



**Colorado
Legislative
Council
Staff**

HB17-1277

**REVISED
FISCAL NOTE**

(replaces fiscal note dated April 10, 2017)

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

Drafting Number: LLS 17-0696 **Date:** April 28, 2017
Prime Sponsor(s): Rep. Mitsch Bush **Bill Status:** House Finance
 Sen. Martinez Humenik **Fiscal Analyst:** Erin Reynolds (303-866-4146)

BILL TOPIC: DRIVER LICENSE SUSPENSION LEAVING ACCIDENT SCENE

Fiscal Impact Summary	FY 2017-2018	FY 2018-2019	FY 2019-2020
State Revenue		at least \$15,000	at least \$30,000
Highway Users Tax Fund		at least 15,000	at least 30,000
State Expenditures	\$312,433	\$67,121	\$67,121
General Fund	305,777	50,620	50,620
Centrally Appropriated Costs	6,656	16,501	16,501
TABOR Impact		at least \$15,000	Not estimated.
FTE Position Change	0.4 FTE	1.0 FTE	1.0 FTE
Appropriation Required: \$305,777 – Department of Revenue (FY 2017-18).			
Future Year Impacts: Ongoing revenue and expenditure increase.			

Note: This fiscal note has been updated to reflect a new assumption about the Department of Law's workload under the bill.

Summary of Legislation

The bill, *as amended by the House Transportation and Energy Committee*, authorizes the state Division of Motor Vehicles (DMV) to suspend a driver license if it has been found, by a preponderance of the evidence, that the driver involved in an accident causing serious bodily injury or death to any person failed to stop at, as close as possible to, or immediately return to the scene of the accident. The bill allows law enforcement to serve the suspension notice to the driver personally.

A driver license may also be suspended if the driver did not meet the requirements in law to remain at the scene of the accident until he or she gave all necessary information and rendered assistance or, if no police officer is present, immediately reporting the accident to law enforcement and after rendering assistance.

The driver may request a judicial review of the DMV's determination. Drivers may also request a hearing for the issuance of a probationary license.

Background and Assumptions

Under current law, the driver of any vehicle directly involved in an accident resulting in injury, serious injury, or death who flees the scene commits:

- a class 1 misdemeanor traffic offense if the accident resulted in injury;
- a class 4 felony if the accident resulted in serious bodily injury; and
- a class 3 felony if the accident resulted in death.

The DMV must revoke the driver license of any individual convicted under these provisions.

Hit and run data. From January 1, 2014, to December 31, 2016, there were 271 individuals convicted for fleeing the scene of an accident resulting in injury to, serious bodily injury to, or death of any person in state courts. This list does not include cases that are sealed, suppressed, or involving a juvenile. Of those convicted, there were 208 males and 63 females, for which the race breakout is as follows: 2 Asian, 28 African-American, 23 Hispanic, 2 American Indian, 211 Caucasian, and 4 for which race information is unknown. Of this amount, 110 cases involved serious bodily injury and 26 cases involved death. Information provided by the Driver Control unit of the DMV indicates that there were approximately 350 total hit and run convictions processed in FY 2015-16.

Based on these data and the lower standard of proof under the bill, the fiscal note assumes that there will be at least 300 individuals per year that will have their driver license suspended as a result of the bill.

State Revenue

The bill will increase state cash fund revenue from fees related to driver license reinstatement and replacement by **at least \$15,000 in FY 2018-19 and at least \$30,000 in FY 2019-20** to the Highway Users Tax Fund. Fee revenue to the Judicial Department will also minimally increase beginning in FY 2018-19.

Driver license reinstatement. The fee is \$95 for driver license reinstatement and \$6 for driver license replacement. The fiscal note assumes that at least 300 individuals will have their driver license suspended per year under the provisions of the bill. Because the suspension period is one year, it is anticipated that this fee revenue will occur beginning FY 2018-19 when individuals are eligible for reinstatement. This fee revenue is halved in the first collection year to reflect the bill's effective date.

Driver license fees credited to the HUTF are credited 65 percent to the State Highway Fund (SHF) in the Colorado Department of Transportation (CDOT).

Court and administrative fees. Beginning in FY 2018-19, to the extent that judicial review is requested on driver license suspension cases, the bill will minimally increase state fee revenue to various cash funds in the Judicial Department.

TABOR Impact

This bill will increase state cash fund revenue from fees, which will increase the amount of money required to be refunded under TABOR for FY 2017-18 and FY 2018-19. TABOR impacts for FY 2019-20 have not yet been estimated. TABOR refunds are paid out of the General Fund. Since the bill increases the TABOR refund obligation without a corresponding change in General Fund revenue, the amount of money available in the General Fund for the budget will decrease by an identical amount.

State Expenditures

The bill will increase state General Fund expenditures by **\$312,433 and 0.4 FTE in FY 2017-18 and \$67,121 and 1.0 FTE in FY 2018-19** and each fiscal year thereafter. The bill may also increase workload for the Judicial Department and the Department of Law beginning in FY 2018-19. These impacts are outlined in Table 1 and described below.

Table 1. Expenditures Under HB17-1277			
Cost Components	FY 2017-18	FY 2018-19	FY 2019-20
Personal Services	\$15,194	\$36,467	\$36,467
FTE	0.4 FTE	1.0 FTE	1.0 FTE
Operating Expenses and Capital Outlay Costs	5,178	5,653	5,653
DRIVES Computer Programming	275,400	-	-
Law Enforcement Training	5,755	-	-
Form Printing	4,250	8,500	8,500
Centrally Appropriated Costs*	6,656	16,501	16,501
TOTAL	\$312,433	\$67,121	\$67,121

* Centrally appropriated costs are not included in the bill's appropriation.

Assumptions. The fiscal note uses the DUI Express Consent process as a workload proxy for the process required under the bill. Unlike the Express Consent process, however, where there are test results to prove the case, the bill requires the DMV to prove there is a preponderance of evidence related to each case. As a result, the fiscal note assumes that each of the estimated 300 cases will require approximately 7 hours of administrative processing.

The fiscal note assumes that the overall number of hearings will minimally increase. While the bill lowers the standard of proof related to hit and runs, not every case will require a hearing. In addition, only the cases that involve serious bodily injury and death are considered by this legislation, which will also be a mitigating factor to increased overall hearings.

Department of Revenue – Driver Control section. The DMV requires 1.0 FTE administrative staff beginning January 1, 2018, to provide case analysis, communicate with the driver involved in the hit and run as required by the bill, as well as law enforcement, and prepare for hearings. Because the DMV is limited in its fee setting, these costs are assumed to require General Fund. Salary costs and FTE have been prorated to reflect the effective date of the bill and the General Fund pay date shift. Standard operating and capital outlay expenses are included.

Hearings division. No change in appropriations is expected for the hearings division. If hearings increase to a level that requires additional resources, the DMV will request this through the annual budget process.

Computer programming. In addition to personal services costs, the DRIVES computer system requires programming modifications which will take 1,224 hours at the rate of \$225, and the training of 164 law enforcement agencies will require 1.5 hours per agency at the rate of about \$23.40 per hour. The department will also create and provide a form for law enforcement agencies statewide, which will increase printing costs by \$8,500 per year, prorated for the midyear effective date in FY 2017-18.

Judicial Department. Beginning in FY 2018-19, workload in the district courts of the Judicial Department will increase to hear any appeals under the bill. Because the DOR may suspend a license absent a criminal conviction under the bill, there will be a slight increase in district court workload related to judicial review of certain cases. The fiscal note assumes that this workload increase requires no change to appropriations.

Department of Law. Beginning in FY 2018-19, workload in the Department of Law may increase to hear any cases that advance to the Court of Appeals as a result of the bill. The fiscal note assumes that if this workload requires additional resources, it will be requested during the annual budget process.

Centrally appropriated costs. Pursuant to a Joint Budget Committee policy, certain costs associated with this bill are addressed through the annual budget process and centrally appropriated in the Long Bill or supplemental appropriations bills, rather than in this bill. Leased space is included to show the incremental impact of the additional FTE, and calculated at DOR's rate of 200 square feet per FTE at a rate of \$27 per square foot. The centrally appropriated costs subject to this policy are estimated in the fiscal note for informational purposes and summarized in Table 2.

Cost Components	FY 2017-18	FY 2018-19	FY 2019-20
Employee Insurance	\$3,134	\$7,833	\$7,833
Supplemental Employee Retirement Payments	1,362	3,268	3,268
Leased Space	2,160	5,400	5,400
TOTAL	\$6,656	\$16,501	\$16,501

Local Government Impact

HUTF revenue. Beginning in FY 2017-18, the bill will increase local government HUTF revenue. HUTF revenue generated by driver license fees is distributed to counties (26 percent) and municipalities (9 percent) for transportation needs.

District attorney workload. The bill will increase workload for district attorneys to the extent that drivers seek judicial review of DMV hearing officer rulings.

Effective Date

The bill takes effect January 1, 2018, if no referendum petition is filed. It applies to offenses committed on or after this date.

State Appropriations

In FY 2017-18, the bill requires a General Fund appropriation of \$305,777 to the Department of Revenue and an allocation of 0.4 FTE.

State and Local Government Contacts

Counties
Information Technology
Municipalities
Sheriffs

County Clerks
Judicial
Public Safety

District Attorneys
Law
Revenue