



January 21, 2011

Representative Glenn Vaad, Chairman
Transportation and Energy Committee
Colorado House of Representatives

Senator Evie Hudak, Chairman
Senate Transportation Committee
Colorado Senate

Dear Chairmen,

As per C.R.S. 42-3-301 and as Director of Colorado Correctional Industries, it is my responsibility to report to you regarding the fees imposed pursuant to the production and distribution of license plates, decals and validating tabs produced by Colorado Correctional Industries on behalf of the Colorado Department of Revenue.

The original enactment of the "License Plate Cash Fund" established a statutory unit price for license plates, decals and validation tabs. Lacking a statutory remedy to recover the increasing cost of raw materials, distribution and other services, C.R.S. 4-3-301 through HB09-1133 was amended in 2009 to impose fees necessary to recover the costs of production and distribution of license plates, decals and validating tabs. In regards to HB09-1133 and in consultation with the Correctional Industries Advisory Board, the Colorado Department of Revenue and the Office of State Planning and Budget, the production cost of embossed plates was increased from \$1.63 to \$1.89 per plate on all orders received after June 30, 2009. Similarly, the price of digital plates was also increased from \$2.54 to \$2.82 per plate.

Since the enactment of HB09-1133, in 2009, the costs associated with the production and distribution of license plates, decals and validation tabs has remained stable.

Thank you for your time and consideration of these matters.

Sincerely,

Steve Smith, Director
Colorado Correctional Industries
Colorado Department of Corrections