase one-time computer programming services at a rate of \$103 per hour for 920 hours (\$94,760). Several systems within the DOR will require updating to ensure that the requirements of the bill are being applied only to those who have been issued a 10th Mountain Division license plate after the effective date of the bill. Programming costs will be paid for out of the Colorado State Titling and Registration Account (CSTARS).

The DOR will be required to work with the 10th Mountain Division Foundation, Inc. to come up with an agreement on the required donation amount, to establish the certificate that will be used to prove eligibility, and to establish procedures for applicants who may have lost their certificate before having presented it to the DOR. The DOR will also be required to update rules, forms, manuals, and the department's website to reflect the change in law. Training will be provided to authorized agents, Title and Registration Section staff, and other entities impacted by the bill. These activities can be completed without new appropriations.

Division of Motor Vehicles (DMV). DMV offices may experience increased workload as a result of the bill. 10th Mountain Division plate holders that require foundation certification in order to renew their vehicle registration must come into the office to present documentation in-person, rather than renewing online. Increases in workload can be accomplished without new appropriations.

Local Government Impact

County clerk and recorders (clerks) administer DMV offices around the state as authorized agents of the DOR, and as such, issue and renew the 10th Mountain Division group special license plate to qualified applicants in the county. The renewal process is generally completed through a renewal postcard notification being sent to the owner. The bill will require clerks to mail a renewal notification letter in lieu of mailing a renewal notification postcard, which will direct those who have received the license plate after the effective date of the bill to the 10th Mountain Division Foundation, Inc. to meet the qualifications established by the foundation.

Currently, county DMV offices pay postage rates of \$0.49 per renewal notification letter, and \$0.22 per renewal postcard. Using the average annual increase in the number of new 10th Mountain Division license plates issued (2,759), county DMV offices will increase the amount of postage paid by \$745 in the first year, and by \$1,490 in the second year. Postage expenses will continue to increase annually as more plates are issued and added to those that are required to meet the qualification to renew.

Finally, local governments may experience a decrease in HUTF revenue as a result of the bill. Under current law, applicants for special plates pay a one-time \$50 fee, of which \$25 is credited to the HUTF and distributed to the CDOT, cities (9 percent share), and counties (26 percent share) for transportation needs. To the extent that the new qualification requirement under the bill reduces the demand for the 10th Mountain Division plate, revenue to local governments from the HUTF may also decrease. The extent to which the qualification requirement will reduce demand for the plate is unknown.

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. The bill applies to plate issued or renewed on or after January 1, 2015.

State Appropriations

For FY 2014-15, the DOR requires a cash fund appropriation of \$94,760 from the CSTARs Account. Additionally, the Governor's Office of Information Technology requires spending authority for \$94,760 in reappropriated funds.

State and Local Government Contacts

Clerk and Recorder

Revenue

Counties