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Final Fiscal Note

Drafting Number: LLS 23-0642 **Date:** July 13, 2023
Prime Sponsors: Sen. Roberts; Rich **Bill Status:** Signed into Law
Rep. Daugherty; Pugliese **Fiscal Analyst:** Aaron Carpenter | 303-866-4918
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Bill Topic: **REVOKE DRIVER'S LICENSE APPEAL ATTORNEY GENERAL**

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
<input type="checkbox"/> State Transfer	<input type="checkbox"/> Statutory Public Entity

The bill requires the Department of Law, instead of district attorneys, to represent the Department of Revenue in driver licenses appeals. The bill increases state expenditures and decreases local expenditures on an ongoing basis.

Appropriation Summary: For FY 2023-24, the bill requires and includes an appropriation of \$47,583 to the Department of Revenue.

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

Table 1
State Fiscal Impacts Under SB 23-251

		Budget Year FY 2023-24	Out Year FY 2024-25	Out Year FY 2025-26
Revenue		-	-	-
Expenditures	General Fund	\$47,583	\$158,610	\$317,220
	Total FTE	0.3 FTE	0.8 FTE	1.7 FTE
Transfers		-	-	-
Other Budget Impacts	General Fund Reserve	\$7,137	\$23,792	\$47,583

Summary of Legislation

Under current law, district attorneys represent the Department of Revenue (DOR) during any appeals of a denied, canceled, suspended, or revoked driver license to the courts. This bill requires the Department of Law (DOL) to represent the DOR instead on the following timeline:

- as of January 1, 2024, 16 judicial districts, as outlined in the bill;
- as of July 1, 2024, 4 additional judicial districts, as outlined in the bill;
- as of January 1, 2025, the remaining six judicial districts and the newly created 23rd judicial district.

Background and Assumptions

Based on the number of driver license-related appeals since FY 2019-20, the fiscal note assumes there will be 120 appeals per year, with each appeal requiring approximately 25 hours of attorney time. Currently, district attorneys are not compensated by DOR for representing them in appeals hearings.

State Expenditures

The bill increases state General Fund expenditures by \$47,583 in FY 2023-24 and \$317,220 in FY 2024-25 and ongoing in the DOR for legal services provided by the DOL.

Department of Revenue. The DOL will provide legal services to the DOR in appeals cases. Based on the assumptions outlined above, this will require 450 hours (0.3 FTE) in FY 2023-24, 1,500 hours (0.8 FTE) in FY 2024-25, and 3,000 hours (1.7 FTE) in FY 2025-26 at the rate of \$105.74 per hour. Costs in FY 2023-24 are prorated to represent 15 percent of appeals based on the assumption that 30 percent of appeals will occur in initial judicial districts for half a year, and costs in FY 2024-25 are prorated based on the assumption that 50 percent of appeals will occur in the judicial districts identified in that year.

Other Budget Impacts

General Fund reserve. Under current law, an amount equal to 15 percent of General Fund appropriations must be set aside in the General Fund statutory reserve. Based on this fiscal note, the bill is expected to increase the amount of General Fund held in reserve by the amounts shown in Table 1, decreasing the amount of General Fund available for other purposes.

Local Government

This bill decreases district attorney costs to represent the DOR in driver license appeal cases. These impacts will vary by local government based on the number of appeals hearings held in each judicial district. The fiscal note assumes any savings will be reallocated to other cases and that county governments will not reduce district attorney appropriations as a result of this bill.

Effective Date

The bill was signed into law by the Governor on June 5, 2023, and takes effect on August 7, 2023, assuming no referendum petition is filed.

State Appropriations

For FY 2023-24, the bill requires and includes an appropriation of \$47,583 from the General Fund to the Department of Revenue, which is fully reappropriated to the Department of Law with 0.3 FTE.

State and Local Government Contacts

District Attorneys
Law

Information Technology
Revenue

Judicial