

Second Regular Session
Seventieth General Assembly
STATE OF COLORADO

REVISED

*This Version Includes All Amendments Adopted
on Second Reading in the Second House*

LLS NO. 16-0924.01 Ed DeCecco x4216

HOUSE BILL 16-1415

HOUSE SPONSORSHIP

Hamner, Young, Rankin

SENATE SPONSORSHIP

Steadman, Grantham, Lambert

House Committees
Appropriations

Senate Committees
Appropriations

A BILL FOR AN ACT

101 CONCERNING THE MANNER IN WHICH THE STATE FUNDS DRIVER AND
102 VEHICLE SERVICES BY THE DIVISION OF MOTOR VEHICLES IN
103 THE DEPARTMENT OF REVENUE, AND, IN CONNECTION
104 THEREWITH, MAKING AND REDUCING AN APPROPRIATION.

Bill Summary

(Note: This summary applies to this bill as introduced and does not reflect any amendments that may be subsequently adopted. If this bill passes third reading in the house of introduction, a bill summary that applies to the reengrossed version of this bill will be available at <http://www.leg.state.co.us/billsummaries>.)

Joint Budget Committee. Section 2 of the bill specifies that the current surcharge for retesting added for issuance of a driver's or minor driver's license applies regardless of whether an applicant retakes the

Shading denotes HOUSE amendment. Double underlining denotes SENATE amendment.
Capital letters indicate new material to be added to existing statute.
Dashes through the words indicate deletions from existing statute.

SENATE
Amended 2nd Reading
April 6, 2016

HOUSE
3rd Reading Unamended
April 1, 2016

HOUSE
Amended 2nd Reading
March 31, 2016

examination or demonstration with the department of revenue (department) or a vendor approved by the department.

Beginning July 1, 2016, **section 4** increases fees related to driver's licenses. These fees, which were initially set in statute and increased by the department, are further increased as follows:

- ! \$2.60 to \$9 for a driving record;
- ! \$3.20 to \$10 for a certified driving record;
- ! \$9 to \$12 for a duplicate permit or minor driver's license;
- ! \$3.60 to \$6.50 for a driver's license extension;
- ! \$360 to \$3,094 for licensing testing units for the initial license, and from \$120 to \$1,052 for each subsequent annual license renewal; and
- ! \$120 to \$148 for licensing driving testers for the initial license and from \$60 to \$140 for each subsequent annual license renewal.

In addition, the fee for a driver's license or minor driver's license is increased from \$25 to \$26 during the fiscal year 2016-17, to \$27 for the fiscal year 2017-18, and to \$28 thereafter. Like the existing fees, the department has the authority to raise or lower these increased fees in the future.

The revenue from these fees is deposited in the licensing services cash fund (fund). Currently, the excess reserve in the fund at the end of a fiscal year is transferred to the highway users tax fund (HUTF). **Section 3** eliminates this transfer, and **section 1** exempts the fund from the maximum reserve requirement that generally applies to cash funds.

Section 5 sets up a procedure whereby, after qualifying for a driver's license but failing the driving test, an applicant for a driver's license who is not a permanent lawful resident may use a private vendor to readminister the driving test. The applicant must successfully complete the driver's test within 60 days after the first attempt.

For the next 3 fiscal years, **section 6** permits the general assembly to appropriate moneys from the HUTF to the department for use by the division of motor vehicles for expenses incurred in connection with the administration of driver and vehicle services. These appropriations are in addition to the existing off-the-top appropriations from the HUTF for the Colorado state patrol, which are subject to a 6% annual growth limit.

1 *Be it enacted by the General Assembly of the State of Colorado:*

2 **SECTION 1.** In Colorado Revised Statutes, 24-75-402, **amend**
3 (5) (hh) and (5) (ii); and **add** (5) (jj) as follows:

4 **24-75-402. Cash funds - limit on uncommitted reserves -**

1 **reduction in amount of fees - exclusions - repeal.** (5) Notwithstanding
2 any provision of this section to the contrary, the following cash funds are
3 excluded from the limitations specified in this section:

4 (hh) The conveyance safety fund created in section 9-5.5-111 (2)
5 (b), C.R.S., until this paragraph (hh) is repealed, effective July 1, 2017;
6 **and**

7 (ii) The oil and gas conservation and environmental response fund
8 created in section 34-60-122 (5), C.R.S.; AND

9 (jj) THE LICENSING SERVICES CASH FUND CREATED IN SECTION
10 42-2-114.5 (1), C.R.S.

11 **SECTION 2.** In Colorado Revised Statutes, 42-2-114, **amend** (2)
12 (c) and (2) (e) as follows:

13 **42-2-114. License issued - fees - rules - repeal.**
14 (2) (c) Notwithstanding paragraph (b) of this subsection (2):

15 (I) If the driver's license is issued by the office of a county clerk
16 and recorder in a county with a population of at least one hundred
17 thousand individuals, the county clerk and recorder shall retain the sum
18 of ~~eight~~ THIRTEEN dollars and forward the remainder to the department for
19 transmission to the state treasurer, who shall credit the remainder of the
20 fee to the licensing services cash fund.

21 (II) If the driver's license is issued by an office of a county clerk
22 and recorder in a county with a population of fewer than one hundred
23 thousand individuals, the county clerk and recorder shall retain the sum
24 of ~~thirteen~~ EIGHTEEN dollars and ~~sixty cents~~ and forward the remainder to
25 the department for transmission to the state treasurer, who shall credit the
26 remainder of the fee to the licensing services cash fund.

27 (e) In addition to the fee established in paragraph (a) of this

1 subsection (2), a surcharge is added for issuance of a driver's or minor
2 driver's license, OR INSTRUCTION PERMIT, when an applicant retakes either
3 the examination of knowledge of the traffic laws of this state or the
4 demonstration of the applicant's ability to exercise ordinary and
5 reasonable care and control in the operation of a motor vehicle. THE
6 SURCHARGE APPLIES REGARDLESS OF WHETHER THE APPLICANT RETAKES
7 THE EXAMINATION OR DEMONSTRATION WITH THE DEPARTMENT OR A
8 VENDOR APPROVED BY THE DEPARTMENT. The department shall set the
9 surcharge by rule in an amount to offset the direct and indirect cost of
10 giving the FAILED examination or demonstration. The department shall
11 transfer the surcharge to the state treasurer, who shall credit it to the
12 licensing services cash fund, created in section 42-2-114.5.

13 **SECTION 3.** In Colorado Revised Statutes, 42-2-114.5, **amend**
14 (1) as follows:

15 **42-2-114.5. Licensing services cash fund - fee setting**
16 **procedures - rules.** (1) The licensing services cash fund is hereby
17 created in the state treasury. The general assembly shall appropriate
18 moneys in the fund to the department for the cost of implementing this
19 article. ~~At the end of each fiscal year, the state treasurer shall credit the~~
20 ~~money in the fund, less sixteen and one-half percent of the amount~~
21 ~~appropriated from the fund for such operation in the fiscal year, to the~~
22 ~~highway users tax fund.~~

23 **SECTION 4.** In Colorado Revised Statutes, 42-2-114.5, **amend**
24 (2) (a), (2) (b), (2) (d), (2) (f), (2) (g), (2) (n), (2) (o), and (3) as follows:

25 **42-2-114.5. Licensing services cash fund - fee setting**
26 **procedures - rules.** (2) Except as provided in subsection (3) of this
27 section, the following fees must be paid for the following functions:

1 (a) The fee for a driving record under section 42-1-206 (2) is ~~two~~
2 ~~dollars and twenty cents~~ NINE DOLLARS;

3 (b) The fee for a certified driving record under section 42-1-206
4 (2) is ~~two~~ TEN dollars; ~~and seventy cents~~;

5 (d) The fee for a driver's license or minor driver's license under
6 section 42-2-114 (2) (a) or (4) (a), respectively, is:

7 (I) ~~twenty-one~~ TWENTY-SIX dollars beginning July 1, 2016, BUT
8 BEFORE JULY 1, 2017;

9 (II) TWENTY-SEVEN DOLLARS BEGINNING JULY 1, 2017, BUT
10 BEFORE JULY 1, 2018; AND

11 (III) TWENTY-EIGHT DOLLARS BEGINNING JULY 1, 2018;

12 (f) The fee for a duplicate permit or minor driver's license under
13 section 42-2-117 (1) is ~~seven~~ TWELVE dollars ~~and fifty cents~~ for the first
14 duplicate and fourteen dollars for a subsequent duplicate;

15 (g) The fee for a driver's license extension under section 42-2-118
16 (1) (b) (I) is ~~three~~ SIX dollars AND FIFTY CENTS;

17 (n) The fee for licensing testing units under section 42-2-406 (4)
18 is ~~three hundred~~ THREE THOUSAND NINETY-FOUR dollars for the initial
19 license and ~~one hundred~~ ONE THOUSAND FIFTY-TWO dollars for each
20 subsequent annual license renewal;

21 (o) The fee for licensing driving testers under section 42-2-406 (3)
22 is one hundred FORTY-EIGHT dollars for the initial license and ~~fifty dollar~~
23 ONE HUNDRED FORTY DOLLARS for each subsequent annual license
24 renewal; and

25 (3) (a) EXCEPT AS SET FORTH IN PARAGRAPH (b) OF THIS
26 SUBSECTION (3), beginning July 1, 2015, the department may raise or
27 lower the fees listed in subsection (2) of this section, but the department

1 shall not increase the fee by more than twenty percent before July 1,
2 2016, or by more than five percent per year on or after July 1, 2016.

3 (b) THE DEPARTMENT SHALL NOT RAISE OR LOWER THE FEES
4 LISTED IN PARAGRAPHS (a), (b), (f), (g), (n), AND (o) OF SUBSECTION (2)
5 OF THIS SECTION BEFORE JULY 1, 2017, AND THE FEE LISTED IN PARAGRAPH
6 (d) OF SUBSECTION (2) OF THIS SECTION BEFORE JULY 1, 2019.

7 **SECTION 5.** In Colorado Revised Statutes, **add** 42-2-511 as
8 follows:

9 **42-2-511. Driving test - third-party option - definition.** (1) AS
10 USED IN THIS SECTION, "DRIVING TEST" MEANS THE DEMONSTRATION OF
11 ORDINARY AND REASONABLE CARE IN THE OPERATION OF A MOTOR
12 VEHICLE IN ACCORDANCE WITH SECTION 42-2-111.

13 (2) TO USE THE PROCEDURE SET FORTH IN SUBSECTION (3) OF THIS
14 SECTION, AN APPLICANT FOR AN IDENTIFICATION DOCUMENT MUST FULFILL
15 THE APPLICABLE REQUIREMENTS OF THIS PART 5 AND PART 1 OF THIS
16 ARTICLE OTHER THAN THE DRIVING TEST.

17 (3) IF AN APPLICANT FOR AN IDENTIFICATION DOCUMENT UNDER
18 THIS PART 5 FAILS THE DRIVING TEST, THE APPLICANT MAY RETAKE THE
19 DRIVING TEST FROM A VENDOR APPROVED BY THE DEPARTMENT TO
20 CONDUCT THE TEST. IF THE APPLICANT PASSES THE DRIVING TEST WITHIN
21 SIXTY DAYS AFTER FAILING THE DRIVING TEST, THE APPLICANT MAY
22 REOPEN THE APPLICATION FOR A DRIVER'S LICENSE AT ANY OFFICE
23 AUTHORIZED TO ISSUE IDENTIFICATION DOCUMENTS TO THE APPLICANT.
24 TO BE ISSUED THE LICENSE UNDER THIS PART 5, THE APPLICANT MUST
25 PRESENT EVIDENCE OF PASSING THE TEST.

26 **SECTION 6.** In Colorado Revised Statutes, 43-4-201, **amend** (3)
27 (a) (I) (C) and (3) (a) (III) (C); and **repeal** (3) (a) (I.1) as follows:

1 **43-4-201. Highway users tax fund - created.** (3) (a) (I) The
2 general assembly shall not make any annual appropriation (whether by
3 regular, special, or supplementary appropriation) or any statutory
4 distribution from the highway users tax fund for any purpose or purposes
5 in a total amount that is:

6 (C) Commencing in the fiscal year 2013-14, more than a six
7 percent increase over the appropriation to the Colorado state patrol for the
8 prior fiscal year, PLUS, FOR THE FISCAL YEARS 2016-17, 2017-18, AND
9 2018-19 ONLY, THE AMOUNT APPROPRIATED TO THE DEPARTMENT OF
10 REVENUE FOR USE BY THE DIVISION OF MOTOR VEHICLES PURSUANT TO
11 SUB-SUBPARAGRAPH (C) OF SUBPARAGRAPH (III) OF THIS PARAGRAPH (a).

12 ~~(I.1) Commencing with the fiscal year 1995-96, the general
13 assembly shall not make any annual appropriation or statutory distribution
14 from the highway users tax fund pursuant to this paragraph (a), except to
15 the department of public safety for the Colorado state patrol or, through
16 the fiscal year 2011-12 only, to the department of revenue for the ports of
17 entry section, that exceeds the annual appropriation or statutory
18 distribution for all purposes except the Colorado state patrol and the ports
19 of entry division for the fiscal year 1994-95.~~

20 (III) (C) The general assembly shall not make any annual
21 appropriation or statutory distribution from the highway users tax fund for
22 the fiscal year 1997-98 or for any succeeding fiscal year authorized by
23 subparagraph (II) of this paragraph (a), excluding the annual
24 appropriation or statutory distribution to the Colorado state patrol and,
25 through the fiscal year 2011-12 only, the ports of entry section and
26 excluding any appropriation to the department of revenue for the fiscal
27 years 2008-09, 2009-10, 2010-11, and 2011-12, 2016-17, 2017-18, AND

1 2018-19, for expenses incurred in connection with the administration of
2 article 2 of title 42, C.R.S., by the division of motor vehicles within the
3 department.

4 **SECTION 7. Appropriation - adjustments to 2016 long bill.**

5 (1) To implement this act, appropriations made in the annual general
6 appropriation act for the 2016-17 state fiscal year to the department of
7 revenue for use by the division of motor vehicles are adjusted as follows:

8 (a) The general fund appropriation for personal services related
9 to driver services is decreased by \$3,093,742; and

10 (b) The cash funds appropriation from the licensing services cash
11 fund created in section 42-2-114.5 (1), C.R.S., for personal services
12 related to driver services is increased by \$1,200,000.

13 (2) For the 2016-17 state fiscal year, \$2,000,000 is appropriated
14 to the department of revenue for use by the division of motor vehicles.
15 This appropriation is from the highway users tax fund created in section
16 43-4-201, C.R.S. To implement this act, the division may use this
17 appropriation for personal services, related to driver services.

18 **SECTION 8. Effective date.** This act takes effect upon passage;
19 except that section 4 of this act takes effect July 1, 2016.

20 **SECTION 9. Safety clause.** The general assembly hereby finds,
21 determines, and declares that this act is necessary for the immediate
22 preservation of the public peace, health, and safety.