



Colorado
Legislative
Council
Staff

HB16-1274

FISCAL NOTE

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

Drafting Number: LLS 16-0737
Prime Sponsor(s): Rep. Singer
Sen. Ulibarri

Date: March 21, 2016
Bill Status: House SVMA
Fiscal Analyst: Erin Reynolds (303-866-4146)

BILL TOPIC: ID DOCUMENTS UNLAWFUL PRESENCE

Fiscal Impact Summary	FY 2016-2017	FY 2017-2018
State Revenue	<u>\$1,150,872</u>	<u>\$3,452,615</u>
Cash Funds	1,150,872	3,452,615
State Expenditures	<u>\$767,662</u>	<u>\$1,415,931</u>
Cash Funds	597,445	1,072,084
Centrally Appropriated Costs	170,217	343,847
TABOR Impact	\$1,150,872	\$3,452,615
FTE Position Change	10.0 FTE	20.0 FTE
Appropriation Required:	\$597,445 – Department of Revenue (FY 2016-17).	
Future Year Impacts:	Ongoing revenue and expenditure increases.	

Summary of Legislation

The bill expands the Colorado Road and Community Safety Act (Senate Bill 13-251) driver's license, instruction permit, and identification card program for individuals not lawfully present or temporarily lawfully present in Colorado. Under the bill, six additional Division of Motor Vehicle (DMV) offices may issue SB13-251 driver's licenses, instruction permits, and identification cards (SB13-251 documents) effective March 1, 2017. The bill also repeals a footnote in the 2015 Session Laws that limits the number of DMV offices that may issue SB13-251 documents to three DMV offices and then again to one DMV office when issuance falls below 5,000 per month or total appointments served has reached 60,000.

The bill also expands the types of documents that may be accepted by DMV offices from a SB13-251 document applicant. Specifically, the bill adds an individual's social security number, documentation for which may include a social security card itself or any other documentation acceptable to DOR, to the list of acceptable SB-251 identification documents. Additionally, the bill allows SB13-351 documents to be reissued or renewed following the same procedures as available to other license, permit, or identification card holders in Colorado.

Background

SB13-251 document applicants may apply by appointment only at one of three DMV offices: Colorado Springs, Denver, and Grand Junction. Pursuant to the 2015 Session Laws, the DOR will discontinue issuing SB13-251 documents from the Colorado Springs and Grand Junction offices when issuance falls below 5,000 per month or total appointments served has reached 60,000. Since implementation of SB13-251 on August 1, 2014, DOR has offered 31 appointments per day per office and issued 18,508 driver's licenses, 3,019 instruction permits, and 2,713 identification cards for a total of 24,240 issued documents. The DOR expects to reach the 60,000 mark in November 2017.

State Revenue

The bill is expected to increase state cash fund revenue from fees by \$1,150,872 in FY 2016-17 and \$3,452,615 in FY 2017-18 in the Licensing Services Cash Fund in DOR.

Assumptions. Revenue estimates are based on the expected document issuance rate under the bill of 49,500 per year — 33 documents per office, six offices, and 250 government business days per year — and the current issuance rates of each document type since SB13-251 implementation:

- 37,795 driver's licenses at a cost of \$79.58 each, for a total of \$3,007,710 per year;
- 6,165 instruction permits at a cost of \$48.19 each, for a total of \$297,093 per year; and
- 5,540 identification cards at a cost of \$26.68 each, for a total of \$147,812 per year.

FY 2016-17 revenue has been prorated for four months since the additional six offices will open March 1, 2017.

TABOR Impact

This bill increases state revenue from fees, which will increase the amount of money required to be refunded under TABOR. TABOR refunds are paid out of the General Fund.

State Expenditures

The bill will increase state cash fund expenditures by \$767,662 and 10.0 FTE in FY 2016-17 and \$1,415,931 and 20.0 FTE in FY 2017-18 from the Licensing Services Cash Fund in DOR. Expenditures are outlined in Table 1 and discussed below.

Table 1. Expenditures Under HB16-1274		
Cost Components	FY 2016-17	FY 2017-18
Personal Services	\$423,334	\$846,669
FTE	10.0 FTE	20.0 FTE
Operating Expenses and Capital Outlay Costs	105,306	19,000
Document Production	68,805	206,415
Centrally Appropriated Costs*	170,217	343,847
TOTAL	\$767,662	\$1,415,931

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

Assumptions. Expenditure and staffing assumptions for the six additional offices under the bill are based on the current staffing plan for the existing three offices currently offering SB13-251 services and the SB13-251 call center. The fiscal note also assumes that the additional six offices appropriated in the bill will open March 1, 2017, therefore all necessary computer programming required by the bill will be accomplished during the Driver License, Record, Identification, and Vehicle Enterprise Solution (DRIVES) technology upgrade, which is scheduled to be fully operational in August 2018, with the driver's license portion of the project coming online March 2017.

Personal services. Each of the six offices will employ 3.0 FTE Technician staff to review documentation, perform written and driving tests, and other functions related to the SB13-251 licensing, for a total of 18.0 FTE. In addition, 2.0 FTE Administrative staff will be hired for the SB13-251 call center. The 20.0 FTE are prorated to 10.0 FTE in FY 2016-17. Beginning in FY 2016-17, standard supply and telephone expenses are included for all FTE each year. Also included are one-time costs in FY 2016-17 for office reconfiguration for the technician staff at the rate of \$4,800 per intake station, and one-time computer and capital outlay costs for the administrative staff.

Documentation production. The cost to produce SB13-251 documents is \$4.17 per document and the total production cost is based on the assumed rate of issuance.

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.

Table 2. Centrally Appropriated Costs Under HB16-1274		
Cost Components	FY 2016-17	FY 2017-18
Employee Insurance (Health, Life, Dental, and Short-term Disability)	\$79,991	\$159,981
Supplemental Employee Retirement Payments	36,226	75,866
Leased Space	54,000	108,000
TOTAL	\$170,217	\$343,847

Effective Date

Sections 1 through 5 of the bill take effect March 1, 2017, if no referendum petition is filed. Sections 6 through 8 of the bill take effect August 10, 2016, if the General Assembly adjourns on May 11, 2016, as scheduled, and no referendum petition is filed.

State Appropriations

In FY 2016-17, the Department of Revenue requires an appropriation of \$597,445 from the Licensing Services Cash Fund and an allocation of 10.0 FTE.

State and Local Government Contacts

Information Technology

Joint Budget Committee

Revenue

Research Note Available

An LCS Research Note for HB 16-1274 is available online and through the iLegislate app. Research notes provide additional policy and background information about the bill and summarize action taken by the General Assembly concerning the bill.