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Nonpartisan Services for Colorado's Legislature

LLS 24-1070

Final Fiscal Note

Prime Sponsors: Sen. Gonzales; Bridges **Bill Status:** Signed into Law Rep. Hernandez ; Velasco Fiscal Analyst: Nina Forbes | 303-866-4785 nina.forbes@coleg.gov **Bill Topic: IMMIGRANT IDENTIFICATION DOCUMENT ISSUANCE Summary of** ☐ State Transfer ☐ Local Government **Fiscal Impact:** ☐ TABOR Refund ☐ Statutory Public Entity The bill changes certain requirements for the issuance of driver licenses or state identification cards to individuals who are not lawfully present in the United States. The bill increases state expenditures for FY 2024-25 and FY 2025-26 only. For FY 2024-25, the bill requires and includes an appropriation of \$122,855 to the **Appropriation Summary:** Department of Revenue. **Fiscal Note** The final fiscal note reflects the enacted bill. Status:

Date:

Table 1 State Fiscal Impacts Under SB 24-182

		Budget Year FY 2024-25	Out Year FY 2025-26
Revenue		-	-
Expenditures	Cash Funds	\$122,855	\$126,615
Transfers		-	-
Other Budget Impacts		-	-

Summary of Legislation

The bill changes certain requirements under the "Colorado Road and Community Safety Act," which authorizes the issuance of driver licenses or state identification cards to individuals who are not lawfully present in the United States.

Under current law, these individuals must meet the following requirements to receive a driver license or state identification card through the Department of Revenue (DOR):

- have filed a Colorado resident income tax return for the prior year;
- demonstrate residence in the state for the preceding two years;
- provide a documented social security number or individual taxpayer identification number;
 and
- present a passport, consular identification card, or military identification card from their country of origin.

The bill changes these requirements by:

- removing the income tax requirement;
- removing the two-year residency requirement;
- removing the documented social security number or individual taxpayer identification number requirement; and
- beginning on January 1, 2027, expanding the list of acceptable identification documents to include an identifying document or combination of documents issued by an agency of the U.S. government, or any of its contractors or subcontractors, in accordance with DOR rules.

Background

DRIVES programming. The Division of Motor Vehicles (DMV) in the Department of Revenue (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 Revenue

There may be a minimal increase in fee revenue from increased issuance of instruction permits or identification cards under the bill. This revenue, which is subject to TABOR, accrues to the DRIVES Vehicle Services Account.

State Expenditures

The bill increases state cash fund expenditures by about \$123,000 in FY 2024-25 and \$127,000 in FY 2025-26. Expenditures are shown in Table 2 and discussed below.

Table 2
Expenditures Under SB 24-182

		FY 2024-25	FY 2025-26
Department of Revenue			
DRIVES Programming		\$122,855	\$126,615
	Total Cost	\$122,855	\$126,615

DRIVES programming. Programming and testing costs of \$122,855 in FY 2024-25 and \$126,615 in FY 2025-26 are required to update the DRIVES system. DRIVES programming costs are estimated at 376 hours at a rate of \$245 per hour in FY 2024-25 and \$255 an hour in FY 2025-26. ISD development and testing costs, are estimated at 276 hours at a rate of \$35 per hour in each year; Office of Information Technology (OIT) support requirements are estimated at 145 hours at a rate of \$99 per hour for a total cost of \$14,355, which will be allocated to the DOR and reappropriated to OIT. These costs are paid from the DRIVES Vehicle Services Account. These costs will require roll-forward spending authority through FY 2026-27.

Effective Date

The bill was signed into law by the Governor on June 5, 2024, and takes effect on March 31, 2025, assuming no referendum petition is filed.

State Appropriations

For FY 2024-25, the bill requires and includes an appropriation of \$122,855 to the Department of Revenue, from the DRIVES Vehicle Services Account, of which \$14,355 is reappropriated to the Office of Information Technology.

State and Local Government Contacts

Information Technology 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 <u>General Assembly website</u>.