



COLORADO
Department of Revenue

Division of Motor Vehicles
Physical Address:
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March 1, 2017

Members of the General Assembly:

In accordance with the statutory reporting requirements cited below, the Division of Motor Vehicles (DMV) of the Colorado Department of Revenue (Department) is providing this report for your consideration.

Section 42-3-302, C.R.S. Special Plate Fees

1. The fees collected pursuant to sections 42-3-213 and 42-3-217, C.R.S., for the issuance of license plates pursuant to sections 42-3-213(9) and 42-3-217, C.R.S., shall be transmitted to the State Treasurer, who shall credit the same to the License Plate Cash Fund created in section 42-3-301, C.R.S.
2. The Executive Director of the Department shall make an annual report by March 1 of each year to the General Assembly. Such report shall be open for public inspection and shall include:
 - a. A summary of the Department's activities for the previous year;
 - b. A statement of plate revenues;
 - c. Information regarding special plate purchases;
 - d. Expenses of the Department;
 - e. Allocation of remaining revenues; and
 - f. Any recommendations for changes in statutes that the Executive Director deems necessary or desirable.

Specialty License Plate Report:

2(a) Summary of the Department's Activities for the Previous Year

The Department continued to utilize established inventory management methodologies and submitted orders to the Department of Corrections, Correctional Industries, throughout Fiscal Year (FY) 2015-16 to provide license plates and registration products to the County Motor Vehicle offices. This ordering methodology is based on a minimum three-month statewide level of inventory for license plates and registration products.

The Department utilizes the Print of Demand (POD) process for designated specialty and low issuance license plates. When a customer registers their vehicle with a license plate that has been designated POD they will receive the license plate in the mail. The customer then completes an activation process similar to receiving a debit/credit card from a bank that activates the license plate to the vehicle's registration. POD has reduced the number of different of license plate types in each of the 106 County Motor Vehicle offices. This has also allowed the Department to redirect the savings from POD to help meet the plate inventory needs for non-POD plates and registration products. Registration products include year tabs, month tabs, Special Mobile Machinery (SMM) rental tabs, SMM ownership tabs, temporary registration permits, dealer stubs, trailer vehicle identification tags, permanent persons with

disabilities placards, temporary persons with disabilities placards, emergency vehicle stickers, low power scooter stickers, collector ownership tabs, and plug-in electric vehicle decals.

In FY 2015-16, the Department continued its process of placing quarterly orders and situational ordering (situations that may arise requiring a one-time or seasonal increase/decrease of plates) with the Department of Corrections, Correctional Industries. The Department also attained its goal of performing 20 physical inventory audits of license plates and registration products maintained in the County Motor Vehicle offices. In FY 2015-16 the Department performed physical inventory audits in 22 Counties (50 locations) with findings of a 99.41% average favorable audit rating.

In FY 2015-16, no new license plate types were authorized with legislation.

In FY 2015-16, SB15-090 Temporary Registration Permits was implemented. This legislation created a web-based, real-time system for the issuance of temporary registration permits, made design changes to the temporary registration permit, and requires the placement of the temporary registration permits on the vehicles rear license plate area. With making these changes to the temporary registration permit it has enhanced the safety of the law enforcement to assist in the identification of the owner of the vehicle.

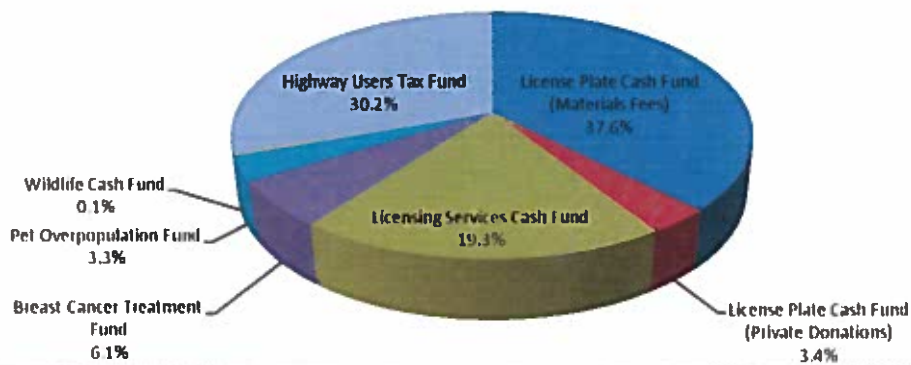
2(b) State of Plate Revenues

Revenue collected from the issuance of plates increased 9.5% for FY 2015-16. In FY 2015-16 the Department of Revenue collected \$5,633,497 in material fees from the sale of all license plates and registration products. As a result of SB15-090 a one-time donation of \$506,487 was received into the License Plate Cash Fund from E-470 for the initial purchase to stock inventories with the temporary registration permit mounting boards. In addition, the Department collected approximately \$2.9 million for the Licensing Services Cash Fund (LSCF) from the sale of specialty license plates. The State's Eligibility Expansion Account of the Breast and Cervical Cancer Prevention and Treatment Fund received \$907,225 from the sale, replacement, and renewal of the Breast Cancer Awareness group special license plate. The Adopt a Shelter Pet Account in the Pet Overpopulation Fund received \$501,069 from the sale and replacement of the Adopt a Shelter Pet group special license plate. The Wildlife Cash Fund received \$18,795 from the sale, replacement, and renewal of the Wildlife Sporting group special license plate. Finally, Highway Users Tax Fund (HUTF) in total received just over \$4.5 million in revenues from fees generated by the sale of specialty and other license plates.

Table 1: Fiscal Year 2015-16 License Plate Revenue Distribution Summary

Fund	Amount	%	Governing Statute(s)
License Plate Cash Fund (Materials Fees)	5,633,497	37.6%	Material Costs 42-3-301(2)(a)
License Plate Cash Fund (Private Donations)	506,487	3.4%	42-3-301(2)(a)
Licensing Services Cash Fund	2,894,446	19.3%	42-3-312 & 42-2-114.5
Breast Cancer Treatment Fund	907,225	6.1%	42-3-217.5(3)
Pet Overpopulation Fund	501,069	3.3%	42-3-234(4)
Wildlife Cash Fund	18,795	0.1%	42-3-245(4)(a)(III)
Highway Users Tax Fund	4,532,201	30.2%	42-3-211(6) & (7) & 42-3-212(4)
FY 2015-16 Total License Plate Revenue	\$14,993,720	100%	

FY '16 License Plate Revenue: \$14.9 Million
9.6% Increase Over FY '15

**2(c) Information regarding Special Plate Purchases**

The following are total plates purchased in FY 2015-16:

Plate Types	Purchased	Percentage
Group Special / Military / Alumni / Designer Plates	75,023	7.7%
Personalized Plates	31,580	3.2%
Other Plates (Standard, Govt, Fleet, etc.)	872,442	89.1%
All Plate Types	979,045	100%

2(d) Expenses of the Department

The Department expended \$5,922,519 in the License Plate Ordering Line item for the manufacture and distribution of license plates and registration products in FY 2015-16 as follows:

Plate Types	Expenses	Percentage
Group Special / Military / Alumni / Designer Plates	\$548,342	9.3%
Personalized Plates	\$35,440	0.6%
Other Plates (Standard, Govt, Fleet, etc)	\$2,983,480	50.4%
One-Time Special Bills Implementation	\$519,207	8.8%
Miscellaneous	\$8,678	0.1%
Product (Month Tabs, Year Tabs, etc.)	\$1,827,372	30.8%
All Plate Types & Product	\$5,922,519	100%

In the FY 2015-16 Long Bill, the General Assembly appropriated \$5,429,871 to the License Plate Ordering Line Item, comprised of \$6,673 General Fund, and \$5,423,198 cash fund spending authority for the purchase of license plates and associated products. Special bill appropriations to implement new legislation totaled \$522,073. Total FY 2015-16 appropriation in the line item was \$5,951,944.

This License Plate Cash fund which funds the majority of the appropriation in the line item is limited by the available revenue and fund balance to purchase associated products. As inventory levels have decreased there has been less working capital available to replenish inventories.

Total un-recovered material fees assessed pursuant to 42-3-301, C.R.S., which would have otherwise been credited to the License Plate Cash Fund in FY 2015-16 was \$209,122. Un-recovered material fees are incurred from statutorily required exemptions on certain first issuance of Military plates, Government plates, Emergency Vehicle Stickers, and Persons with Disabilities Placards and Tabs.

2(e) Allocation of Remaining Revenues

Any unexpended and unencumbered moneys in the fund per section 42-3-301(1)(b), C.R.S. remains in the License plate Cash Fund for future purchase of license plates and registration material.

2(f) Any recommendations for changes in statutes that the Executive Director deems necessary or desirable

SB 17-176 Motor Vehicle License Plate Appropriation was proposed to address funding issues for license plates. The bill was sent to the Governor's office for signature on February 22, 2017.

Pursuant to the statutory references listed below, the Department will retire the group of special and alumni license plates listed below in calendar year 2017 due to plate issuance and registration totals being less than the statutory required amount. All new issuance and replacements will cease when these plates are retired. Individuals that are currently registered with the license plate may retain the license plate until the owner elects to replace it or it is damaged, lost or stolen. All owners will be informed of the retirement via U.S. postal mail.

Plate	C.R.S.	Statutory Minimum Required	Minimum Required By	Current Registered*	Months Plate Has Been In Existence*	Previous Extensions Granted
Carbon Fund	42-3-228(6)	3,000	July 1, 2016	1,183	100	SB09-175 HB11-1236
Child Loss Awareness	42-3-243(2)(a)	3,000	January 1, 2017	1,425	49	
Colorado Avalanche	42-3-239(2)(a)	3,000	July 1, 2016	2,232	60	
Colorado Rockies	42-3-241(2)(a)	3,000	January 1, 2017	1,839	49	
Craig Hospital	42-3-240(2)(a)	3,000	July 1, 2016	413	60	
Denver Nuggets	42-3-239(2)(a)	3,000	July 1, 2016	454	60	
Fallen Heroes	42-3-242(2)(a)	3,000	January 1, 2017	2,587	49	
Flight For Life Colorado	42-3-244(2)(a)	3,000	January 1, 2017	583	49	
Girl Scouts	42-3-237(6)	3,000	July 1, 2017	276	60	
Juvenile Diabetes	42-3-238(2)(a)	3,000	July 1, 2014	1,537	60	
Kid's First	42-3-224(2)(a)	3,000	July 1, 2016	2,148	113	SB09-175 HB11-1236
Protect Our Rivers	42-3-246(2)(a)	3,000	July 1, 2017	1,863	36	
State Parks	42-3-233(6)	3,000	July 1, 2016	2,012	72	HB11-1236
Support Education	42-3-222(6)	3,000	July 1, 2016	656	119	SB09-175 HB11-1236
Support the Horse	42-3-227(6)	3,000	July 1, 2016	2,801	96	SB09-175 HB11-1236

*As of December 31, 2016

Please let me know if you would like any additional information.

Sincerely,



Barbara J. Brohl
Executive Director
Colorado Department of Revenue