

**JBC STAFF FISCAL ANALYSIS
SENATE APPROPRIATIONS COMMITTEE**

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.

Prime Sponsors: Representative Kipp
Senator Winter F.

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Appropriation Items of Note

Appropriation Already Added to Bill, Amendments in Packet

TABOR Impact

New Cash Fund

Fiscal Impact of Bill as Amended to Date

The most recent Legislative Council Staff Revised Fiscal Note (attached) reflects the fiscal impact of the bill as of 03/24/23.

XXX	No Change: Attached LCS Fiscal Note accurately reflects the fiscal impact of the bill
	Update: Fiscal impact has changed due to <i>new information or technical issues</i>
	Update: Fiscal impact has changed due to <i>amendment adopted</i> after LCS Fiscal Note was prepared
	Non-Concurrence: JBC Staff and Legislative Council Staff disagree about the fiscal impact of the bill

The reengrossed bill includes amendments that were passed on second reading in the House (04/21/23), however, Legislative Council Staff and JBC Staff agree that the amendments do not change the fiscal impact of the bill.

Amendments in This Packet for Consideration by Appropriations Committee

Amendment	Description
L.018/L.019	Bill Sponsor amendments - changes fiscal impact <i>and</i> appropriation

Current Appropriations Clause in Bill

The bill includes an appropriation clause that appropriates a total of \$4,833,654 cash funds to the Department of Revenue for FY 2023-24 from the ADEPT Enterprise Fund. This provision also states that the appropriation is based on the assumption that the Department of Revenue will require an additional 1.7 FTE.

L.018 and L.019

Bill Sponsor amendments **L.018** and **L.019** eliminate the appropriation to the Department of Revenue in FY 2023-24, but would require a \$624,697 cash fund appropriation in FY 2024-25, including \$438,821 cash funds from the DRIVES vehicle services fund and \$115,943 from the Driver Education Voucher Enterprise Fund created in this bill. Also, this provision is based on the assumption that the Department of Revenue would require an additional 4.2 FTE. **L.018** and **L.019** incorporate SB23-011 (Minor Driver's Education Requirements) requirements for minors to successfully complete a driver's education course to get a license of instruction permit.

L.018 and **L.019** retain the enterprise in the bill but repurposes it to manage a voucher program to provide vouchers to income-qualified minors to help defray the costs of the driver's education course, including classroom or online component and behind-the-wheel training and the driving exam. The amendments reduce the fee imposed on driver's licenses from \$6 to 50 cents starting Jan. 1, 2025, and begin the voucher program on July 1, 2025. **L.018** and **L.019** also require background checks for driver's education instructors and excludes some with specified criminal histories from training minors or at-risk adults.

If the Committee adopts L.018 it should also adopt L.019.

Points to Consider*TABOR/ Excess State Revenues Impact*

The March 2023 Office of State Planning and Budgeting (OSPB) revenue forecast projects a TABOR surplus liability of \$720.9 million for FY 2023-24 and \$1.2 billion for FY 2024-25 to be refunded to taxpayers out of the General Fund. Legislation that increases non-exempt revenue (such as cash funds) will increase the TABOR refund from the General Fund. The budget package includes a set aside of \$30.0 million General Fund for ongoing appropriations and \$469.0 million General Fund for bills that create one-time obligations in FY 2023-24.

This bill is estimated to decrease cash fund revenues that are subject to TABOR by \$206,892 in FY 2023-24 and by \$225,700 in FY 2024-25, which will increase the available General Fund in each fiscal year by equal amounts. This bill reduces the TABOR refund made out of the General Fund by \$206,892 for FY 2023-24, increasing the \$30.0 million General Fund set aside for FY 2023-24 by the same amount.

HB23-1147

JBC Staff Analysis

If the Committee adopts amendments **L.018** and **L.019**, the revenue impacts are delayed until FY 2025-26 and estimated to be \$225,700 annually.

Technical Note

The attached fiscal note indicates that the Department of Revenue cannot meet the bill's mid-August effective date due to DRIVES programming requirement constraints.

If the Committee adopts amendments **L.018** and **L.019**, the Department is expected to have sufficient time to implement by deadlines outlined in the bill.