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Final Fiscal Note

Drafting Number: LLS 24-0829 Date: July 15, 2024
Prime Sponsors: Rep. Lindsay Bill Status: Signed into Law
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Bill Topic: MOTOR VEHICLE MINOR DRIVER EDUCATION STANDARDS

Summary of Fiscal Impact: [ ] State Revenue [ ] State Transfer [ ] Local Government
[ x ] State Expenditure [ ] TABOR Refund [ ] 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 2025-26.

Appropriation Summary: No appropriation is required.

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

Table 1
State Fiscal Impacts Under HB 24-1021

Table with 5 columns: Category, Budget Year FY 2024-25, Out Year FY 2025-26, Out Year FY 2026-27, Out Year FY 2027-28. Rows include Revenue, Expenditures (Cash Funds, Centrally Appropriated, Total Expenditures, Total FTE), Transfers, and Other Budget.

## Summary of Legislation

Beginning April 1, 2026, the bill modifies driver education requirements. Beginning July 1, 2026, the bill requires commercial driving instructors to undergo criminal background checks.

**Driver education requirements.** The bill modifies driver education requirements by repealing and reenacting state laws governing instruction permits and temporary licenses for applicants ages 15 to 21. In order to receive an instruction permit, applicants ages 15 to 17 must complete a 30-hour driver education course and applicants ages 18 to 21 must complete either a 4-hour prequalification driver awareness program or a 30-hour driver education course.

**Commercial driving instructors—criminal background check.** A person who was convicted of, or pled guilty or no contest to, sexual misconduct or violent crimes outlined in the bill within the past 20 years may not be employed as a commercial driving instructor. Commercial driving schools must require instructors to obtain a fingerprint-based criminal history check, to be submitted to the Department of Revenue (DOR) by the Colorado Bureau of Investigation (CBI). The DOR will notify commercial driving schools whether instructors are qualified, disqualified, or if any additional action must be taken.

## 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](#).

## State Expenditures

The bill increases state expenditures in the Department of Revenue by about \$306,000 in FY 2025-26, \$163,000 in FY 2026-27, and \$128,000 in FY 2027-28 and ongoing, paid from the DRIVES Vehicle Services Account. Expenditures are shown in Table 2 and detailed below.

**Table 2**  
**Expenditures Under HB 24-1021**

	FY 2024-25	FY 2025-26	FY 2026-27	FY 2027-28
<b>Department of Revenue</b>				
Personal Services	-	-	\$105,747	\$97,328
Operating Expenses	-	-	\$2,688	\$2,176
Capital Outlay Costs	-	-	\$20,010	-
Computer Programming	-	\$185,460	-	-
Outreach	-	\$85,000	-	-
Driver Ed. Handbook Update	-	\$35,660	-	-
Centrally Appropriated Costs <sup>1</sup>	-	-	\$34,316	\$28,879
<b>Total</b>	-	<b>\$306,120</b>	<b>\$162,761</b>	<b>\$128,383</b>
<b>Total FTE</b>	-	-	<b>2.1 FTE</b>	<b>1.7 FTE</b>

<sup>1</sup> 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 review background check results, 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 starting in December 2026 to manage the additional forms on an ongoing basis.

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 from December 2026 to August 2027.

The bill requires that background checks conducted by commercial driving schools be submitted to the DOR for review. The DOR requires an additional 0.1 FTE Technician IV beginning in July 2026 to review the background checks.

Standard operating and capital outlay costs are included for staff.

- **DRIVES programming.** Computer programming costs include DRIVES programming, estimated at 520 hours at a rate of \$255 per hour in FY 2025-26 (\$132,600); ISD development and testing costs, estimated at 820 hours at a rate of \$35 per hour (\$28,700); support from the Office of Information Technology estimated at 96 hours at a rate of \$99 per hour (\$9,504), paid to OIT through real-time billing; and business user acceptance testing at 458 hours at a rate of \$32 per hour (\$14,656). These costs will require roll-forward spending authority through FY 2026-27.
- **Outreach and Driver Education Handbook updates.** The DOR will also have one-time costs in FY 2025-26 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 CBI 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.

## Effective Date

The bill was signed into law by the Governor on May 15, 2024, and takes effect on April 1, 2026, assuming no referendum petition is filed.

## State and Local Government Contacts

### Revenue

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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](#).