



**Colorado
Legislative
Council
Staff**

HB17-1206

FISCAL NOTE

FISCAL IMPACT: State Local Statutory Public Entity Conditional No Fiscal Impact

Drafting Number: LLS 17-0606
Prime Sponsor(s): Rep. Singer
 Sen. Moreno

Date: March 13, 2017
Bill Status: House Local Government
Fiscal Analyst: Erin Reynolds (303-866-4146)

BILL TOPIC: ELIGIBILITY COLORADO ROAD AND COMMUNITY SAFETY ACT

Fiscal Impact Summary	FY 2017-2018	FY 2018-2019
State Revenue Cash Funds	Net zero. See State Revenue section.	
State Expenditures Cash Funds	\$216,000 216,000	Minimal workload decrease.
Appropriation Required: \$216,000 – Department of Revenue (FY 2017-18).		
Future Year Impacts: Ongoing revenue increase and minimal workload decrease.		

Summary of Legislation

Under current law, the Colorado Road and Community Safety Act (Senate Bill 13-251) authorizes the state Division of Motor Vehicles (DMV) to issue a driver license, identification card, or instruction permit to an individual who is either temporarily lawfully present in the U.S. or a Colorado resident who is neither a U.S. citizen nor has a permanent residency status (SB13-251 documents). These SB13-251 documents are valid for three years after issue, with an exception for minor driver licenses. The bill clarifies that SB13-251 documents may be renewed or reissued without the individual having to resubmit the requisite documentation if the individual provides a previously issued SB13-251 document and proof of current Colorado residency. As with standard licenses, SB13-251 documents may be extended by the DMV for one year if the individual is temporarily out of state or is prevented by disability from renewing a document and pays a fee.

Individuals seeking to obtain SB13-251 documents are currently required to meet several documentary requirements, including providing an individual taxpayer identification number (ITIN). The bill allows an applicant to provide his or her social security number (SSN) in lieu of an ITIN. Acceptable documentation of the SSN may include a social security card itself, electronic confirmation through the Social Security Online Verification System, or any other documentation deemed by rule to be acceptable to Department of Revenue (DOR).

Background

The DMV began issuing SB13-251 documents on August 1, 2014, and renewals are expected to occur for the first time beginning August 1, 2017. Currently, individuals who are not lawfully present and possess a SB13-251 document are expected to make an in-person

appointment at the DMV to renew SB13-251 documents and will be required by the DMV to resubmit all documentation to reissue the document, which includes:

- an ITIN issued by the U.S. Internal Revenue Service;
- a signed affidavit stating that he or she has applied, or will apply as soon as the applicant is eligible, for lawful presence within the U.S. with U.S. Citizenship and Immigration Services;
- a signed affidavit stating that the individual is currently a resident of Colorado with proof of a Colorado tax return filing for the immediately preceding year and evidence of residency in Colorado; or, if the individual has not filed a Colorado tax return, a signed affidavit stating that the individual has been continuously a resident of Colorado for the immediately preceding 24 months with proof of residency for that time period; and
- one of the following from the applicant's country of origin: a passport, a consular identification card, or a military identification document.

Individuals who are able to demonstrate temporary lawful presence in the U.S. may apply at any state driver license office, while those unlawfully present must visit one of three offices — Denver Central, Colorado Springs, and Grand Junction — which cumulatively offer 93 appointments per day. Pursuant to the HB16-1405, the DMV must discontinue issuing SB 13-251 documents from the Colorado Springs and Grand Junction offices when issuance falls below 5,000 per month overall or total appointments served has reached 60,000. While issuance is well above 5,000 per month, the DMV expects to reach the 60,000 appointments served mark in November 2017. At that point in time, Denver Central will be the only DMV location issuing SB13-251 documents, serving 31 appointments per day.

State Revenue

The bill will have a net zero impact on state cash fund revenue to the Licensing Services Cash Fund in DOR beginning in FY 2017-18. The fiscal note assumes that allowing SB13-251 renewals to take place online or by mail will expedite revenue collections for renewals, which would have otherwise been collected more gradually through the limited in-person DMV appointment process. While this represents a revenue increase in a given fiscal year, overall the net revenue collected is the same as under current law.

State Expenditures

In FY 2017-18 only, the bill will increase state cash fund expenditures for the DMV in the DOR by \$216,000 for computer programming from the Licensing Services Cash Fund. Computer programming will be performed in the DRIVES and myDMV systems by the system vendor at the rate of \$225 per hour for 960 hours. DOR will also be required to provide training, update materials, and perform minor rulemaking; this workload increase can be accomplished within existing appropriations. Once the online renewal system is in place, workload related to SB13-251 appointments for the DMV will be offset to the extent document holders utilize the online renewal process.

Effective Date

The bill takes effect August 9, 2017, if the General Assembly adjourns on May 10, 2017, as scheduled, and no referendum petition is filed.

Technical Note

The Joint Budget Committee has not yet taken action on the policy related to SB13-251 document issuance for FY 2017-18. The two prior long appropriations bills, HB16-1405 and SB15-234, both contained a footnote requiring the DMV to discontinue SB13-251 document issuance from all but one office after issuance falls below 5,000 per month overall or total appointments served has reached 60,000. The fiscal note assumes that a similar footnote will be adopted in the 2017 long appropriations bill.

The effective date may not allow the DOR enough computer programming and testing time to update DRIVES and myDMV. The DOR requires approximately six months to complete that work.

State Appropriations

In FY 2017-18, the Department of Revenue requires a cash fund appropriation of \$216,000 from the Licensing Services Cash Fund.

State and Local Government Contacts

Information Technology

Law

Revenue