



Legislative Council Staff

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Final Fiscal Note

Drafting Number: LLS 21-0228 **Date:** August 12, 2021
Prime Sponsors: Rep. Kipp; Soper **Bill Status:** Signed into Law
 Sen. Jaquez Lewis; Simpson **Fiscal Analyst:** Will Clark | 303-866-4720
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Bill Topic: SUPPORT POLLINATOR SPECIAL LICENSE PLATE

Summary of Fiscal Impact:

<input checked="" type="checkbox"/> State Revenue	<input checked="" type="checkbox"/> TABOR Refund
<input checked="" type="checkbox"/> State Expenditure	<input checked="" type="checkbox"/> Local Government
<input type="checkbox"/> State Transfer	<input type="checkbox"/> Statutory Public Entity

This bill creates the Support Pollinators special license plate. It increases state revenue and expenditures and local government revenue on an ongoing basis.

Appropriation Summary: For FY 2021-22, the bill requires and includes an appropriation of \$22,544 to the Department of Revenue.

Fiscal Note Status: This fiscal note reflects the enacted bill.

Table 1
State Fiscal Impacts Under HB 21-1145

		Budget Year FY 2021-22	Out Year FY 2022-23
Revenue	Cash Funds	\$70,319	\$8,794
	State Highway Fund	\$34,564	\$4,323
	Total	\$104,882	\$13,116
Expenditures	Cash Funds	\$22,544	\$2,144
	Total	\$22,544	\$2,144
Transfers		-	-
TABOR Refund	General Fund	\$104,882	\$13,116
	Total	\$104,882	\$13,116

Summary of Legislation

This bill creates the Support Pollinators group special license plate. The license plate is available to all applicants that pay a one-time special license plate fee of \$50 and give a donation to a designated Colorado nonprofit organization as determined by the Colorado Department of Revenue (DOR). The nonprofit organization may only use the donations to support pollination programs and education.

Assumptions

Expected demand for this plate is based on the actual demand from an average of four group special license plates. These include the Share the Road, Childhood Cancer Awareness, Juvenile Diabetes, and Child Loss Awareness group special license plates.

State Revenue

This bill is anticipated to increase state cash fund revenue by \$123,494 in FY 2021-22 and \$15,444 in FY 2022-23, as shown in Table 2. This revenue is subject to TABOR.

Table 2
Revenue Under HB 21-1145

	FY 2021-22	FY 2022-23
License Plate Sets Issued	2,127	266
License Plate Cash Fund (\$8.06)	\$17,144	\$2,144
Highway Users Tax Fund (\$25)	\$53,175	\$6,650
Licensing Services Cash Fund (\$25)	\$53,175	\$6,650
Total Cost	\$123,494	\$15,444

Standard license plate fees. Upon registration, all vehicle owners must pay a plate and tab production fee of \$8.06 for a digital passenger vehicle plate set, \$4.73 for an embossed passenger vehicle plate set, or \$3.01 for a motorcycle plate set. All specialty plates are manufactured as digital plates, and the fiscal note assumes motorcycle issuance will be minimal. Fees from plate and tab production are credited to the License Plate Cash Fund (LPCF).

Special license plate fees. Applicants for the support pollinators group special license plate are also required to pay an additional \$50 fee, of which \$25 is credited to the Highway Users Tax Fund (HUTF) and \$25 is credited to the Licensing Services Cash Fund.

Colorado Department of Transportation. Of the HUTF revenue, 65 percent is credited to the State Highway Fund (SHF) for expenditure by the department, 26 percent is credited to counties, and 9 percent is credited to municipalities. Table 3 outlines the estimated HUTF revenue generated under this bill.

Table 3
Estimated HUTF Distributions Under HB 21-1145

	FY 2021-22	FY 2022-23
State Highway Fund (65 percent)	\$34,564	\$4,323
Counties (26 percent)	\$13,826	\$1,729
Municipalities (9 percent)	\$4,786	\$599
Total HUTF Distribution	\$53,175	\$6,650

State Expenditures

State cash fund expenditures in the DOR will increase by \$22,544 in FY 2021-22 and \$2,144 in FY 2022-23, as shown in Table 4 and detailed below.

Table 4
Expenditures Under HB 21-1145

	FY 2021-22	FY 2022-23
Department of Revenue		
Plate and Tab Production Cost	\$17,144	\$2,144
Computer Programming	\$5,400	-
Total Expenditures	\$22,544	\$2,144

Department of Revenue. As discussed in the State Revenue section, plate tab and production costs for special group plates are \$8.06 per license plate set. This fiscal note assumes that 2,127 license plates will be issued in FY 2021-22 and 266 will be issued in FY 2022-23. In FY 2021-22, one-time programming costs of \$5,400 are required to update the Driver License, Record, Identification and Vehicle Enterprise Solutions (DRIVES) system. Programming costs are based on 24 hours of programming at a rate of \$225 per hour, paid from the DRIVES Vehicle Services Account. License plate and tab production costs are expended from the LPCF.

In addition, 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 increases or costs associated with these activities can be accomplished within existing appropriations.

TABOR refunds. The bill is expected to increase the amount of state revenue required to be refunded to taxpayers by the amounts shown in the State Revenue section above. TABOR refunds are paid from the General Fund. This estimate is based on the June 2021 LCS revenue forecast, which incorporates the revenue impacts of bills passed during the 2021 session. A forecast of state revenue subject to TABOR is not available beyond FY 2022-23.

Federal ARPA funds. This bill increases state revenue, which may impact the state's flexibility in spending federal American Rescue Plan Act (ARPA) funds. For more information, see the LCS memo, titled "Legislative Changes and Flexibility in Use of American Rescue Plan Funds," available online at: <https://leg.colorado.gov/node/2211881>.

Local Government

This bill will increase local government HUTF revenue by the amounts shown in Table 3. HUTF revenue generated by license plate fees is distributed to counties (26 percent) and municipalities (9 percent) for transportation needs.

Effective Date

The bill was signed into law by the Governor on June 22, 2021, and takes effect September 7, 2021, assuming no referendum petition is filed.

State Appropriations

For FY 2021-22, the bill requires and includes appropriations of \$22,544 to the Department of Revenue. Of this total:

- \$5,400 is from the DRIVES Vehicle Services Account; and
- \$17,144 is from the License Plate Cash Fund.

Departmental Difference

DOR estimates that it requires \$16,200 in FY 2021-22 for DRIVES system programming and that General Fund is required to pay for these costs. However, this fiscal note estimates that DOR will have sufficient cash fund balance in the DRIVES Vehicle Services Account to cover the costs related to DRIVES programming, and assumes that DOR will need \$5,400 for DRIVES programming costs based on previous bills with similar workloads.

State and Local Government Contacts

Corrections

Information Technology

Counties

Revenue

County Clerks

Transportation

The revenue and expenditure impacts in this fiscal note represent changes from current law under the bill for each fiscal year. For additional information about fiscal notes, please visit: leg.colorado.gov/fiscalnotes.