

**STATE  
FISCAL IMPACT**

**Drafting Number:** LLS 15-0092  
**Prime Sponsor(s):** Rep. Tyler  
 Sen. Todd

**Date:** January 9, 2015  
**Bill Status:** House Transportation  
**Fiscal Analyst:** Erin Reynolds (303-866-4146)

**BILL TOPIC:** FIREFIGHTER MOTORCYCLE SPECIAL LICENSE PLATE

Fiscal Impact Summary*	FY 2015-2016	FY 2016-2017
<b>State Revenue</b>	<b>\$954</b>	<b>\$1,458</b>
Cash Funds	\$954	\$1,458
<b>State Expenditures</b>	<b>\$4,174</b>	<b>\$108</b>
Cash Funds	\$4,174	\$108
<b>FTE Position Change</b>		
<b>Appropriation Required:</b> \$4,120 - Department of Revenue (FY 2015-16)		

\* This summary shows changes from current law under the bill for each fiscal year.

**Summary of Legislation**

This bill, **recommended by the Transportation Legislation Review Committee**, creates a firefighter motorcycle special license plate and makes an appropriation. The license plate will be available to an applicant who provides documentation to the Department of Revenue (DOR) confirming that he or she is an active, volunteer, or retired firefighter. In addition to the standard motorcycle license plate fees, applicants must pay a one-time additional fee of \$50. Of this fee, \$25 is credited to the Licensing Services Cash Fund (LSCF) and \$25 is credited to the Highway Users Tax Fund (HUTF). The plate will be available January 1, 2016.

**Background**

The existing firefighter special license plate that is issued to passenger cars, trucks, and recreational motor vehicles was created through rule in January 1999, prior to the requirement that special license plates be approved by the legislature. At that time, the sponsoring nonprofit that entered into the rule agreement with DOR did not elect to have the license plate offered for motorcycles.

**State Revenue**

This bill is anticipated to increase state cash fund revenue by \$954 in FY 2015-16, and by \$1,458 annually thereafter. State revenue assumptions are discussed below, and outlined in Table 1.

**Assumptions.** Expected demand for the firefighter motorcycle special license plate is based on the current demand for the existing firefighter special license plate that is issued to passenger cars, trucks, and recreational motor vehicles. In FY 2013-14, about 290 firefighter special license plates were issued on average each month. As of August 31, 2014, there were 2,616 motorcycles registered with a group special license plate, accounting for about 1 percent of all vehicle types registered with a group special license plate. Based on the average issuance for firefighter special license plates, and the percentage of motorcycles currently registered with a group special license plate, it is expected that 3 firefighter motorcycle special license plates will be issued each month, or 36 plates annually. 18 plates are expected to be issued in FY 2015-16, due to the January 1, 2016, effective date of the bill.

<b>Table 1. State Revenue Generated Under HB 15-1004</b>		
<b>Revenue Components</b>	<b>FY 2015-16</b>	<b>FY 2016-17</b>
Number of Single License Plates to be Issued	18	36
Revenue Credited to License Plate Cash Fund (\$3.01)	\$54	\$108
Revenue Credited to Highway Users Tax Fund (\$25)	\$450	\$900
Revenue Credited to Licensing Services Cash Fund (\$25)	\$450	\$900
<b>TOTAL</b>	<b>\$954</b>	<b>\$1,458</b>

Revenue is generated from the plate and tab production fee of \$3.01 per single digital license plate, credited to the License Plate Cash Fund (LPCF), which all motorcycle owners must pay upon registration. Revenue is also generated from the \$50 fee that all applicants for special licence plates are required to pay, of which \$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.

**TABOR Impact**

Increased revenue from this bill will increase TABOR refunds starting in FY 2016-17. TABOR refunds are paid from General Fund.

**State Expenditures**

State cash fund expenditures are expected to increase by \$4,174 in FY 2015-16 and by \$108 each year thereafter, although not all of these expenditures require an appropriation. State expenditures are outlined in Table 2.

<b>Table 2. State Expenditures Under HB 15-1004</b>		
<b>Cost Components</b>	<b>FY 2015-16</b>	<b>FY 2016-17</b>
Number of License Plates to be Manufactured	18	36
Plate and Tab Production Cost (\$3.01)	\$54	\$108
Computer Programming	\$4,120	\$0
<b>TOTAL</b>	<b>\$4,174</b>	<b>\$108</b>

**Department of Revenue.** In FY 2015-16, 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. Because the firefighter motorcycle special license plate will be issued using Print on Demand, manufacturing costs can be accomplished *within existing appropriations*.

**Department of Transportation.** Of the HUTF revenues generated under this bill, 65 percent is credited to the SHF for expenditure by the Department of Transportation. This bill is expected to increase SHF revenue by an estimated \$146 in FY 2015-16, and by \$293 each year thereafter.

**Local Government Impact**

This bill is expected to increase local government HUTF revenue by an estimated \$79 in FY 2015-16, and by \$158 each 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 5, 2015, if the General Assembly adjourns on May 6, 2015, as scheduled, and no referendum petition is filed.

**State Appropriations**

For FY 2015-16, the DOR requires a cash fund appropriation of \$4,120 from the CSTARS Account in the HUTF. In addition, the Governor's Office of Information Technology requires spending authority for \$4,120 in reappropriated funds.

**State and Local Government Contacts**

Cities and Counties  
Office of Information Technology

Clerk and Recorders  
Revenue

Corrections  
Transportation