HOUSE BILL 23-1147

A BILL FOR AN ACT

CONCERNING PROVISIONS RELATING TO THE ADEQUATE TRAINING OF MOTOR VEHICLE DRIVERS, AND, IN CONNECTION THERewith,
CREATING AN ENTERPRISE TO EDUCATE POTENTIAL DRIVERS AND REIMBURSE THIRD-PARTY PROVIDERS AND COUNTIES FOR A PORTION OF THE COSTS OF ADMINISTERING DRIVING EXAMINATIONS, SETTING LIMITS ON THE FEES THIRD-PARTY PROVIDERS MAY CHARGE, PROVIDING TRANSLATION SERVICES FOR DRIVING EXAMINATIONS, IMPOSING A FEE ON INSTRUCTION PERMITS AND DRIVER'S LICENSES, AND MAKING AN APPROPRIATION.

Bill Summary

(Note: This summary applies to this bill as introduced and does

Shading denotes HOUSE amendment. Double underlining denotes SENATE amendment. Capital letters or bold & italic numbers indicate new material to be added to existing law. Dashes through the words or numbers indicate deletions from existing law.)
The bill prohibits the department of revenue (department) from collecting a fee when an individual retakes a driving examination when the department does not administer the driving examination.

The bill creates the affordable driver education program testing enterprise (ADEPT enterprise) for the purpose of:
- Increasing access to driver training and driving examination in underserved areas;
- Deploying a free online driver training program in English and Spanish; and
- Reimbursing private driving schools for conducting driving examinations required by state law.

The governing board of the ADEPT enterprise consists of the following members:
- One member who represents the executive director (executive director) of the department and who is the chair of the governing board;
- One member who has experience providing translation services or administering programs that assist individuals for whom English is not their native language;
- One member who has experience working with youth;
- One member who represents rural areas that are underserved by private driving examination providers; and
- One member who represents private driving examination providers.

The governing board may advise the department about rules and may issue bonds with the approval of the executive director. The governing board is directed to:
- Oversee the implementation of the bill;
- Annually report to the executive director and coordinate with the department;
- Establish policies; and
- Hire employees and obtain necessary office space, equipment, and services.

The bill requires the ADEPT enterprise to:
- Make reasonable efforts to increase access to driver training and driving examinations in areas that are underserved by third-party driving examination providers;
- Make available to the public, at no cost, an online driver training program that qualifies the student to be issued an instruction permit and that is offered in English and Spanish.

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://leg.colorado.gov](http://leg.colorado.gov).
Create a system that allows a third-party provider to electronically request and receive information contained in the motorist insurance identification database to verify whether an individual seeking a driving examination has proof of financial responsibility; and

Reimburse a third-party provider so that the cost to an individual taking an examination is $25 for each initial driving examination and $50 for a reexamination taken after a failed examination.

The bill directs the department to promulgate rules establishing procedures for the ADEPT enterprise to reimburse third-party providers and authorizes the department to limit the amount a third-party provider may charge for a driving examination.

Upon request and when reasonably possible, the department is required to provide translation services for driving examinations.

To implement the bill, a fee is established on applications for or issuance of an instruction permit or a driver’s license.

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

SECTION 1. In Colorado Revised Statutes, 42-2-114.5, amend (2) introductory portion; and add (8) as follows:

42-2-114.5. Fees for driver's licenses, identification cards, and related services - crediting to DRIVES account - fee-setting procedures - rules - repeal. (2) Except as provided in subsection (3) SUBSECTIONS (3) AND (8) OF THIS SECTION, THE FOLLOWING FEES MUST BE PAID FOR THE FOLLOWING FUNCTIONS:

(8) THE DEPARTMENT SHALL NOT COLLECT THE EXAMINATION FEE IMPOSED IN SUBSECTION (2)(E) OF THIS SECTION UNLESS THE DEPARTMENT ADMINISTERS THE DRIVING EXAMINATION THAT IS BEING RETAKEN.

SECTION 2. In Colorado Revised Statutes, add part 7 to article 2 of title 42 as follows:

PART 7

AFFORDABLE DRIVER EDUCATION
42-2-701. Short title. The short title of this Part 7 is the "Affordable Driver Education Program Testing Act" or the "ADEPT Act".

42-2-702. Legislative declaration. (1) The General Assembly finds that:

(a) The Department is required to examine every applicant for a Driver's license or minor Driver's license to ensure the applicant has the knowledge and ability required to operate a motor vehicle safely on state roadways;

(b) Before April of 2020, the Department provided driving examinations at no cost to an applicant;

(c) In April of 2020, because of the COVID-19 pandemic, the Department stopped providing free driving examinations, and since that time, Coloradans have depended solely on private businesses to provide driving examinations, resulting in a significant increase in the average cost of taking a driving examination;

(d) Under section 42-2-111, the Department may require the holder of a Driver's license to submit to another driving examination; therefore, the fees established under section 42-2-708 are collected to potentially reduce costs for License holders who are required to submit to another examination;

(e) For many drivers or driving applicants, particularly those who are young or elderly, the cost of a driving examination may be a significant barrier to obtaining or retaining a Driver's license;
(f) Collecting a fee from each individual who is issued a driver's license or who renews a driver's license is an effective way to ensure that an individual who must complete a driving examination may do so without the cost of the examination being a significant barrier to holding a driver's license; and

(g) All drivers benefit from drivers being adequately examined to determine if they are safe drivers before being licensed, and this part 7 helps finance the provision of these driving examinations in a language that the driver understands.

(2) Therefore, the general assembly declares that:

(a) The state has an interest in:

(I) Ensuring drivers are appropriately examined to determine their ability to safely operate motor vehicles on state roadways; and

(II) Reducing financial barriers that affect the ability of some applicants to obtain driver's licenses;

(b) In areas of the state that do not have public transportation, barriers to obtaining a driver's license can increase the number of unlicensed drivers on the roads, making Colorado's roads less safe for everyone, and can increase the number of uninsured drivers on the roads;

(c) The ADEPT enterprise is established as a state-owned, driving examination reimbursement program to reduce the cost barriers to obtaining driver's licenses, and this reimbursement program is analogous to an insurance program because the fees established under section 42-2-708 ensure that the cost of an examination will not be a barrier for a license holder to
CONTINUE TO BE LICENSED;

(d) To maintain the existing level of service to Coloradans, private businesses may continue to conduct required driving examinations, and the ADEPT enterprise will reimburse all or a portion of the cost of providing the driving examinations to ensure equitable opportunities to obtain driver's licenses;

(e) The ADEPT enterprise constitutes an enterprise for purposes of section 20 of article X of the Colorado constitution, as long as the ADEPT enterprise retains authority to issue revenue bonds and receives less than ten percent of its total annual revenues in grants, as defined in section 24-77-102 (7), from all Colorado state and local governments combined;

(f) For as long as it constitutes an enterprise under this section, the ADEPT enterprise is not subject to section 20 of article X of the Colorado constitution; and

(g) The fee imposed in section 42-2-708 is not a tax but is instead a fee imposed:

(I) To defray the cost of privately administered driving examinations, which is a specific service to each individual seeking a driver's license upon whom the fee is imposed; and

(II) At rates reasonably calculated based on the overall cost of the services provided by the ADEPT enterprise.

42-2-703. Definitions. As used in this part 7, unless the context otherwise requires:

(1) "ADEPT enterprise" means the enterprise created in section 42-2-704 (1).
"County office" means the office of a county clerk and recorder that issues driver's licenses and performs driving examinations.

"Department" means the department of revenue.

"Driving examination" means an examination authorized in section 42-2-111.

"Executive director" means the executive director of the department.

"Fee" means the ADEPT enterprise fee established in section 42-2-708.

"Fund" means the ADEPT enterprise fund created in section 42-2-707.

"Governing board" means the governing board of the ADEPT enterprise described in section 42-2-704 (2).

"Inflation or deflation" means the annual percentage change in the United States department of labor bureau of labor statistics consumer price index for Denver-Aurora-Lakewood for all items and all urban consumers, or its successor index.

"Proof of financial responsibility" has the same meaning as "proof of financial responsibility for the future", as defined in section 42-7-103 (14).

"Third-party provider" means a person certified under section 42-2-111 (1)(b) to examine applicants for types or general classes of driver's licenses.

42-2-704. ADEPT enterprise - creation - governing board - powers and duties - issuance of bonds. (1) The ADEPT enterprise is
CREATED AS A GOVERNMENT-OWNED BUSINESS WITHIN THE DEPARTMENT.

(2) (a) THE GOVERNING BOARD OF THE ADEPT ENTERPRISE CONSISTS OF FIVE MEMBERS APPOINTED AS FOLLOWS:

(I) THE EXECUTIVE DIRECTOR SHALL APPOINT ONE MEMBER WHO REPRESENTS THE EXECUTIVE DIRECTOR AND WHO IS THE CHAIR OF THE GOVERNING BOARD;

(II) THE SPEAKER OF THE HOUSE OF REPRESENTATIVES SHALL APPOINT:

(A) ONE MEMBER WHO HAS EXPERIENCE PROVIDING TRANSLATION SERVICES OR ADMINISTERING PROGRAMS THAT ASSIST INDIVIDUALS FOR WHOM ENGLISH IS NOT THEIR NATIVE LANGUAGE; AND

(B) ONE MEMBER WHO REPRESENTS THIRD-PARTY PROVIDERS;
who has experience working with youth; and

(III) THE GOVERNOR SHALL APPOINT ONE MEMBER WHO REPRESENTS RURAL AREAS THAT ARE UNDERSERVED BY THIRD-PARTY PROVIDERS.


(c) THE TERM OF OFFICE OF MEMBERS OF THE GOVERNING BOARD IS FOUR YEARS; EXCEPT THAT:

(I) EACH MEMBER OF THE GOVERNING BOARD SERVES AT THE PLEASURE OF THE OFFICIAL WHO APPOINTED THE MEMBER; AND

(II) (A) IN ORDER TO ENSURE STAGGERED TERMS OF OFFICE, FOR EACH MEMBER INITIALLY APPOINTED IN ACCORDANCE WITH SUBSECTION (2)(a)(II) OF THIS SECTION, THE INITIAL TERM OF OFFICE IS TWO YEARS.
(B) This subsection (2)(c)(II) is repealed, effective July 1, 2028.

(3) Each member of the governing board other than a state employee serves without compensation but is entitled to receive reimbursement from money in the fund for actual and necessary expenses the member incurs in the performance of the member’s duties for the governing board.

(4) (a) The executive director shall organize the governing board and call the first meeting of the governing board to occur by November 1, 2023.

(b) The governing board shall meet at least annually. The chair may call additional meetings as necessary for the governing board to complete its duties.

(5) The governing board may:

(a) take actions necessary to implement and administer this part 7;

(b) advise the department concerning the adoption of or amendment of rules under sections 42-2-706 and 42-2-708;

(c) issue bonds in accordance with subsection (8) of this section;

(d) determine the amount of reimbursement given to the third-party provider for individuals who make an appointment for a driving examination and do not show or cancel late or who fail to pass the driving examination; and

(e) contract with a private or public entity to develop and update the online driver training program required in section 42-2-705 (1)(b).
(6) The governing board shall:

(a) oversee the implementation and administration of this part 7;

(b) annually report to the executive director, by a date determined by the executive director, concerning the implementation and administration of this part 7;

(c) establish policies to implement and administer this part 7;

(d) hire any necessary employees, who may also be employees of the department, to implement and administer this part 7;

(e) obtain the necessary office space, equipment, and services necessary to implement and administer this part 7; and

(f) coordinate with the department to implement and administer this part 7.

(7) The ADEPT enterprise shall reimburse, at fair market value, the department for any employee time, office space, or goods or services provided by the department.

(8) The ADEPT enterprise may issue bonds. The bonds must be:

(a) issued by a resolution of the governing board; and

(b) secured by and payable solely out of the money in the fund.

42-2-705. ADEPT enterprise - reimbursement of third-party providers. (1) The ADEPT enterprise shall:

(a) by July 1, 2025, in areas that do not have a third-party provider within sixty miles from a department or county office
THAT ISSUES DRIVER’S LICENSES, PROVIDE DRIVING EXAMINATIONS AT LEAST ONCE EACH WEEK THAT DEMONSTRATE THE ABILITY OF AN APPLICANT FOR A DRIVER’S LICENSE TO DRIVE A MOTOR VEHICLE WITH APPROPRIATE CARE AND CONTROL; AND

(b) MAKE AN ONLINE DRIVER TRAINING PROGRAM AVAILABLE AT NO COST TO THE PUBLIC. THE DRIVER TRAINING PROGRAM MUST:

(I) BE AT LEAST THIRTY HOURS LONG;

(II) MEET THE STANDARDS NECESSARY TO QUALIFY A STUDENT TO BE ISSUED AN INSTRUCTION PERMIT UNDER SECTION 42-2-106 (1)(b);

(III) TEACH:

(A) THE LAW APPLICABLE TO DRIVING A MOTOR VEHICLE ON A HIGHWAY; AND

(B) BASIC DECISION MAKING WHEN DRIVING ON A HIGHWAY; AND

(IV) BE AVAILABLE IN ENGLISH AND SPANISH.

(2) (a) (I) THE ADEPT ENTERPRISE SHALL REIMBURSE, FROM THE FUND AND IN ACCORDANCE WITH RULES ADOPTED BY THE DEPARTMENT PURSUANT TO SECTION 42-2-706, A THIRD-PARTY PROVIDER OR COUNTY OFFICE THAT ADMINISTERS A DRIVING EXAMINATION. A THIRD-PARTY PROVIDER OR COUNTY OFFICE SEEKING REIMBURSEMENT FROM THE ADEPT ENTERPRISE SHALL APPLY FOR REIMBURSEMENT IN THE FORM AND MANNER SPECIFIED IN RULES ADOPTED BY THE DEPARTMENT PURSUANT TO SECTION 42-2-706.

(II) A THIRD-PARTY PROVIDER SHALL NOT CHARGE AN INDIVIDUAL TAKING A DRIVING EXAMINATION FOR AN AMOUNT REIMBURSED UNDER THIS SUBSECTION (2).

(b) THE ADEPT ENTERPRISE SHALL DETERMINE THE REIMBURSEMENT AMOUNT FOR A THIRD-PARTY PROVIDER BASED ON THE
AMOUNT THE THIRD-PARTY PROVIDER CHARGES FOR THE DRIVING EXAMINATION, WHICH CHARGE MUST NOT EXCEED ANY LIMIT ESTABLISHED IN RULES ADOPTED BY THE DEPARTMENT PURSUANT TO SECTION 42-2-706, LESS THE AMOUNT THE INDIVIDUAL TAKING THE DRIVING EXAMINATION PAYS THE THIRD-PARTY PROVIDER FOR ADMINISTERING THE DRIVING EXAMINATION. THE COST TO THE INDIVIDUAL TAKING THE DRIVING EXAMINATION MUST NOT EXCEED, EXCEPT AS PROVIDED IN SUBSECTION (2)(c) OF THIS SECTION:

(I) TWENTY-FIVE DOLLARS PER DRIVING EXAMINATION IF THE INDIVIDUAL TAKING THE DRIVING EXAMINATION HAS NOT PREVIOUSLY FAILED THE EXAMINATION; AND

(II) FIFTY DOLLARS PER DRIVING EXAMINATION IF THE INDIVIDUAL HAS PREVIOUSLY FAILED THE SAME DRIVING EXAMINATION.

(c) TO ACCOUNT FOR INFLATION OR DEFLATION, THE GOVERNING BOARD MAY ANNUALLY ADJUST THE AMOUNTS DESCRIBED IN SUBSECTIONS (2)(b)(I) AND (2)(b)(II) OF THIS SECTION.

(d) THE ADEPT ENTERPRISE SHALL SET THE REIMBURSEMENT RATE FOR COUNTY OFFICES AT A STANDARD RATE THAT IS BASED ON THE AVERAGE COST IN COLORADO OF COUNTY OFFICES PROVIDING DRIVING EXAMINATIONS.

42-2-706. Department rules - reimbursement procedures - driving examination price limits. (1) THE DEPARTMENT SHALL PROMULGATE RULES, IN CONSULTATION WITH THE GOVERNING BOARD, ESTABLISHING THE PROCESS FOR THIRD-PARTY PROVIDERS OR COUNTY OFFICES TO APPLY FOR AND OBTAIN REIMBURSEMENTS FOR DRIVING EXAMINATIONS IN ACCORDANCE WITH SECTION 42-2-705. THE RULES MUST SPECIFY, AT A MINIMUM:
(a) The form and manner of applying for reimbursement, including the required documentation to support the claim for reimbursement;

(b) A timeline for the ADEPT enterprise to accept reimbursement applications, determine a third-party provider’s eligibility for and amount of reimbursement, and pay reimbursements to third-party providers or county offices;

(c) That a reimbursement must be made within thirty days after the third-party provider or county office requests reimbursement; and

(d) Any other requirements necessary for the administration of reimbursements.

(2) The department may promulgate rules setting a maximum amount, including the amount assessed and received from the individual taking the examination, that a third-party provider may charge for a driving examination and adjusting the maximum amount to account for inflation or deflation or for differences in the cost of providing driving examinations in different areas of the state.

42-2-707. ADEPT enterprise fund. (1) The ADEPT enterprise fund is created in the state treasury. The fund consists of money credited to the fund under section 42-2-708, revenue collected from any revenue bonds issued pursuant to section 42-2-704 (8), and any other money that the general assembly may appropriate or transfer to the fund.

(2) The state treasurer shall credit all interest and income derived from the deposit and investment of money in the
FUND TO THE FUND.

(3) Money in the Fund is continuously appropriated to the ADEPT enterprise to implement and administer this Part 7.

42-2-708. ADEPT enterprise fee - rules. (1) In addition to any other fee for the issuance of or renewal of a driver's license, minor driver's license, or instruction permit, the department shall collect an ADEPT enterprise fee of six dollars for each issuance of or renewal of a driver's license, minor driver's license, or instruction permit. The department shall transmit the fee to the state treasurer, who shall credit the fee to the fund.

(2) The department may promulgate rules adjusting the amount of the fee specified in subsection (1) of this section to account for inflation or deflation.

42-2-709. Translation services. On request and when reasonably possible, the ADEPT enterprise shall provide translation services for a driving examination for individuals who do not speak, read, or write English at a level necessary to take the driving examination. The translation services may be provided electronically or, for driving examinations that demonstrate the ability of the applicant, by hand signal if the hand signals are explained in the applicant's language.

SECTION 3. Appropriation. (1) For the 2023-24 state fiscal year, $4,833,654 is appropriated to the department of revenue. This appropriation is from the ADEPT enterprise fund created in section 42-2-707 (1), C.R.S. To implement this act, the department may use this
appropriation as follows:

(a) $143,042 for use by the executive director's office for personal services related to administration and support, which amount is based on an assumption that the department will require an additional 1.7 FTE;

(b) $22,305 for use by the executive director's office for operating expenses related to administration and support;

(c) $71,011 for DRIVES maintenance and support; and

(d) $4,597,296 for use by the division of motor vehicles for driver's license exam reimbursements.

SECTION 4. Act subject to petition - effective date - applicability. (1) This act takes effect at 12:01 a.m. on the day following the expiration of the ninety-day period after final adjournment of the general assembly; except that, if a referendum petition is filed pursuant to section 1 (3) of article V of the state constitution against this act or an item, section, or part of this act within such period, then the act, item, section, or part will not take effect unless approved by the people at the general election to be held in November 2024 and, in such case, will take effect on the date of the official declaration of the vote thereon by the governor.

(2) This act applies to driver's licenses and instruction permits issued and to examinations performed on or after the applicable effective date of this act.