Department of Revenue

FY 2023-24
Joint Technology Committee Hearing
December 15, 2022

MISSION, VISION, VALUES AND WIGS

Mission

To become a Trusted Partner to every Coloradan to help them navigate the complexities of government so they can thrive.

Vision

Empowering, Enhancing, and Enriching life in Colorado.

VALUES

Service

Teamwork

Accountability

Integrity

Respect

ORGANIZATIONAL SYSTEMS OVERVIEW

WILDLY IMPORTANT GOALS (WIGS)

Increase Self Service Options

Increase Tools for Underserved Coloradans

Enhance the Customer Experience

Increase Employee Engagement

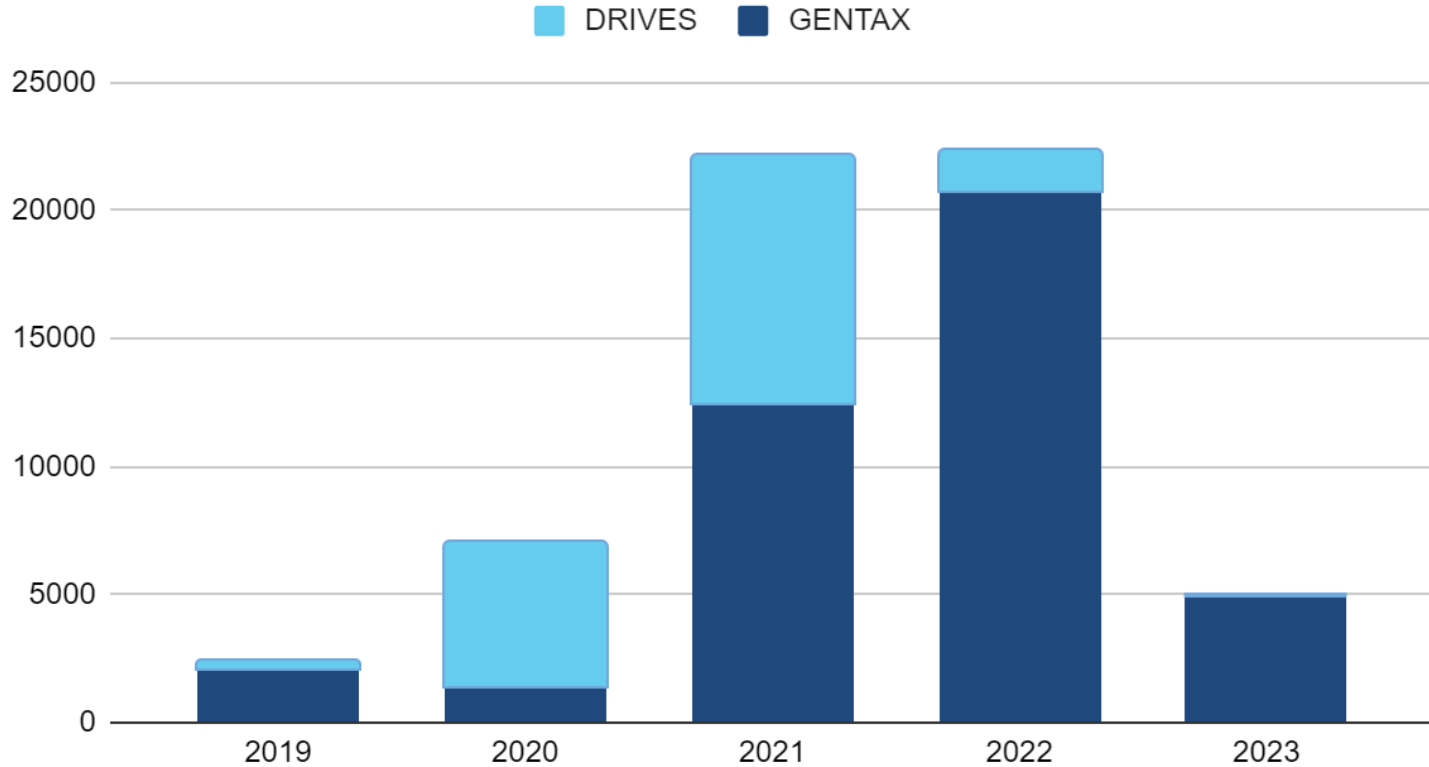Please visit the Governor's Dashboard for details on DOR's WIGs.

Department of Revenue Major Systems Overview

- **DRIVES**
  - *DMV and the counties use the DRIVES software to support all of Colorado citizens' driver license, identification, and vehicle services operations.*
- **GENTAX**
  - *This is the software that supports our TAX organization's ability to receive and process returns, accept payments, issue refunds, audits, discovery and more.*
- **Sales & Use Tax System (SUTS)**
  - *The SUTS System is a one-stop filing portal that enables tasks related to collecting and remitting sales tax in an easy, automated and seamless fashion through a web portal. It also offers a convenient GIS lookup to support a tax payers tax rate by location.*
- **METRC**
  - *Provides MED the ability to identify and account for marijuana from "seed-to-sale" through a web-based interface coupled with radio frequency identification (RFID) technology. Required to be used by all licensees.*

DRIVES & GENTAX Hours Supporting Legislation

Legend: DRIVES (light blue), GENTAX (dark blue)

DRIVES & GENTAX Upgrades

DRIVES Upgrade
- Planning starting beginning FY24
- Estimated 70k hour effort
- Jumping multiple versions due to not upgrading since 2018
- Complex stakeholder community with the 64 counties actively involved
- Extensive functionality improvements

GenTax Upgrade
- Planning starting beginning FY25 or FY26
- Estimated 8 month effort
- Critical upgrade but less complex when compared to DRIVES due to simpler stakeholder community and being on v12
- Important to continue focus on customer experience enhancements

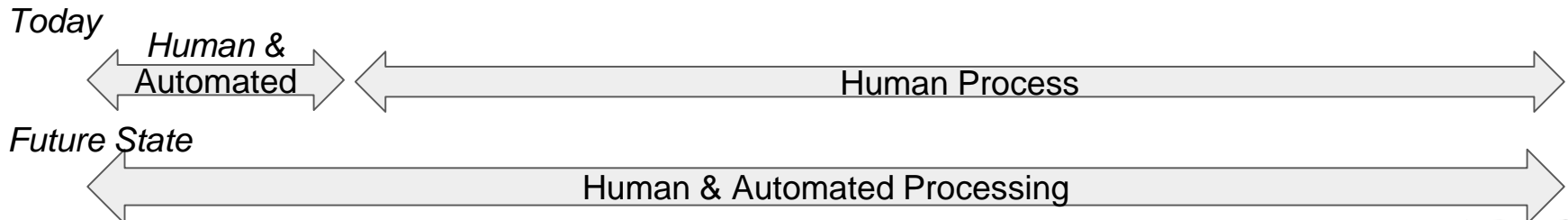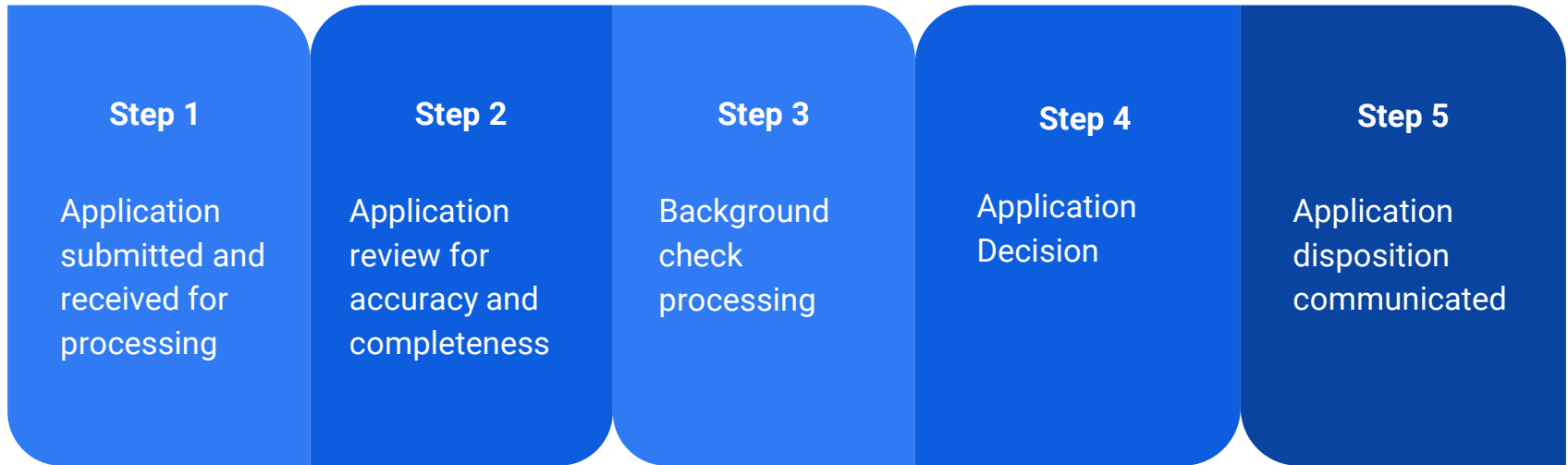| v11		v12		Core 21		Core ??
2017		**2019**		**2021**		**2023?**

FY 2023-24
IT Capital Request

Licensing & Case Management Software Request

- Our current Licensing and Case Management software was purchased nearly 20 years ago and has a contract renewal June 30, 2024
- This platform has been customized heavily to support our evolving and expanding needs as an agency
- This is a critical function and service for our Divisions
  - Specialized Business Group (SBG)
  - Marijuana Enforcement Division (MED)
  - Lottery Division
  - Department Motor Vehicles (DMV)
- Platform modernization effort supports our Wildly Important Goals (WIG's)
  - WIG 1 - Continued expansion of Self Service Options
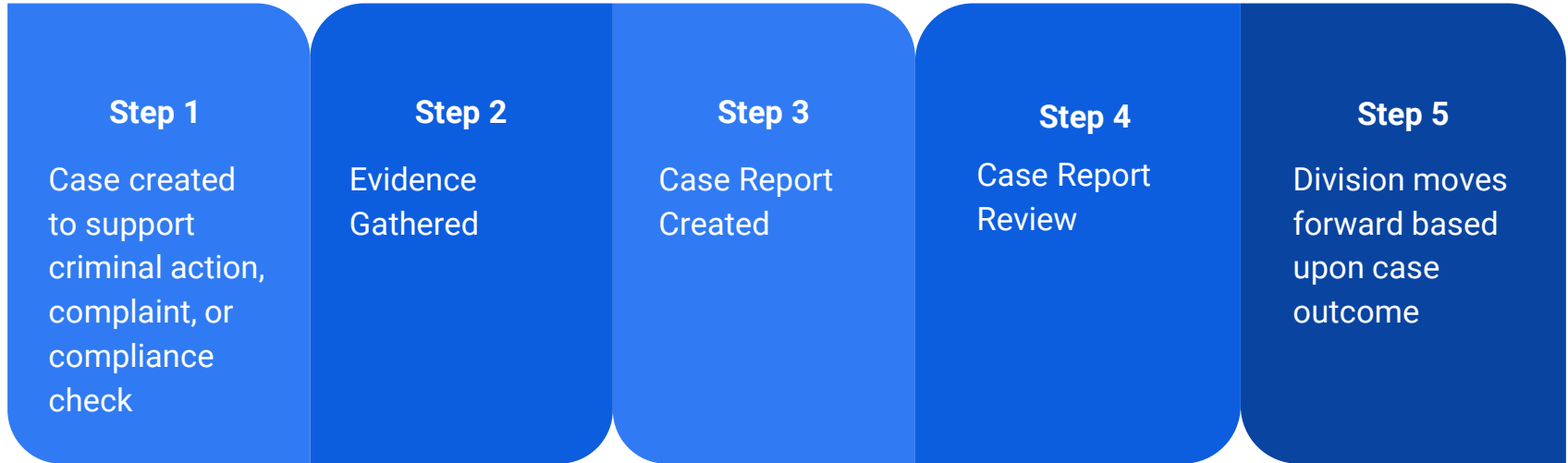 - WIG 2 - Increase Tools for underserved Coloradans

How does Licensing Management Software Benefit DOR

Step 1	Step 2	Step 3	Step 4	Step 5
Application submitted and received for processing	Application review for accuracy and completeness	Background check processing	Application Decision	Application disposition communicated

Today

Human & Automated ⟷

⟷ Human Process

Future State

⟷ Human & Automated Processing

TAXATION ■ DMV ■ SPECIALIZED BUSINESS GROUP ■ MARIJUANA ■ LOTTERY

How does Case Management Software Benefit DOR

Step 1

Case created to support criminal action, complaint, or compliance check

Step 2

Evidence Gathered

Step 3

Case Report Created

Step 4

Case Report Review

Step 5

Division moves forward based upon case outcome

Today

- *Cases created in multiple systems to compensate for functionality gaps*
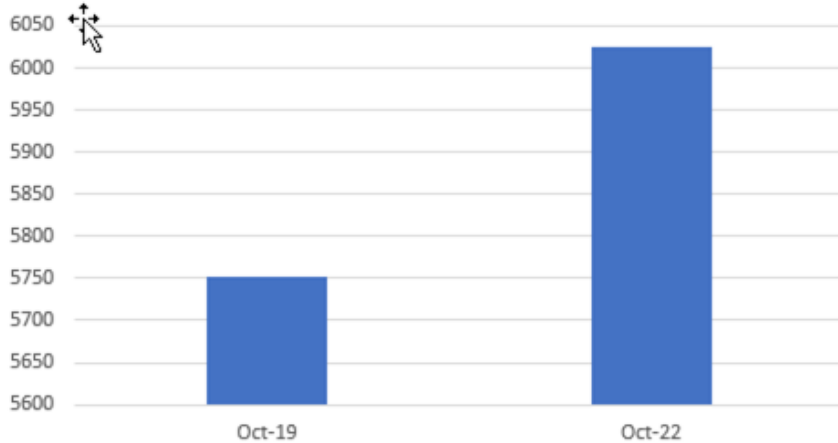- *Evidence gathering requires manual multiple system research for history*

Future State

- *One system as source of truth*
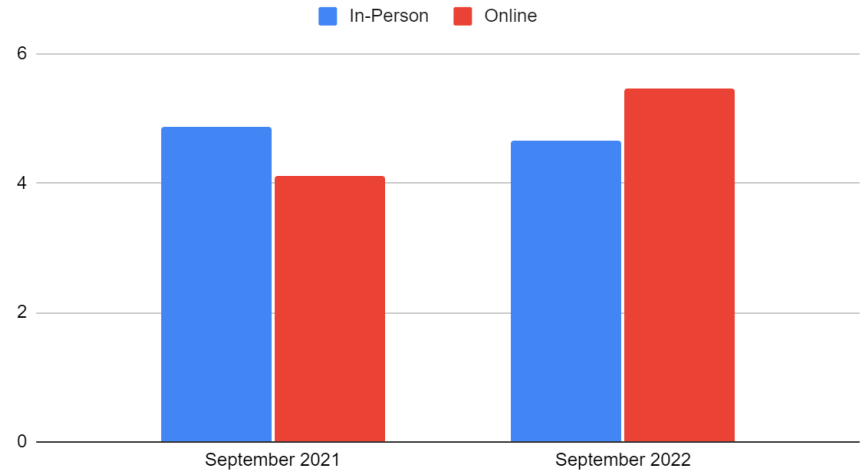- *Process improvements with automated workflows for reviews / approval*

How does Licensing Software Benefit DOR

2019 - 38 licensing staff | 2022 - 39 licensing staff

Submitted Applications

	Oct-19	Oct-22
Value	5750	6025

Average In-Person and Online Licensing Processing (Days)

Legend: In-Person, Online

	September 2021	September 2022
In-Person	~4.9	~4.7
Online	~4.1	~5.5

IT CAPITAL REQUEST

Summary of Request	Total Funds	CCF-IT	Cash Funds
FY 2023-24	$1,000,000	$1,000,000	$0
FY 2024-25	$9,000,000	$9,000,000	$0
FY 2025-26	$150,000	$0	$150,000

This request supports DOR's focus on modernizing our licensing and case management software so we can introduce process efficiencies and ensure regulatory compliance while bettering the services we provide to Coloradans

Licensing & Case Management Software at DOR

- The current contract expires June 30, 2024. Based on procurement best practices and business needs, a solicitation is recommended at this opportunity.
- Since we purchased MyLO there is extensive expanded scope reflective of our new business structures resulting in inefficiencies in processing, managing applications, licensing information, and case-related details.
- The current solution does not have adequate reporting or tracking capabilities.
- This impacts all Public Safety Record (PSR) users including most SBG divisions and Lottery

THANK YOU
QUESTIONS?

Appendix

DIVISION OF TAXATION - GENTAX WORKLOAD

TAX - FY 2023 Strategic Roadmap

Legend: Bill, Non-Bill, Milestone (Milestone), Intake Request

JUL	AUG	SEP	OCT	NOV	DEC	JAN	FEB	MAR	APR	MAY	JUN

- SB21-260 Transport Bill
- Transportation Phase Three
- HB21 - 1002 Reductions Certain Taxpayers' Income Tax Liability
- SB22-1320 A Better Life Experience Savings Accounts
- HB21 -1311 Income Tax
- HB22-1024 Sales & Use Exemption
- HB21 - 1312 Insurance Premium Property Sales Severance Tax
- HB22-1026 Alternative Transportation Options Tax Credit
- SB21 - 1327 State And Local Tax Parity Act For Businesses
- HB22-1024 Sales & Use Exemption
- SB22-006 Sales Tax Assistance For Small Bus
- PAR into Processing/Fraud Manager
- SB22 - 233 TABOR
- SB22-032 Simplify Local Sales & Use Tax Administration
- HB22-1010 Early Childhood Educator Income Tax Credit
- IRS 1098 Report
- HB22-1016 Voluntary Contribution Check-off Feeding Colorado
- SB22-051 Reduce Emissions f/ Built Env
- HB22-1025 Repeal Of Infrequently Used Tax Expenditures
- SB22-1007 Assistance Landowner Wildfire Mitigation
- HB22 - 1051 Mod Affordable Housing Tax Credit
- SB22-1083 Colorado Homeless Contribution Credit
- HB22-1070 Special District Early Childhood Development
- SB22-051 Policies To Reduce Emissions From Built Env
- HB22-1205 Senior Housing Income Tax Credit
- Cigarette Tax Stamps
- HB22-1392 Contaminated Land Income Tax & Property Tax Credit
- HB22 - 1039 Sales & Use Tax Form Simplification
- DR 100 Update
- SB22 - 1414 Healthy Meals for PS
- Production SQRs
- Fraud Plan CY23
- Dig Bill Pay
- SUTS (Use Tax)
- Tax Rate Changes (Ballot)
- GenTax Hosting
- CORE21 FCR Upgrade
- SB22-1118 Sales and Use Tax Refunds
- MeF Support
- Service Pack
- SALT
- Cryptocurrency
- Document Translation
- TP & E Report
- HB22 - 1351 Reduce Road Charges
- Audit Support (CR 100)
- Ongoing Maintenance

DIVISION OF MOTOR VEHICLES - DRIVES WORKLOAD

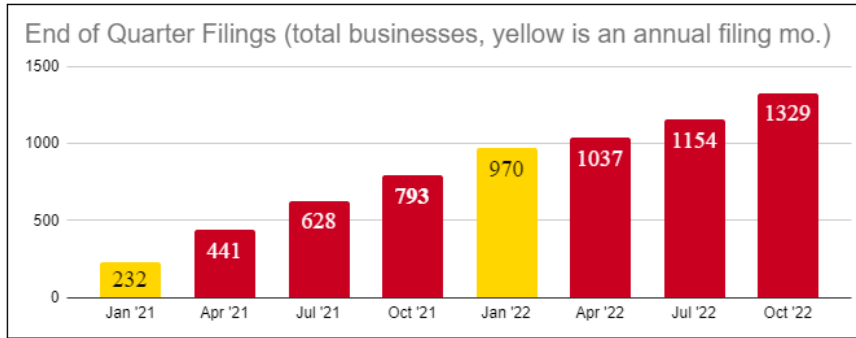## DMV - FY 2023 Strategic Roadmap (November 23, 2022 / v. FY23-04)

Legend: Bill, Non-Bill, Changed from Prior Version, Milestone, Intake Request

Months: JUL | AUG | SEP | OCT | NOV | DEC | JAN '23 | FEB | MAR | APR | MAY | JUN

Roadmap bars:
- DL: Incarcerated Felon Flag
- DC: SB22-055 Alcohol Monitoring
- Hearings: Zoom Authentication
- DL: SB22-204 - Repeal Federal Government Confirm Status
- DL & DC: Mobile Driver License Phase I
- VSS: TPT Phase 1 Support Work/Warranty Hours
- DL/DC/I&I: Backlog Draw-Down
- VSS: HB18-1299 aka SB21-076 TPT New Lien Release (Phase 1b)
- VSS: HB18-1299 aka SB21-076 3rd Party Transactions (TPT) (Phase II)
- VSS: SB21-257 Special Mobile Machinery
- VSS: SB21-1141 Electric Vehicle License Plate
- VSS: SB21-249 Keep Colorado Wild
- VSS: IRP Data Repository Change
- HB22-1388 - Vehicle Registration And Certificate Of Title
- VSS: HB22-1388 150th Anniversary Plate
- VSS: HB22-1351 Road Safety Surcharge Reduction
- VSS: HB22-1043 Autocycle/Motorcycle
- 2023 Legislation Window
- VSS: HB22-1254 Taxes/Fees Late Registration
- VSS: SB21-260 Sustainability Credit Cards & Payment Plans
- VSS: SB22-217 - Programs That Benefit Persons With Disabilities
- VSS: License Plates
- VSS: Backlog Draw-Down
- VSS: SB21-260 New Sustainability Fuel Type Fix
- Legislative Estimating Support
- DRIVES Service Pack
- VSS: Backlog Draw-Down
- DRIVES Service Pack

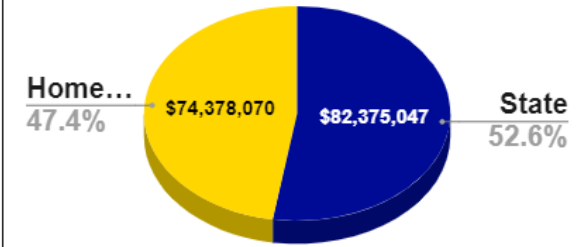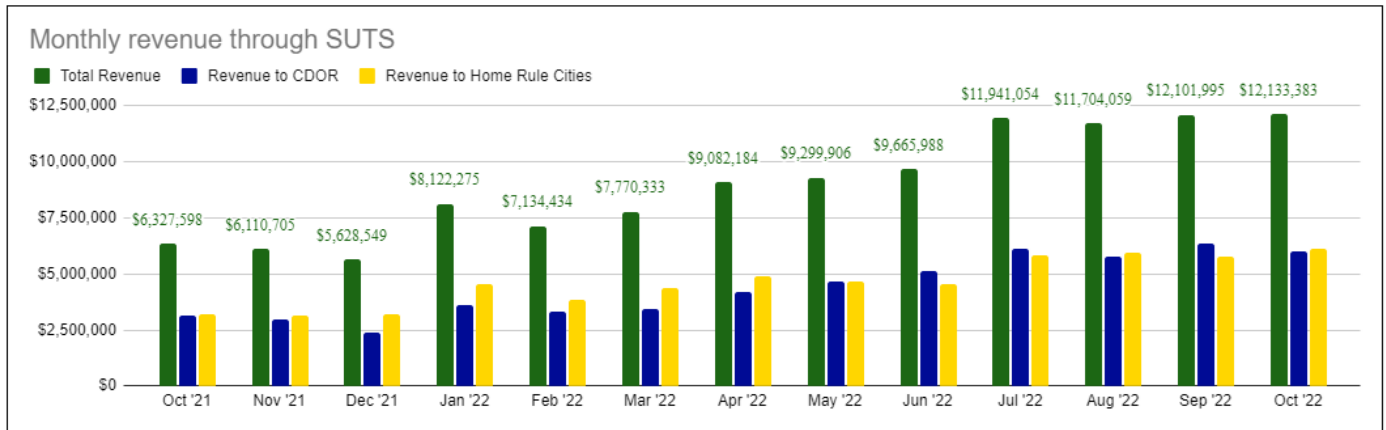| Program / Project	High Level Description	Program / Project	High Level Description
HB18-1299 - Third Party Transaction	Allows Colorado vehicle purchasers the ability to title and register their vehicles at businesses outside of a motor vehicle office. Phase 1b focus on Lien Release and Contractor Support for onboarding 1st vendor	SB22-055 - Alcohol Monitoring	Permits a person to apply for an early reinstatement with an interlock-restricted license immediately
HB22-1043 - Autocycle / Motorcycle	Clarifying that an autocycle is a type of motorcycle and requiring autocycle drivers and passengers to use safety belts	SB22-204 - Repeal Federal Government Confirm Status For Identification Documents	Concerning repealing the requirement that the federal gov confirm certain persons' statuses before issuance of an identification document.
HB22-1254 Tax/Fees Late Reg	Implements taxes and late fees for unregistered CO vehicles with out of state titles	SB22-217 - Programs That Benefit Persons With Disabilities	Correct tech issues, consolidate statutory provisions, clarify grant process, and clarify the license plate sales process in connection with the Colo Disability Funding Committee.
HB22-1351 - Road Safety Surcharge Rd.	Temporarily Reduce Road User Charges	Multiple Bills - License Plates	New license plates passed in 2022 Leg
HB22-1388 - Vehicle Registration / Certificate Of Title	Concerning the regulation of vehicles related to their ownership, and, in connection therewith, making an appropriation	Channel Utilization / Data Mgmt Project (SQR 21560)	Report development to provide transaction counts by channel, may move to broader data management project
SB21-249 Keep Colorado Wild	Implementation of SB21-249 providing an optional wild pass at a discounted rate as part of the vehicle registration process.	Incarcerated Felon Flag (SQR 21112)	Remove automatic voting renewal for incarcerated felons.
SB21-257 - SMM	Special Mobile Machinery Registration Exemption	IRP Data Repository Change (SQR 21998)	Iteris will stop uploading the state's IRP production transactions to SAFER & will begin uploading files to IRP Inc's production IDR system.
SB21-260 - Credit Cards	Sustainability of Transportation, provides credit card option for payment plan in addition to ACH	Mobile Driver License (mDL) (SQR 21626)	Implementation of a national & international standards compliant mobile driver license to be accepted for travel by the TSA

DIVISION OF TAXATION - SUTS OVERVIEW

End of Quarter Filings (total businesses, yellow is an annual filing mo.)

SUTS Total Revenue Through 10/31/2022
$156,753,117

Home... 47.4% $74,378,070 $82,375,047   State 52.6%

- Over $156M remitted as of 10/31
- 56 of 68 cities are in Production

Monthly revenue through SUTS

Total Revenue   Revenue to CDOR   Revenue to Home Rule Cities

$6,327,598 $6,110,705 $5,628,549 $8,122,275 $7,134,434 $7,770,333 $9,082,184 $9,299,906 $9,665,988 $11,941,054 $11,704,059 $12,101,995 $12,133,383

MARIJUANA ENFORCEMENT DIVISION - METRC OVERVIEW

Overview

- Provides MED the ability to identify and account for marijuana from "seed-to-sale" through a web-based interface coupled with radio frequency identification (RFID) technology. Required to be used by all licensees.

- Data is catalogued per licensee by subject matter, e.g. plants, testing and sales, which gives state regulators significant data, and allows for sophisticated data analysis.

- Analytic tools and reporting functionality for on-the-spot analysis to assist in various regulatory capacities.

Updates

- New inventory tracking functionality implemented pursuant to HB21-1317. Requirements include real-time tracking of patient sales.

- December 2021 - MED Issued Industry-Wide Bulletin on required Metrc updates.

- Metrc completed a data migration to Azure, Metrc users will experience system performance improvements due to faster hardware, improved architecture, and flexibility provided by the new data center.