

Colorado Legislative Council Staff Fiscal Note

**STATE
FISCAL IMPACT**

Drafting Number: LLS 15-0603
Prime Sponsor(s): Rep. Coram
 Sen. Cooke

Date: February 6, 2015
Bill Status: House Transportation & Energy
Fiscal Analyst: Erin Reynolds (303-866-4146)

BILL TOPIC: NEW DIESEL MOTOR VEHICLES EMISSIONS TESTING

| Fiscal Impact Summary* | FY 2015-2016 | FY 2016-2017 |
|--|---------------------|---------------------|
| State Revenue | (\$3,420) | (\$3,730) |
| General Fund | (3,420) | (3,730) |
| State Expenditures | \$2,756 | |
| General Fund | 2,756 | |
| TABOR Set Aside | (\$3,420) | (\$3,730) |
| FTE Position Change | | |
| Appropriation Required: \$2,756 - Department of Revenue (FY 2015-16). | | |

** This summary shows changes from current law under the bill for each fiscal year. Parentheses indicate a decrease in funds.*

Summary of Legislation

Under current law, heavy-duty diesel vehicles are exempt from emissions inspection and testing until their fourth model year. The bill extends the exemption to the sixth model year if the vehicle's gross weight is at least 26,000 pounds and the vehicle is a 2014 model year or newer. Upon transfer of ownership, the new vehicle owner is required to obtain an emissions inspection and test for the vehicle if the transfer occurs within one year from the expiration of an emissions certificate. An exception is made when the transfer is from lessor to lessee.

State Revenue

The Colorado Department of Public Health and Environment oversees the diesel opacity inspection program (DOIP) and collects \$5 for each certification of emissions control issued. Under the bill, it is estimated that 746 fewer inspections would take place each calendar year, resulting in an annual revenue loss of \$3,730. Due to the bill's August 5, 2015, effective date, this loss will be \$3,420 in FY 2015-16, adjusted for an 11-month impact. Revenue from DOIP fees are deposited into the General Fund.

TABOR Impact

This bill decreases state cash fund revenue, which will decrease the amount required to be refunded under TABOR.

State Expenditures

The Department of Revenue (DOR) will require \$2,756 General Fund in FY 2015-16 to reprogram computers. The DOR currently uses two systems to register heavy-duty diesel vehicles. Tax class A heavy-duty diesel vehicles are registered using the GenTax system. The DOR will contract with a vendor, FAST Enterprises, to make updates to the GenTax system at a total one-time cost of \$2,756 in FY 2015-16 (13 hours at \$212 per hour). Tax class B and C heavy-duty diesel vehicles are registered in the Colorado State Titling and Registration System. The nominal cost of \$412 for CSTARs programming can be accomplished within existing Office of Information Technology programming workload.

Effective Date

The bill takes effect August 5, 2015, if the General Assembly adjourns on May 6, 2015, as scheduled, and no referendum petition is filed.

State Appropriations

In FY 2015-16, the Department of Revenue requires a General Fund appropriation of \$2,756.

State and Local Government Contacts

Revenue
Local Affairs

Public Health and Environment

Transportation