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Revised Fiscal Note

(replaces fiscal note dated February 13, 2024)

Drafting Number: LLS 24-0829 Date: March 18, 2024
Prime Sponsors: Rep. Lindsay Bill Status: House Second Reading
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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: This revised fiscal note reflects the bill as amended by the House Transportation, Housing, and Local Government and Appropriations Committees.

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 January 1, 2027, 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 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	None			Hold a valid instruction permit
16.5-18				
18-21				

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. 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, to be submitted to the 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 3 and detailed below.

Table 3
Expenditures Under HB 24-1021

	FY 2024-25	FY 2025-26	FY 2026-27	FY 2027-28
Department of Revenue				
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 ¹	-	-	\$34,316	\$28,879
Total	-	\$306,120	\$162,761	\$128,383
Total FTE	-	-	2.1 FTE	1.7 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 review background check results, to update the DRIVES system, and to conduct outreach. Computer programming costs and staff reflect the assumption that resources will be available in FY 2025-26—see Technical Note.

- **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.

Technical Note

The DOR requires resources in FY 2025-26 to perform DRIVES programming and update communications materials, and in the first half of FY 2026-27 for staff to review background checks. The bill's current effective date precludes the department from receiving resources in advance of January 1, 2027. The fiscal note assumes the effective date will be modified accordingly.

Effective Date

The bill takes effect January 1, 2027, assuming no referendum petition is filed.

State and Local Government Contacts

Information Technology

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](#).