



Legislative Council Staff

Nonpartisan Services for Colorado's Legislature

Fiscal Note

Drafting Number:	LLS 22-0722	Date:	January 25, 2022
Prime Sponsors:	Rep. Ortiz; Young Sen. Fields; Kolker	Bill Status:	House Trans. & Local Govt.
		Fiscal Analyst:	Will Clark 303-866-4720 Will.Clark@state.co.us

Bill Topic: DRIVER LICENSE FEE REDUCTION

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

The bill creates a one-time state transfer of \$3.9 million from the General Fund to the Licensing Services Cash Fund in FY 2022-23 for the purpose of maintaining the current driver license fee level. In addition to the one-time transfer, the bill potentially reduces state revenue and the TABOR refund obligation in FY 2022-23.

Appropriation Summary: No appropriation is required.

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

**Table 1
State Fiscal Impacts Under HB 22-1004**

		Budget Year FY 2022-23	Out Year FY 2023-24
Revenue		-	-
Expenditures		-	-
Transfers	General Fund	(\$3.9 million)	-
	Cash Funds	\$3.9 million	-
	Net Transfer	\$0	-
Other Budget Impacts		-	-

Summary of Legislation

On July 1, 2022, the bill transfers \$3.9 million from the General Fund to the Licensing Services Cash Fund. This funding will be used to support the solvency of the cash fund and to maintain the state driver license fee at its current level.

State Transfers

The bill makes a one-time transfer of \$3.9 million from the General Fund to the Licensing Services Cash Fund in FY 2022-23.

State Revenue and TABOR Refunds

By making a one-time transfer to the Licensing Services Cash Fund, the bill is assumed to prevent or delay a future potential increase in drivers license fees starting in FY 2022-23. The amount and timing of this potential fee increase depends on future agency action and has not been estimated. To the extent that the transfer in this bill limits cash fund revenue growth in the Licensing Services Cash Fund, the bill will reduce the state's TABOR refund obligation. Since TABOR refunds are paid from the General Fund, decreased cash fund revenue will increase the amount of General Fund available to spend or save in FY 2022-23, which may offset some or all of the General Fund transferred by this bill.

Effective Date

The bill takes effect upon signature of the Governor, or upon becoming law without his signature.

State and Local Government Contacts

Counties
Information Technology

County Clerks
Revenue