



Legislative
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FISCAL NOTE

Drafting Number:	LLS 18-1069	Date:	April 23, 2018
Prime Sponsors:	Sen. Tate Rep. Arndt; Hooton	Bill Status:	Senate Business
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Bill Topic: ELECTRONIC DOCUMENTS & SIGNATURES VEHICLE TITLES

Summary of Fiscal Impact:

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

This bill clarifies that electronic records, documents, and signatures related to obtaining a certificate of title may not be denied legal effect, validity, or enforceability. It increases state expenditures and workload in FY 2018-19 only.

Appropriation Summary: In FY 2018-19, the bill requires an appropriation of \$30,600 to the Department of Revenue.

Fiscal Note Status: The fiscal note reflects the introduced bill.

Summary of Legislation

This bill clarifies that a document needed to obtain a certificate of title or the signature on a document may not be denied legal effect, validity, or enforceability solely because it is an electronic record, document, or signature. Additionally, it clarifies that a written power of attorney is not needed for an electronic document to be legally effective.

State Expenditures

In FY 2018-19 only, this bill will increase state expenditures in the Department of Revenue (DOR) by \$30,600 from the DRIVES Vehicle Services Account. Currently, the DRIVES database is unable to accept electronic documents. The fiscal note estimates that 136 hours of computer programming at a rate of \$225 per hour is required to update the system to accept electronic documentation. The Division of Motor Vehicles in DOR will also be required to modify rules, forms, manuals, and websites to reflect the changes in this bill, and Title and Registration Section staff and other affected agencies will receive training on the new procedures. These workload impacts can be accomplished within existing appropriations.

Local Government

Similar to the state, County Clerk offices will have a minimal workload increase to conduct any necessary training and to modify rules, forms, manuals, or websites to reflect the changes in the bill.

Effective Date

The bill takes effect August 8, 2018, if the General Assembly adjourns on May 9, 2018, as scheduled, and no referendum petition is filed.

State Appropriation

In FY 2018-19, the bill requires cash fund spending authority of \$30,600 from the DRIVES Vehicle Services Account to the Department of Revenue.

Departmental Difference

The DOR estimates that \$1.2 million General Fund will be required to purchase electronic signature pads to meet the requirements of the bill. This cost estimate assumes 1,500 signature pads at \$804 per pad. The fiscal note assumes that because this bill clarifies that an electronic signature cannot be denied legal effect, validity, or enforceability, DOR will be required to accept electronic documents and physical documents with electronic signatures, but that DOR will not need to modify its workstations to enable electronic signatures for a significant number of transactions.

State and Local Government Contacts

Counties
Judicial
Transportation

County Clerks
Law

Information Technology
Revenue