

CHAPTER 359

APPROPRIATIONS

SENATE BILL 99-192

BY SENATORS Lacy, Owen, and Tanner;
also REPRESENTATIVES Tool, Berry, and Saliman.

AN ACT

CONCERNING A SUPPLEMENTAL APPROPRIATION TO THE DEPARTMENT OF REVENUE.

Be it enacted by the General Assembly of the State of Colorado:

SECTION 1. Part XIX of section 2 of chapter 336, Session Laws of Colorado 1998, is amended to read:

Section 2. **Appropriation.**

Capital letters indicate new material added to existing statutes; dashes through words indicate deletions from existing statutes and such material not part of act.

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ITEM & SUBTOTAL	TOTAL	APPROPRIATION FROM				
		GENERAL FUND	GENERAL FUND EXEMPT	CASH FUNDS	CASH FUNDS EXEMPT	FEDERAL FUNDS
\$	\$	\$	\$	\$	\$	\$

**PART XIX
DEPARTMENT OF REVENUE**

(1) EXECUTIVE DIRECTOR'S OFFICE

Personal Services and Operating Expenses	5,921,871 5,953,871 (85.3 FTE)
System Design ¹⁹⁹	762,028 1,009,266
Health, Life, and Dental	2,722,575 2,726,997
Short-term Disability	131,392 131,495
Salary Survey, Anniversary Increases, and Shift Differential	3,164,051
Workers' Compensation	634,789
Legal Services for 9,373 hours	460,308

Payment to Risk Management and Property Funds	168,706				
	155,913				
Vehicle Lease Payments	420,376				
ADP Capital Outlay	524,534				
Leased Space	1,476,116				
Capitol Complex Leased Space	685,922				
	607,259				
Utilities	378,553				
PC Standards	252,689				
Lease/Purchase -- 1881 Pierce Street	<u>795,606</u>				
		18,499,516	12,952,223	953,259^a	4,594,034^b
		18,691,823	13,111,815	952,477 ^a	4,627,531 ^b

^a Of this amount, \$83,242 shall be from the Liquor Enforcement Cash Fund, of which \$45,777 is for indirect cost recoveries, \$158,293 shall be from the Auto Dealers License Fund, of which \$68,518 is for indirect cost recoveries, \$32,614 shall be from the Ignition Interlock Fund, \$245,078(T) shall be from the State Lottery Fund for indirect cost recoveries, and ~~\$434,032~~ \$433,250 shall be from various sources of cash.

^b Of this amount, ~~\$1,131,303~~ \$1,130,163 shall be from the Highway Users Tax Fund for the Ports of Entry in the Motor Carrier Services Division, \$543,980 shall be from the Distributive Data Processing Account, of which \$206,440 is for indirect cost recoveries, \$497,362 shall be from the Drivers License Revocation Account for indirect cost recoveries, \$404,376(T) shall be from the Limited Gaming Fund, of which \$198,317 is for indirect cost recoveries, \$98,212 shall be from the Automotive Inspection and Readjustment Account, of which \$48,730 is for indirect costs recoveries, \$36,525 SHALL BE FROM THE MOTORIST INSURANCE IDENTIFICATION ACCOUNT, and ~~\$1,918,801~~ \$1,916,913 shall be from various sources of exempt cash funds.

(2) CASH AND DOCUMENT PROCESSING DIVISION²⁰⁰

Program Costs ~~9,583,598~~

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		GENERAL FUND	GENERAL FUND EXEMPT	CASH FUNDS	CASH FUNDS EXEMPT	FEDERAL FUNDS
\$	\$	\$	\$	\$	\$	\$
9,810,359 (146.9 FTE)						
Call Center Enhancement	505,858					
Lease/Purchase--Phone System	77,714					
	<u>10,167,170</u>	<u>8,979,201</u>		287,350 ^a	<u>900,619^b</u>	
	10,393,931	9,121,274			985,307 ^b	

^a Of this amount, \$145,921 shall be from the Trade Name Registration Fund for indirect cost recoveries, \$101,410 shall be from the Auto Dealers License Fund for indirect cost recoveries, \$5,634 shall be from the Aviation Fund for indirect cost recoveries, \$9,063 shall be from the Waste Tire Disposal Fund for indirect cost recoveries, \$5,132(T) shall be from the State Lottery Fund for indirect cost recoveries, \$1,354 shall be from the Tax Lien Certification Fund for indirect cost recoveries, and \$18,836 shall be from the Liquor Enforcement Cash Fund for indirect cost recoveries.

^b Of this amount, \$35,999 shall be from the Highway Users Tax Fund for indirect cost recoveries, ~~\$681,293~~ \$765,981 shall be from the Distributive Data Processing Account for indirect cost recoveries, \$62,847 shall be from the Automotive Inspection and Readjustment Account for indirect cost recoveries, \$86,066(T) shall be from the Limited Gaming Fund for indirect cost recoveries, \$10,771 shall be from the Drivers License Revocation Account for indirect cost recoveries, and \$23,643 shall be from the Outstanding Judgements and Warrants Account for indirect cost recoveries.

(3) INFORMATION TECHNOLOGY DIVISION^{201, 202,}

202a

Program Costs	8,163,998				
	(91.7 FTE)				
Year 2000 Projects ⁶⁴					
PROJECTS ^{64, 202b}	941,113				
	<u>2,396,028</u>				
		9,105,111	8,032,513	155,979 ^a	916,619 ^b
		10,560,026	9,487,428		

^a Of this amount, \$31,604 shall be from the Trade Name Registration Fund for indirect cost recoveries, \$28,313 shall be from the Auto Dealers License Fund for indirect cost recoveries, \$4,557 shall be from the Aviation Fund for indirect cost recoveries, \$1,626 shall be from the Waste Tire Disposal Fund for indirect cost recoveries, \$33,964 shall be from the Liquor Enforcement Cash Fund for indirect cost recoveries, \$54,601(T) shall be from the State Lottery Fund for indirect cost recoveries, and \$1,314 shall be from the Colorado Municipal League.

^b Of this amount, \$281,119 shall be from the Distributive Data Processing Account for indirect cost recoveries, \$23,596 shall be from the Automotive Inspection and Readjustment Account for indirect cost recoveries, \$102,641 shall be from the Drivers License Revocation Account for indirect cost recoveries, \$1,935(T) shall be from the Debt Collection Account for indirect cost recoveries, \$483,670(T) shall be from the Limited Gaming Fund for indirect cost recoveries, and \$23,658 shall be from the Outstanding Judgements and Warrants Account for indirect cost recoveries.

(4) MOTOR VEHICLE DIVISION¹⁷

Program Costs ²⁰³	17,438,597				
	17,402,072				
	(394.6 FTE)				
	(396.6 FTE)				
Drivers License Documents	892,731				
	914,374				
License Plate Ordering	<u>5,216,960</u>				
		23,548,288	19,835,070	59,921 ^a	3,653,297 ^b

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		GENERAL FUND	GENERAL FUND EXEMPT	CASH FUNDS	CASH FUNDS EXEMPT	FEDERAL FUNDS
\$	\$	\$	\$	\$	\$	\$
	23,533,406	19,856,713			3,616,772 ^b	

^a Of this amount, \$57,514 shall be from the Auto Dealers License Fund for indirect cost recoveries, and \$2,407 shall be from the Ignition Interlock Fund.

^b Of this amount, ~~\$3,110,500~~ \$3,073,975 shall be from the Motorist Insurance Identification Account, \$267,362 shall be from the Distributive Data Processing Account for indirect cost recoveries, \$84,512 shall be from the Drivers License Revocation Account for indirect cost recoveries, \$102,374 shall be from fees collected pursuant to Section 42-2-107(5)(c), C.R.S. for indirect cost recoveries, \$41,541 shall be from the Automotive Inspection and Readjustment Account for indirect cost recoveries, and \$47,008 shall be from the Penalty Assessment Account for indirect cost recoveries.

(5) MOTOR CARRIER SERVICES DIVISION

Program Costs	6,714,847				
	6,738,287				
	(145.0 FTE)				
Controlled Maintenance - Fixed and Mobile Ports	<u>55,335</u>				
	6,770,182	633,468		25,377 ^a	6,111,337 ^b
	6,793,622	656,908			

^a This amount shall be from the Aviation Fund for indirect cost recoveries.

^b This amount shall be from the Highway Users Tax Fund.

(6) SPECIAL PURPOSE

(A) Vehicle Emissions

Program Costs	1,063,601	1,063,601^a
	1,039,210	1,039,210 ^a
		(16.5 FTE)

^a This amount shall be from the Automobile Inspection and Readjustment Account.

(B) Motor Vehicle Dealer Licensing Board

Program Costs	1,265,950	1,265,950^a
	1,229,809	1,229,809 ^a
		(23.2 FTE)

^a This amount shall be from the Auto Dealers License Fund.

(C) Traffic Safety

Program	100,000	100,000(T) ^a
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^a This amount shall be from federal funds appropriated in the Office of Transportation Safety, Department of Transportation.

(D) Data Processing Services

Distributive Data	
Processing	5,181,011
	(31.5 FTE)
Titles	1,407,730
	<u>(42.4 FTE)</u>

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		GENERAL FUND	GENERAL FUND EXEMPT	CASH FUNDS	CASH FUNDS EXEMPT	FEDERAL FUNDS
\$	\$	\$	\$	\$	\$	\$
6,588,741		35,700		36,445 ^a	6,516,596 ^b	

^a This amount is from the Auto Dealers License Fund.

^b Of this amount, \$5,854,706 shall be from the Distributive Data Processing Account, \$386,360 shall be from the Central Indexing Fund, \$19,120 shall be from the Automobile Inspection and Readjustment Account, and \$256,410(T) shall be from the Department of State.

(E) Motor Carrier

Safety Assistance

Program	292,123					292,123 (8.5 FTE)
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(F) Hazardous Materials

Permitting Program

143,593				143,593(T) ^a (4.0 FTE)	
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^a This amount shall be from the Hazardous Materials Safety Fund.

(G) Mineral Audit

Program	563,834			43,322(T) ^a	520,512 ^b
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(10.0 FTE)

^a Of this amount, \$1,546 shall be from the Oil and Gas Conservation Fund and \$41,776 shall be from the State Land Board Administration Fund.

^b Included in this amount is \$77,021 in indirect cost recoveries.

(H) Cigarette Tax

Rebate	16,800,000	16,800,000 ^a
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^a For purposes of complying with the limitation on state fiscal year spending imposed by Article X, Section 20 of the State Constitution these moneys are included for informational purposes as they are continuously appropriated by a permanent statute or constitutional provision and, therefore, are not subject to the limitation of General Fund appropriations as set forth in Section 24-75-201.1 (1)(a)(III)(C), C.R.S.

(I) Old Age Heat and Fuel and Property Tax

Assistance Grant	11,800,000	11,800,000 ^a
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^a For purposes of complying with the limitation on state fiscal year spending imposed by Article X, Section 20 of the State Constitution these moneys are included for informational purposes as they are continuously appropriated by a permanent statute or constitutional provision and, therefore, are not subject to the limitation of General Fund appropriations as set forth in Section 24-75-201.1, (III), (C), C.R.S.

~~38,617,842~~

38,557,310

(7) TAXATION AND COMPLIANCE DIVISION

Program Costs	11,866,569	11,786,666	2,882 ^a	77,021(T) ^b
	(207.7 FTE)			

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^a This amount shall be from the Aviation Fund for indirect cost recoveries.

^b This amount shall be from the Mineral Audit Program for indirect cost recoveries.

(8) TAXPAYER SERVICE DIVISION²⁰⁰

Program Costs	4,167,888 (78.4 FTE)	3,906,618		252,938 ^a	8,332(T) ^b
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^a Of this amount, \$246,223 shall be from the Trade Name Registration Fund for indirect cost recoveries, \$1,386 shall be from the Waste Tire Disposal Fund for indirect cost recoveries, and \$5,329 shall be from the Aviation Fund for indirect recoveries.

^b This amount shall be from the Debt Collection Fund for indirect cost recoveries.

(9) LIQUOR ENFORCEMENT DIVISION

Personal Services and Operating Expenses	1,249,446 (20.5 FTE)	312,362		937,084 ^a	
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^a This amount shall be from the Liquor Enforcement Cash Fund.

(10) STATE LOTTERY ~~DIVISION~~ DIVISION^{203a}

Fixed Costs	10,057,407		
	(128.0 FTE)		
Travel	139,111		
Leased Space	446,293		
Capitol Complex Leased Space	5,546		
	4,853		
Capital Outlay	24,411		
Indirect Cost Assessment	304,811		
Marketing and Communications	9,160,532		
Vendor Fees	8,632,560		
	8,135,861		
Prizes	215,000,000		
	241,354,411		
Retailer Compensation ²⁰⁴	27,362,700		
	28,852,632		
Ticket Costs	4,109,525		
	<u>4,327,577</u>		
	275,242,896	275,242,896 ^a	
	302,807,899		302,807,899 ^a

^a This amount shall be from the State Lottery Fund.

(11) LIMITED GAMING DIVISION

Program Costs	21,750,175	21,750,175^a	
	23,754,150	23,658,100 ^a	96,050(L) ^b

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(73.5 FTE)

^a This amount shall be from the Limited Gaming Fund. For purposes of complying with the limitation on state fiscal year spending imposed by Article X, Section 20 of the State Constitution these moneys are included for informational purposes as they are continuously appropriated by a permanent statute or constitutional provision.

^b This amount shall be from local funds.

(12) DIVISION OF RACING EVENTS

Program Costs	2,368,255			
	(37.2 FTE)			
Racetrack Applications	25,000			
Purses and Breeders	900,000 ^a			
Fair Circuit Race Days ²⁰⁵	98,780			
	49,390			
	(1.3 FTE)			
	(0.6 FTE)			
	<u>3,392,035</u>	<u>2,467,035</u>		925,000 ^b
	3,342,645	2,417,645		

^a For purposes of complying with the limitation on state fiscal year spending imposed by Article X, Section 20 of the State Constitution these moneys are included for informational purposes as they are continuously appropriated by a permanent statute or constitutional provision, pursuant to Section 12-60-704, C.R.S.

^b Of this amount, \$25,000 shall be from racetrack applications and \$900,000 shall be from racing tax revenues for the Supplemental Purses and Breeders Awards program.

TOTALS PART XIX

(REVENUE) ^{4, 5, 206}	\$424,377,118	\$97,540,856 ^a	\$26,652,360	\$299,371,267 ^b	\$812,635
	<u>\$455,718,715</u>	<u>\$99,293,129^a</u>	<u>\$28,523,362^c</u>	<u>\$327,089,589^b</u>	

^a Of this amount, \$28,600,000 is included as information for purposes of complying with the limitation on state fiscal year spending imposed by Article X, Section 20 of the State Constitution. As this amount is continuously appropriated by a permanent statute or constitutional provision it is not subject to the limitation of General Fund Appropriations as set forth in Section 24-75-201.1, C.R.S.

^b Of this amount, ~~\$1,909,536~~ \$1,604,725 contains a (T) notation, \$96,050 CONTAINS A (L) NOTATION, and ~~\$7,278,639~~ \$7,277,499 is from the Highway Users Tax Fund subject to Section 43-4-201(3)(a), C.R.S.

^c OF THIS AMOUNT, \$304,811 CONTAINS A (T) NOTATION.

FOOTNOTES -- The following statements are referenced to the numbered footnotes throughout section 2.

4 (Governor lined through this provision. See L. 98, p. 2193.)

5 All Departments, Totals -- The General Assembly requests that copies of all reports requested in other footnotes contained in this act be delivered to the Joint Budget Committee and the majority and minority leadership in each house of the General Assembly. Each principal department of the state shall produce its rules and regulations in an electronic format that is suitable for public access through electronic means. Such rules and regulations in such format shall be submitted to the Office of Legislative Legal Services for publishing on the Internet. It is the intent of the General Assembly that this be done within existing resources.

17 Department of Corrections, Correctional Industries; and Department of Revenue, Motor Vehicle Division -- The Department of Corrections is requested to submit to the Joint Budget Committee quarterly reports that outline the license plate production level, by type, for the preceding quarter, as well as an estimate of the next quarter's anticipated production level

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as compared to actual orders received. The Department of Revenue is requested to submit to the Joint Budget Committee quarterly reports that outline the license plate inventory on hand, by county, as of the end of each quarter, as well as the estimated license plate demand of each county for the next quarter. The Department of Revenue is requested to submit to the Joint Budget Committee a quarterly report beginning September 30, 1998 detailing its progress in the development of a license plate production system that adheres to its objective of reducing the inventory levels of license plates and tabs in the counties to an amount equal to one quarter's usage by June 30, 2000.

- 64 Department of Human Services, Office of Information Technology Services, Year 2000 Projects; Department of Law, Administration, Year 2000 Projects; Department of Public Health and Environment, Information Technology Services, Year 2000 Projects; and Department of Revenue, Information Technology Division, Year 2000 Projects -- It is the intent of the General Assembly that moneys in this line be restricted by the State Controller until the Commission on Information Management has reviewed and approved the Department's Year 2000 implementation plan.
- 199 Department of Revenue, Executive Director's Office, System Design -- It is the intent of the General Assembly that the Department utilize contract labor and that no new FTE be hired for this project.
- 200 Department of Revenue, Cash and Document Processing Division; and Taxpayer Service Division -- The Department of Revenue is requested to provide to the Joint Budget Committee a strategic plan by November 1, 1998 that addresses the income tax telephone service delivery problems within the Taxpayer Service Division. This report should compare the cost alternatives in developing a new telephone system as compared to upgrading the current system, and address FTE utilization requirements for both these options.

- 201 Department of Revenue, Information Technology Division -- The Department of Revenue is requested to provide a zero based budgeting study on the prioritization of its programming projects by November 1, 1998, particularly those that the Department refers to as discretionary enhancements. This report should indicate the ranking of all projects, cost/benefit analysis of each project -- when appropriate, the amount of time needed to complete these projects, and the amount of FTE programmers dedicated to each project.
- 202 Department of Revenue, Information Technology Division-- It is the intent of the General Assembly that the Department submit a decision item to the Joint Budget Committee when an appropriation request reflects a 5% increase from the prior year's base appropriation for purchases of services from Computer Center-Pueblo and purchases of services from Computer Center-GGCC.
- 202a Department of Revenue, Information Technology Division -- It is the intent of the General Assembly that the Department of Revenue shall perform up to 1,000 hours of programming changes for new legislation by utilizing existing appropriations once the new income tax system becomes operational.
- 202b DEPARTMENT OF REVENUE, INFORMATION TECHNOLOGY DIVISION, YEAR 2000 PROJECTS -- IT IS THE INTENT OF THE GENERAL ASSEMBLY THAT THE DEPARTMENT BE ALLOWED TO USE ANY UNSPENT FUNDS IN THIS LINE ITEM IN THE FOLLOWING FISCAL YEAR.
- 203 Department of Revenue, Motor Vehicle Division, Program Costs -- The Department of Revenue is requested to provide a report to the Joint Budget Committee addressing the current turnover problem existing with personnel at driver license offices. The report should include a historical turnover ratio since FY 1994-95 and recommendations by the Department to address this issue.
- 203a DEPARTMENT OF REVENUE, STATE LOTTERY DIVISION -- IT IS THE INTENT OF THE GENERAL ASSEMBLY THAT THE STATE LOTTERY DIVISION SHALL DEPOSIT ALL LIQUIDATED DAMAGES INTO THE LOTTERY FUND. THE DEPARTMENT SHALL NOT RECEIVE ANY GOODS OR SERVICES IN LIEU OF AN ASSESSMENT OF LIQUIDATED DAMAGES NOR SHALL THE DEPARTMENT REQUIRE A VENDOR TO PURCHASE GOODS OR SERVICES IN LIEU OF AN ASSESSMENT OF LIQUIDATED DAMAGES.
- 204 Department of Revenue, State Lottery Division, Retailer Compensation -- The Joint Budget Committee requests that the

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State Lottery Division and the State Lottery Commission notify the Joint Budget Committee of any increases in the retailer compensation fee, including any changes in the current bonus or commission compensation schedules, prior to any future contractual agreements made with retailers.

205 Department of Revenue, Division of Racing Events, Fair Circuit Race Days -- These funds are appropriated to support the Fair Circuit Race program. The Division may transfer these funds and FTE to the Division's Program Cost line. The Division should report the expenditures on the Fair Circuit Program to the Joint Budget Committee by November 1, 1998.

206 Department of Revenue, Totals -- The Department's line item appropriations have been based upon and are subject to the Memorandum of Understanding between the Department of Revenue and the Joint Budget Committee of the General Assembly, which memorandum was signed by the Executive Director of the Department and the Chairman of the Joint Budget Committee. The Memorandum of Understanding is on file at the office of the Joint Budget Committee. The intent of the Memorandum is to make the Department more cost-effective through new and continued line item consolidation in order to maximize productivity by using existing and reduced staff and funding levels to prioritize assignments and responsibly perform statutorily required functions. The Department will maintain accounting records which will delineate actual expenditures for the consolidated line items based on the FY 1988-89 appropriation line items.

SECTION 2. Section 3 of chapter 246, Session Laws of Colorado 1998, is amended to read:

Section 3. **Appropriation in the 1998 long bill to be adjusted.** (1) For the implementation of this act, appropriations made in the annual general appropriation act to the department of revenue, ~~special purpose, data processing services, titles,~~ CASH AND DOCUMENT

PROCESSING DIVISION, PROGRAM COSTS, for the fiscal year beginning July 1, 1998, shall be adjusted as follows:

(a) The cash fund exempt appropriation for ~~special purpose, data processing services, titles,~~ CASH AND DOCUMENT PROCESSING DIVISION, PROGRAM COSTS, is decreased by one hundred thirty thousand eight hundred seventy dollars (\$130,870).

(b) The number of FTE for ~~special purpose, data processing services, titles,~~ CASH AND DOCUMENT PROCESSING DIVISION, PROGRAM COSTS, is reduced by 0.6 FTE.

SECTION 3. Safety clause. The general assembly hereby finds, determines, and declares that this act is necessary for the immediate preservation of the public peace, health, and safety.

Approved: March 15, 1999