



Colorado Legislative Council Staff Fiscal Note
FINAL
FISCAL NOTE

Drafting Number: LLS 12-0034 **Date:** June 5, 2012
Prime Sponsor(s): Rep. Baumgardner **Bill Status:** Postponed Indefinitely
 Sen. Neville **Fiscal Analyst:** Jonathan Senft (303-866-3523)

TITLE: CONCERNING MODIFICATION OF THE FEE FOR LATE REGISTRATION OF A VEHICLE.

Fiscal Impact Summary	FY 2012-2013	FY 2013-2014
State Revenue Highway Users Tax Fund	(\$11,972,286)	(\$12,092,009)
State Expenditures General Fund	<u>\$7,400</u> 2,960	
Cash Funds Highway Users Tax Fund/CSTARS Account	4,440	
FTE Position Change:		
Effective Date: The bill was postponed indefinitely by the Senate Transportation Committee on April 26, 2012.		
Appropriation Summary for FY 2012-2013: See State Appropriations section.		
Local Government Impact: See Local Government Impact section.		

Summary of Legislation

This bill replaces the fee for late vehicle registration from \$25 for each month late (capping a \$100) to a flat fee of \$20. This bill also removes exemptions on late fees for vehicles that have expired temporary registration number plates, tags or certificates. Finally, this bill removes the authority of the Department of Revenue (DOR) and its agents to reduce or waive fees for idle commercial trailers. Fees will continue to be paid when the vehicle is ultimately registered.

State Revenue

This bill is expected to reduce state revenue by \$12.0 million in FY 2012-13 and \$12.1 million in FY 2013-14. The department currently collects an average of \$38 per late fee on approximately 500,000 late registrations per year. Under this bill, the lost revenue would be partially offset by approximately \$600,000 in fees currently not collected under the department's authority to waive late fees on commercial trailers and expired tags.

Beginning FY 2012-13, this bill reduces Highway Users Tax Fund (HUTF) distributions to the State Highway Fund, counties and municipalities by approximately \$12 million. Table 1 displays the estimated reductions in HUTF distributions.

<i>State Highway Fund (60%)</i>	(\$7.2 million)
<i>Counties (22%)</i>	(\$2.64 million)
<i>Municipalities (18%)</i>	(\$2.16 million)
TOTAL	(\$12 million)

State Expenditures

This bill is expected to increase state expenditures by \$7,400 in FY 2012-13. The Governor's Office of Information Technology requires these funds for reprogramming the state's GenTax and Colorado State Titling and Registrations System (CSTARS) software to conform to the changes required by this bill.

Local Government Impact

This bill will reduce HUTF revenue to counties and municipalities as shown in Table 1.

State Appropriations

For FY 2012-13, the DOR requires two appropriations — \$2,960 from the General Fund, and \$4,440, from the CSTARS account. This latter amount should be reappropriated to the Office of Information Technology (OIT).

Departments Contacted

Revenue Transportation