



Legislative  
Council Staff

*Nonpartisan Services for Colorado's Legislature*

**SB 19-139**

# FINAL FISCAL NOTE

**Drafting Number:** LLS 19-0745  
**Prime Sponsors:** Sen. Coram; Moreno  
Rep. Galindo; Singer

**Date:** July 1, 2019  
**Bill Status:** Signed into Law  
**Fiscal Analyst:** Katie Ruedebusch | 303-866-3001  
Katie.Ruedebusch@state.co.us

**Bill Topic:** MORE COLORADO ROAD AND COMMUNITY SAFETY ACT OFFICES

**Summary of Fiscal Impact:**

<input checked="" type="checkbox"/> State Revenue	<input type="checkbox"/> TABOR Refund
<input checked="" type="checkbox"/> State Expenditure	<input type="checkbox"/> Local Government
<input type="checkbox"/> State Transfer	<input type="checkbox"/> Statutory Public Entity

The bill requires the Department of Revenue to issue Senate Bill 13-251 documents at ten or more offices across the state by July 1, 2020. The bill increases state and local government revenue and expenditures beginning in FY 2019-20.

**Appropriation Summary:** In FY 2019-20, the bill requires an appropriation of \$1,737,800 to the Department of Revenue which, due to the number of FTE required by the bill, includes an appropriation for costs that are typically addressed through the annual budget process.

**Fiscal Note Status:** The fiscal note reflects the enacted bill.

**Table 1  
State Fiscal Impacts Under SB 19-139**

		FY 2019-20	FY 2020-21
<b>Revenue</b>	Cash Funds	\$331,252	\$993,756
	<b>Total</b>	<b>\$331,252</b>	<b>\$993,756</b>
<b>Expenditures</b>	Cash Funds	\$1,737,800	\$1,400,381
	<b>Total</b>	<b>\$1,737,800</b>	<b>\$1,400,381</b>
	<b>Total FTE</b>	<b>21.6 FTE</b>	<b>21.6 FTE</b>
<b>Transfers</b>		-	-
<b>TABOR Refund</b>	General Fund	\$331,252	-

## **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) within the Department of Revenue (DOR) to issue a driver license, identification card, or instruction permit (SB 13-251 documents) to an individual who is either temporarily lawfully present in the U.S. or a Colorado resident who is not a U.S. citizen and does not have permanent residency status. These SB 13-251 documents are valid for three years after issuance, with an exception for minor driver licenses. By January 1, 2020, this bill requires that the DMV issue SB 13-251 documents at eight offices, including the DMV offices already issuing documents, in varying geographic areas around the state. The bill also requires that the DMV issue SB 13-251 documents at ten offices by July 1, 2020.

## **Background**

Individuals seeking to obtain SB 13-251 documents are currently required to meet several documentation requirements, including documents that prove a person's name, date of birth, identity, and Colorado residency. Individuals who are not lawfully present must visit one of three offices — Lakewood, Colorado Springs, or Grand Junction — which cumulatively offer 155 appointments per day. An office in Aurora provides an additional 52 renewal-only appointments.

Since implementation of SB 13-251 on August 1, 2014, DOR has issued a total of 138,322 SB 13-251 documents. Funds from the program must be appropriated by the General Assembly, from the Licensing Services Cash Fund. The fees paid by applicants for SB 13-251 documents provide funding for all direct and indirect costs for this program.

## **Assumptions**

This fiscal note assumes that DOR will process an additional 11,500 documents in FY 2019-20 and 34,500 in FY 2020-21. The fiscal note also assumes that new offices will be located in:

- Alamosa (opening July 1, 2020);
- Glenwood Springs;
- Lamar;
- Montrose;
- Pueblo; and
- Sterling (opening July 1, 2020).

## **State Revenue**

The bill will increase state cash fund revenue to the Licensing Services Cash Fund in DOR by \$331,252 in FY 2019-20 and \$993,756 in FY 2020-21. Impacts for FY 2019-20 are prorated to account for four offices opening by January 2020.

**Fee impact on individuals.** Colorado law requires legislative service agency review of measures which create or increase any fee collected by a state agency. Actual fees will be set administratively by DOR based on the cash fund balance, estimated program costs, and the estimated number of individuals subject to the fee. This fiscal note assumes that fees for SB 13-251 documents will remain at the current rate through FY 2020-21.

The current fee schedule is:

- \$33.00 for a driver license;
- \$21.00 for an instruction permit; and
- \$13.00 for an identification card.

The fees paid by applicants for SB 13-251 documents provide funding for all direct and indirect costs for this program. The fiscal note assumes that some of DOR's expenditures can be covered by the existing Licensing Services Cash Fund balance.

### State Expenditures

The bill increases state cash fund expenditures for DOR by \$1,737,800 and 21.6 FTE in FY 2019-20 and \$1,400,381 and 21.6 FTE in FY 2020-21 from the Licensing Service Cash Fund to expand the program to six additional offices.

**Table 2**  
**Expenditures Under SB 19-139**

	FY 2019-20	FY 2020-21
<b>Department of Revenue</b>		
Personal Services	\$909,560	\$909,560
Operating Expenses and Capital Outlay Costs	\$123,986	\$20,520
Equipment	\$166,119	-
Office Construction	\$174,480	-
License Documents	\$47,840	\$143,520
Driver Manual Printing	\$5,475	\$16,441
Leased Space	\$38,000	\$38,000
Centrally Appropriated Costs*	\$272,340	\$272,340
<b>Total Cost</b>	<b>\$1,737,800</b>	<b>\$1,400,381</b>
<b>Total FTE</b>	<b>21.6 FTE</b>	<b>21.6 FTE</b>

\* Centrally appropriated costs for bills with 20 or more FTE are included in the bill's appropriation.

**Department of Revenue.** Beginning in FY 2019-20, DOR will require 21.6 FTE to implement the program at six additional offices. Costs include purchasing equipment, building out office space, leased space, and additional document costs. Additional costs are funded from SB 13-251 documents. Additional information on these expenditures is outlined below.

- *Personal services.* DOR will require new personnel to implement the program in six additional DMV offices. FTE impacts for FY 2019-20 are not prorated to account for a July 2020 implementation date due to necessary hiring and specialized training required for departmental staff.
- *Equipment.* DOR will require additional DMV workstation equipment, such as intake and image capture stations, vision screeners, license processing machines, and signature pads.

- *Office construction and leased space.* DOR will require funding to build out DMV office space. Costs include intake stations and extended counter space, which will be used to process the paperwork and documents. In addition, offices in Alamosa and Lamar will require relocation for additional square footage, with signage, wiring, and administrative costs related to the relocations. These relocations will result in increased leased space costs.
- *SB 13-251 documents.* Document costs are calculated at \$4.16 per document. Impacts for FY 2019-20 are prorated to account for four offices beginning operations in January 2020. It is assumed that each new office will issue 23 documents per day for 125 calendar days at a rate of \$4.16 per document.
- *Driver manual printing.* DOR will print driver's manuals for appointments and document issuance. DOR estimates the printing of 7,500 additional manuals at a cost of \$0.73 per manual. Impacts for FY 2019-20 are prorated to account for four offices beginning operations in January 2020.

**Centrally appropriated costs.** Pursuant to fiscal note and Joint Budget Committee policy, centrally appropriated costs for bills involving more than 20 FTE are appropriated in the bill, rather than through the annual budget process. These costs, which include employee insurance and supplemental employee retirement payments for DOR, are estimated to be \$272,340 in FY 2019-20 and \$272,340 in FY 2020-21.

### **Effective Date**

The bill was signed into law by the Governor and took effect on May 28, 2019.

### **State Appropriations**

For FY 2019-20, the bill requires an appropriation of \$1,737,800 from the Licensing Services Cash Fund to DOR, and an allocation of 21.6 FTE.

### **State and Local Government Contacts**

Revenue