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Fiscal Note

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Prime Sponsors:	Rep. Lindsay	Bill Status:	House Trans., Hous. & Local Govt.
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Bill Topic: **MOTOR VEHICLE MINOR DRIVER EDUCATION STANDARDS**

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

The bill modifies driver education requirements and requires commercial driving instructors to undergo criminal background checks. It increases state expenditures on an ongoing basis beginning in FY 2024-25.

Appropriation Summary: For FY 2024-25, the bill requires an appropriation of \$456,493 to the Department of Revenue.

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

Table 1
State Fiscal Impacts Under HB 24-1021

		Budget Year FY 2024-25	Out Year FY 2025-26
Revenue		-	-
Expenditures	Cash Funds	\$456,493	\$265,557
	Centrally Appropriated	\$42,464	\$22,460
	Total Expenditures	\$498,957	\$288,017
	Total FTE	2.6 FTE	1.3 FTE
Transfers		-	-
Other Budget Impacts		-	-

Summary of Legislation

The bill modifies driver education requirements and requires commercial driving instructors to undergo criminal background checks, as discussed below.

Driver education requirements. The bill modifies driver education requirements by eliminating the current tiered requirements based on the age of a minor driver. A comparison of current law to the bill’s requirements is outlined in Table 2 below. In addition to the requirements shown in Table 2, all permit and license applicants must pass a written and driving exam to obtain each document.

**Table 2
Changes to Driver Education Requirements Under HB 24-1021**

Current Requirements to Obtain Driver License

Age	Driver Education	Permit	Supervised Driving	Behind-the-Wheel Training
15-15.5	30-hour course	Hold for at least 12 months	50 hours (10 nighttime)	6 hours with an approved instructor; or 12 hours with an adult if the minor lives over 30 miles from a driving school
15.5-16	4-hour driver awareness program or 30-hour course			
16-16.5 16.5-18	None			None
18-21		Hold a valid instruction permit		

HB 24-1021 Proposed Requirements to Obtain Driver License

Age	Driver Education	Permit	Supervised Driving	Behind-the-Wheel Training
15-18	30-hour course	Hold for at least 12 months	50 hours (10 nighttime)	6 hours with an approved instructor; or 12 hours with a parent, guardian, or alternate permit supervisor
18-21	4-hour driver awareness program or 30-hour course (unless applicant holds a license from another jurisdiction)	None	None	None

Permits. The bill also repeals and reenacts state laws governing instruction permits and temporary licenses to mirror the driver education requirements for driver licenses for applicants ages 15 to 20.

Commercial driving instructors – criminal background check. Effective July 1, 2026, a person who was convicted of, or pled guilty or no contest to, sexual misconduct or violent crimes outlined in the bill may not be employed as a commercial driving instructor. Commercial driving schools must require instructors to obtain a fingerprint-based criminal history check.

Background

Current permit and license requirements for minors. For a complete list of requirements to receive an instructional permit under current law, visit [DOR's website on minor permits](#). For complete list of requirements for a minor's license, visit [DOR's website on minor licenses](#).

DRIVES programming. The Division of Motor Vehicles (DMV) in the DOR uses its Driver License, Record, Identification and Vehicle Enterprise Solution (DRIVES) information technology system for all driver license and motor vehicle transactions. The DRIVES system requires an extensive 18-month upgrade which is scheduled to take place from July 1, 2024, through March 31, 2026. As a result, the DOR has requested that any new legislation requiring DRIVES programming have an effective date of April 1, 2026, with roll-forward spending authority through FY 2026-27, noting that each programming requirement during the system upgrade period may increase the overall project timeline. Based on the current effective date in the bill, the fiscal note includes costs for the DRIVES programming to take place twice—in the existing and new system.

State Expenditures

The bill increases state expenditures in the Department of Revenue by \$498,957 in FY 2024-25 and \$288,017 in FY 2025-26 and ongoing, paid from the DRIVES Vehicle Services Account. Expenditures are shown in Table 3 and detailed below.

Table 3
Expenditures Under HB 24-1021

	FY 2024-25	FY 2025-26
Department of Revenue		
Personal Services	\$130,675	\$78,433
Operating Expenses	\$3,328	\$1,664
Capital Outlay Costs	\$20,010	-
Computer Programming	\$181,820	\$185,460
Outreach	\$85,000	-
Driver Education Handbook Update	\$35,660	-
Centrally Appropriated Costs ¹	\$42,464	\$22,460
Total	\$498,957	\$288,017
Total FTE	2.6 FTE	1.3 FTE

¹ Centrally appropriated costs are not included in the bill's appropriation.

Department of Revenue. The bill increases workload to verify that new education requirements are met, to update the DRIVES system, and to conduct outreach.

- **Staffing.** Based on DOR data, the fiscal note estimates nearly 50,000 individuals will be newly required to take the 30-hour driver education course or 4-hour driver awareness course each year under this bill, and over 30,000 individuals will be newly required to complete behind-the-wheel training. Each requirement generates two forms that the department must audit. Based on current workload standards, the DOR requires 1.3 FTE Technician IV to manage the additional forms on an ongoing basis.
- Additionally, an estimated 170,000 individuals ages 15 to 20 will be impacted by the changes in the bill, which is estimated to increase DMV Call Center volume by about 200 additional calls per day. A call center employee typically manages 100 calls per day; therefore, 2.0 FTE Administrative Assistant II are required for a 9-month period following the bill's passage in FY 2024-25 only.
- Standard operating and capital outlay costs are included and staffing costs have been prorated for the bill's effective date.
- **DRIVES programming.** Computer programming costs in FY 2024-25 and FY 2025-26 include DRIVES programming, estimated at 520 hours at a rate of \$248 per hour in FY 2024-25 and 520 hours at a rate of \$255 per hour in FY 2025-26; ISD development and testing costs, estimated at 820 hours at a rate of \$35 per hour in each year; support from the Office of Information Technology estimated at 96 hours at a rate of \$99 per hour in each year, paid to OIT through real-time billing; and business user acceptance testing at 458 hours at a rate of \$32 per hour in each year.

- **Outreach and Driver Education Handbook updates.** The DOR will also have one-time costs of \$85,000 to update forms, signage, websites, and advertising, and \$35,660 to reprint the department's Driver Education Handbook.

Department of Public Safety. Conducting additional criminal background checks increases workload in the Colorado Bureau of Investigation in the Department of Public Safety. This can be accomplished within existing resources and no change in appropriations is required.

Centrally appropriated costs. Pursuant to a Joint Budget Committee policy, certain costs associated with this bill are addressed through the annual budget process and centrally appropriated in the Long Bill or supplemental appropriations bills, rather than in this bill. These costs, which include employee insurance and supplemental employee retirement payments, are shown in Table 3.

Technical Note

The fiscal note currently includes a duplicative programming cost for the DOR's DRIVES system, as discussed in the Background section. The duplicate cost would be removed if the bill's effective date were amended to April 1, 2026, when the DRIVES upgrade is complete.

Effective Date

The bill takes effect 90 days following adjournment of the General Assembly sine die, assuming no referendum petition is filed.

State Appropriations

For FY 2024-25, the bill requires an appropriation of \$456,493 from the DRIVES Vehicle Services Account to the Department of Revenue, and 2.6 FTE.

State and Local Government Contacts

Public Safety

Revenue

The revenue and expenditure impacts in this fiscal note represent changes from current law under the bill for each fiscal year. For additional information about fiscal notes, please visit the [General Assembly website](#).