

RECOMMENDATIONS FOR 2002

**TRANSPORTATION LEGISLATION
REVIEW COMMITTEE**

**Report to the
Colorado General Assembly**

**Research Publication No. 491
December 2001**

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December 2001

To Members of the Sixty-third General Assembly:

Submitted herewith is the final report for the Transportation Legislation Review Committee. The committee was reconstituted pursuant to Section 43-2-145, C.R.S. (Senate Bill 36, 1986 Session). The purpose of the committee is “to give guidance and direction to the state Department of Transportation in the development of the state transportation system, and to provide legislative overview of and input into such development”

At its meeting on November 15, 2001, the Legislative Council reviewed the report of this committee. A motion to forward this report and the bills therein for consideration in the 2002 session was approved.

Respectfully submitted,

/s/ Senator Stan Matsunaka
Chairman
Legislative Council

SM/GJ/dg

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TRANSPORTATION LEGISLATION REVIEW COMMITTEE

Members of the Committee

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EXECUTIVE SUMMARY

Committee Charge

Pursuant to Section 43-2-145, C.R.S., the Transportation Legislation Review Committee (TLRC) is authorized to give guidance and direction to the Colorado Department of Transportation (CDOT) in the development of the state transportation system and to provide legislative overview of such development. The committee is directed to review any phase of operations for CDOT, including planning and construction of highway projects. The committee is also authorized to review any phase of operations for any public highway authority (e.g., E-470 Authority) along with any rural transportation authority responsible for the development of rural transportation systems. In addition, the legislative committee provides guidance to the Regional Transportation District and reviews its budget, farebox recovery ratio, and the privatization of bus service.

Committee Activities

The committee held six meetings and received testimony on a variety of transportation-related matters from representatives of the following organizations:

- Colorado Department of Transportation (CDOT);
- Regional Transportation District (RTD);
- E-470 Public Highway Authority;
- Colorado Department of Revenue (DOR);
- Colorado Intermountain Fixed-Guideway Authority (CIFGA);
- Colorado State Patrol;
- Colorado Association of Transit Agencies;
- Colorado Air Quality Control Commission;
- Colorado Transit Alliance;
- Colorado Motor Carriers Association;
- Multi-State Highway Transportation Agreement;
- Northwest Parkway Public Highway Authority;
- Roaring Fork Transportation Authority;
- Denver East Corridor Rail Group;
- Colorado County Clerks;
- Colorado Division of Aeronautics;
- Office of State Planning and Budgeting;
- National Renewable Energy Laboratory;
- Colorado Highway User's Conference;
- Colorado Mobility Coalition; and
- Denver Regional Council of Governments (DRCOG).

The committee heard testimony relating to transit in Colorado. RTD provided an update on the agency's budget, fares and the RTD portion of the T-REX Project. The committee heard financing options for provision of rail in the Denver East Corridor (from downtown Denver to the Denver International Airport). State transit needs were discussed by the Colorado Mobility Coalition, and the Transit Alliance provided the results of a recent transportation survey. Four agencies commented on the coordination of mass transit research and planning in Colorado.

The Colorado Department of Transportation made several presentations on topics including CDOT's mission, planning efforts, transportation funding levels, progress on high-priority transportation projects, TRANS bond financing, partnerships with the private sector, the Eastern Colorado Mobility Study, and the Towner Line. A recurring topic at committee meetings was the closure of the Arboles Air Strip in southern Colorado.

Another frequently discussed topic was centralized plate distribution by the Department of Revenue. The County Clerks Association expressed concern with the lack of availability of license plates and the negative impact of this situation on customer service.

The Department of Revenue addressed programs that have brought efficiencies to their operations including improvements in driver's license renewal, automated clearance for trucks, the "weigh-in-motion" project, "Pre-Pass Program," and the electronic penalty assessment program. DOR also updated the committee on the Motorist Insurance Database Program, the Ignition Interlock Program, and driver qualifications for license renewal.

Representatives from DRCOG commented on planning for growth in the state, and the Metro Vision 2020 Plan. The committee received annual reports from the E-470 and Northwest Parkway Public Highway Authorities, and heard concerns expressed with the use of eminent domain powers by E-470.

At its final meeting of the year, the TLRC met with the Joint Budget Committee to consider solutions to the state's motor vehicle license plate shortage.

Committee Recommendations

As a result of committee discussion and deliberation, the committee recommended six bills for consideration in the 2002 legislative session. One of these bills, Bill F, concerning lowering the presumptive blood alcohol content limit for DUI offenses from 0.10 to 0.08 grams was recommended by the committee, however this bill was not approved by the Legislative Council for introduction. The bill was recommended by the committee in order to comply with federal law, and to avoid the potential loss of federal highway funding.

Bill A — Regulation of Motor Carrier Safety. Bill A reenacts minimum standards for commercial vehicles as a new article, the "Motor Carrier Safety Act," and authorizes the Executive Director

of the Department of Public Safety to assess civil penalties against persons who violate motor carrier safety rules adopted by the Chief of the Colorado State Patrol.

Bill B — Elimination of the Requirement that the Amount of State Sales and Use Tax Revenue to be Transferred to the Highway Users Tax Fund be Reduced as Necessary to Fully Fund General Fund Expenditures up to the Statutory General Fund Appropriations Limit Whenever a Specified Quarterly General Fund Revenues Estimate Indicates that there will not be Sufficient Revenues to Fund General Fund Expenditures up to that Limit Absent Such a Reduction. Bill B eliminates the requirement that the amount of state sales and use tax revenue to be transferred to the Highway User's Tax Fund be reduced as necessary to fully fund general fund expenditures up to the statutory general fund appropriations limit. This reduction would occur whenever the quarterly general fund revenue estimate indicates that, without the reduction, there will not be sufficient revenue to fund general fund expenditures up to that limit.

Bill C — Authority of the Executive Director of the Department of Revenue to Issue Certificates of Registration for Certain Commercial Vehicles, and, in Connection therewith, Authorizing the Issuance of Such Certificates for Vehicles that are Registered as Part of a Fleet Based in Colorado, Owned by a Non-Resident, and for which the Owner Obtains Apportioned Registration. Independent truck owners often lease with a trucking firm in a state other than their home state and the trucking firm makes arrangements for registration of the vehicle for the truck owner as part of the trucking firm's fleet. The vehicles are titled in the truck owner's home state. Bill C gives the Colorado Department of Revenue explicit statutory authority to continue to allow non-resident truck (commercial vehicle) owners to register their trucks as part of a fleet in Colorado although their vehicles are titled outside of Colorado.

Bill D — Issuance of Certain Special License Plates. Bill D establishes the American Indian Special License Plate and requires the Rocky Mountain Indian Chamber of Commerce to obtain commitments for at least 2,000 of the plates and provide those commitments to the Department of Revenue. Applicants for the plates are required to give a donation to a scholarship fund. The bill also establishes qualifications that applicants for seven different Colorado special license plates must meet in order to obtain the plate.

Bill E — Reduction of the Number of Available Types of Special License Plates. Bill E sunsets special license plates on July 1, 2007 if, by that time the plates are not issued for at least 3,000 vehicles. The bill removes the authority of the Department of Revenue to issue special license plates pursuant to rule and raises the certification threshold for issuing a special license plate by statute from 2,000 plates to 3,000 plates. The bill creates a general purpose special license plate that is customizable by the vehicle's owner with a decal to be placed in a blank space on the plate.

STATUTORY AUTHORITY AND RESPONSIBILITIES

The Transportation Legislation Review Committee is established to give guidance and direction in the development of the state transportation system and to provide legislative overview of and input into such development. The committee is comprised of the members of the House Transportation and Energy, and the Senate Government, Veterans and Military Relations, and Transportation Committees.

Specifically, the TLRC is required under Section 43-2-145, C.R.S., to meet at least once a year to review all transportation legislation. Upon completion of its review of the transportation laws, the committee may make recommendations to the Governor and to the General Assembly for such additional legislation as it deems necessary. The committee recommended six bills this year; one bill was not approved for introduction. The committee is authorized to develop and make recommendations concerning the financing of the state transportation system. One legislative proposal regarding financing was recommended by the committee and approved by the Legislative Council for 2002.

In its oversight role, the TLRC is authorized to review any operations of the Colorado Department of Transportation, any public highway authority, the Regional Transportation District, or any rural transportation authority. The committee may review projects after completion to determine whether the project was completed in the most cost-effective and efficient manner. The committee may also require financial or performance audits to be conducted.

The committee may require the CDOT to prepare and adopt 5-, 10-, and 15-year plans for the development of the state transportation system, and the committee must monitor the progress of such plans. The committee is authorized to consult with CDOT personnel and other experts in the field of highway construction as may be necessary. The CDOT personnel are required to cooperate with the committee and with any persons assisting the committee in carrying out its statutory duties.

Background (History of the TLRC)

The roots of the TLRC go back to 1953 when the General Assembly reorganized the state highway system and restructured the relationship between state highway, county road, and municipal street systems. First established as the Highway Legislation Review Committee (HLRC), the committee's original charge was to review the implementation and impact of these new highway systems. In 1987, the committee's charge was expanded to include oversight of public highway authorities and projects, such as E-470 and W-470. Public highway authorities are required to report annually each August to the TLRC on their activities in the preceding year and their plans for the coming year. In 1989, the General Assembly required the RTD to respond to the HLRC requests for information.

In 1994, pursuant to the enactment of Senate Bill 94-14, the committee's name was changed to the Transportation Legislation Review Committee to correspond with the Department of Transportation. With the name change, the scope of the committee was expanded to parallel the department's focus which had begun incorporating all types of transportation. In 1997, the committee's authority was expanded to include oversight of rural transportation authorities. Pursuant to legislation enacted during the 2000 legislative session, effective January 1, 2001, the membership of the committee changed from three Representatives, three Senators, and five citizen members appointed by the Governor, to the eighteen members of two committees of reference. These committees of reference are the House Transportation and Energy, and the Senate Government, Veterans and Military Relations, and Transportation Committees.

COMMITTEE ACTIVITIES

During the 2001 interim, the TLRC held six meetings and met with representatives of more than twenty-five agencies and organizations interested in the development and operation of Colorado's transportation systems. Some of the major topics addressed by the committee this interim are summarized below.

Colorado State Patrol - Motor Carrier Safety

The TLRC heard testimony from representatives of the Colorado State Patrol regarding compliance of commercial carriers in Colorado with safety standards.

Under Bill A all intrastate and interstate commercial carriers would be subject to the same regulations. Some existing potential fines for intrastate carriers are so low that they are considered a cost of doing business for intrastate companies. Some companies choose not to travel outside of the state in order to avoid the more stringent Federal Motor Carrier Safety Standards which would apply to them as interstate carriers.

The bill would result in unsafe intrastate carriers on Colorado highways being assessed fines consistent with Federal Motor Carrier Safety Regulations or prohibited from operating. Colorado based intrastate carriers can choose not to comply with federal standards, thus saving costs for drug and alcohol testing and perhaps the cost of a qualified person to oversee training. Avoidance of the expense of compliance with federal regulations gives some intrastate carriers an unfair advantage over interstate companies for being an unsafe company. Accidents would be reduced because unsafe intrastate companies would be compelled to comply with all safety regulations.

Special License Plates

The committee heard a presentation advocating the creation of an "American Indian Special License Plate." The plate would provide funding for scholarships for American Indians. About 85 plates have been authorized in Colorado.

Of the numerous proposals for special plates which were considered by the committee, the proposal for an American Indian License Plate was the sole plate recommended for inclusion in a bill (Bill D) to be considered at the next legislative session. The recommended bill requires the Rocky Mountain Indian Chamber of Commerce to obtain commitments for at least 2,000 of the plates and to bear the cost of designing the plate. Applicants for the plates are required to give a donation to a scholarship fund, and pay a one-time \$10 fee, in addition to normal fees assessed. The \$10 fee is credited to the HUTF.

The committee also considered a number of special "qualifiers" sought by organizations with existing special plates. The qualifiers require applicants for the plates to meet certain conditions in order to obtain the plate. DOR previously denied these seven qualifiers since the Department deemed that the granting of such qualifiers exceeded its statutory authority. The TLRC approved inclusion of all of the proposed qualifiers in its recommended bill. The committee approved qualifiers sought by Kit Carson County, the Colorado Wildlife Federation, the Colorado Education Association, US Airborne Troops, the Rio Blanco Children's Resource Council, retired military organizations, and the Rocky Mountain Indian Chamber of Commerce for their special license plates.

In spite of the inclusion of the American Indian License Plate in committee legislation the committee expressed concern with the proliferation of special license plates in Colorado and took action to slow this proliferation in coming years. Minimization of the numbers of special plates in Colorado would alleviate production costs, administrative burden, and law enforcement concerns with the large numbers of different plates in the state.

The committee recommended Bill E requiring that at least 3,000 of any given special plate must be in circulation before July 1, 2007, or the plates will be canceled. The recommended bill removes the authority of the Department of Revenue to issue special plates by rule. The bill also creates a general purpose special license plate that will be customizable by the vehicle's owner with a decal to be placed in a blank space on the plate. Organizations that fail to reach the 3,000 plate threshold in 2007 (and have their special plates canceled as a result) could use the general purpose special plate to continue their fund-raising efforts.

Regional Transportation District (RTD) Projects and Issues

The General Manager for RTD provided an overview of the Fiscal Year (FY) 2000 Amended RTD Budget, cost recovery ratios, RTD operating revenue and boardings, status of contracted bus operations, and rapid transit corridors. Fifteen percent of RTD's budget is administrative expense. RTD expects that construction will be completed on all rapid transit corridors within ten years. The General Manager also suggested that he expects that RTD will seek approval from voters for a sales tax increase in 2002, and noted that RTD last increased passenger fares in 1997. The RTD Board has a policy of increasing fares every five years. The next fare increase is due in 2002.

The committee received an update on the T-REX (Transportation Expansion) project. RTD has the goal of minimizing traffic congestion during construction of the project. "Intelligent transportation technology" will be used during the project to this end, and a high occupancy vehicle (HOV) lane is proposed for use during the construction phase. T-REX is a multi-modal light rail and highway project, including 19 miles of improvements and 12 rail stations. A design/build contract was awarded to Southeast Corridor Constructors in May 2001 for the project.

RTD Eco Pass revenues have grown to \$6.2 million, while Eco Pass participating employees has increased to 74,375. Nearly all airport employees have Eco Passes. Seventy-five percent of Sky-Ride passengers have an Eco Pass.

RTD annual boardings have increased to 77.8 million. Light rail ridership jumped to 6.7 million in 2000 from 4.7 million in 1999. RTD has a lower subsidy per passenger on rail than the agency has on bus passengers. As of June 2001, RTD was fully staffed with drivers for the first time in several years.

RTD is required by statute to contract out 35 percent of its bus service. The current contractors are ATC and Laidlaw. As of September, 2001, RTD is contracting out approximately 37 percent of its bus service, in compliance with the statutory requirement. The Access-a-Ride Program is entirely contracted out with an annual operating cost of \$13.2 million.

Colorado Department of Transportation (CDOT) Plans and Issues

The Executive Director of the Colorado Department of Transportation discussed the mission of the Department, “to provide the best multi-modal transportation system for Colorado that most effectively moves people, goods and information.” This mission is considered by the Department in developing its 20-year plan.

CDOT's planning process is a grassroots process involving local, regional, and state participants within the state's 15 transportation planning regions. Each of the 15 regions considers the need for all modes of transportation in identifying regional transportation goals. Public involvement is central to the development of the regional plans. The regional plans result in the creation of the 2020 Statewide Transportation Plan (STP). Unfunded projects in the plan currently total \$34 billion.

The purpose of the 2020 STP is to set transportation policy, establish long range priorities through fiscal constraints, and to identify both statewide and regional needs. The plan directly impacts the state's construction program, through the State Transportation Improvement Plan and the department's budget, and drives the roles and responsibilities of CDOT.

The Executive Director commented on transportation finance in Colorado. He noted that:

- C in percentage terms, only about eight percent of the state's total budget is allocated to transportation;
- C population and highway travel in Colorado are skyrocketing; highway travel is increasing at a rate double the rate of population growth;
- C Colorado has some of the lowest state-level taxation in the country (47th in the nation), while in terms of local taxes, Colorado ranks fourth from the top. The Highway Users Tax Fund is funded by statewide taxes, while transit taxes are local;
- C about 27 percent of the transportation dollars spent in Colorado are spent on transit; about a third of the transportation dollars are budgeted by CDOT; and about 40 percent is spent on local streets and roads; and
- C as a result of the issuance of the TRANS bonds in 1999, CDOT will be able to complete most of the state's 28 high-priority transportation projects within ten years.

Public Highway Authorities - Projects and Issues

The Colorado Public Highway Authority Act of 1987 allowed the creation of the Northwest Parkway Public Highway Authority (NPPHA) and the E-470 Public Highway Authority (E-470).

The committee received an update from officials of the Northwest Parkway Public Highway Authority. The NPPHA alignment joins I-25 at the north end of the Denver metropolitan area and US 36 in Broomfield. The project is located in Adams, Boulder, and Broomfield counties. Northwest Parkway officials told the committee that the Parkway is being built to serve development that is already existing, and that \$20 million of the bond revenues will be used for the acquisition of perpetual open space. Completion of a Denver area beltway linking the Northwest Parkway and C-470, is independent of the plans developed by the NPPHA.

Groundbreaking for the Northwest Parkway occurred in July 2001. More than \$400 million in bonds have been sold for the 10.2 mile project. The Authority emphasized that the project is not being built with public funds, and reached the construction phase within two years, compared to a normal development process of approximately 4 to 5 years. The project includes a joint interchange with E-470 at I-25, a main-line toll plaza halfway between I-25 and US 287, and an interchange at US 287 including ramp toll plazas. The project is being built through a design/build contract with the Northwest Parkway Constructors and will be open before the end of 2003.

Officials of the E-470 Public Highway Authority provided the committee with an update of highway construction projects along E-470. The purpose of the Authority is to design, construct, operate, maintain, and manage as a toll facility, the eastern beltway around Metropolitan Denver. Officials also commented on recent E-470 accomplishments, and E-470's financial status.

E-470 has worked with CDOT and the NPPHA for a smooth transition between the two toll roads. E-470 has also created a safety foundation to consider safety concerns on the roadway. Toll revenues have recently exceeded \$3 million per month. Debt service for the Authority will be \$31 million in 2002. Insurance was purchased for all of the bonds issued by the Authority. The debt will be retired by 2035.

Project features of the tollway include interstate standards, with the initial four lanes eventually expanding to eight lanes. There will be access to Denver International Airport and I-70. There are provisions for mass transit in the median area which could allow light rail, commuter rail, or HOV lanes. Once the bonds, or debts, for the road have been paid off, the Authority intends to dispense with the tolls and turn the road over to CDOT.

E-470 officials stated that the Authority has had relatively few complaints in its land acquisition program. The Authority routinely pays above appraised values for needed land, and 98 percent of right-of-way acquisition is completed. Landowners who have been impacted by E-470's right-of-way acquisition efforts provided testimony contrary to the perspective of E-470 officials. These landowners testified in regard to: E-470 employees unauthorized entry onto the landowner's property, inadequate notification that their properties would be affected, failure to compensate land owners for the "highest and best use" of their

properties, and failure to compensate landowners for the cost of expert witnesses. This testimony prompted the committee to request that the Senate Judiciary Committee and the House Civil Justice and Judiciary Committee examine the eminent domain powers of these public highway authorities at the 2002 legislative session.

Coordination of Transportation-Related Agencies Involved with the Development of Mass Transit Systems in the State

In the last several years, members of the TLRC have expressed concern over ongoing activities of various transportation agencies, departments, and authorities (i.e., Colorado Department of Transportation, Regional Transportation District, Colorado Intermountain Fixed-Guideway Authority, and the Denver Regional Council of Governments). The focus of their concern centers around the potential for duplication of efforts by these organizations. For this reason, the committee recommended a bill which was enacted at the 2001 legislative session requiring these agencies to share information and coordinate research, planning and development activities in the development of mass transit systems.

Officials from the Division of Transportation Development in CDOT, the Colorado Intermountain Fixed Guideway Authority, RTD and DRCOG provided the TLRC with the first status report under the new law on the coordination of mass transit research and planning. A memorandum of understanding (MOU) exists between RTD, DRCOG and CDOT, but the Colorado Intermountain Fixed Guideway Authority (CIFGA) is not a party to this MOU. Officials pointed out that CIFGA has worked closely with CDOT and participated in the 2020 planning process. A State Transportation Commissioner and an RTD Board member sit on the CIFGA Board. RTD officials said that CIFGA's plans have not been incorporated into the RTD planning process. The DRCOG Regional Plan also makes no mention of CIFGA's proposal.

SUMMARY OF RECOMMENDATIONS

As a result of the committee's activities, six bills were recommended to the Colorado General Assembly. The Legislative Council committee reviews each interim committee's recommendations and determines whether the bills fall within the charge of the interim committee. In the 2001 interim, the Legislative Council approved five of the TLRC's recommended bills.

Bill A — Concerning Regulation of Motor Carrier Safety

Bill A reenacts minimum standards for commercial vehicles as a new article, the "Motor Carrier Safety Act," and authorizes the Executive Director of the Department of Public Safety to assess civil penalties pursuant to an administrative hearings process against persons who violate motor carrier safety rules adopted by the Chief of the Colorado State Patrol.

Currently, interstate carriers who violate Federal Motor Carrier Safety Regulations on a regular basis are identified through a safety rating as unsafe carriers. Interstate carriers can be subject to very large fines depending on the violations, or they may be prohibited from operating. Intrastate carriers with the same violations currently are not subject to the same fines as an interstate carrier. The bill would result in unsafe intrastate carriers on Colorado highways being assessed fines consistent with Federal Motor Carrier Safety Regulations or prohibited from operating. Some intrastate carriers avoid the expense of compliance with federal regulations giving them an unfair advantage over interstate companies for being an unsafe company.

Bill B — Concerning the Elimination of the Requirement that the Amount of State Sales and Use Tax Revenues to be Transferred to the Highway Users Tax Fund be Reduced as Necessary to Fully Fund General Fund Expenditures up to the Statutory General Fund Appropriations Limit Whenever a Specified Quarterly General Fund Revenues Estimate Indicates that there will not be Sufficient Revenues to Fund General Fund Expenditures up to that Limit Absent such a Reduction

In 1997, the General Assembly enacted Senate Bill (SB)1 to provide ongoing transfers of sales and use tax revenues to the Highway User's Tax Fund. A provision of the bill has resulted in transportation funding via the SB 1 transfer process being the first point of reduction when funds are needed to maintain General Fund spending at the six percent level. Anticipated shortfalls of state revenues in the coming years are expected to have a detrimental effect on SB 1 transfers for transportation if the General Assembly does not alter the transfer formula. CDOT believes that the current transfer process provides an unstable revenue source for transportation which will be harmful to the state's transportation system over time.

Bill B eliminates the requirement that the amount of state sales and use tax revenue to be transferred to the Highway User's Tax Fund be reduced as necessary to fully fund General Fund expenditures up to the statutory General Fund appropriations limit. This reduction would occur whenever the quarterly General Fund revenue estimate indicates that, without the reduction, there will not be sufficient revenue to fund General Fund expenditures up to that limit. By removing this "trigger" in SB 1, the bill will place transportation on an equal footing with other state priorities.

Bill C—Concerning the Authority of the Executive Director of the Department of Revenue to Issue Certificates of Registration for Certain Commercial Vehicles, and, in Connection therewith, Authorizing the Issuance of Certificates for Vehicles that are Registered as Part of a Fleet based in Colorado, Owned by a Nonresident, and for which the Owner Obtains Apportioned Registration

Independent truck owners often lease with a trucking firm in a state other than their home state and the trucking firm makes arrangements for registration of the vehicle for the truck owner as part of the trucking firm's fleet. The vehicles are titled in the truck owner's home state. Bill C gives the Colorado Department of Revenue explicit statutory authority to continue to allow non-resident truck (commercial vehicle) owners to register their trucks as part of a fleet in Colorado although their vehicles are titled outside of Colorado. The bill also limits such authorization to commercial vehicles with an apportioned registration and requires the applicant for such registration to provide a copy of a current registration or title and a copy of the lease agreement.

Bill D — Concerning the Issuance of Certain Special License Plates

The Department of Revenue presented the TLRC with a list of applications for special license plate authorization as well as a list of groups with previously authorized special plates who are now seeking the addition of special "qualifiers" for their plates. The qualifiers require applicants for the plates to meet certain conditions in order to obtain the plate. DOR previously denied these qualifiers since the Department deemed that the granting of such qualifiers exceeded its statutory authority. The TLRC approved one of the proposed special plates and all of the proposed qualifiers in its recommended bill.

Bill D establishes the American Indian Special License Plate and requires the Rocky Mountain Indian Chamber of Commerce to obtain commitments for at least 2,000 of the plates and provide those commitments to the Department of Revenue. The Chamber of Commerce is also made responsible for the costs of designing the plate. Applicants for the plates are required to give a donation to a scholarship fund, and pay a one-time \$10 fee, in addition to normal fees assessed. The \$10 fee is credited to the HUTF. The bill establishes seven qualifiers sought by Kit Carson County, the Colorado Wildlife Federation, the Colorado Education Association, US Airborne Troops, the Rio Blanco Children's Resource Council, retired military organizations, and the Rocky Mountain Indian Chamber of Commerce for their special license plates.

Bill E — Concerning the Reduction of the Number of Available Types of Special License Plates

Bill E was recommended by the TLRC to slow the proliferation of special license plates in Colorado. Bill E sunsets special license plates on July 1, 2007 if, by that time the plates are not issued for at least 3,000 vehicles. The bill removes the authority of the Department of Revenue to issue special license plates pursuant to rule and raises the certification threshold for issuing special license plates by statute from 2,000 plates to 3,000 plates to be issued within one year after authorization. The bill creates a general purpose special license plate that is customizable by the vehicle's owner with a decal to be placed in a blank space on the plate. Applicants for the general purpose special license plate are required to pay an additional \$25 fee. The bill requires the Department of Revenue to issue a standard license plate for both passenger vehicles and light trucks.

RESOURCE MATERIALS

The resource materials listed below were provided to the committee or developed by Legislative Council Staff during the course of the study. The summaries of meetings and attachments are available at the Division of Archives, 1313 Sherman Street, Denver (303) 866-2055. For a limited period of time, the meeting summaries and materials developed by Legislative Council Staff are available on our web site at:

www.state.co.us/gov_dir/leg_dir/lcsstaff/2001/01interim.

Meeting Summaries	Topics Discussed
June 5, 2001	Roaring Fork Transportation Authority, Denver East Corridor Rail Group, Regional Transportation District, T-REX, Colorado Department of Transportation (CDOT), CDOT mission, transportation planning, bonding, Arboles Airstrip.
June 26, 2001	Department of Revenue, Consolidation of License Plate Distribution, Colorado Department of Transportation, Arboles Airstrip, Towner Line, Denver Regional Council of Governments, Coordination of Mass Transit Research and Planning (CDOT, RTD, CIFGA, DRCOG).
July 19, 2001	Colorado Motor Carriers, Public/Private Partnerships for Transportation and Ports to Plains Proposal, Multi-state Highway Transportation Agreement Alliance Update, License Plate Distribution, American Indian License Plate, Driver Qualifications for License Renewal, Office of State Planning and Budgeting Transportation Funding Issues, Colorado Transit Needs, Northwest Parkway.
August 28, 2001	Presentation of Proposals for TLRC Legislation: (Colorado State Patrol, Colorado Department of Transportation, Titling of Salvaged Vehicles, Colorado Motor Carriers, License Plate Distribution, Department of Revenue, Special License Plates, Colorado Association of Transit Agencies, 0.08 BAC Legislation), National Renewable Energy Laboratory, Colorado Intermountain Fixed Guideway Authority, Colorado Highway User's Conference, E-470 Authority and Public Commentary, Use of 15-Passenger Vans for School Transportation.

- September 18, 2001 Presentation of Draft TLRC Legislation: (Regulation of Motor Carrier Safety, Titling of Salvaged Vehicles, Senate Bill 1 Trigger, Registration of Commercial Vehicles, American Indian Special License Plate/Qualifiers, Elimination of Certain Special License Plates, Lower Presumptive Blood Alcohol Content for DUI), Colorado Transit Alliance, Colorado Highway User's Conference, Progress Report on Emissions Banking.
- November 27, 2001 Joint Meeting with Joint Budget Committee: Consideration of Options for Addressing the Shortage of License Plates.

Memoranda and Reports

Regional Transportation District, Presentation to the Transportation Legislation Review Committee, June 5, 2001.

Colorado Department of Transportation, June 5, 2001, Presentation to TLRC - Talking Points and Slides.

CDOT 2020 Statewide Transportation Plan.

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Joint Budget Committee Staff Memorandum: Regarding Statewide License Plate Shortage.

Colorado State Patrol: Presentation to the TLRC, Goals of the Motor Carrier Safety Legislation.

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Colorado Transit Alliance: Transportation Needs in the Denver Metro Area: Report of Survey Results.

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Colorado Motor Carrier's Association: Change to Motor Carrier Title Statute.

Memorandum to TLRC from William Imig Regarding Current Auto Salvage Laws.

Colorado Association of Transit Agencies: Presentation to TLRC, August 28, 2001.

Second Regular Session
Sixty-third General Assembly
STATE OF COLORADO

BILL D

DRAFT

LLS NO. 02-0077.01 Jery Payne

HOUSE BILL

HOUSE SPONSORSHIP

Williams S., and Stafford

SENATE SPONSORSHIP

Tupa, Entz, and Isgar

House Committees

Senate Committees

A BILL FOR AN ACT

101 **CONCERNING THE ISSUANCE OF CERTAIN SPECIAL LICENSE PLATES.**

Bill Summary

(Note: This summary applies to this bill as introduced and does not necessarily reflect any amendments that may be subsequently adopted.)

Transportation Legislation Review Committee. Establishes the American Indian special license plate ("American Indian plate") for passenger cars or trucks that do not exceed 16,000 pounds empty weight.

Requires the Rocky Mountain Indian chamber of commerce to establish commitments for American Indian plate purchases for at least 2,000 American Indian plates and provide a list of the names and addresses of persons purchasing such plates to the department of revenue.

Obligates the Rocky Mountain Indian chamber of commerce to be

Shading denotes HOUSE amendment. Double underlining denotes SENATE amendment.

Capital letters indicate new material to be added to existing statute.

Dashes through the words indicate deletions from existing statute.

responsible for the costs of designing the American Indian plate. Requires the design for the American Indian plate to conform with standards established by the department of revenue.

Requires an applicant for the American Indian plate to give a donation to a scholarship fund, pay the normal fees plus an additional one-time \$10 fee, and fulfill all other appropriate requirements under the law. Administers the scholarship fund through a nonprofit organization, association, or corporation selected and supervised by the Colorado commission of Indian affairs. Credits the one-time \$10 fee to the highway users tax fund. Further authorizes the American Indian plates to be personalized plates if the applicant fulfills the additional requirements for such plates.

Establishes the following qualifications for certain special license plates:

- ! An applicant for a Denver firefighters' special license plate must be an active or retired Denver firefighter.
- ! An applicant for a Columbine special license plate must make a donation to the Columbine injured victims fund.
- ! An applicant for a raptor educational foundation special license plate must make a donation to the Lowry raptor educational center.
- ! An applicant for a Rotary club special license plate must be a member of the Rotary club.
- ! An applicant for a Vietnam veteran special license plate must demonstrate that the applicant is a veteran of the armed services who served during the Vietnam engagement.
- ! An applicant for a United States army special license plate must demonstrate that the applicant is a veteran of or an active, reserve, or retired member of the United States army.
- ! An applicant for an Elks special license plate must be a member of the Elks club.

1 *Be it enacted by the General Assembly of the State of Colorado:*

2 **SECTION 1.** Article 3 of title 42, Colorado Revised Statutes, is amended

3 BY THE ADDITION OF A NEW SECTION to read:

4 **42-3-116.7. Special plates - Colorado commission of Indian**

5 **affairs.** (1) THE DEPARTMENT SHALL ISSUE ONE OR MORE SETS OF SPECIAL

6 LICENSE PLATES TO APPLICANTS UNDER THE REQUIREMENTS OF THIS

7 SECTION FOR PASSENGER CARS OR TRUCKS THAT DO NOT EXCEED SIXTEEN

8 THOUSAND POUNDS EMPTY WEIGHT.

9 (2) (a) THERE IS HEREBY ESTABLISHED THE AMERICAN INDIAN

10 SPECIAL LICENSE PLATE. THE DEPARTMENT IS AUTHORIZED TO BEGIN

1 ISSUANCE OF SUCH SPECIAL LICENSE PLATE WHEN THE ROCKY MOUNTAIN
2 INDIAN CHAMBER OF COMMERCE HAS COMMITMENTS FOR SPECIAL LICENSE
3 PLATE PURCHASES FOR AT LEAST TWO THOUSAND SPECIAL LICENSE PLATES
4 AND PROVIDES A LIST OF THE NAMES AND ADDRESSES OF PERSONS
5 PURCHASING SUCH PLATES TO THE DEPARTMENT.

6 (b) THE ROCKY MOUNTAIN INDIAN CHAMBER OF COMMERCE IS
7 RESPONSIBLE FOR THE COSTS OF DESIGNING THE SPECIAL LICENSE PLATE
8 AND SHALL PAY SUCH COSTS BEFORE THE LICENSE PLATE IS PRODUCED.
9 THE DESIGN FOR THE SPECIAL LICENSE PLATE SHALL CONFORM WITH
10 STANDARDS ESTABLISHED BY THE DEPARTMENT.

11 (3) (a) A PERSON MAY APPLY FOR AN AMERICAN INDIAN SPECIAL
12 LICENSE PLATE FOR A MOTOR VEHICLE IF THE PERSON PAYS THE TAXES
13 AND FEES REQUIRED UNDER THE PROVISIONS OF THIS SECTION AND
14 PROVIDES THE DEPARTMENT OR AN AUTHORIZED AGENT A CERTIFICATE
15 ISSUED BY THE COLORADO COMMISSION OF INDIAN AFFAIRS CONFIRMING
16 THAT SUCH PERSON MEETS THE QUALIFICATIONS FOR THE LICENSE PLATE
17 ESTABLISHED PURSUANT TO THIS SUBSECTION (3).

18 (b) THE COLORADO COMMISSION OF INDIAN AFFAIRS SHALL
19 ESTABLISH A SPECIFIC LEVEL OF CONTRIBUTION TO A SCHOLARSHIP FUND
20 THAT QUALIFIES A PERSON TO OBTAIN SPECIAL LICENSE PLATES UNDER THE
21 PROVISIONS OF THIS SECTION. THE SCHOLARSHIP FUND SHALL BE
22 ADMINISTERED BY A NONPROFIT ORGANIZATION, ASSOCIATION, OR
23 CORPORATION SELECTED AND SUPERVISED BY THE COLORADO
24 COMMISSION OF INDIAN AFFAIRS.

25 (4) VEHICLES REGISTERED UNDER THIS SECTION SHALL BE SUBJECT
26 TO ALL OTHER PROVISIONS OF THIS ARTICLE.

27 (5) (a) THE AMOUNT OF THE TAXES AND FEES FOR SPECIAL LICENSE

1 PLATES UNDER THIS SECTION IS THE SAME AS THE AMOUNT OF THE TAXES
2 AND FEES SPECIFIED FOR REGULAR MOTOR VEHICLE LICENSE PLATES;
3 EXCEPT THAT THE DEPARTMENT SHALL COLLECT A ONE-TIME FEE OF TEN
4 DOLLARS FOR EACH MOTOR VEHICLE FOR ISSUANCE OR REPLACEMENT OF
5 SUCH LICENSE PLATES. THE DEPARTMENT SHALL TRANSMIT THE
6 ADDITIONAL ONE-TIME FEE TO THE STATE TREASURER, WHO SHALL CREDIT
7 THE SAME TO THE HIGHWAY USERS TAX FUND, CREATED IN SECTION
8 43-4-201, C.R.S.

9 (b) AN APPLICANT MAY APPLY FOR SPECIAL LICENSE PLATES
10 PURSUANT TO THIS SECTION THAT ARE PERSONALIZED UPON PAYMENT OF
11 THE ADDITIONAL FEE REQUIRED BY SECTION 42-3-114 (7) (a) FOR
12 PERSONALIZED LICENSE PLATES AND CONFORMANCE WITH ALL OTHER
13 REQUIREMENTS OF SECTION 42-3-114. IF ANY APPLICANT HAS EXISTING
14 PERSONALIZED LICENSE PLATES FOR A MOTOR VEHICLE, THE APPLICANT
15 MAY TRANSFER THE COMBINATION OF LETTERS OR NUMBERS TO A NEW SET
16 OF SPECIAL LICENSE PLATES FOR THE VEHICLE UPON PAYING THE FEE
17 IMPOSED BY SECTION 42-3-114 (7) (a) AND UPON TURNING SUCH EXISTING
18 PLATES IN TO THE DEPARTMENT AS REQUIRED BY THE DEPARTMENT. ANY
19 PERSON WHO HAS OBTAINED PERSONALIZED SPECIAL LICENSE PLATES
20 UNDER THIS PARAGRAPH (b) IS REQUIRED TO PAY THE ANNUAL FEE IMPOSED
21 BY SECTION 42-3-114 (7) (b) FOR RENEWAL OF SUCH PERSONALIZED PLATES.
22 THE FEES UNDER THIS PARAGRAPH (b) ARE IN ADDITION TO ALL OTHER
23 TAXES AND FEES IMPOSED FOR THE AMERICAN INDIAN SPECIAL LICENSE
24 PLATES.

25 (6) ANY RENEWAL OF A SPECIAL LICENSE PLATE ISSUED UNDER THIS
26 SECTION SHALL BE HANDLED IN THE SAME MANNER AS OTHER LICENSE
27 PLATES UNDER THE PROVISIONS OF SECTION 42-3-112 OR, FOR

1 PERSONALIZED PLATES, UNDER THE PROVISIONS OF SECTION 42-3-114.

2 **SECTION 2.** Article 3 of title 42, Colorado Revised Statutes, is amended
3 BY THE ADDITION OF A NEW SECTION to read:

4 **42-3-117.5. Special plates - qualifications for issuance of**
5 **special license plates.** (1) THE FOLLOWING PLATES CREATED BY RULE BY
6 THE DEPARTMENT SHALL BE SUBJECT TO THE REQUIREMENT SPECIFIED BY
7 THIS SECTION:

8 (a) THE DEPARTMENT OR AN AUTHORIZED AGENT SHALL NOT ISSUE
9 A DENVER FIREFIGHTERS' SPECIAL LICENSE PLATE TO AN APPLICANT UNTIL
10 SUCH APPLICANT HAS PROVIDED SUFFICIENT EVIDENCE TO DEMONSTRATE
11 THAT THE APPLICANT IS AN ACTIVE OR RETIRED DENVER FIREFIGHTER.

12 (b) THE DEPARTMENT OR AN AUTHORIZED AGENT SHALL NOT ISSUE
13 A COLUMBINE SPECIAL LICENSE PLATE TO AN APPLICANT UNTIL SUCH
14 APPLICANT HAS PROVIDED SUFFICIENT EVIDENCE TO DEMONSTRATE THAT
15 THE APPLICANT HAS MADE A DONATION TO THE COLUMBINE INJURED
16 VICTIMS FUND.

17 (c) THE DEPARTMENT OR AN AUTHORIZED AGENT SHALL NOT ISSUE
18 A RAPTOR EDUCATIONAL FOUNDATION SPECIAL LICENSE PLATE TO AN
19 APPLICANT UNTIL SUCH APPLICANT HAS PROVIDED SUFFICIENT EVIDENCE
20 TO DEMONSTRATE THAT THE APPLICANT HAS MADE A DONATION TO THE
21 LOWRY RAPTOR EDUCATIONAL CENTER.

22 (d) THE DEPARTMENT OR AN AUTHORIZED AGENT SHALL NOT ISSUE
23 A ROTARY CLUB SPECIAL LICENSE PLATE TO AN APPLICANT UNTIL SUCH
24 APPLICANT HAS PROVIDED SUFFICIENT EVIDENCE TO DEMONSTRATE THAT
25 THE APPLICANT IS A MEMBER OF THE ROTARY CLUB.

26 (e) THE DEPARTMENT OR AN AUTHORIZED AGENT SHALL NOT ISSUE
27 A VIETNAM VETERAN SPECIAL LICENSE PLATE TO AN APPLICANT UNTIL

1 SUCH APPLICANT HAS PROVIDED A DD214 FORM ISSUED BY THE UNITED
2 STATES GOVERNMENT OR OTHER EVIDENCE SUFFICIENT TO DEMONSTRATE
3 THAT THE APPLICANT IS A VETERAN OF THE ARMED SERVICES WHO SERVED
4 DURING THE VIETNAM ENGAGEMENT.

5 (f) THE DEPARTMENT OR AN AUTHORIZED AGENT SHALL NOT ISSUE
6 A UNITED STATES ARMY SPECIAL LICENSE PLATE TO AN APPLICANT UNTIL
7 SUCH APPLICANT HAS PROVIDED A DD214 FORM ISSUED BY THE UNITED
8 STATES GOVERNMENT OR AN HONORABLE DISCHARGE FROM THE UNITED
9 STATES ARMY, OR SUFFICIENT EVIDENCE TO DEMONSTRATE THAT THE
10 APPLICANT IS AN ACTIVE, RESERVE, OR RETIRED MEMBER OF THE UNITED
11 STATES ARMY.

12 (g) THE DEPARTMENT OR AN AUTHORIZED AGENT SHALL NOT ISSUE
13 AN ELKS SPECIAL LICENSE PLATE TO AN APPLICANT UNTIL SUCH APPLICANT
14 HAS PROVIDED SUFFICIENT EVIDENCE TO DEMONSTRATE THAT THE
15 APPLICANT IS A MEMBER OF THE ELKS CLUB.

16 **SECTION 3. Effective date.** This act shall take effect at 12:01 a.m. on
17 the day following the expiration of the ninety-day period after final adjournment of
18 the general assembly that is allowed for submitting a referendum petition pursuant to
19 article V, section 1 (3) of the state constitution; except that, if a referendum petition
20 is filed against this act or an item, section, or part of this act within such period, then
21 the act, item, section, or part, if approved by the people, shall take effect on the date
22 of the official declaration of the vote thereon by proclamation of the governor.

DRAFT

Bill E

Colorado Legislative Council Staff

STATE and LOCAL
FISCAL IMPACT

Drafting Number: LLS 02-0078
Prime Sponsor(s): Rep. Sinclair
Sen. Nichol

Date: December 3, 2001
Bill Status: Transportation Legislation Review
Committee
Fiscal Analyst: Chris Ward (303-866-5834)

TITLE: CONCERNING THE REDUCTION OF THE NUMBER OF AVAILABLE TYPES OF SPECIAL LICENSE PLATES.

Fiscal Impact Summary	FY 2002/2003	FY 2004/2005
State Revenues General Fund		
State Expenditures General Fund		
FTE Position Change	0.0 FTE	0.0 FTE
Other State Impact: TABOR		
Effective Date: 90 days after adjournment (August 6, 2002), unless a referendum petition is filed.		
Appropriation Summary for FY 2002/2003: None required		
Local Government Impact: Potential change in HUTF distributions to counties and municipalities		

Summary of Legislation

The bill retires several types of special license plates effective July 1, 2007, unless the plates are issued for at least 3,000 vehicles. This provision applies to all special license plates issued pursuant to departmental rule as well as certain plates issued pursuant to statute. The bill repeals the authority of the Department of Revenue to issue new special license plates by rule and increases the minimum threshold for establishing a new special license plate from 2,000 plates to 3,000 plates.

By July 1, 2006, the bill requires the Department of Revenue to develop a general purpose special license plate with a blank space on the center of the plate where a decal can be placed. The bill establishes standards for the decal and authorizes the department to charge an additional \$25 fee for the license plate.

The bill requires all class C vehicles to be issued a single type of standardized license plate.

Bill E

Table 1 lists the special license plates affected by this bill and the number of outstanding plates as of July 2001.

Table 1. Special License Plates Affected by Bill E		
TYPE	NAME OF PLATE	COUNT
Statute	Honorably Discharged Veteran	50,315
Rule	Pioneer	19,243
Rule	Firefighter	8,240
Rule	Air Force Commemorative	5,920
Rule	Columbine	5,230
Statute	Alumni - University of Colorado	3,429
Statute	US Marine Corps	3,263
Rule	Masonic Family	1,301
Rule	10th Mountain Division	1,211
Rule	Raptor Educational Fund	938
Statute	Colorado National Guard	858
Statute	Street Rod	758
Statute	Alumni - Colorado State University	716
Rule	Knights of Columbus	504
Rule	Always Buy Colorado	493
Rule	Naval Reserve	479
Statute	Agriculture and Natural Resources	377
Rule	Vietnam Veterans	290
Statute	Alumni - University of Northern Colorado	273
Rule	Greyhound Lovers	254
Statute	Alumni - School of Mines	182
Rule	Protective Order of Elks	122
Rule	Rotary Club	18
Statute	Neighborhood Electric	7
Statute	Medal of Honor	6

* Not yet available

State Revenues

The bill will not affect state revenues until FY 2006-07. Beginning in FY 2006-07, the bill potentially increases revenue to the Highway Users Tax Fund (HUTF) from fees charged for a new general purpose special license, but potentially decreases HUTF revenue from fees charged for existing special license plates that may be sunset. These impacts are described in greater detail below. Overall, beginning in FY 2007-08, any increase in revenue from the issuance of general purpose special license plates is expected to be offset by the decrease in revenue from eliminating special license plates.

Beginning July 1, 2006, the bill requires the Department of Revenue to develop a general purpose special license plate with a blank space on the center of the plate where a standardized decal can be placed. The bill also authorizes the department to charge a \$25 annual fee for this license plate, which

Bill E

would be credited to the HUTF. The amount of any **increase in HUTF revenue** would depend on the demand for general purpose special license plates and is unknown at this time.

Beginning July 1, 2007, the bill sunsets certain special license plates unless at least 3,000 of each plate is issued. By potentially eliminating the ability to even apply for certain special plates, the bill could **reduce HUTF revenue** from these special plates. The amount of any decrease is unknown, but is expected to be minimal since retired plates, by definition, are not likely to be issued in large numbers to new applicants.

This fiscal note assumes that the current number of outstanding license plates with personalized letter-and-number combinations will not change as a result of this bill. The fee for a personalized license plate is \$35 for the first year and \$25 per year thereafter.

State Expenditures

The bill requires the Department of Revenue to develop by July 1, 2006, a general purpose special license plate with a blank space on the center of the plate where a standardized decal can be placed. It is assumed that this requirement can be met within the department's existing resources.

The department's current authority to approve special license plates by rule is repealed. Eliminating this responsibility will reduce the workload of the department. However, since the department was never appropriated additional resources for this responsibility, no adjustment in the department's appropriation is necessary.

Other State Impacts

Under current law, the state is required to refund to taxpayers any moneys collected in excess of the constitutional revenue limit (TABOR). Current estimates indicate that the state will exceed the revenue limits for at least the next five years without this bill. Any change in revenue resulting from this bill will affect the amount refunded through the state's six-tier sales tax refund mechanism. Current law requires that the state refund 105 percent of the amount estimated to be refunded through this mechanism.

Local Government Impact

A portion of HUTF revenue is distributed to counties and municipalities. To the extent that this bill affects HUTF revenue from special license plates, HUTF distributions to counties and municipalities will also be affected.

State Appropriations

No new state appropriations are required to implement the bill in FY 2002-03.

Departments Contacted:

Revenue