

**COLORADO GENERAL ASSEMBLY  
JOINT BUDGET COMMITTEE**



**FY 2016-17 STAFF BUDGET BRIEFING  
DEPARTMENT OF REVENUE**

**JBC Working Document - Subject to Change  
Staff Recommendation Does Not Represent Committee Decision**

**Prepared By:  
Scott Philip Thompson, JBC Staff  
December 8, 2015**

For Further Information Contact:

Joint Budget Committee Staff  
200 E. 14th Avenue, 3rd Floor  
Denver, Colorado 80203  
Telephone: (303) 866-2061  
TDD: (303) 866-3472

*JBC Staff Budget Briefing: FY 2016-17*  
*Staff Working Document – Does Not Represent Committee Decision*

---

**TABLE OF CONTENTS**

Department Overview .....	1
Department Budget: Recent Appropriations.....	2
Department Budget: Graphic Overview .....	3
General Factors Driving the Budget .....	5
Summary: FY 2015-16 Appropriation and FY 2015-16 Request.....	16
Issues:	
R1 DMV Funding Deficit .....	18
R2 Earned Income Tax Credit .....	22
Cost of Administering Limited Gaming Program .....	25
Drivers License for the Unlawfully Present Update.....	31
Appendices:	
A - Numbers Pages .....	35
B - Recent Legislation Affecting Department Budget .....	59
C - Update on Long Bill Footnotes and Requests for Information.....	75
D – Drivers License Fees.....	76
E – Licensing Services Cash Fund Cash Flow .....	77
F – Detailed Administrative Costs of the Limited Gaming Program .....	79
G – Cash Flow for Individuals Unable to Prove Lawful Presence in the United States.....	80

## DEPARTMENT OF REVENUE

### Department Overview

The Department of Revenue regulates, enforces and administers the state's tax laws, issues and maintains records related to drivers licenses, vehicle emission testing stations, registration and titling of motor vehicles, limited stakes gaming, liquor and tobacco retailers, horse racing and pari-mutuel betting, the automobile sales industry, and medical and recreational marijuana retailers, growing facilities, and manufacturing facilities. In addition, the Department operates the State Lottery, including state and multi-state games. The Department is divided into six divisions/business groups, four of which provide services to the citizens of the State, while the other two provide support for the four service providers.

The *Executive Director's Office* provides overall leadership and administration for the Department, including the Executive Director, a citizens' advocate, the central budget office, accounting and financial services, internal audit, human resources administration, and the Office of Research and Analysis. The *Information Technology Division* is responsible for the maintenance and support of the Department's information technology systems that are not maintained and supported by the Governor's Office of Information Technology.

The *Taxation Business Group*:

- Is responsible for the collection, administration, and enforcement of individual and corporate income taxes, sales and use taxes, gasoline and special fuel taxes, and severance taxes, as well as all other taxes collected by the state.
- Provides assistance and information to taxpayers about compliance with Colorado's tax laws.
- Attempts to resolve taxpayer disputes before they reach the court system.
- Administers the cigarette tax rebate and the Amendment 35 distribution of cigarette taxes to the cities and counties.
- Administers the Old Age Heat and Fuel and Property Tax Rebate Program.
- Administers the Commercial Vehicle Enterprise Sales Tax Refund.

The *Division of Motor Vehicles*:

- Responsible for enforcement and administration of the laws governing driver licensing and vehicle registration.
- Licenses drivers, maintains records of licensed drivers, and applies administrative sanctions against drivers who violate traffic laws, including for drunk driving and for excessive points on their licenses.
- Oversees the vehicle emissions testing stations (including mobile testing stations).
- Registers and titles motor vehicles.
- Administers the motor vehicle insurance identification database to prevent the registration of vehicles that are not insured.

**JBC Staff Budget Briefing: FY 2016-17**  
**Staff Working Document – Does Not Represent Committee Decision**

---

*The Enforcement Business Group:*

- Regulates and enforces laws related to the limited stakes gaming industry in three historic mining towns.
- Enforces laws regarding liquor and tobacco retailers, including laws against selling those products to minors, and licenses retailers and special events where alcohol is served.
- Regulates horse racing (dog racing is currently inactive) and pari-mutuel betting (including off-track betting).
- Regulates retailers and sales agents in the motor vehicle sales industry.
- Regulates medical and recreational marijuana dispensaries, cultivation, and manufacturing facilities.
- Conducts hearings regarding drivers license suspensions and other issues that affect the licensing rights of citizens.

*The State Lottery Division:*

Operates the State Lottery, which sells scratch ticket games and tickets for jackpot games (e.g. Powerball, Lotto, Cash 5, Pick 3, and Mega Millions). The net proceeds of the Lottery benefit the following State funds:

- Conservation Trust Fund,
- Colorado Division of Parks and Outdoors Recreation,
- Great Outdoors Colorado, and
- Public schools capital construction fund.

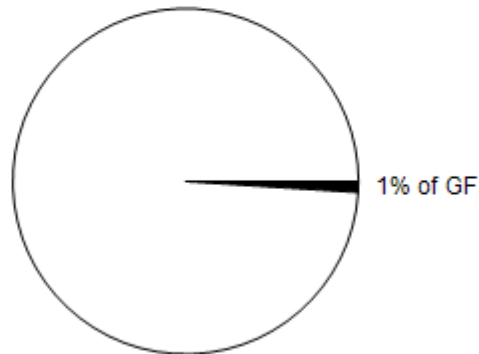
## Department Budget: Recent Appropriations

Funding Source	FY 2013-14	FY 2014-15	FY 2015-16	FY 2016-17 *
General Fund	\$80,547,235	\$103,605,100	\$97,621,597	\$94,165,374
Cash Funds	221,039,808	219,536,248	220,417,302	227,218,607
Reappropriated Funds	5,068,713	5,534,457	5,314,170	5,930,280
Federal Funds	<u>824,388</u>	<u>824,388</u>	<u>824,388</u>	<u>824,388</u>
<b>Total Funds</b>	<b>\$307,480,144</b>	<b>\$329,500,193</b>	<b>\$324,177,457</b>	<b>\$328,138,649</b>
Full Time Equiv. Staff	1,253.2	1,332.8	1,367.1	1,392.8

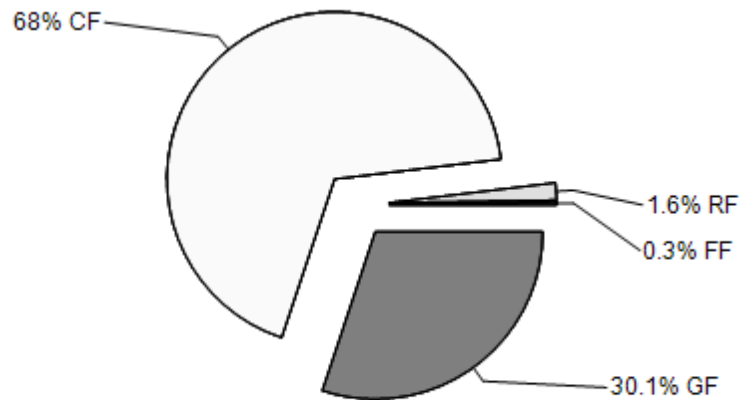
\*Requested appropriation.

## Department Budget: Graphic Overview

**Department's Share of Statewide General Fund**

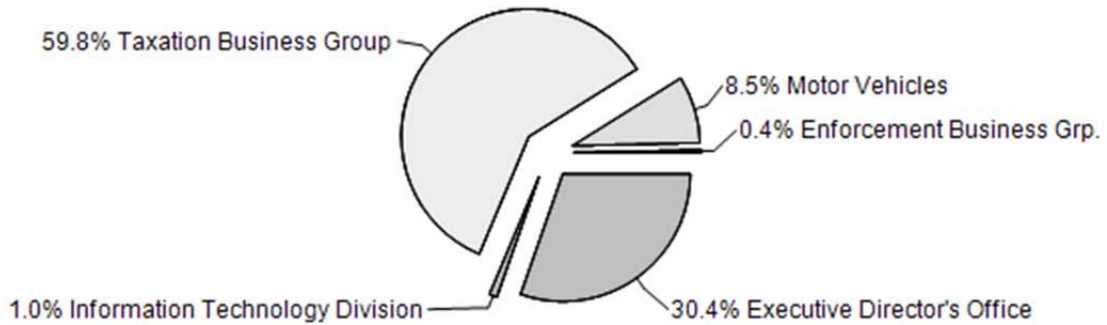


**Department Funding Sources**

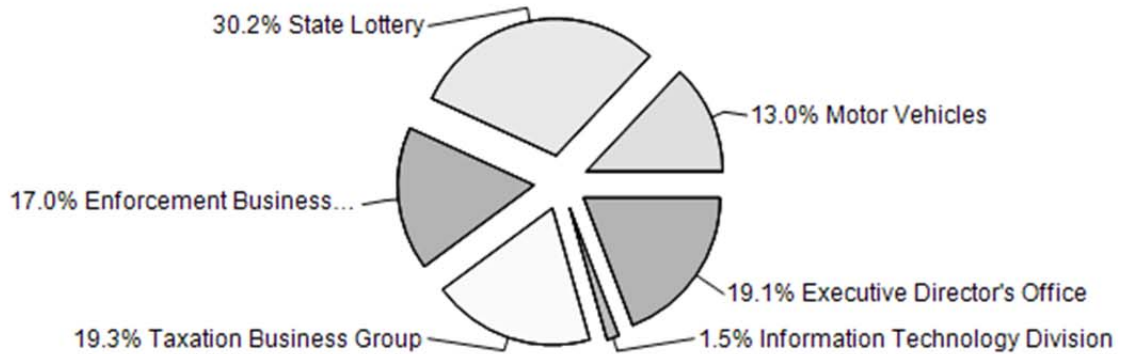


All charts are based on the FY 2015-16 appropriation.

**Distribution of General Fund by Division**



**Distribution of Total Funds by Division**



All charts are based on the FY 2015-16 appropriation.

## **General Factors Driving the Budget**

---

The Department's core functions are divided into four functional groups, Taxation Business Group, the Division of Motor Vehicles, the Enforcement Business Group, and the State Lottery Division. These functional groups are supported by the Executive Director's Office and the Information Technology Division.

### **TAXATION BUSINESS GROUP**

The *Taxation Business Group* administers individual and corporate income taxes, motor fuel taxes, severance taxes, estate and transfer taxes, and cigarette, tobacco, liquor excise, and marijuana taxes. The Group includes an Administration Division, the Taxation and Compliance Division, the Taxpayer Service Division, the Tax Conferee, and a Special Purpose Division.

The primary budget driver for the *Taxation Business Group* is the number of taxpayers (both individual and business) in the State and the State's tax laws. In addition, statute requires specific expenditures by the Department for other programs administered by the Department including the Cigarette Tax Rebate, the Amendment 35 distribution to local governments, and the Old Age Heat and Fuel and Property Tax Rebate. These programs have minimal administrative costs and are absorbed within the Taxation Business Group.

The *Taxation Business Group* is primarily funded through General Fund appropriations with other funding sources being the Highway Users Tax Fund (HUTF) and federal programs.

#### **Taxation and Compliance Division**

The Division enforces the State's tax laws and regulations for corporate and individual income taxes, sales taxes, severance taxes, and other state taxes. It conducts audits on individuals and corporations that do business in the State. It maintains six offices around the country as well as sending Colorado-based auditors to audit the returns of corporations based out-of-state that do business in Colorado.

The Mineral Audit unit audits oil, gas, and mineral rents and royalties; the mill levy from oil and gas production; and severance taxes from federal, state, and private lands. It receives funding from the U.S. Department of the Interior's Minerals Management Service, under a cooperative agreement for delegated authority to audit federal minerals production in Colorado. Federal royalties are shared 50/50 with the State.

#### **Taxpayer Service Division**

This Division assists taxpayers in the process of filing taxes by conducting outreach activities (including seminars for both individual and business taxpayers), maintaining a website to distribute information, and staffing five service centers<sup>1</sup> and a telephone call center with staff who answer both specific and general questions. The Division handles local sales tax collections

---

<sup>1</sup> The Taxpayer Service Division maintains physical offices in Colorado Springs, Denver, Fort Collins, Grand Junction, and Pueblo.

***JBC Staff Budget Briefing: FY 2016-17***  
***Staff Working Document – Does Not Represent Committee Decision***

---

for many cities, counties, and special districts. The Fuel Tracking System tracks the movement of gasoline and other motor fuels to expedite the collection of excise taxes on those products.

The Division produces public information campaigns, administers tax classes to promote voluntary compliance, and distributes information to the public to explain the State's tax laws and policies. It also issues licenses and permits, processes tax forms and requests for refunds, resolves taxpayer problems, and intercepts income tax refunds for payment of debts owed to other agencies and the Internal Revenue Service.

Tax Conferee

The Tax Conferee serves as an intermediary in the hearing process and acts as the Executive Director's official designee for tax hearings, including those involving tax assessment disputes and refund denials. Staff in this unit conduct reviews, legal research, investigations, interviews, negotiate settlements, and assist taxpayers in clarifying decisions. If a hearing with the Tax Conferee fails to achieve a successful resolution, then a formal hearing with the Executive Director is granted. Ultimately, if a feasible resolution is not attained, the aggrieved party may elevate the dispute to district court.

Special Purpose Division

This Division is responsible for the distribution of moneys for the Cigarette Tax Rebate, Amendment 35 (cigarette tax) moneys to local governments, the Old Age Heat and Fuel and Property Tax Rebate, the Commercial Vehicle Enterprise Sales Tax Refund, and Retail Marijuana Sales Tax distributions to local governments. Administrative Costs for these programs are minimal and are absorbed by the Taxpayer Business Group Administration Division. These programs are each authorized by a constitutional or statutory provision and appropriations are determined by the forecasts of the Legislative Council Staff or the Office of State Planning and Budgeting. Funds in this Division are continuously appropriated and included in the Long Bill for informational purposes, and the General Fund appropriations are exempt from the statutory limits on General Fund appropriations.

The *Cigarette Tax Rebate* distributes a portion of state cigarette taxes to qualified city and county governments to reimburse those governments for the foregone tax revenues on cigarettes. To be eligible for the distribution, the local government may not impose any fees, licenses, or taxes on cigarettes. The *Amendment 35* distribution compensates local governments for the loss of local tax revenues that are the result of the decrease in cigarette taxes due to the increased taxes imposed by Amendment 35. Both distributions are based on the percentage of total state sales tax revenue collected in the local jurisdiction.

The *Old Age Heat and Fuel and Property Tax Program* provides assistance in the form of payment of property taxes and heat and fuel expenses for Colorado residents who meet income, residency, and age requirements. The grants are available to those who are at least sixty-five years of age and who have lived in their residence for the entire tax year. A couple is jointly eligible if either meets the age and residency requirement. The grants are also available to disabled persons of any age who meet the residency requirement.



**JBC Staff Budget Briefing: FY 2016-17**  
**Staff Working Document – Does Not Represent Committee Decision**

<b>Old Age Heat and Fuel and Property Tax Assistance Grants Income Limitations Specified in Section 39-31-101 and 104, C.R.S.</b>		
<b>Type of Grant</b>	<b>Maximum Grant</b>	<b>Grant Reduction</b>
Property Tax Individual	\$700	Grant is reduced by 10.0 percent of the amount that the individual's income exceeds \$6,951 in 2015. No benefits are payable for an income greater than \$11,681, except under the Flat Rate Rebate. All income figures are adjusted for inflation annually.
Property Tax Couple	\$700	Grant is reduced by 10.0 percent of the amount that the couple's income exceeds \$11,236 in 2015. No benefits are payable for an income greater than \$15,966, except under the Flat Rate Rebate. All income figures are adjusted for inflation annually.
Heat or Fuel Expenses Individual	\$192	Grant is reduced by 10.0 percent of the amount that the individual's income exceeds \$6,951 in 2015. No benefits are payable for an income greater than \$10,670, except under the Flat Rate Rebate. All income figures are adjusted for inflation annually.
Heat or Fuel Expenses Couple	\$192	Grant is reduced by 10.0 percent of the amount that the couple's income exceeds \$11,236 in 2015. No benefits are payable for an income greater than \$14,955, except under the Flat Rate Rebate. All income figures are adjusted for inflation annually.
Flat Rate Rebate <i>Property or Rent</i> <i>Heat or Fuel</i>	\$227 \$73	A flat grant award is available to individuals with incomes ranging between \$11,681 and \$12,953 and joint filers with incomes between \$15,966 and \$17,460. All income and figures are adjusted for inflation annually.

The *Retail Marijuana Sales Tax Distribution to Local Governments* line item was established through a supplemental budget action to provide a mechanism for distribution of retail marijuana sales tax collections to local government. Section 39-28.8-203, C.R.S., requires 15.0 percent of retail marijuana sales tax revenues collected by the state to be apportioned to local governments according to the percentage of retail marijuana sales collected by the local government. Distributions to the local governments are made monthly. Appropriations are to be included for informational purposes in the general appropriation bill or in supplemental appropriation bills and are exempt from the limits on General Fund appropriations as set forth in Section 24-75-201.1 (1) (a) (II.5), C.R.S.

**DIVISION OF MOTOR VEHICLES**

This Division is responsible for issuing drivers licenses and state identification cards, tracking driver records, registering and titling of motor vehicles and issuing license plates, regulating commercial driving schools, administering the International Registration Plan, overseeing the vehicle emissions testing stations and vehicles, overseeing the motorist insurance identification database, and implementing the ignition interlock program.

The primary budget drivers are the number of people obtaining drivers licenses or identification cards, purchasing, registering, and titling motor vehicles, vehicles needing emissions testing, the number of drivers committing traffic infractions that require the recording of points and the imposition of driving sanctions, and the number of people committing first-time drunk driving violations who require assistance with obtaining ignition interlock devices.

**JBC Staff Budget Briefing: FY 2016-17**  
**Staff Working Document – Does Not Represent Committee Decision**

Driver Services

This business unit issues drivers licenses, identification cards, and permits through 43 drivers license offices. It maintains the official driver records of all drivers in the state, records administrative sanctions against drivers, and revokes, when appropriate, drivers licenses for persons that have received excessive points, been convicted of drunk driving or DUI or have refused lawful requests to prove sobriety. It is also charged with regulating commercial driving schools and commercial driver license testing units.

<b>DIVISION OF MOTOR VEHICLES</b>				
<b>DRIVERS LICENSES &amp; DRIVER CONTROL</b>				
	<b>FY 2011-12</b>	<b>FY 2012-13</b>	<b>FY 2013-14</b>	<b>FY 2014-15</b>
<u>Type of License Issued</u>				
Adult License	923,609	933,422	807,044	936,611
Minor License	85,519	83,479	85,611	53,263
Commercial License	51,040	44,444	42,499	47,478
<u>Permits Issued</u>				
Adult License	54,815	58,135	63,961	76,524
Minor	70,002	73,291	75,221	60,655
Motorcycle Instruction	7,623	6,036	6,114	6,117
Commercial Vehicle Instruction	<u>13,084</u>	<u>12,399</u>	<u>14,081</u>	15,238
<b>Total Licenses and Permits Issued</b>	<b>1,205,692</b>	<b>1,211,206</b>	<b>1,094,531</b>	<b>1,195,886</b>
Total Identification Cards in Force	628,775	610,658	598,767	575,217
Total Permits in Force	114,285	119,691	123,686	129,254
Total Regular Licenses in Force	3,670,574	3,679,267	3,729,743	3,796,432
Total CDL Licenses in Force	132,572	131,430	120,970	123,083
<u>Driver Record Administration</u>				
Total Restraints Issued	215,108	209,659	211,926	202,452
License Reinstatements	79,147	77,124	78,484	94,928
Renewals by Mail/Reissue Out of State	5,550	4,308	6,507	6,325
Renewals on-line - Drivers Licenses Issued	159,893	170,978	134,524	128,119

Vehicle Services

Responsibilities of this section include providing support and coordination for the motor vehicle registration process; supervising license plate ordering and distribution, as well as all other registration products for county motor vehicle offices and the statewide vehicle titling and registration system (CSTARS). This Section also ensures compliance with registration requirements for the International Registration Plan and International Fuel Tax Act programs.

**JBC Staff Budget Briefing: FY 2016-17**  
**Staff Working Document – Does Not Represent Committee Decision**

---

The *Titles Section* of Vehicles Services is responsible for the issuance of legal, negotiable certificates of title to protect the public when purchasing motor vehicles. Program staff reviews all high-risk title applications to verify that the assignment of ownership has been properly made.

<b>DIVISION OF MOTOR VEHICLES</b>				
<b>Title Applications Received</b>				
	<b>FY 2011-12</b>	<b>FY 2012-13</b>	<b>FY 2013-14</b>	<b>FY 2014-15</b>
Title Applications Received	1,561,184	1,608,557	1,621,277	1,561,035

The *Emissions Program* licenses emissions testing site operators, inspectors, and mechanics. It also conducts inspections of emissions testing facilities and validates inspector and mechanic performance to ensure compliance with statutory requirement.

<b>DIVISION OF MOTOR VEHICLES</b>				
<b>Vehicle Emissions Licensing</b>				
	<b>FY 2011-12</b>	<b>FY 2012-13</b>	<b>FY 2013-14</b>	<b>FY 2014-15</b>
Station Licenses Issued	75	87	87	81
Station Licenses Renewed	67	81	51	49
Mechanic's Licenses Issued	355	683	593	496
Mechanic's Licenses Renewed	151	245	173	161

**ENFORCEMENT BUSINESS GROUP**

The *Enforcement Business Group* regulates the limited gaming industry, liquor and tobacco retailers and special events, the horse racing track and off-track betting establishments, the automobile sales industry, and the medical and recreational marijuana industry (including growing facilities, marijuana infused products manufacturing facilities, sales locations, and marijuana lab testing facilities).

The primary budget drivers are the number of licensed limited gaming establishments and the number of people they employ, the number of liquor and tobacco retailing establishments as well as the number of special events requesting alcohol licenses, the number of racing and off-track betting venues, the number of automobile dealers and sales persons, the number of hearings conducted for license suspensions and revocations, and the number of licensed marijuana facilities.

**Limited Gaming Division**

The Limited Gaming Division regulates the limited stakes gaming industry in the Colorado cities of Black Hawk, Central City, and Cripple Creek. In 1991, the voters approved an amendment to the Colorado Constitution to allow limited stakes gaming in those three cities, subject to local voter approval. The Division licenses gaming establishments and their employees and enforces state laws and regulations pertaining to limited gaming.

**JBC Staff Budget Briefing: FY 2016-17**  
**Staff Working Document – Does Not Represent Committee Decision**

In 2008, voters approved Amendment 50, which allowed an increase in the maximum bets, additional games, and an increase in casino hours of operation. After payment of the expenses of the Limited Gaming Division, 78.0 percent of the *additional* revenue from expanded gaming is distributed to the State’s community colleges. The remaining 22.0 percent is distributed to the local gaming jurisdictions in the same manner as the original distributions. In FY 2014-15, the community colleges received \$7.7 million.

<b>ENFORCEMENT BUSINESS GROUP</b>				
<b>Limited Gaming Division Revenues, Expenses and Distributions</b>				
	<b>FY 2011-12</b>	<b>FY 2012-13</b>	<b>FY 2013-14</b>	<b>FY 2014-15</b>
Limited Gaming Revenue	\$103,557,500	\$104,644,974	\$106,322,700	\$111,421,159
Commission/Division Expenses	12,305,062	12,872,721	13,877,185	13,981,725
<b>Distributions</b>				
State General Fund	\$20,304,942	\$12,102,134	\$11,820,185	\$13,571,425
Local Government Gaming Impact Fund	3,314,827	5,000,000	5,000,000	5,000,000
Tourism Promotion Fund	11,049,424	15,000,000	15,000,000	15,000,000
State Historical Society	23,127,355	23,633,195	23,475,304	24,455,998
Film Incentives Cash Fund	220,989	500,000	500,000	500,000
Bioscience Discovery Evaluation Grants	3,977,793	5,500,000	5,500,000	0
Advanced Industries Acceleration Cash Fund	0	0	0	5,500,000
Innovative Higher Ed Research Fund	1,546,920	2,100,000	2,100,000	2,100,000
Creative Industries Cash Fund	883,954	2,000,000	2,000,000	2,000,000
<b>Limited Gaming Counties</b>				
Gilpin County	8,196,996	8,364,125	8,373,641	8,780,053
Teller County	1,714,728	1,764,387	1,687,203	1,701,089
<b>Limited Gaming Cities</b>				
City of Black Hawk	6,048,629	6,174,172	6,244,431	6,592,639
Central City	782,200	795,932	733,603	724,072
City of Cripple Creek	1,428,940	1,470,322	1,406,003	1,417,574
<b>Amendment 50 Distributions</b>				
Limited Gaming Counties	1,031,963	993,906	1,005,480	1,185,059
Limited Gaming Cities	859,969	828,255	837,900	987,549
Community College System	<u>6,707,757</u>	<u>6,460,388</u>	<u>6,535,622</u>	<u>7,702,884</u>
<b>Total Distributions</b>	<b>\$91,197,386</b>	<b>\$92,686,816</b>	<b>\$92,219,372</b>	<b>\$97,218,342</b>

Liquor and Tobacco Enforcement Division

This Division licenses liquor wholesalers and retailers, enforces laws prohibiting alcohol sales to minors and underage consumption, and enforces laws prohibiting tobacco sales to underage consumers. Starting in FY 2012-13, the liquor and tobacco functions were merged into one division. Funding for the Division is provided by the Liquor Enforcement Division and State

**JBC Staff Budget Briefing: FY 2016-17**  
**Staff Working Document – Does Not Represent Committee Decision**

---

Licensing Authority Cash Fund, the Tobacco Education Programs Fund, the General Fund, and the Reduced Cigarette Ignition Propensity Standards and Firefighter Protection Act Enforcement Fund.

<b>ENFORCEMENT BUSINESS GROUP</b>					
<b>Liquor &amp; Tobacco Enforcement Division - Violations</b>					
	<b>FY 2010-11</b>	<b>FY 2011-12</b>	<b>FY 2012-13</b>	<b>FY 2013-14</b>	<b>FY 2014-15</b>
State administrative actions	369	278	424	362	314
State revocations	4	3	0	5	0
State suspensions	163	51	70	44	33
State denials	0	1	1	3	3
Division-filed court cases	784	756	1,042	1,026	988
Division-assisted local hearings	6	6	12	5	3

Division of Racing Events

The Division promotes and regulates the horse and dog racing industry in Colorado. The only current operating live venue is Arapahoe Park, which offers live horse racing on Fridays, Saturdays, and Sundays May through September. Arapahoe Park also offers simulcast wagering on out-of-state races during the live racing season. The Division also oversees the seven off-track betting facilities that offer wagering on simulcast horse and greyhound racing from around the country.

<b>ENFORCEMENT BUSINESS GROUP</b>				
<b>Division of Racing Events</b>				
	<b>CY 2011</b>	<b>CY 2012</b>	<b>CY 2013</b>	<b>CY 2014</b>
Live Racing Days				
Horse Racing	40	39	39	38
Greyhound Racing	0	0	0	0
Pari-mutuel sales <sup>/a</sup>	\$79,749,656	\$80,035,020	\$81,192,625	\$81,539,658
Pari-mutuel tax collections	\$598,123	\$600,262	\$609,698	\$611,547

<sup>/a</sup> Includes off-track betting

Motor Vehicle Dealer Licensing Board

The Board is responsible for the licensure and regulation of the automobile sales industry, including dealers and sales persons. In addition to licensing, the Board investigates complaints against dealers and sales persons and can issue civil enforcement actions or refer the case for criminal actions.

**JBC Staff Budget Briefing: FY 2016-17**  
**Staff Working Document – Does Not Represent Committee Decision**

<b>ENFORCEMENT BUSINESS GROUP</b>				
<b>Motor Vehicle Dealer Licensing Board</b>				
	<b>FY 2011-12</b>	<b>FY 2012-13</b>	<b>FY 2013-14</b>	<b>FY 2014-15</b>
<b>Motor Vehicle Case Types</b>				
Dealer Licenses Processed	4,493	4,343	4,383	4,200
Dealer License Collections	\$1,316,604	\$1,661,306	\$1,483,633	\$1,344,379
Salesperson Licenses Processed	13,566	14,356	14,912	15,752
Salesperson License Collections	\$1,177,800	\$1,544,030	\$1,475,330	\$1,476,250

**Hearings Division**

The Division conducts hearings in a number of areas that affects the licensing rights of citizens. These include drivers license suspensions, revocations, cancellation, or denial of medical and physical disability, habitual traffic offenders, horse racing license, and other actions that affect the licensing rights of citizens. The Division also provides computer support and data analysis for public awareness program related to traffic safety.

<b>ENFORCEMENT BUSINESS GROUP</b>				
<b>Hearings Division Cases</b>				
	<b>FY 2011-12</b>	<b>FY 2012-13</b>	<b>FY 2013-14</b>	<b>FY 2014-15</b>
<b>Motor Vehicle and Drivers License Case Types</b>				
Excessive Points	6,073	5,556	4,724	7,140
Express Consent	12,167	12,022	11,222	10,979
DUI Convictions	141	107	72	78
Habitual Traffic Offender	72	61	63	68
Insurance related restraints	231	219	165	137
Ignition Interlock	2,267	2,203	2,553	2,535
CDL Restraints	28	26	30	18
Other	<u>1,731</u>	<u>1,673</u>	<u>1,561</u>	<u>1,233</u>
<b>Total Hearings</b>	<b>22,710</b>	<b>21,867</b>	<b>20,390</b>	<b>22,188</b>
Other Hearings	<u>119</u>	<u>132</u>	<u>95</u>	<u>78</u>
<b>Total</b>	<b>22,829</b>	<b>21,999</b>	<b>20,485</b>	<b>22,266</b>

**Marijuana Enforcement Division**

The Marijuana Enforcement Division is responsible for licensing and regulation of the state's medical and retail marijuana programs. It licenses stores, grow facilities, marijuana infused products businesses, and testing facilities. The primary budget drivers are the number of licensed marijuana businesses, the number of investigations and enforcement actions undertaken. The Division is funded with taxes and fees on medical and retail marijuana.

**JBC Staff Budget Briefing: FY 2016-17**  
**Staff Working Document – Does Not Represent Committee Decision**

<b>ENFORCEMENT BUSINESS GROUP</b>				
<b>Marijuana Enforcement Division</b>				
	<b>FY 2011-12</b>	<b>FY 2012-13</b>	<b>FY 2013-14</b>	<b>FY 2014-15</b>
<u>Medical Marijuana Licensing Activity</u>				
Medical marijuana center business licenses issued	273	372	493	512
Medical marijuana infused product business licenses issued	38	80	144	183
Medical marijuana optional premises cultivation business licenses issued		488	727	763
<u>Retail Marijuana Licensing Activity</u>				
Retail Licenses Issued			205	372
Product Manufacturer Licenses Issued			58	132
Optional Premises Cultivation Business License Issued			272	471
Testing Facility Business Licenses Issued			7	19
<u>Marijuana Licenses and Application Fees</u>				
<u>Transfer to Marijuana Cash Fund</u>			<b>FY 2014<sup>1</sup></b>	<b>FY 2015<sup>2</sup></b>
Medical Marijuana			\$7,117,569	\$9,610,024
Retail Marijuana			<u>\$2,425,200</u>	<u>\$4,545,830</u>
Total			\$9,542,769	\$14,155,854
<u>Marijuana Sales Tax Transfer to Marijuana Cash Fund (2.9% rate)</u>				
			<b>FY 2014<sup>1</sup></b>	<b>FY 2015<sup>2</sup></b>
Medical Marijuana			\$10,562,577	\$10,409,340
Retail Marijuana			<u>\$2,706,299</u>	<u>\$11,816,410</u>
Total			\$13,268,876	\$22,225,750
<u>Retail Marijuana Sales Tax (10% rate)</u>				
			<b>FY 2014<sup>1</sup></b>	<b>FY 2015<sup>2</sup></b>
Local Government Distribution (15% of Total)			\$1,353,571	\$6,272,356
Marijuana Cash Fund Transfer (85% of Total)			\$7,668,035	\$35,543,542
Collections Not Yet Allocated <sup>2</sup>			<u>\$1,746</u>	<u>\$201,900</u>
Total			\$9,023,352	\$42,017,798
<u>Retail Marijuana Excise Tax (15% rate)</u>				
			<b>FY 2014<sup>1</sup></b>	<b>FY 2015<sup>2</sup></b>
Public School Capitol Construction Assistance Fund Transfer (BEST Fund)			\$3,012,860	\$23,949,565
Marijuana cash Fund Transfer			\$0	\$0
Collections Not Yet Allocated <sup>3</sup>			<u>\$1,979</u>	<u>\$46,211</u>
Total			\$3,014,839	\$23,995,776

<sup>1</sup> Sale of retail marijuana began January 1, 2014. Marijuana data for fiscal year 2014 includes marijuana sales data from January 1, 2014 through May 31, 2014.

**JBC Staff Budget Briefing: FY 2016-17**  
**Staff Working Document – Does Not Represent Committee Decision**

**ENFORCEMENT BUSINESS GROUP**  
**Marijuana Enforcement Division**

FY 2011-12      FY 2012-13      FY 2013-14      FY 2014-15

<sup>2</sup> Marijuana data for fiscal year 2015 includes marijuana sales data from June 1, 2014 through May 31, 2015

<sup>3</sup> Indicates those receipts that have posted to the accounting system but have not yet been reconciled to the relevant sales/excise tax return. These receipts may affect the precision of the calculations to transfer or distribute the sales/excise taxes to their proper disposition.

**STATE LOTTERY DIVISION**

The State Lottery Division is responsible for the promotion and operations of the State Lottery, which includes scratch ticket games and jackpot games. The scratch ticket games are scratch-off tickets that provide for instant winnings for tickets (although some games have secondary drawings for additional prizes). Jackpot games, such as Pick 3, Lotto, and the multi-state PowerBall and MegaMillions games are games that have drawings at specified dates and times. The primary budget drivers are the number of lottery retailers and the number of tickets sold.

The proceeds of the lottery go primarily for Colorado open-space and recreation purposes. Pursuant to Article XXVII of the Colorado Constitution, proceeds of the lottery are distributed in the following fashion:

- 40 percent to the Conservation Trust Fund;
- 10 percent to the State Division of Parks and Outdoor Recreation; and
- 50 percent to State Board of the Great Outdoors Colorado Trust Fund (except that the 50 percent is capped at \$35.0 million in 1992 dollars).
- Any amount exceeding the Great Outdoors Colorado Trust Fund cap is distributed to the Lottery Proceeds Contingency Reserve Fund to be used for supplemental assistance to school district for capital expenditures to address immediate safety hazards or health concerns within existing school facilities.

<b>LOTTERY DIVISION</b>				
<b>Revenues by Type and Distribution (\$ Millions)</b>				
	FY 2011-12	FY 2012-13	FY 2013-14	FY 2014-15
<b>Revenues by Type</b>				
Cash 5	19.5	21.3	19.2	19.3
Lotto	33.3	32.6	33.8	29.8
Powerball	81.9	116.7	84.5	72.0
Scratch	364.2	368.6	362.0	377.2
Match play <sup>1</sup>	9.3	0.0	0.0	0.0
Mega millions	37.1	23.2	36.8	31.0
Holiday Raffle <sup>2</sup>	0.0	2.0	0.0	0.0
Pick 3	<u>N/A</u>	<u>1.9</u>	<u>8.7</u>	<u>8.7</u>
<b>Total</b>	<b>545.3</b>	<b>566.3</b>	<b>545.0</b>	<b>538.0</b>



**JBC Staff Budget Briefing: FY 2016-17**  
**Staff Working Document – Does Not Represent Committee Decision**

---

<b>LOTTERY DIVISION</b>				
<b>Revenues by Type and Distribution (\$ Millions)</b>				
	<b>FY 2011-12</b>	<b>FY 2012-13</b>	<b>FY 2013-14</b>	<b>FY 2014-15</b>
<b>Distributions</b>				
Conservation Trust Fund	49.3	54.2	52.1	51.2
Great Outdoors Colorado	57.1	59.2	60.3	62.0
Colorado Parks and Wildlife	12.3	13.6	13.0	12.8
Public School Capital Construction Fund	<u>4.6</u>	<u>8.6</u>	<u>4.7</u>	<u>2.0</u>
<b>Total</b>	123.3	135.6	130.1	128.0

<sup>1</sup> As of June 29, 2012, the Match Play game is no longer offered

<sup>2</sup> The Holiday Raffle only ran in FY 2012-13

*JBC Staff Budget Briefing: FY 2016-17*  
*Staff Working Document – Does Not Represent Committee Decision*

**Summary: FY 2015-16 Appropriation & FY 2016-17 Request**

Department of Revenue						
	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	FTE
<b>FY 2015-16 Appropriation</b>						
SB 15-234 (Long Bill)	\$323,064,380	\$97,544,431	\$219,381,391	\$5,314,170	\$824,388	1,363.7
Other Legislation	<u>1,113,077</u>	<u>77,166</u>	<u>1,035,911</u>	<u>0</u>	<u>0</u>	<u>3.4</u>
<b>TOTAL</b>	<b>\$324,177,457</b>	<b>\$97,621,597</b>	<b>\$220,417,302</b>	<b>\$5,314,170</b>	<b>\$824,388</b>	<b>1,367.1</b>
<b>FY 2016-17 Requested Appropriation</b>						
FY 2015-16 Appropriation	\$324,177,457	97,621,597	\$220,417,302	\$5,314,170	\$824,388	1,367.1
Centrally appropriated line items	2,135,161	244,082	1,274,969	616,110	0	6.6
R2 Earned income tax credit	1,304,530	1,304,530	0	0	0	16.7
R1 Division of Motor Vehicles funding deficit	836,501	0	836,501	0	0	0.0
Non-prioritized requested changes	101,758	38,367	63,391	0	0	0.0
Annualize prior year budget actions	78,863	(4,095,661)	4,174,524	0	0	0.0
Annualize prior year legislation	66,674	(31,433)	98,107	0	0	2.4
R3 Postage fund mix adjustment	0	(23,813)	23,813	0	0	0.0
R4 Long Bill alignment	0	0	0	0	0	0.0
Revenue adjustment	<u>(562,295)</u>	<u>(892,295)</u>	<u>330,000</u>	<u>0</u>	<u>0</u>	<u>0.0</u>
<b>TOTAL</b>	<b>\$328,138,649</b>	<b>\$94,165,374</b>	<b>\$227,218,607</b>	<b>\$5,930,280</b>	<b>\$824,388</b>	<b>1,392.8</b>
<b>Increase/(Decrease)</b>	\$3,961,192	(\$3,456,223)	\$6,801,305	\$616,110	\$0	25.7
Percentage Change	1.2%	(3.5%)	3.1%	11.6%	0.0%	1.9%

**Description of Requested Changes**

**Centrally appropriated line items:** The request includes adjustments to centrally appropriated line items for the following: state contributions for health, life, and dental benefits; merit pay; salary survey; short-term disability; supplemental state contributions to the Public Employees' Retirement Association (PERA) pension fund; workers' compensation; administrative law judge services; payment to risk management and property funds; leased space; Capitol complex leased space; indirect cost assessment; and payments to OIT.

**R2 Earned income tax credit:** The request includes an increase of \$1,304,530 General Fund and 16.7 FTE to implement the Earned Income Tax Credit existing in current law and to prevent and detect fraud with the tax credit. A detailed issue brief is provided in this document.

*JBC Staff Budget Briefing: FY 2016-17*  
*Staff Working Document – Does Not Represent Committee Decision*

---

**R1 Division of Motor Vehicles funding deficit:** The request includes an increase of \$3.1 million Highway User Tax Fund (HUTF) off-the-top, subject to the 6 percent growth allowed with an offsetting decrease of approximately \$2.4 million from the Licensing Services Cash Fund to continue efforts to provide a consistent customer services experience. The request requires legislative change to allow the Department of Revenue to receive off-the-top appropriations from the (HUTF). A detailed issue brief is provided in this document.

**Non-prioritized requested changes:** The request includes the annual fleet vehicles change from the Department of Personnel, the additional resources for administrative law judges request, and the Information Technology request for the Governor’s Office of Information Technology.

**Annualize prior year budget actions:** The request includes adjustments related to prior year budget enacted.

**Annualize prior year bills:** The request includes a number of adjustments related to the out year effect of legislation already passed.

**R3 Postage fund mix adjustment:** The request includes a net-zero change to the mix of funding provided for postage in the Department of Revenue reducing \$28,813 General Fund and replacing it with \$28,813 cash funds. JBC staff will make a recommendation during Figure Setting.

**R4 Long Bill alignment:** The request includes a budget-neutral change to the structure of the Long Bill to reflect current operations of the Department.

**Revenue Adjustment:** The request includes revenue adjustments to the Cigarette Tax Rebate line item and the Old Age Heat and Fuel and Property Tax Assistance Grant line item to match the request with the September Revenue Forecast.

## **Issue: R1 DMV Funding Deficit**

The Division of Motor Vehicles is one of the most public-facing government agencies that provide services to citizens of Colorado. Divisions of Motor Vehicles across the country have been the punch line for jokes for decades due to the perception that they are bureaucratic black holes. Since at least 2009, the Colorado Division of Motor Vehicles has made it a primary goal to reduce wait times and provide a consistent level of service. This funding request follows several years of funding the Division of Motor Vehicles with General Fund provided one year at a time.

### **SUMMARY:**

- The Department is requesting \$3.2 million from the Highway User Tax Fund to provide ongoing funding to the Division of Motor Vehicles. This request is a follow up to several years of funding decisions for the Division of Motor Vehicles to provide a consistent level of service.
- The request includes a number of elements:
  - Seeks to change statute to allow the DMV to receive appropriations from the Highway User Tax Fund off-the-top;
  - Specifies that the DOR off-the-top appropriation is included in the calculation for 6 percent allowable growth each year;
  - Eliminates the end-of-year transfer exceeding the statutory reserve from the Licensing Services Cash Fund to the Highway User Tax Fund;
  - Seeks a waiver to the excess reserve limit of Section 24-75-402, C.R.S.
- The most obvious alternative to funding this request from the Highway User Tax Fund off-the-top is to fund it with General Fund. This alternative has the obvious pitfall regarding the availability of General Fund for budgeting in FY 2016-17.

### **RECOMMENDATION:**

JBC staff recommends the Committee discuss whether it wishes to make the changes to statute included in this request and if it does not, whether the Division of Motor Vehicles should instead continue to be funded by the limited General Fund available in FY 2016-17.

### **DISCUSSION:**

Over the past several years, the General Assembly has been working with the Division of Motor Vehicles (DMV) to ascertain the right mix of funding between cash-funding from fees charged by the DMV and other sources of revenue. This request continues the Department's efforts to

modernize operations of the Division by providing a consistent level of funding despite cyclical fluctuations of activities that generate revenue from fees. The primary, but not sole, cash fund supporting DMV operations is the Licensing Services Cash Fund (LSCF).

### **Recent History of Licensing Services Cash Fund**

Established by S.B. 07-241, the Licensing Services Cash Fund has been modified a number of times since its creation. During the 2009 legislative session, two bills passed that impacted the LSCF. Senate Bill 09-274 mandated that the entire \$20.40 fee for drivers licenses at the time be credited to the LSCF in FY 2009-10 to support driver license services, and S.B. 09-279 required approximately \$2.6 million be transferred out of the LSCF to the General Fund in FY 2009-10. House Bill 10-1387 extended the diversion of fees from the HUTF established in S.B. 09-279 for fees from drivers license examinations and from drivers licenses, commercial drivers licenses, learner's permits, minor drivers licenses, and identification cards issued by the department. It also mandated that the LSCF balance in excess of 16.5 percent of the total appropriation be swept into the HUTF. Finally, JBC-sponsored bill, H.B. 12-1216 extended the LSCF funding of the Division through FY 2014-15.

The Division's effort to provide the appropriate level of service regardless of yearly licensing cycles began with approval of four of the Department's budget requests during the FY 2014-15 budget cycle. R1, "DMV Funding Deficit" provided a one-time General Fund Appropriation of \$6.2 million to address the structural deficit and help build a reserve balance in the LSCF. R2, "DMV Customer Services Enhancements" expanded staffing by 52.0 FTE and *Wait Less* technology at drivers license offices to improve customer service and reduce wait times. R3, "DMV-Driver License Examination Reclassification" reclassified 226 Examiner positions to the Technician class to minimize turnover and enhance recruitment. The requests were approved and included in the FY 2014-15 Long Bill (H.B. 14-1336) and statutory changes required were made through the JBC-sponsored bill, S.B. 14-194.

Senate Bill 14-194 authorized the DMV to increase fees for certain services and to set fees for services for which no fee was previously charged beginning July 1, 2015. The fee increases were capped at a maximum 20 percent in FY 2015-16 and 5 percent in subsequent years. Funding for the requests and the changes to statute made in S.B. 14-194 provided an ongoing financing plan, eliminated fund balance transfers, and realigned the Long Bill structure with Division operations. Fee setting authority became effective July 1, 2015, and the DMV increased fees effective July 15, 2015. New fees were determined based on a cost accounting study, which resulted in DMV fee increases averaging 16.5 percent. For additional detail, see Appendix D: Drivers License Fees.

Together, S.B. 14-194 and H.B. 14-1336 (Long Bill) provided the DMV with an ongoing financing plan that reduced the number of cash funds, eliminated certain fund balance transfers, and realigned the Long Bill structure with DMV operations. Although these two bills were significant steps in providing a comprehensive financing plan for the division, a gap still exists

**JBC Staff Budget Briefing: FY 2016-17**  
**Staff Working Document – Does Not Represent Committee Decision**

---

between the DMV appropriation and LSCF revenue despite the fee increase as authorized in S.B. 14-194. The funding gap was addressed again in the FY 2015-16 budget cycle by R-1, “Division of Motor Vehicles Funding Deficit” which resulted in another one-year only appropriation of \$4.2 million.

During the FY 2015-16 budget cycle, the DMV sought an ongoing General Fund appropriation of \$4.2 million but did not provide justification for the ongoing funding in the request until after Figure Setting had been closed for the Department of Revenue. At this time, the Department stated that the reason it was seeking ongoing General Fund in FY 2015-16 was because the FY 2016-17 budget year was going to have tight restrictions on requests being made from the General Fund. This request appears to be the creative solution the DMV and the Governor’s Office developed when the decision for one-time funding was provided in FY 2015-16.

**Waiver from the Excess Reserve Limit for Cash Funds and Elimination of Year End Sweep**

In order to minimize the amount of future requests over the long-term, and to more fully sustain DMV operations within the LSCF, the Department seeks a waiver to the excess reserve limit included in Section 24-75-402, C.R.S., for FY 2015-16 and each year thereafter as needed, in addition to a legislative change for FY 2015-16 and beyond to eliminate the year-end fund balance sweep of the LSCF to HUTF of reserves in excess of 16.5 percent. Over time, these changes will result in the ability of the LSCF to retain a fund balance in higher revenue years which can be strategically used to mitigate shortfalls in lower revenue years. This will allow the Department to maintain a consistent level of staffing and customer service even during years of cyclical revenue downturn related to the renewal cycle of drivers licenses.

**Requested Changes to Highway User Tax Fund**

Based on the recommendation from the Governor’s Office of State Planning and Budgeting in support of their FY 2016-17 State-wide fiscal balancing strategy, the Department requests ongoing spending authority from the Highway User Tax Fund (“HUTF”) off-the-top totaling \$3.2 million in FY 2016-17 and thereafter to finance the projected gap between the Driver Service’s Long Bill appropriation and the fee revenue generated to the LSCF. This will require a legislative change to allow HUTF off-the-top revenues to be appropriated to the Department, and to change the base off-the-top calculation to include DMV in the six percent allowable growth from the previous fiscal year. In addition, the Department requests a net reduction of just less than \$2.4 million in spending authority from the LSCF which is comprised of a \$3.2 million decrease in the Personal Services line, and an increase of \$0.8 million in spending authority to the Drivers License Documents line.

**Increased Cost of Document Production**

The DMV re-procured the card production contract using a competitive bid process during FY 2014-15 due to the end of the contract term with the previous vendor. The previous contract was originally procured in 1999. The Department states it received a good deal on the new contract, with an increase of only one dollar per document, moving the cost from \$3.159 per document to \$4.159 per card. This increase in the per unit cost is driving total costs for the Drivers License Documents line item.

***JBC Staff Budget Briefing: FY 2016-17***  
***Staff Working Document – Does Not Represent Committee Decision***

---

All identification cards, instruction permits, and drivers licenses are produced by the DMV's card vendor in a secure production facility. The new card includes numerous security enhancements which will reduce fraud and ensure REAL ID compliance going forward. The enhancements include the use of polycarbonate card stock, laser engraved images, and engraved and embossed text. These features were extensively evaluated and supported by numerous stakeholders including law enforcement agencies. JBC staff asked for data concerning a comparison of the cost Colorado pays for identification documents to other states but the data was unavailable, mostly because relatively few states have such advanced anti-fraud measures.

Under current projections for document issuance and increases in the production cost per card, the prior spending authority level will result in an \$836,501 shortfall. The DMV requests a shift of spending authority of \$836,501 from the Personal Services line to the Drivers License Documents line from the LSCF to ensure the ability to continue to issue identification cards and drivers licenses to Colorado residents.

The Department provided two projected cash flow tables for the LSCF; one under current law and one assuming the budget request is approved as requested. These have been included for reference in Appendix E: Licensing Services Cash Fund Cash Flow.

JBC staff recommends the Committee discuss whether the changes requested by the Department are necessary to achieve a consistent level of service at the DMV. The LSCF was never intended to fully fund the activities of the DMV and JBC staff recommended a one year appropriation of General Fund in FY 2015-16 because staff wanted to find the right General Fund appropriation for the DMV base.

JBC staff has two concerns with the request the Committee should discuss. First, even though the requested change in appropriation is to the off-the-top portion of the HUTF, and the growth projected by the Governor's Office will remain under the 6 percent growth limit at least through FY 2018-19<sup>2</sup>, every dollar that is taken off-the-top of the HUTF is one fewer dollar that is ultimately available to city, county, and state transportation projects. Second, it does not seem clear to JBC staff that the HUTF allowable off-the-top growth has \$3.2 million available. Including the Capital Construction request and the operating request of the Department of Public Safety, JBC staff<sup>3</sup> estimates only \$2.9 million is available in the allowable growth for off-the-top in FY 2016-17.

Staff from the Governor's Office of State Planning and Budgeting and JBC staff have not reached an agreement over the availability of HUTF off-the-top funding not requested by the Department of Public Safety but are working to resolve the discrepancy.

---

<sup>2</sup> OSPB staff indicated it is not currently able to project HUTF past FY 2018-19.

<sup>3</sup> For more information about off-the-top requests, see the Department of Public Safety Briefing dated December 7, 2015.

## **Issue: R2 Earned Income Tax Credit**

Since 1999, Colorado has had a provision of law that allows for an Earned Income Tax Credit to be used as one of the mechanisms available to effectuate a refund required under Article X, Section 20 of the Colorado Constitution, the Taxpayer Bill of Rights (TABOR). Colorado has not implemented a return via the Earned Income Tax Credit Since FY 2000-01 and has never administered it using its current statewide tax system. The Department requests \$1.3 million General Fund and 16.7 FTE in FY 2016-17 annualizing to \$1.6 million and 23.4 FTE in FY 2017-18 to implement the refund mechanism as revenue forecasts predict will be necessary.

### **SUMMARY:**

- Refunds required under Article X, Section 20 of the State Constitution, the Taxpayer Bill of Rights (TABOR), under current law, are made via three refund mechanisms including the Earned Income Tax Credit. Senate Bill 13-001 makes the Earned Income Tax Credit permanent once it is next used for a refund of a TABOR surplus.
- The Department, through the Internal Revenue Service, has discovered that fraud for refundable tax credits and specifically fraud concerning the federal Earned Income Tax Credit is much higher than estimated even three years ago. Because the Colorado Earned Income Tax Credit is based on the federal one, the Department expects to see similar levels of fraud at the state level and requires additional staff to reduce the number of improper payments and provide audit services for up to 15 percent of the tax credits claimed.
- S.B. 13-001 did not appropriate any resources for the Department of Revenue to perform duties necessary to administer the Earned Income Tax Credit. Because S.B. 13-001 did not change the eligibility for the Earned Income Tax Credit and Fiscal Notes are written to changes in law, there is no concern the Fiscal Note for S.B. 13-001 misstated expenses related to the tax credit.

### **DISCUSSION:**

The Colorado Earned Income Tax Credit (“EITC”) allows low- and middle-income Colorado taxpayers to claim a refundable tax credit equal to 10 percent of the federal EITC, thereby reducing their Colorado income tax liability. A tax credit can substantially reduce the amount of taxes owed or increase the size of a tax refund. However, not all tax credits are alike. Tax credits can be nonrefundable, refundable, or partially refundable. Most, if not all, tax credits are nonrefundable and can reduce a taxpayer’s tax liability to zero (\$0.00), but not below. A taxpayer must have a tax liability to claim (or benefit) from a nonrefundable tax credit.

Article X, section 20 of the Colorado Constitution (“TABOR”) limits the amount by which the government can grow yearly. When taxes collected exceed the amount authorized by TABOR, a TABOR surplus exists and must be refunded to the taxpayers in the state. The EITC is one of three mechanisms in current law used to refund the TABOR surplus, the Colorado credit



*JBC Staff Budget Briefing: FY 2016-17*  
*Staff Working Document – Does Not Represent Committee Decision*

---

historically was only available during years when there is a sufficient TABOR surplus. Senate Bill 13-001 (Colorado Working Families Economic Opportunity Act) makes the EITC a permanent tax credit beginning the first tax year after it is next used to refund a TABOR surplus. The Colorado EITC was used to refund TABOR surpluses in FY 1998-99, FY 1999-00, and FY 2000-01 and is forecast to be used in FY 2015-16 to refund the FY 2014-15 TABOR surplus. This will make the EITC a permanent refundable tax credit beginning tax year 2015.

The last time the state used the EITC as a TABOR refund mechanism was in FY 2000-01 when the Department processed all of its taxes in a mainframe computing environment that has since been replaced. When the EITC becomes available in 2015, the Department's new Colorado Integrated Tax Architecture (CITA) computer system, called GenTax, will be used to process returns.

The Department is requesting \$1.3 million General Fund and 16.7 FTE in FY 2016-17, annualizing to \$1.6 million General Fund and 23.4 FTE in FY 2017-18 to administer the EITC program. The request is made in response to data regarding the rate of fraud in the federal EITC program, which is new to the Department of Revenue.

According to a report by the Treasury Inspector General for Tax Administration the Internal Revenue Service (IRS) has determined that EITC improper payments result from authentication and verification errors. Refundable tax credits such as the EITC have high auditing requirements due to: taxpayer fraud through identity theft, authentication issues based on the inability to authenticate qualifying child status, verification of taxpayers' filing status, claims associated with complex or nontraditional living arrangements, and income verification that includes under- and over-reporting for self-employed taxpayers.

The fraudulent activity is tied to the financial benefit of refundable credits, namely, a taxpayer can claim a refund whether or not the taxpayer has a tax liability. The Office of Management and Budget has identified the federal EITC as the only IRS program that is a high risk tax incentive. For FY 2012-13, the IRS maintained that 24 percent (or \$14.5 billion) of EITC's claimed, were paid erroneously due to the above identified issues—this amount has grown significantly over the years. From 2003 through 2013, the IRS estimates that total EITCs paid in error is between \$124 billion and \$148 billion. The Department expects that it will have similar administrative issues as the IRS in terms of the implementation of the Colorado EITC.

Senate Bill 13-001 included appropriations for the Department, however, the final Fiscal Note explicitly states that the resources contained in it were only for administration of the Child Tax Credit. JBC staff questioned why the fiscal note did not include resources for implementing the EITC and in response, the Department revisited its working documents to explain some of the discrepancies between the final fiscal note and the actual work required to administer the EITC. The Department fully agreed with early Fiscal Notes on S.B. 13-001, which included 26.5 FTE for administration of the Child Tax Credit and the EITC. JBC staff and Department staff agree that 22.0 FTE, and its associated funding, was removed from the final version of the Fiscal Note because there was no need for the additional resources until the mechanism in S.B. 13-001 was triggered and the eligibility requirements for the EITC has not changed since it was first made law in 1999.

***JBC Staff Budget Briefing: FY 2016-17***  
***Staff Working Document – Does Not Represent Committee Decision***

---

Delaying hiring for administering the EITC is a logical approach to the changes made by S.B. 13-001 because the credit does not become permanent until after it is used as a refund mechanism for a TABOR surplus, which was uncertain in 2013.

Another justification for the request that is new information is that the EITC will likely increase call wait times and blockage rates. For example, from FY 2013-14 to FY 2014-15, the call center received an additional 141,228 calls. The increase was largely due to the Department's response to an increase in fraudulent income tax filing activity. To address this issue, the Department stopped issuing tax refunds for several weeks during February and early March 2015. As a result, a significant number of taxpayers attempted to contact the call center and wait times increased from about 9 to 12 minutes per call. The rate for blocked calls increased from 23 percent to 40 percent. When the EITC is administered by the Department, call wait times will likely increase up to 2 additional minutes and the call blockage rate will also likely increase up to the same blockage rate of 40 percent that was present when the Department was responding to taxpayers who had questions about their tax refunds during March 2015. The Department's request includes 6.3 FTE in FY 2016-17 and 8.4 FTE in FY 2017-18 for staffing the call center.

The Department states that without additional funding, it will have insufficient staff to verify and audit a portion of the EITC returns that may be fraudulent. If those costs have to be permanently absorbed because new funding is not approved, the Department would have to shift work from taxpayer services, tax auditing, and taxpayer compliance to comply with new auditing and verification processes tied to EITC. The shift would result in less revenue collected by the state, potential noncompliance with the state's tax laws, and poor customer service.

## **Issue: Cost of Administering Limited Gaming Program**

Created in the Colorado Constitution, the Limited Gaming Program includes the Division of Limited Gaming and the Limited Gaming Commission. The Constitution states that the General Assembly cannot condition any appropriations for administering the Limited Gaming Program and that they are included in the state budget for informational purposes. Reduced limited gaming revenues resulting from the economic downturn is driving an interest from limited gaming revenue recipients to question whether administrative expenses of the Limited Gaming Program are reasonable.

### **SUMMARY:**

- The cost of administering the Limited Gaming Program in Colorado continues to grow at an average rate of 5.2 percent since FY 2002-03. The State Treasurer is directed to pay all the direct and indirect expenses of the program without further General Assembly action, including purchases of services from other state agencies.
- Since FY 2002-03 through FY 2014-15, total limited gaming revenue has ranged from \$97.4 million to \$116.0 million, and its administrative costs as a percent of revenue has ranged from 7.8 percent to 13.1 percent.
- To accurately compare the Colorado Limited Gaming Program to other states programs, the General Assembly could appropriate some of the “state share” of limited gaming proceeds to request a comparative analysis be conducted by a third party.

### **DISCUSSION:**

Effective October 1, 1991, Article XVIII, Section 9 of the Colorado Constitution was amended to allow limited stakes gaming in three Colorado cities. In April 2009, House Bill 09-1272 (Limited Gaming Amendment 50 Community College Funding) was approved due to the passage of Amendment 50. The Amendment, along with the Limited Gaming Act of 1991 (the “Act”), established the framework for regulating limited gaming in Colorado. The Act created the Division of Gaming (the “Division”) within the Department of Revenue, established the Limited Gaming Fund, and gave the Limited Gaming Control Commission (the “Commission”) the authority and responsibility for regulating limited gaming in Colorado.

“Limited gaming” was initially defined as a maximum single bet of \$5 on slot machines, live blackjack, and live poker. When Amendment 50 was adopted, it provided authority to the electorate of the three gaming cities, Black Hawk, Central City, and Cripple Creek, to approve 24-hour gaming, the ability to add craps and/or roulette, and allowed raising the maximum wagers to \$100.

As of October 1, 2015, there were 35 gaming establishments open in Colorado, a number that has remained fairly constant for several years, with the annual number averaging between 35 and 41 casinos since 2008.

### **The Limited Gaming Commission**

The Commission is made up of a five-member board appointed by the Governor and approved by the Colorado Senate. Gaming revenues deposited in the Limited Gaming Fund are used to pay operating expenses for the Division and the Commission during the year. After setting aside a reserve for two months' operating expenses at the end of each fiscal year, the remaining fund balance in the Limited Gaming Fund is distributed to State and local governments according to the provisions in the Colorado Constitution and the Act.

The Commission approves the Division's annual budget. Pursuant to Section 9 (5) (b) (I) of Article XVIII of the Colorado Constitution, the Limited Gaming Control Commission adopts the Division's budget and the budget is not subject to the control of the General Assembly. Additionally, Section 12-47.1-604 (1) (b) (I), C.R.S., directs the State Treasurer to pay "all ongoing expenses of the [C]ommission, the [D]epartment, the [D]ivision, and any other state agency from whom assistance" is requested to administer the Limited Gaming Program. Statute further states the payment cannot be conditioned on any appropriation by the General Assembly.

### **The Division of Limited Gaming**

The Division is a subdivision within the Enforcement Business Group of the Colorado Department of Revenue and is responsible for the regulation and enforcement of limited gaming in Colorado. Among the duties of the Division is the investigation of gaming license applicants, who must submit to a thorough background review. Division investigators scrutinize personal and financial histories of applicants, including the sources of all money applicants plan to invest in a proposed establishment. Division investigators also patrol casinos during all hours of operation to handle patron complaints and observe for possible violations of gaming laws, rules and regulations. All Division investigators have the powers of peace officers and are certified as such.

The Division is fully cash funded by the Limited Gaming Fund created in Section 12-47.1-701 (1), C.R.S. The Division operates on the revenues generated from the gaming tax, application and license fees, and any fines levied by the Division. All revenues generated from gaming are credited to the Limited Gaming Fund. Section 9 of Article XVIII of the Colorado Constitution provides the framework for the limited gaming distribution, dictating that 50 percent of the remainder, after the aforementioned obligations are met, is the "state share" of limited gaming proceeds, 28 percent is transferred to the State Historical Fund, 12 percent to the governing bodies of the gaming counties, and the final 10 percent is transferred to the governing bodies of the gaming cities.

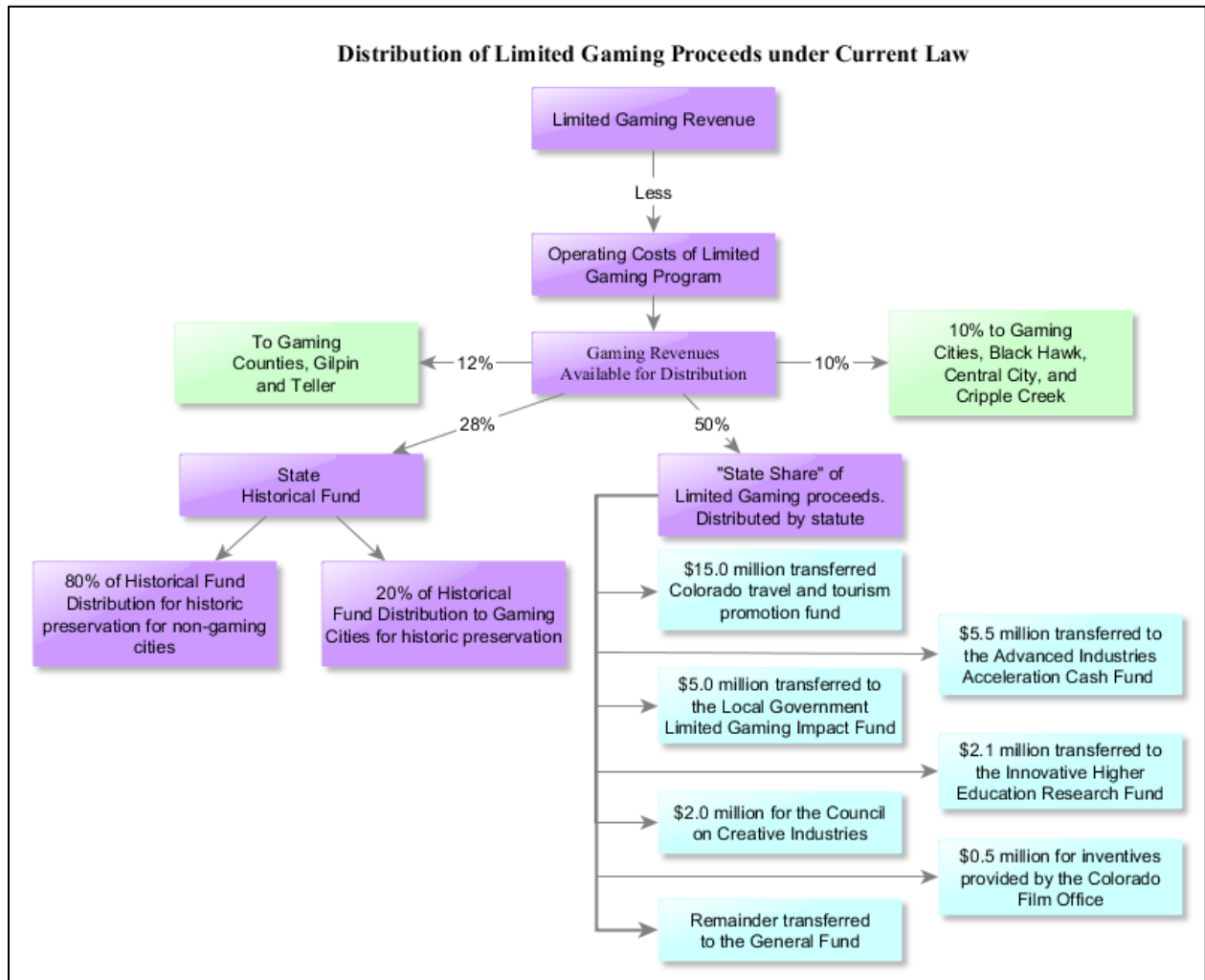
The 50 percent state share may be appropriated or transferred by the General Assembly as it chooses. Section 12-47.1-701 (2), C.R.S., details the current statutory distribution and is summarized below:

- \$15.0 million Colorado travel and tourism promotion fund.
- \$5.5 million to advanced industries acceleration cash fund,

**JBC Staff Budget Briefing: FY 2016-17**  
**Staff Working Document – Does Not Represent Committee Decision**

- \$5.0 million to the local government limited gaming impact fund
- \$2.1 million innovative higher education research fund
- \$2.0 million creative industries cash fund for Council on Creative Industries
- \$500,000 to the Colorado Film Office,
- Remainder transferred to the General Fund.

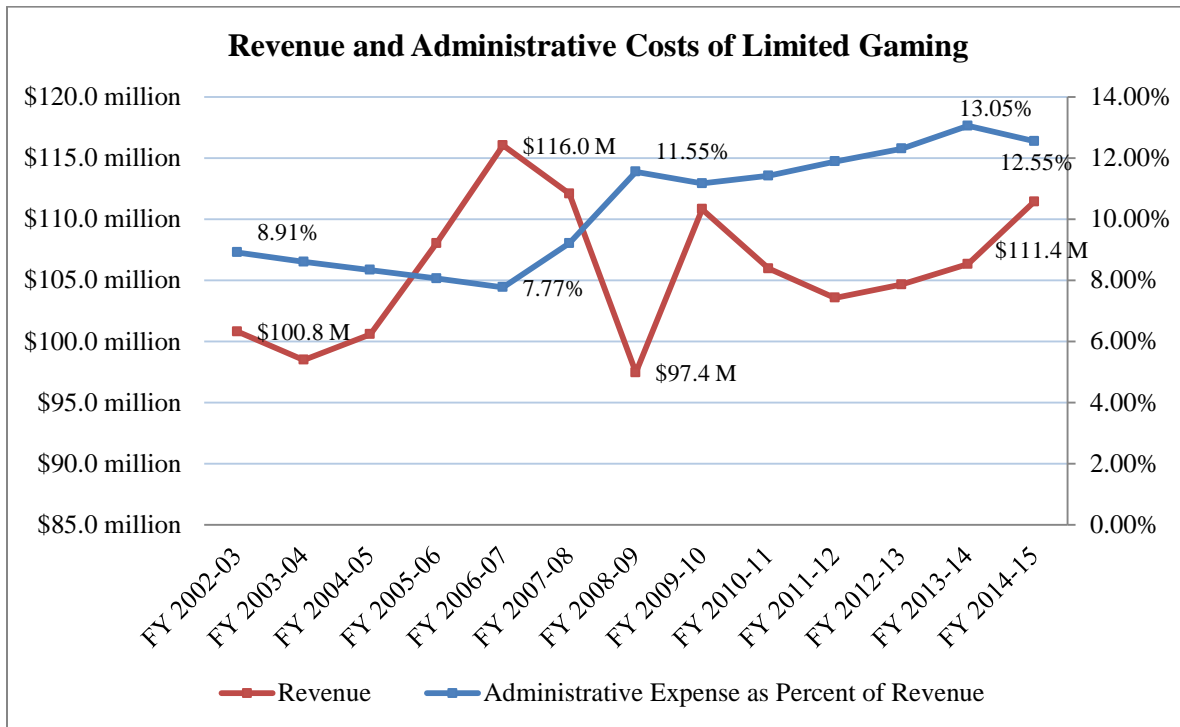
For readers that prefer a visualization of the distribution, the image below summarizes current law for distributions of limited gaming proceeds.



Limited gaming revenues generally trend in parallel to the economy because patrons tend to be willing to gamble more when the economy is good. The workload of the Division, however, tends to be fairly consistent because the number of gaming establishments and gaming devices does not fluctuate with the economy. Because administrative costs of the program are taken “off-the-top” before the distribution of gaming proceeds, any funding the Commission approves for administration reduces the amount distributed to the fund recipients. Therefore, it is important for the Commission minimize its expenses and ensure its administrative costs are reasonable.

**JBC Staff Budget Briefing: FY 2016-17**  
**Staff Working Document – Does Not Represent Committee Decision**

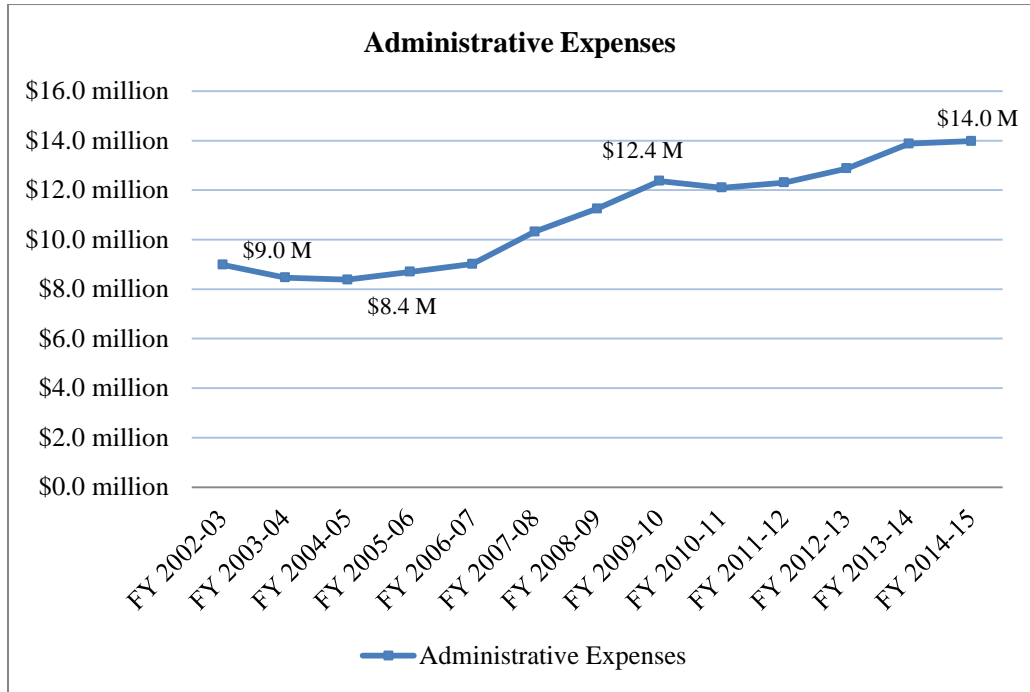
The graph below shows the administrative costs as a percent of the revenue generated by fiscal year beginning in FY 2003-04. During this period, administrative costs have ranged from a low of 7.77 percent in FY 2006-07 to 13.05 percent in FY 2013-14. Note that FY 2006-07 was the year in which the Limited Gaming Program saw the highest revenues in its history. For detail about revenue, total administrative expenses, and payments made from Limited Gaming to other state agencies, see the chart in Appendix F.



Stakeholders of the Limited Gaming Program have raised questions over whether the administrative costs are “reasonable” with a particular eye on the high costs of Information Technology services. Administrative costs of the Commission have increased by an average of 5.2 percent since FY 2003-04, with the highest growth year-over-year being 14.5 percent in FY 2007-08. This peak is likely attributable to the decline in gaming revenues brought on by the onset of the Great Recession. The following chart shows the continued growth since FY 2002-03:

**JBC Staff Budget Briefing: FY 2016-17**  
**Staff Working Document – Does Not Represent Committee Decision**

---



JBC staff consulted with the staff from the National Conference of State Legislatures in an attempt to provide comparisons with other states that administer Limited Gaming Programs. Unfortunately, states administer these programs in a number of different ways making a direct comparison difficult to make. Some of the regulatory bodies in other states also regulate the state lottery and others regulate a more robust and diverse Limited Gaming Program.

Due to the restraints the Constitution places on the General Assembly on what it is authorized to do with limited gaming and the rising costs of administering the program, JBC staff recommends the Joint Budget Committee sponsor legislation directing the Limited Gaming Commission to contract with a third party consultant to prepare an official comparison of administering the Limited Gaming Program in Colorado to other, similarly situated states. Staff further recommends that the study be funded through the 50.0 percent state share of limited gaming proceeds. At this time, staff does not have an estimate for the cost of such study.

JBC staff also consulted with Department of Revenue staff regarding the potential for bringing legislation to perform a comparative analysis of its administrative costs. During the discussion the Department expressed a desire to work cooperatively with the General Assembly to perform a comparative analysis within existing resources to avoid the need for legislation. However, JBC staff thinks the type of analysis the General Assembly would benefit from and the complicating factors of there not being a direct comparison to Colorado may exceed the resources that should be absorbed by the Gaming Commission. Additionally, if existing resources are used without a special bill they would be expended “off-the-top,” therefore reducing the transfers to other fund recipients. Because the reductions of transfers to limited gaming recipients is the impetus of

***JBC Staff Budget Briefing: FY 2016-17***  
***Staff Working Document – Does Not Represent Committee Decision***

---

analyzing administrative costs of the Gaming Commission, JBC staff believes it to be prudent to utilize revenues in the state share of limited gaming proceeds.



## **Issue: Drivers License for the Unlawfully Present Update**

During the FY 2014-15 Supplemental Budget Cycle and the FY 2015-16 Budget Cycle, the Joint Budget Committee provided additional funding from the Licensing Services Cash Fund to the Division of Motor Vehicles to operate the drivers licensing program for non-U.S. Citizens to meet the demand encountered by the Division when it began operating the program in August 2014. The appropriation included both a Long Bill footnote and a request for information, submitted monthly, gauging activity of the program.

### **SUMMARY:**

- Authorized by the passage of S.B. 13-251, the program began operating in August 2014 at five drivers license offices throughout the state. After dropping service availability to only one office between March and May 2015, a supplemental appropriation was provided to provide funding for appointments being available at three offices, the Denver Central, Colorado Springs, and Grand Junction offices.
- The program has served a total of 31,750 individuals unable to prove their lawful presence as of October 2015. The final fiscal note for S.B. 13-251 estimated there would be about 66,000 individuals who are unable to demonstrate their lawful presence in the U.S. living in Colorado at the time of passage that would seek a drivers license.
- The cash flow of the program participants not lawfully present demonstrates that the current fees are fully funding the program at the level of service being provided.

### **RECOMMENDATION:**

Staff recommends no change to the current S.B. 13-251 program being administered by the Division of Motor Vehicles.

### **DISCUSSION:**

The Colorado Road and Community Safety Act (S.B. 13-251), authorizes the Department of Revenue and the Division of Motor Vehicles (DMV) to issue a Colorado drivers license, instruction permit, or identification card to qualified individuals who either cannot demonstrate lawful presence in the United States or can demonstrate temporary lawful presence in the United States. This issue discusses primarily the services provided to individuals who are unable to demonstrate their lawful because the demand for this part of the service continues to exceed its available resources.

For individuals unable to demonstrate lawful presence in the United States, the program provides services by appointment only in three locations: Denver Central, Colorado Springs, and Grand Junction drivers license offices. However, the DMV can serve those that can demonstrate

**JBC Staff Budget Briefing: FY 2016-17**  
**Staff Working Document – Does Not Represent Committee Decision**

---

temporary lawful presence at any of its drivers license offices. All documents issued under this program have a black bar indicating they cannot be used for federal identification, voting, or public benefit purposes. They are also only valid for a total of three years.

Appointments for those not lawfully present are released to the online scheduling system 90 days in advance and appointments are available at 8 a.m., 12 p.m., 4 p.m., and 8 p.m. DMV staff continue to report appointments are booked nearly immediately after being posted and the appointments are released throughout the day, consistent with appointment time. When a not lawfully present applicant arrives for his or her appointment, DMV staff verify the identification documents are valid and acceptable by state law. After the individual completes the written drivers test he or she pays the fee and obtains their instructional permit. Next, applicants are taken on a practical driving exam and, if passed satisfactorily, pay the fee for the drivers license, and are provided a temporary license. The three-year license arrives via U.S. Mail, just like licenses for U.S. Citizens.

Statute requires the program must be fully self-funded, both the direct and indirect costs, by the fees charged to the applicants. The Division initially set fees for the program, after completion of a cost accounting study, and begun charging individuals who are temporarily lawfully present and those not lawfully present the same fee. After operating the program for a few months it became clear that the tasks needed to be completed to license an individual who is not lawfully present drove the majority of the program costs. This is due to the variability in the types of documents used to verify the identity of the document applicant. On July 15, 2015, the Division implemented new fees for the program. A summary of the initial fees and new fees is provided in the table below:

<b>S.B. 13-251 Fee Summary</b>		
	August 1, 2014	July 15, 2015
<u>Not Lawfully Present</u>		
Drivers License	\$50.50	\$79.58
Instruction Permit	\$14.00	\$48.19
Identification Card	\$14.00	\$26.68
<u>Temporarily Lawfully Present</u>		
Drivers License	\$50.50	\$25.00
Instruction Permit	\$14.00	\$16.80
Identification Card	\$14.00	\$11.50

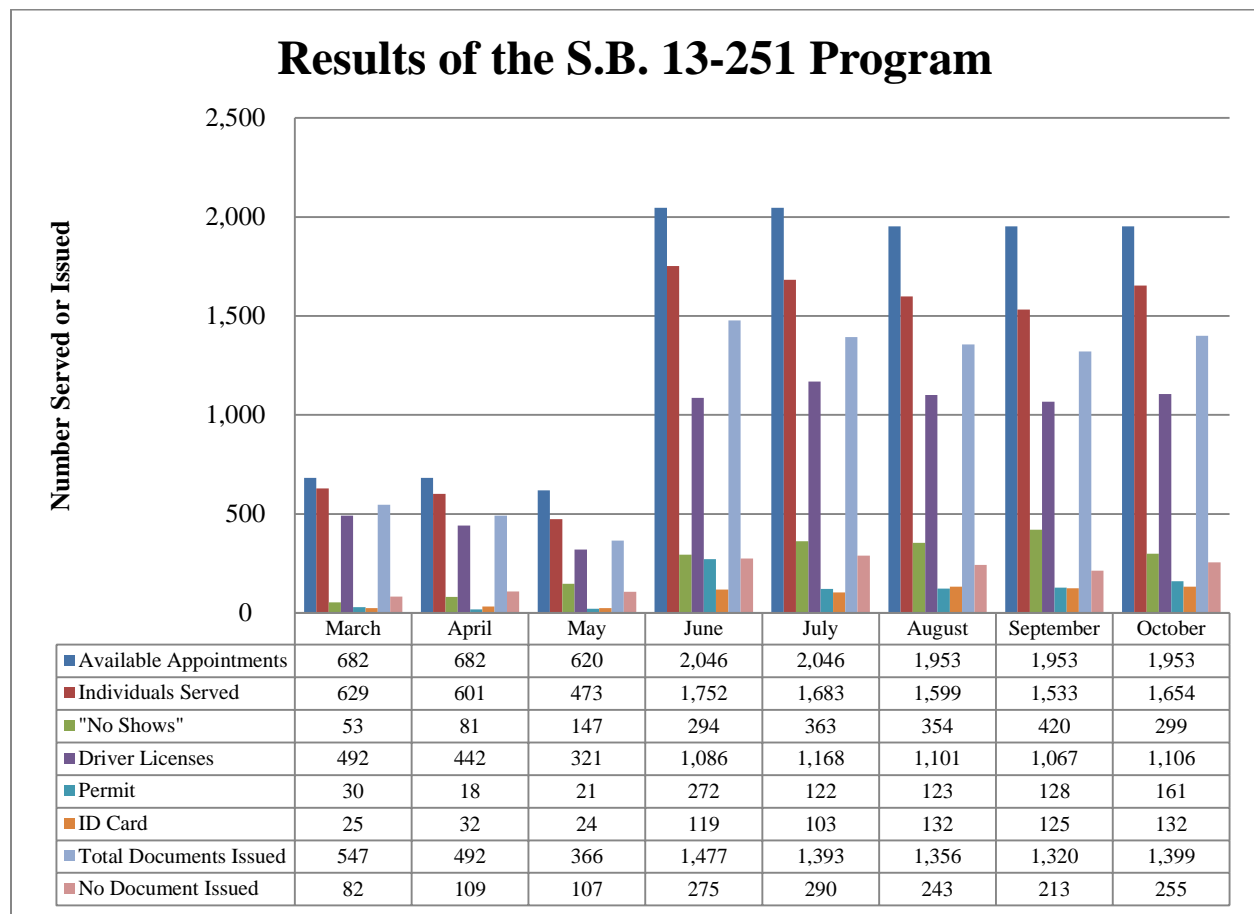
The process for obtaining an identification document for individuals who are lawfully present is nearly identical to the process United States citizens and the Division adjusted the fee for this individuals to reflect that. Consequently, fees were increased for individuals who are unable to demonstrate lawful presence because the process takes significantly more Division resources. The Department provided a cash flow of revenues and expenses attributable to serving

**JBC Staff Budget Briefing: FY 2016-17**  
**Staff Working Document – Does Not Represent Committee Decision**

individuals who are not lawfully present, which is provided in Appendix G: Cash Flow for Individuals Unable to Prove Lawful Presence in the United States.

As evidenced in the cash flow summary, the program for individuals not lawfully present is fully funding itself. In order to operate the program at a level anticipated by the final Fiscal Note prepared in 2013, the General Assembly funded the program at three total offices within the state until the number of customers served reached 66,000. This is the population the Fiscal Note estimated would attempt to participate in the program during a three-year cycle.

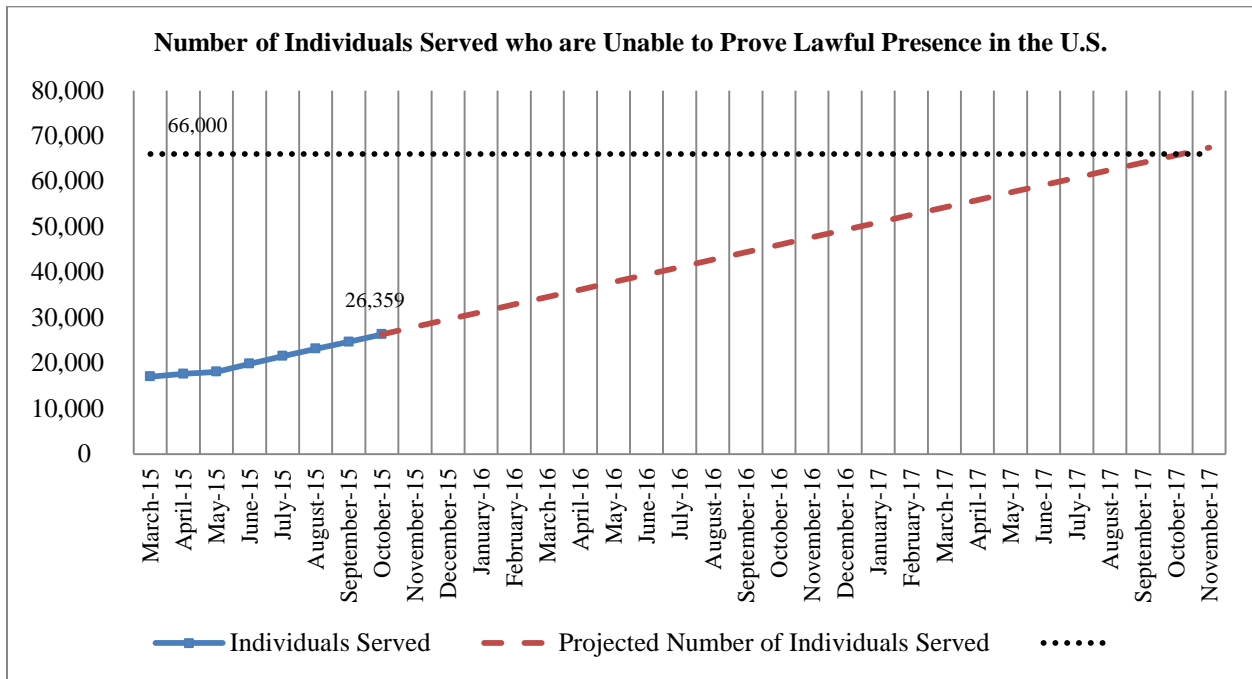
Below is a graphical summary of each potential outcome from program appointments.



Because the documents authorized to be issued under this program are only valid for three years, the DMV and JBC staff agree that the DMV will start seeing renewals under the program beginning in August 2017. Since reopening the three offices in June 2015, where services are provided to those unable to demonstrate lawful presence, the average number of individuals served per month has been 1,642. As of the end of October 2015, the DMV has served a total of 26,359 individuals. By assuming the average number of individuals served per month and

**JBC Staff Budget Briefing: FY 2016-17**  
**Staff Working Document – Does Not Represent Committee Decision**

projecting it out, JBC staff estimates the DMV will finish serving 66,000 individuals in October 2017. The chart below is a graphical depiction of this projection.



Based on the most recent Department projections of revenue generated from providing the identification document service to individuals unable to prove their lawful presence in the United States, JBC staff does not think any adjustments to the program or its level of funding need to be adjusted at this time.

**JBC Staff Budget Briefing: FY 2016-17**  
**Staff Working Document - Does Not Represent Committee Decision**

**Appendix A: Number Pages**

	FY 2013-14 Actual	FY 2014-15 Actual	FY 2015-16 Appropriation	FY 2016-17 Request	Request vs. Appropriation
--	----------------------	----------------------	-----------------------------	-----------------------	------------------------------

**DEPARTMENT OF REVENUE**  
**Barbara Brohl, Executive Director**

**(1) EXECUTIVE DIRECTOR'S OFFICE**

Personal Services	<u>5,505,676</u>	<u>9,800,874</u>	<u>9,137,169</u>	<u>9,289,455</u>	
FTE	61.0	104.1	124.0	124.0	
General Fund	1,748,922	5,215,909	4,133,244	3,720,192	
Cash Funds	144,635	268,116	351,749	355,980	
Reappropriated Funds	3,612,119	4,316,849	4,652,176	5,213,283	
Health, Life, and Dental	<u>8,182,768</u>	<u>8,924,637</u>	<u>11,429,894</u>	<u>10,779,480</u>	*
General Fund	3,196,134	3,212,467	4,617,983	4,599,452	
Cash Funds	4,775,200	5,403,539	6,811,911	6,162,935	
Reappropriated Funds	211,434	308,631	0	17,093	
Short-term Disability	<u>117,770</u>	<u>153,779</u>	<u>161,525</u>	<u>137,089</u>	*
General Fund	48,925	57,926	67,780	60,323	
Cash Funds	65,242	89,498	93,745	76,603	
Reappropriated Funds	3,603	6,355	0	163	
S.B. 04-257 Amortization Equalization Disbursement	<u>2,206,774</u>	<u>2,817,337</u>	<u>3,256,984</u>	<u>3,478,487</u>	*
General Fund	925,665	1,060,378	1,364,916	1,523,905	
Cash Funds	1,217,456	1,641,420	1,892,068	1,950,388	
Reappropriated Funds	63,653	115,539	0	4,194	

**JBC Staff Budget Briefing: FY 2016-17**  
**Staff Working Document - Does Not Represent Committee Decision**

	FY 2013-14 Actual	FY 2014-15 Actual	FY 2015-16 Appropriation	FY 2016-17 Request	Request vs. Appropriation
S.B. 06-235 Supplemental Amortization Equalization					
Disbursement	<u>1,990,862</u>	<u>2,641,254</u>	<u>3,145,951</u>	<u>3,442,252</u>	*
General Fund	832,728	994,105	1,318,385	1,508,030	
Cash Funds	1,100,731	1,538,832	1,827,566	1,930,071	
Reappropriated Funds	57,403	108,317	0	4,151	
Salary Survey	<u>1,583,162</u>	<u>1,882,386</u>	<u>1,013,694</u>	<u>326,822</u>	
General Fund	593,035	984,502	437,145	105,296	
Cash Funds	990,127	897,884	576,549	219,611	
Reappropriated Funds	0	0	0	1,915	
Merit Pay	<u>913,775</u>	<u>640,667</u>	<u>726,034</u>	<u>0</u>	
General Fund	371,263	253,483	296,561	0	
Cash Funds	542,512	387,184	429,473	0	
Reappropriated Funds	0	0	0	0	
Shift Differential	<u>35,690</u>	<u>123,439</u>	<u>123,728</u>	<u>124,573</u>	
General Fund	3,743	3,988	3,858	3,500	
Cash Funds	31,947	119,451	119,870	121,073	
Reappropriated Funds	0	0	0	0	
Workers' Compensation	<u>793,612</u>	<u>932,407</u>	<u>998,853</u>	<u>1,117,343</u>	
General Fund	321,756	356,425	381,825	452,370	
Cash Funds	471,856	575,982	617,028	664,973	
Reappropriated Funds	0	0	0	0	
Operating Expenses	<u>1,085,749</u>	<u>2,013,374</u>	<u>2,266,808</u>	<u>2,266,663</u>	
General Fund	503,869	1,475,126	1,570,428	1,570,283	
Cash Funds	581,880	538,248	696,380	696,380	

\*This line item includes a decision item.

**JBC Staff Budget Briefing: FY 2016-17**  
**Staff Working Document - Does Not Represent Committee Decision**

	FY 2013-14 Actual	FY 2014-15 Actual	FY 2015-16 Appropriation	FY 2016-17 Request	Request vs. Appropriation
Postage	0	<u>3,001,380</u>	<u>3,008,040</u>	<u>3,090,242</u>	*
General Fund	0	2,663,773	2,670,430	2,730,086	
Cash Funds	0	337,607	337,610	360,156	
Legal Services	<u>3,306,147</u>	<u>4,077,024</u>	<u>4,150,402</u>	<u>4,195,701</u>	
General Fund	2,101,747	2,410,984	2,494,963	2,485,414	
Cash Funds	1,204,400	1,666,040	1,655,439	1,710,287	
Administrative Law Judge Services	<u>16,777</u>	<u>10,246</u>	<u>8,063</u>	<u>9,003</u>	*
General Fund	0	0	0	0	
Cash Funds	16,777	10,246	8,063	9,003	
Reappropriated Funds	0	0	0	0	
Payment to Risk Management and Property Funds	<u>218,016</u>	<u>250,807</u>	<u>265,490</u>	<u>332,733</u>	
General Fund	82,705	97,131	102,817	134,942	
Cash Funds	135,311	153,676	162,673	197,791	
Vehicle Lease Payments	<u>537,546</u>	<u>539,127</u>	<u>604,671</u>	<u>660,936</u>	*
General Fund	137,908	135,959	156,556	171,542	
Cash Funds	399,638	403,168	448,115	489,394	
Leased Space	<u>3,434,088</u>	<u>3,714,225</u>	<u>3,899,690</u>	<u>4,276,711</u>	*
General Fund	597,725	616,949	682,040	823,510	
Cash Funds	2,836,363	3,097,276	3,217,650	3,453,201	
Capitol Complex Leased Space	<u>2,153,455</u>	<u>1,666,699</u>	<u>2,326,019</u>	<u>2,221,828</u>	
General Fund	1,375,688	1,100,014	1,690,798	1,475,829	
Cash Funds	777,767	566,685	635,221	745,999	

\*This line item includes a decision item.

**JBC Staff Budget Briefing: FY 2016-17**  
**Staff Working Document - Does Not Represent Committee Decision**

	FY 2013-14 Actual	FY 2014-15 Actual	FY 2015-16 Appropriation	FY 2016-17 Request	Request vs. Appropriation
Payments to OIT	0	<u>16,304,703</u>	<u>15,093,157</u>	<u>15,863,147</u>	*
General Fund	0	8,379,236	7,546,246	8,248,838	
Cash Funds	0	7,925,467	7,546,911	7,614,309	
Reappropriated Funds	0	0	0	0	
 CORE Operations	 <u>313,444</u>	 <u>340,291</u>	 <u>297,297</u>	 <u>431,083</u>	
General Fund	80,654	151,912	121,242	174,529	
Cash Funds	232,790	188,379	176,055	256,554	
 Utilities	 <u>77,614</u>	 <u>79,354</u>	 <u>143,703</u>	 <u>143,703</u>	
Cash Funds	77,614	79,354	143,703	143,703	
 Purchase of Services from Computer Center	 <u>13,373,621</u>	 <u>0</u>	 <u>0</u>	 <u>0</u>	
General Fund	8,285,427	0	0	0	
Cash Funds	5,088,194	0	0	0	
Reappropriated Funds	0	0	0	0	
 Colorado State Network	 <u>3,791,850</u>	 <u>0</u>	 <u>0</u>	 <u>0</u>	
General Fund	539,476	0	0	0	
Cash Funds	3,252,374	0	0	0	
Reappropriated Funds	0	0	0	0	
 Management and Administration of OIT	 <u>605,439</u>	 <u>0</u>	 <u>0</u>	 <u>0</u>	
General Fund	120,546	0	0	0	
Cash Funds	484,893	0	0	0	
Reappropriated Funds	0	0	0	0	

\*This line item includes a decision item.



**JBC Staff Budget Briefing: FY 2016-17**  
**Staff Working Document - Does Not Represent Committee Decision**

	FY 2013-14 Actual	FY 2014-15 Actual	FY 2015-16 Appropriation	FY 2016-17 Request	Request vs. Appropriation
Communication Services Payments	<u>82,173</u>	<u>0</u>	<u>0</u>	<u>0</u>	
General Fund	14,066	0	0	0	
Cash Funds	68,107	0	0	0	
Information Technology Security	<u>151,324</u>	<u>0</u>	<u>0</u>	<u>0</u>	
General Fund	71,081	0	0	0	
Cash Funds	80,243	0	0	0	
<b>TOTAL - (1) Executive Director's Office</b>	50,477,332	59,914,010	62,057,172	62,187,251	0.2%
<i>FTE</i>	<u>61.0</u>	<u>104.1</u>	<u>124.0</u>	<u>124.0</u>	<u>0.0%</u>
General Fund	21,953,063	29,170,267	29,657,217	29,788,041	0.4%
Cash Funds	24,576,057	25,888,052	27,747,779	27,158,411	(2.1%)
Reappropriated Funds	3,948,212	4,855,691	4,652,176	5,240,799	12.7%

**JBC Staff Budget Briefing: FY 2016-17**  
**Staff Working Document - Does Not Represent Committee Decision**

	FY 2013-14 Actual	FY 2014-15 Actual	FY 2015-16 Appropriation	FY 2016-17 Request	Request vs. Appropriation
--	----------------------	----------------------	-----------------------------	-----------------------	------------------------------

**(3) INFORMATION TECHNOLOGY DIVISION**

**(A) System Support**

Personal Services	<u>281,165</u>	<u>540,752</u>	<u>154,656</u>	<u>147,506</u>	
General Fund	174,983	540,752	147,506	147,506	
Cash Funds	106,182	0	7,150	0	
Reappropriated Funds	0	0	0	0	
Operating Expenses	<u>1,433,923</u>	<u>1,339,879</u>	<u>885,318</u>	<u>885,318</u>	
General Fund	1,358,934	1,265,178	809,759	809,759	
Cash Funds	74,989	74,701	75,559	75,559	

<b>SUBTOTAL - (A) System Support</b>	1,715,088	1,880,631	1,039,974	1,032,824	(0.7%)
<i>FTE</i>	<u>0.0</u>	<u>0.0</u>	<u>0.0</u>	<u>0.0</u>	<u>0.0%</u>
General Fund	1,533,917	1,805,930	957,265	957,265	0.0%
Cash Funds	181,171	74,701	82,709	75,559	(8.6%)
Reappropriated Funds	0	0	0	0	0.0%

**(B) Colorado State Titling and Registration System**

Personal Services	<u>309,502</u>	<u>59,882</u>	<u>442,688</u>	<u>442,688</u>	
Cash Funds	309,502	59,882	442,688	442,688	
Operating Expenses	<u>2,217,956</u>	<u>2,555,941</u>	<u>2,617,535</u>	<u>2,617,535</u>	
Cash Funds	2,217,956	2,555,941	2,617,535	2,617,535	
County Office Asset Maintenance	<u>481,794</u>	<u>554,614</u>	<u>568,230</u>	<u>568,230</u>	
Cash Funds	481,794	554,614	568,230	568,230	

**JBC Staff Budget Briefing: FY 2016-17**  
**Staff Working Document - Does Not Represent Committee Decision**

	<b>FY 2013-14 Actual</b>	<b>FY 2014-15 Actual</b>	<b>FY 2015-16 Appropriation</b>	<b>FY 2016-17 Request</b>	<b>Request vs. Appropriation</b>
County Office Improvements	<u>32,964</u>	<u>34,983</u>	<u>40,000</u>	<u>40,000</u>	
Cash Funds	32,964	34,983	40,000	40,000	
<b>SUBTOTAL - (B) Colorado State Titling and Registration System</b>	3,042,216	3,205,420	3,668,453	3,668,453	0.0%
<i>FTE</i>	<u>0.0</u>	<u>0.0</u>	<u>0.0</u>	<u>0.0</u>	<u>0.0%</u>
Cash Funds	3,042,216	3,205,420	3,668,453	3,668,453	0.0%
<b>TOTAL - (3) Information Technology Division</b>	4,757,304	5,086,051	4,708,427	4,701,277	(0.2%)
<i>FTE</i>	<u>0.0</u>	<u>0.0</u>	<u>0.0</u>	<u>0.0</u>	<u>0.0%</u>
General Fund	1,533,917	1,805,930	957,265	957,265	0.0%
Cash Funds	3,223,387	3,280,121	3,751,162	3,744,012	(0.2%)
Reappropriated Funds	0	0	0	0	0.0%

**JBC Staff Budget Briefing: FY 2016-17**  
**Staff Working Document - Does Not Represent Committee Decision**

	FY 2013-14 Actual	FY 2014-15 Actual	FY 2015-16 Appropriation	FY 2016-17 Request	Request vs. Appropriation
<b>(4) TAXATION BUSINESS GROUP</b>					
<b>(A) Administration</b>					
Personal Services	<u>452,003</u>	<u>496,954</u>	<u>523,805</u>	<u>532,823</u>	
FTE	4.7	5.0	5.0	5.0	
General Fund	450,332	495,254	521,452	503,686	
Cash Funds	1,671	1,700	2,353	29,137	
Operating Expenses	<u>8,576</u>	<u>9,280</u>	<u>13,100</u>	<u>13,100</u>	
General Fund	8,576	9,280	13,100	13,100	
Colorado Integrated Tax Architecture Maintenance and Support	<u>2,917,000</u>	<u>3,715,658</u>	<u>3,930,190</u>	<u>4,001,313</u>	
General Fund	1,587,600	3,715,658	3,894,750	3,976,482	
Cash Funds	1,329,400	0	35,440	24,831	
<b>SUBTOTAL - (A) Administration</b>	3,377,579	4,221,892	4,467,095	4,547,236	1.8%
FTE	<u>4.7</u>	<u>5.0</u>	<u>5.0</u>	<u>5.0</u>	<u>0.0%</u>
General Fund	2,046,508	4,220,192	4,429,302	4,493,268	1.4%
Cash Funds	1,331,071	1,700	37,793	53,968	42.8%

**JBC Staff Budget Briefing: FY 2016-17**  
**Staff Working Document - Does Not Represent Committee Decision**

	FY 2013-14 Actual	FY 2014-15 Actual	FY 2015-16 Appropriation	FY 2016-17 Request	Request vs. Appropriation
<b>(B) Taxation and Compliance Division</b>					
Personal Expenses	<u>15,380,359</u>	<u>15,231,360</u>	<u>17,406,855</u>	<u>17,344,416</u>	*
FTE	0.0	227.0	239.6	233.6	
General Fund	14,843,976	14,561,621	16,212,135	16,125,304	
Cash Funds	309,766	669,739	1,040,635	1,065,027	
Reappropriated Funds	226,617	0	154,085	154,085	
Operating Expenses	<u>906,698</u>	<u>858,018</u>	<u>1,075,591</u>	<u>1,111,428</u>	*
General Fund	879,433	853,582	1,049,450	1,085,287	
Cash Funds	27,265	4,436	26,141	26,141	
Joint Audit Program	<u>131,244</u>	<u>131,244</u>	<u>131,244</u>	<u>131,244</u>	
General Fund	131,244	131,244	131,244	131,244	
Mineral Audit Program	<u>815,882</u>	<u>40,815</u>	<u>890,388</u>	<u>890,388</u>	
FTE	11.6	10.0	10.2	10.2	
General Fund	0	0	0	0	
Reappropriated Funds	22,047	40,815	66,000	66,000	
Federal Funds	793,835	0	824,388	824,388	
<b>SUBTOTAL - (B) Taxation and Compliance Division</b>	17,234,183	16,261,437	19,504,078	19,477,476	(0.1%)
FTE	<u>11.6</u>	<u>237.0</u>	<u>249.8</u>	<u>243.8</u>	(2.4%)
General Fund	15,854,653	15,546,447	17,392,829	17,341,835	(0.3%)
Cash Funds	337,031	674,175	1,066,776	1,091,168	2.3%
Reappropriated Funds	248,664	40,815	220,085	220,085	0.0%
Federal Funds	793,835	0	824,388	824,388	0.0%

\*This line item includes a decision item.

**JBC Staff Budget Briefing: FY 2016-17**  
**Staff Working Document - Does Not Represent Committee Decision**

	FY 2013-14 Actual	FY 2014-15 Actual	FY 2015-16 Appropriation	FY 2016-17 Request	Request vs. Appropriation
<b>(C) Taxpayer Service Division</b>					
Personal Services	<u>4,596,929</u>	<u>5,808,828</u>	<u>6,930,494</u>	<u>8,190,969</u>	*
FTE	78.6	103.2	113.1	136.2	
General Fund	4,472,749	5,642,180	6,628,771	7,886,104	
Cash Funds	124,180	166,648	301,723	304,865	
Reappropriated Funds	0	0	0	0	
Operating Expenses	<u>349,547</u>	<u>316,073</u>	<u>484,891</u>	<u>480,998</u>	*
General Fund	349,547	313,986	475,508	476,318	
Cash Funds	0	2,087	9,383	4,680	
Reappropriated Funds	0	0	0	0	
Seasonal Tax Processing	<u>0</u>	<u>320,638</u>	<u>296,391</u>	<u>296,391</u>	
General Fund	0	320,638	296,391	296,391	
Document Management	<u>0</u>	<u>2,907,883</u>	<u>2,948,846</u>	<u>3,047,733</u>	*
General Fund	0	2,905,724	2,909,341	3,009,214	
Cash Funds	0	2,159	39,505	38,519	
Reappropriated Funds	0	0	0	0	
Fuel Tracking System	<u>627,572</u>	<u>518,220</u>	<u>566,082</u>	<u>494,598</u>	
FTE	1.5	0.0	1.5	1.5	
General Fund	0	0	0	0	
Cash Funds	627,572	518,220	566,082	494,598	
Indirect Cost Assessment	<u>6,450</u>	<u>7,332</u>	<u>10,380</u>	<u>9,708</u>	
Cash Funds	6,450	7,332	10,380	9,708	

\*This line item includes a decision item.

**JBC Staff Budget Briefing: FY 2016-17**  
**Staff Working Document - Does Not Represent Committee Decision**

	<b>FY 2013-14 Actual</b>	<b>FY 2014-15 Actual</b>	<b>FY 2015-16 Appropriation</b>	<b>FY 2016-17 Request</b>	<b>Request vs. Appropriation</b>
<b>SUBTOTAL - (C) Taxpayer Service Division</b>	5,580,498	9,878,974	11,237,084	12,520,397	11.4%
<i>FTE</i>	<u>80.1</u>	<u>103.2</u>	<u>114.6</u>	<u>137.7</u>	<u>20.2%</u>
General Fund	4,822,296	9,182,528	10,310,011	11,668,027	13.2%
Cash Funds	758,202	696,446	927,073	852,370	(8.1%)
Reappropriated Funds	0	0	0	0	0.0%

**(D) Tax Conferee**

Personal Services	<u>1,625,748</u>	<u>1,214,326</u>	<u>2,649,239</u>	<u>2,699,033</u>
<i>FTE</i>	<u>12.9</u>	<u>12.4</u>	<u>12.5</u>	<u>12.9</u>
General Fund	1,625,748	1,214,326	2,649,239	2,699,033
Cash Funds	0	0	0	0
Operating Expenses	<u>25,172</u>	<u>29,060</u>	<u>64,751</u>	<u>64,772</u>
General Fund	25,172	29,060	64,751	64,772
Cash Funds	0	0	0	0

<b>SUBTOTAL - (D) Tax Conferee</b>	1,650,920	1,243,386	2,713,990	2,763,805	1.8%
<i>FTE</i>	<u>12.9</u>	<u>12.4</u>	<u>12.5</u>	<u>12.9</u>	<u>3.2%</u>
General Fund	1,650,920	1,243,386	2,713,990	2,763,805	1.8%
Cash Funds	0	0	0	0	0.0%

**(E) Special Purpose**

Cigarette Tax Rebate	<u>10,428,361</u>	<u>10,461,631</u>	<u>10,600,000</u>	<u>9,111,999</u>
General Fund	10,428,361	0	10,600,000	9,111,999
General Fund Exempt	0	10,461,631	0	0
Cash Funds	0	0	0	0

**JBC Staff Budget Briefing: FY 2016-17**  
**Staff Working Document - Does Not Represent Committee Decision**

	<b>FY 2013-14 Actual</b>	<b>FY 2014-15 Actual</b>	<b>FY 2015-16 Appropriation</b>	<b>FY 2016-17 Request</b>	<b>Request vs. Appropriation</b>
Amendment 35 Distribution to Local Governments	<u>1,264,830</u>	<u>1,304,900</u>	<u>900,000</u>	<u>1,230,000</u>	
General Fund Exempt	0	1,304,900	0	0	
Cash Funds	1,264,830	0	900,000	1,230,000	
Old Age Heat and Fuel and Property Tax Assistance					
Grant	<u>6,030,061</u>	<u>5,622,987</u>	<u>6,600,000</u>	<u>5,300,000</u>	
General Fund	6,030,061	0	6,600,000	5,300,000	
General Fund Exempt	0	5,622,987	0	0	
Commercial Vehicle Enterprise Sales Tax Refund	<u>27,142</u>	<u>55,586</u>	<u>120,524</u>	<u>120,524</u>	
Cash Funds	27,142	55,586	120,524	120,524	
Retail Marijuana Sales Tax Distribution to Local					
Governments	<u>1,359,814</u>	<u>5,908,308</u>	<u>6,300,000</u>	<u>8,195,706</u>	
General Fund	1,359,814	0	6,300,000	8,195,706	
General Fund Exempt	0	5,908,308	0	0	
Cash Funds	0	0	0	0	
<b>SUBTOTAL - (E) Special Purpose</b>	19,110,208	23,353,412	24,520,524	23,958,229	(2.3%)
<i>FTE</i>	<u>0.0</u>	<u>0.0</u>	<u>0.0</u>	<u>0.0</u>	<u>0.0%</u>
General Fund	17,818,236	0	23,500,000	22,607,705	(3.8%)
General Fund Exempt	0	23,297,826	0	0	0.0%
Cash Funds	1,291,972	55,586	1,020,524	1,350,524	32.3%



**JBC Staff Budget Briefing: FY 2016-17**  
**Staff Working Document - Does Not Represent Committee Decision**

	<b>FY 2013-14 Actual</b>	<b>FY 2014-15 Actual</b>	<b>FY 2015-16 Appropriation</b>	<b>FY 2016-17 Request</b>	<b>Request vs. Appropriation</b>
<b>TOTAL - (4) Taxation Business Group</b>	46,953,388	54,959,101	62,442,771	63,267,143	1.3%
<i>FTE</i>	<u>109.3</u>	<u>357.6</u>	<u>381.9</u>	<u>399.4</u>	<u>4.6%</u>
General Fund	42,192,613	30,192,553	58,346,132	58,874,640	0.9%
General Fund Exempt	0	23,297,826	0	0	0.0%
Cash Funds	3,718,276	1,427,907	3,052,166	3,348,030	9.7%
Reappropriated Funds	248,664	40,815	220,085	220,085	0.0%
Federal Funds	793,835	0	824,388	824,388	0.0%

**JBC Staff Budget Briefing: FY 2016-17**  
**Staff Working Document - Does Not Represent Committee Decision**

	FY 2013-14 Actual	FY 2014-15 Actual	FY 2015-16 Appropriation	FY 2016-17 Request	Request vs. Appropriation
--	----------------------	----------------------	-----------------------------	-----------------------	------------------------------

**(5) DIVISION OF MOTOR VEHICLES**

**(A) Administration**

Personal Services	0	<u>1,489,513</u>	<u>1,573,666</u>	<u>1,591,393</u>	
FTE	0.0	9.6	18.9	18.9	
General Fund	0	29,761	229,494	234,776	
Cash Funds	0	1,413,009	1,292,827	1,305,272	
Reappropriated Funds	0	46,743	51,345	51,345	
Operating Expenses	0	<u>81,190</u>	<u>85,244</u>	<u>85,244</u>	
General Fund	0	1,670	12,340	12,478	
Cash Funds	0	76,221	69,514	69,376	
Reappropriated Funds	0	3,299	3,390	3,390	

<b>SUBTOTAL - (A) Administration</b>	0	1,570,703	1,658,910	1,676,637	1.1%
FTE	<u>0.0</u>	<u>9.6</u>	<u>18.9</u>	<u>18.9</u>	<u>0.0%</u>
General Fund	0	31,431	241,834	247,254	2.2%
Cash Funds	0	1,489,230	1,362,341	1,374,648	0.9%
Reappropriated Funds	0	50,042	54,735	54,735	0.0%

**(B) Driver Services**

Personal Services	0	<u>15,482,311</u>	<u>19,309,721</u>	<u>19,812,451</u>	
FTE	0.0	355.1	399.1	399.1	
General Fund	0	9,035,849	7,148,247	3,031,041	
Cash Funds	0	6,403,097	12,052,355	16,672,291	
Reappropriated Funds	0	43,365	109,119	109,119	

**JBC Staff Budget Briefing: FY 2016-17**  
**Staff Working Document - Does Not Represent Committee Decision**

	<b>FY 2013-14 Actual</b>	<b>FY 2014-15 Actual</b>	<b>FY 2015-16 Appropriation</b>	<b>FY 2016-17 Request</b>	<b>Request vs. Appropriation</b>
Operating Expenses	<u>0</u>	<u>1,737,745</u>	<u>2,096,686 0.0</u>	<u>2,096,686 0.0</u>	
General Fund	0	355,113	418,104	418,104	
Cash Funds	0	1,372,158	1,668,412	1,668,412	
Reappropriated Funds	0	10,474	10,170	10,170	
Drivers License Documents	<u>0</u>	<u>4,304,131</u>	<u>4,365,339</u>	<u>5,201,840</u> *	
Cash Funds	0	4,304,131	4,365,339	5,201,840	
Ignition Interlock Program	<u>0</u>	<u>835,857</u>	<u>1,226,667</u>	<u>1,231,243</u>	
FTE	0.0	6.2	6.9	6.9	
General Fund	0	0	0	0	
Cash Funds	0	835,857	1,226,667	1,231,243	
Reappropriated Funds	0	0	0	0	
Indirect Cost Assessment	<u>0</u>	<u>1,641,119</u>	<u>2,450,655</u>	<u>2,271,782</u>	
Cash Funds	0	1,641,119	2,450,655	2,271,782	
<b>SUBTOTAL - (B) Driver Services</b>	<b>0</b>	<b>24,001,163</b>	<b>29,449,068</b>	<b>30,614,002</b>	<b>4.0%</b>
<i>FTE</i>	<u>0.0</u>	<u>361.3</u>	<u>406.0</u>	<u>406.0</u>	<u>(0.0%)</u>
General Fund	0	9,390,962	7,566,351	3,449,145	(54.4%)
Cash Funds	0	14,556,362	21,763,428	27,045,568	24.3%
Reappropriated Funds	0	53,839	119,289	119,289	0.0%

**(C) Vehicle Services**

Personal Services	<u>0</u>	<u>2,489,250</u>	<u>2,560,635</u>	<u>2,605,702</u>
FTE	0.0	44.0	49.2	49.2
General Fund	0	436,648	446,139	453,247
Cash Funds	0	2,052,602	2,114,496	2,152,455

**JBC Staff Budget Briefing: FY 2016-17**  
**Staff Working Document - Does Not Represent Committee Decision**

	FY 2013-14 Actual	FY 2014-15 Actual	FY 2015-16 Appropriation	FY 2016-17 Request	Request vs. Appropriation
Operating Expenses	0	454,034	454,034	454,034	
General Fund	0	27,169	27,169	27,169	
Cash Funds	0	426,865	426,865	426,865	
License Plate Ordering	0	5,224,811	5,951,944	6,117,753	
General Fund	0	70,026	9,539	6,673	
Cash Funds	0	5,154,785	5,942,405	6,111,080	
Motorist Insurance Identification Database Program	0	231,109	337,006	337,006	
FTE	0.0	0.6	1.0	1.0	
Cash Funds	0	231,109	337,006	337,006	
Emissions Program	0	1,063,814	1,233,846	1,253,399	
FTE	0.0	13.9	15.0	15.0	
Cash Funds	0	1,063,814	1,233,846	1,253,399	
Indirect Cost Assessment	0	572,040	366,547	377,228	
Cash Funds	0	572,040	366,547	377,228	
<b>SUBTOTAL - (C) Vehicle Services</b>	0	10,035,058	10,904,012	11,145,122	2.2%
FTE	0.0	58.5	65.2	65.2	0.0%
General Fund	0	533,843	482,847	487,089	0.9%
Cash Funds	0	9,501,215	10,421,165	10,658,033	2.3%
<b>TOTAL - (5) Division of Motor Vehicles</b>	0	35,606,924	42,011,990	43,435,761	3.4%
FTE	0.0	429.4	490.1	490.1	(0.0%)
General Fund	0	9,956,236	8,291,032	4,183,488	(49.5%)
Cash Funds	0	25,546,807	33,546,934	39,078,249	16.5%
Reappropriated Funds	0	103,881	174,024	174,024	0.0%

**JBC Staff Budget Briefing: FY 2016-17**  
**Staff Working Document - Does Not Represent Committee Decision**

	FY 2013-14 Actual	FY 2014-15 Actual	FY 2015-16 Appropriation	FY 2016-17 Request	Request vs. Appropriation
--	----------------------	----------------------	-----------------------------	-----------------------	------------------------------

**(6) ENFORCEMENT BUSINESS GROUP**

**(A) Administration**

Personal Services	<u>599,795</u>	<u>659,909</u>	<u>703,273</u>	<u>716,238</u>	
FTE	0.0	7.6	8.0	8.0	
General Fund	18,727	19,864	21,821	5,931	
Cash Funds	327,225	375,925	418,348	420,113	
Reappropriated Funds	253,843	264,120	263,104	290,194	
Operating Expenses	<u>11,744</u>	<u>12,078</u>	<u>12,780</u>	<u>12,780</u>	
General Fund	400	369	397	106	
Cash Funds	6,419	6,898	7,602	7,496	
Reappropriated Funds	4,925	4,811	4,781	5,178	

<b>SUBTOTAL - (A) Administration</b>	611,539	671,987	716,053	729,018	1.8%
FTE	<u>0.0</u>	<u>7.6</u>	<u>8.0</u>	<u>8.0</u>	<u>0.0%</u>
General Fund	19,127	20,233	22,218	6,037	(72.8%)
Cash Funds	333,644	382,823	425,950	427,609	0.4%
Reappropriated Funds	258,768	268,931	267,885	295,372	10.3%

**(B) Limited Gaming Division**

Personal Services	<u>6,217,594</u>	<u>6,304,904</u>	<u>6,969,534</u>	<u>7,061,007</u> *	
FTE	82.6	81.6	84.4	91.0	
Cash Funds	6,217,594	6,304,904	6,969,534	7,061,007	

\*This line item includes a decision item.

**JBC Staff Budget Briefing: FY 2016-17**  
**Staff Working Document - Does Not Represent Committee Decision**

	FY 2013-14 Actual	FY 2014-15 Actual	FY 2015-16 Appropriation	FY 2016-17 Request	Request vs. Appropriation
Operating Expenses	0	<u>525,112</u>	<u>1,331,739</u>	<u>1,032,595</u>	*
Cash Funds	0	525,112	1,331,739	1,032,595	
Payments to Other State Agencies	<u>3,873,005</u>	<u>3,807,263</u>	<u>3,853,589</u>	<u>4,497,011</u>	*
Cash Funds	3,873,005	3,807,263	3,853,589	4,497,011	
Distribution to Gaming Cities and Counties	<u>92,211,148</u>	<u>97,201,481</u>	<u>23,788,902</u>	<u>23,788,902</u>	
Cash Funds	92,211,148	97,201,481	23,788,902	23,788,902	
Indirect Cost Assessment	<u>640,282</u>	<u>682,531</u>	<u>332,466</u>	<u>599,627</u>	
Cash Funds	640,282	682,531	332,466	599,627	
<b>SUBTOTAL - (B) Limited Gaming Division</b>	102,942,029	108,521,291	36,276,230	36,979,142	1.9%
FTE	<u>82.6</u>	<u>81.6</u>	<u>84.4</u>	<u>91.0</u>	<u>7.8%</u>
General Fund	0	0	0	0	0.0%
Cash Funds	102,942,029	108,521,291	36,276,230	36,979,142	1.9%

\*This line item includes a decision item.

**JBC Staff Budget Briefing: FY 2016-17**  
**Staff Working Document - Does Not Represent Committee Decision**

	<b>FY 2013-14 Actual</b>	<b>FY 2014-15 Actual</b>	<b>FY 2015-16 Appropriation</b>	<b>FY 2016-17 Request</b>	<b>Request vs. Appropriation</b>
<b>(C) Liquor and Tobacco Enforcement Division</b>					
Personal Services	<u>2,117,008</u>	<u>2,125,114</u>	<u>2,350,681</u>	<u>2,385,112</u>	
FTE	0.0	27.1	26.5	26.5	
General Fund	135,022	90,031	159,107	167,277	
Cash Funds	1,981,986	2,035,083	2,191,574	2,217,835	
Operating Expenses	<u>95,030</u>	<u>93,679</u>	<u>97,919</u>	<u>97,919</u>	
General Fund	7,029	6,744	7,201	7,201	
Cash Funds	88,001	86,935	90,718	90,718	
Indirect Cost Assessment	<u>130,872</u>	<u>131,668</u>	<u>129,349</u>	<u>165,085</u>	
Cash Funds	130,872	131,668	129,349	165,085	
<b>SUBTOTAL - (C) Liquor and Tobacco Enforcement</b>					
<b>Division</b>	2,342,910	2,350,461	2,577,949	2,648,116	2.7%
FTE	<u>0.0</u>	<u>27.1</u>	<u>26.5</u>	<u>26.5</u>	<u>0.0%</u>
General Fund	142,051	96,775	166,308	174,478	4.9%
Cash Funds	2,200,859	2,253,686	2,411,641	2,473,638	2.6%

**JBC Staff Budget Briefing: FY 2016-17**  
**Staff Working Document - Does Not Represent Committee Decision**

	<b>FY 2013-14 Actual</b>	<b>FY 2014-15 Actual</b>	<b>FY 2015-16 Appropriation</b>	<b>FY 2016-17 Request</b>	<b>Request vs. Appropriation</b>
<b>(D) Division of Racing Events</b>					
Personal Services	<u>754,594</u>	<u>847,841</u>	<u>912,810</u>	<u>925,806</u>	
FTE	7.7	8.1	7.7	7.7	
Cash Funds	754,594	847,841	912,810	925,806	
Operating Expenses	<u>190,821</u>	<u>162,207</u>	<u>221,627</u>	<u>221,627</u>	
Cash Funds	190,821	162,207	221,627	221,627	
Purses and Breeders Awards	<u>1,287,072</u>	<u>1,400,000</u>	<u>1,400,000</u>	<u>1,400,000</u>	
Cash Funds	1,287,072	1,400,000	1,400,000	1,400,000	
Indirect Cost Assessment	<u>88,255</u>	<u>65,834</u>	<u>48,946</u>	<u>50,283</u>	
Cash Funds	88,255	65,834	48,946	50,283	
<b>SUBTOTAL - (D) Division of Racing Events</b>	2,320,742	2,475,882	2,583,383	2,597,716	0.6%
FTE	<u>7.7</u>	<u>8.1</u>	<u>7.7</u>	<u>7.7</u>	<u>0.0%</u>
General Fund	0	0	0	0	0.0%
Cash Funds	2,320,742	2,475,882	2,583,383	2,597,716	0.6%



**JBC Staff Budget Briefing: FY 2016-17**  
**Staff Working Document - Does Not Represent Committee Decision**

	FY 2013-14 Actual	FY 2014-15 Actual	FY 2015-16 Appropriation	FY 2016-17 Request	Request vs. Appropriation
<b>(E) Hearings Division</b>					
Personal Services	<u>1,759,199</u>	<u>1,864,858</u>	<u>2,329,806</u>	<u>2,365,531</u>	
FTE	0.0	26.6	29.6	29.6	
General Fund	0	0	178,955	178,955	
Cash Funds	1,759,199	1,864,858	2,150,851	2,186,576	
Operating Expenses	<u>81,195</u>	<u>92,217</u>	<u>101,408</u>	<u>101,408</u>	
General Fund	0	0	2,470	2,470	
Cash Funds	81,195	92,217	98,938	98,938	
Indirect Cost Assessment	<u>0</u>	<u>423,379</u>	<u>141,989</u>	<u>174,821</u>	
Cash Funds	0	423,379	141,989	174,821	
<b>SUBTOTAL - (E) Hearings Division</b>	1,840,394	2,380,454	2,573,203	2,641,760	2.7%
FTE	<u>0.0</u>	<u>26.6</u>	<u>29.6</u>	<u>29.6</u>	<u>0.0%</u>
General Fund	0	0	181,425	181,425	0.0%
Cash Funds	1,840,394	2,380,454	2,391,778	2,460,335	2.9%

**(F) Motor Vehicle Dealer Licensing Board**

Personal Services	<u>1,696,659</u>	<u>1,815,118</u>	<u>1,974,099</u>	<u>2,005,769</u>
FTE	25.6	26.1	27.2	27.2
Cash Funds	1,696,659	1,815,118	1,974,099	2,005,769
Operating Expenses	<u>118,400</u>	<u>296,999</u>	<u>134,684</u>	<u>134,684</u>
Cash Funds	118,400	296,999	134,684	134,684
Indirect Cost Assessment	<u>147,944</u>	<u>142,643</u>	<u>186,740</u>	<u>177,626</u>
Cash Funds	147,944	142,643	186,740	177,626

**JBC Staff Budget Briefing: FY 2016-17**  
**Staff Working Document - Does Not Represent Committee Decision**

	<b>FY 2013-14 Actual</b>	<b>FY 2014-15 Actual</b>	<b>FY 2015-16 Appropriation</b>	<b>FY 2016-17 Request</b>	<b>Request vs. Appropriation</b>
<b>SUBTOTAL - (F) Motor Vehicle Dealer Licensing</b>					
<b>Board</b>	1,963,003	2,254,760	2,295,523	2,318,079	1.0%
<i>FTE</i>	<u>25.6</u>	<u>26.1</u>	<u>27.2</u>	<u>27.2</u>	<u>0.0%</u>
Cash Funds	1,963,003	2,254,760	2,295,523	2,318,079	1.0%
<b>(G) Marijuana Enforcement</b>					
Marijuana Enforcement	<u>3,593,823</u>	<u>4,734,175</u>	<u>7,539,624</u>	<u>7,681,001</u>	
<i>FTE</i>	<u>27.2</u>	<u>46.6</u>	<u>70.6</u>	<u>72.2</u>	
Cash Funds	3,593,823	4,734,175	7,539,624	7,681,001	
Indirect Cost Assessment	<u>318,170</u>	<u>414,853</u>	<u>524,845</u>	<u>640,147</u>	
Cash Funds	318,170	414,853	524,845	640,147	
<b>SUBTOTAL - (G) Marijuana Enforcement</b>					
<i>FTE</i>	<u>27.2</u>	<u>46.6</u>	<u>70.6</u>	<u>72.2</u>	<u>2.3%</u>
Cash Funds	3,911,993	5,149,028	8,064,469	8,321,148	3.2%
<b>TOTAL - (6) Enforcement Business Group</b>					
<i>FTE</i>	<u>143.1</u>	<u>223.7</u>	<u>254.0</u>	<u>262.2</u>	<u>3.2%</u>
General Fund	161,178	117,008	369,951	361,940	(2.2%)
Cash Funds	115,512,664	123,417,924	54,448,974	55,577,667	2.1%
Reappropriated Funds	258,768	268,931	267,885	295,372	10.3%

**JBC Staff Budget Briefing: FY 2016-17**  
**Staff Working Document - Does Not Represent Committee Decision**

	FY 2013-14 Actual	FY 2014-15 Actual	FY 2015-16 Appropriation	FY 2016-17 Request	Request vs. Appropriation
<b>(8) STATE LOTTERY DIVISION</b>					
Personal Services	<u>7,833,796</u>	<u>8,047,988</u>	<u>9,335,677</u>	<u>9,490,911</u>	
FTE	119.5	116.7	117.1	117.1	
Cash Funds	7,833,796	8,047,988	9,335,677	9,490,911	
Operating Expenses	<u>833,529</u>	<u>1,039,886</u>	<u>1,203,156</u>	<u>1,203,156</u>	
Cash Funds	833,529	1,039,886	1,203,156	1,203,156	
Payments to Other State Agencies	<u>134,175</u>	<u>95,569</u>	<u>239,410</u>	<u>239,410</u>	
Cash Funds	134,175	95,569	239,410	239,410	
Travel	<u>51,803</u>	<u>103,705</u>	<u>113,498</u>	<u>113,498</u>	
Cash Funds	51,803	103,705	113,498	113,498	
Marketing and Communications	<u>13,439,653</u>	<u>13,692,689</u>	<u>14,700,000</u>	<u>14,700,000</u>	
Cash Funds	13,439,653	13,692,689	14,700,000	14,700,000	
Multi-State Lottery Fees	<u>85,228</u>	<u>127,709</u>	<u>177,433</u>	<u>177,433</u>	
Cash Funds	85,228	127,709	177,433	177,433	
Vendor Fees	<u>9,595,025</u>	<u>9,182,204</u>	<u>12,571,504</u>	<u>12,571,504</u>	
Cash Funds	9,595,025	9,182,204	12,571,504	12,571,504	
Retailer Compensation	<u>40,212,982</u>	<u>39,815,292</u>	<u>52,241,350</u>	<u>52,241,350</u>	
Cash Funds	40,212,982	39,815,292	52,241,350	52,241,350	
Ticket Costs	<u>3,609,710</u>	<u>3,354,635</u>	<u>6,578,000</u>	<u>6,578,000</u>	
Cash Funds	3,609,710	3,354,635	6,578,000	6,578,000	

**JBC Staff Budget Briefing: FY 2016-17**  
**Staff Working Document - Does Not Represent Committee Decision**

	FY 2013-14 Actual	FY 2014-15 Actual	FY 2015-16 Appropriation	FY 2016-17 Request	Request vs. Appropriation
Research	<u>189,629</u>	<u>130,765</u>	<u>250,000</u>	<u>250,000</u>	
Cash Funds	189,629	130,765	250,000	250,000	
Indirect Cost Assessment	<u>486,936</u>	<u>529,826</u>	<u>460,259</u>	<u>746,976</u>	
Cash Funds	486,936	529,826	460,259	746,976	
<b>TOTAL - (8) State Lottery Division</b>	76,472,466	76,120,268	97,870,287	98,312,238	0.5%
<i>FTE</i>	<u>119.5</u>	<u>116.7</u>	<u>117.1</u>	<u>117.1</u>	<u>0.0%</u>
General Fund	0	0	0	0	0.0%
Cash Funds	76,472,466	76,120,268	97,870,287	98,312,238	0.5%
<b>TOTAL - Department of Revenue</b>	294,593,100	355,490,217	324,177,457	328,138,649	1.2%
<i>FTE</i>	<u>432.9</u>	<u>1,231.5</u>	<u>1,367.1</u>	<u>1,392.8</u>	<u>1.9%</u>
General Fund	65,840,771	71,241,994	97,621,597	94,165,374	(3.5%)
General Fund Exempt	0	23,297,826	0	0	0.0%
Cash Funds	223,502,850	255,681,079	220,417,302	227,218,607	3.1%
Reappropriated Funds	4,455,644	5,269,318	5,314,170	5,930,280	11.6%
Federal Funds	793,835	0	824,388	824,388	0.0%

## **Appendix B: Recent Legislation Affecting Department Budget**

### **2014 Session Bills**

**S.B. 14-014 (Property Tax, Rent, and Heat Rebate Program):** Makes changes to the Property Tax, Rent, and Heat Rebate (PTC) Program by:

- increasing the maximum property tax and rent rebate for income-eligible claimants to \$700;
- establishing a "flat rate" rebate for both the property tax and rent rebate and the heat rebate in an expanded range of income eligibility; and
- implementing certain recommendations of the August 2013 Legislative Audit of the program.

For FY 2014-15 appropriates \$177,129 General Fund to the Department of Revenue in FY 2014-15, and an allocation of 0.5 FTE. Of this amount, \$31,400 is reappropriated to the Department of Personnel. Appropriates \$2,356,965 General Fund for PTC rebates to the Department. Pursuant to Section 39-31-102 (1), C.R.S., appropriations for the Old Age Heat and Fuel and Property Tax Assistance Grant program are included in the Long Bill for informational purposes and are not deemed to be appropriations subject to the limitations of Section 24-75-201.1, C.R.S. The bill also appropriates \$4,092 for CBMS changes in FY 2014-15, as follows:

- \$1,397 to the Department of Health Care Policy and Financing (HCPF) (\$684 from the General Fund, \$9 from the Children's Basic Health Plan Trust, \$4 from the Old Age Pension Cash Fund, and \$700 from federal funds), of which the whole amount is reappropriated to the Department of Human Services (DHS); and
- \$4,092 to DHS (\$976 from the General Fund, \$131 from the Old Age Pension Cash Fund, \$1,588 from federal funds, and \$1,397 reappropriated funds from HCPF), of which the entire amount is reappropriated to the Governor's Office of Information Technology.

**S.B. 14-030 (Distinguished Flying Cross License Plate Fee):** Eliminates all fees for one set of Distinguished Flying Cross license plates, if the cross was awarded for valor. For FY 2014-15 appropriates \$824 cash funds to the Department for programming costs and reappropriates the same amount to the Governor's Office of Information Technology to perform the programming for the Department of the Revenue.

**S.B. 14-036 (Emergency Medical Services License Plate):** Creates the Emergency Medical Services (EMS) special license plate. For FY 2014-15 appropriates \$10,040 cash funds to the Department of Revenue for computer programming and license plate costs. Reappropriates \$4,120 to the Governor's Office of Information Technology to perform the programming.

**S.B. 14-041 (USS Colorado Submarine License Plate):** Creates the USS Colorado special license plate. For FY 2014-15 appropriates \$5,778 cash funds to the Department for computer programming and license plate costs. Reappropriates \$4,120 to the Governor's Office of Information Technology to perform the programming.

**S.B. 14-073 (Brownfield Contaminated Land Income Tax Credit):** Creates an income tax credit for individuals, organizations, and qualified entities that perform any approved environmental remediation of contaminated property. The tax credit is limited to 40.0 percent of the first \$750,000 expended for the approved remediation. For FY 2014-15 appropriates \$58,710 General Fund to the Department for computer programming costs. For additional information on S.B. 14-073, see the "Recent Legislation" section for the Department of Public Health and Environment.

**S.B. 14-075 (Deployed Military Motor Vehicle Fees and Taxes):** Exempts members of the United States armed forces who are Colorado residents and deployed outside of the U.S. for a full year from paying certain motor vehicle registration fees. For FY 2014-15 appropriates \$116,858 total funds, including \$12,828 General Fund and \$104,030 cash funds to the Department of Revenue for FY 2014-15. Reappropriates \$104,030 to the Governor's Office of Information Technology to perform the programming. For additional information on S.B. 14-075, see the "Recent Legislation" section for the Department of Education.

**S.B. 14-087 (Identification Cards Issuance Standards):** Requires the Department to report to the Transportation Legislation Review Committee (TLRC) of the General Assembly each year regarding the effectiveness of exceptions processing. For FY 2014-15 appropriates \$43,260 General Fund to the Department and reappropriates the same amount to the Governor's Office of Information Technology to perform the programming.

**S.B. 14-129 (Marijuana Criminal Provision Clean-up):** Makes changes to a number of laws related to criminal penalties for offenses involving marijuana, including adding consumption and possession of marijuana and possession of marijuana paraphernalia to the crime of underage possession or consumption of alcohol and changing the associated penalty structure. Appropriates \$4,120 cash funds from the Marijuana Cash Fund to the Department of Revenue for FY 2013-14 to make related changes to its driver license system, and appropriates \$4,120 reappropriated funds to the Governor's Office of Information Technology for the provision of computer center services. For additional information on S.B. 14-129, see the "Recent Legislation" section for the Department of Human Services.

**S.B. 14-161 (Update Uniform Election Code of 1992):** The "Voter Access and Modernized Elections Act", enacted in 2013, made various changes to the "Uniform Election Code of 1992". To facilitate implementation of that act and the conduct of elections generally, the bill makes various corrections, clarifications, and alterations to the code. Appropriates \$30,000 General Fund to the Department for FY 2013-14. For additional information on S.B. 14-161, see the "Recent Legislation" section for the Department of State.

**S.B. 14-194 (Issuance of Identification Documents by the Department of Revenue):** Amends the laws guiding the issuance of identification documents including:

- defines exceptions processing and requires that by September 1, 2014, the Department of Revenue (DOR) provide in-person exceptions processing services in at least four regional offices that are operated by the DOR and that issue drivers licenses;

*JBC Staff Budget Briefing: FY 2016-17*  
*Staff Working Document – Does Not Represent Committee Decision*

---

- establishes increased fees for the issuance of drivers licenses, instructional permit applications, duplicate permits and duplicate minor's drivers licenses, identification cards, and commercial drivers licenses;
- authorizes the DOR to assess an additional fee for the issuance of a drivers license when an applicant retakes the knowledge or driving exam;
- authorizes the DOR to raise or lower fees established in statute related to the issuance of drivers licenses and identification cards, except that the DOR cannot increase fees by more than 20 percent in FY 2015-16, and by not more than 5 percent beginning in FY 2016-17 and each year thereafter;
- requires that if a rule is created to raise a fee, the rule and fee will not take effect until 30 days after the DOR has submitted a report to the JBC listing the fee to be changed, the amount by which it will be changed, and an explanation and analysis for why the increase is needed;
- eliminates the Identification Security Fund within the Highway Users Tax Fund (HUTF), transfers all unexpended and unencumbered balances to the Licensing Services Cash Fund (LSCF) on the effective date of the bill, and allocates moneys previously allocated to the security fund to the LSCF;
- eliminates the Motorist Insurance Identification Account within the HUTF and reallocates the motorist insurance identification fee to the Colorado State Titling and Registration System Account (CSTARS) within the HUTF;
- specifies that any unexpended or unencumbered balances in the CSTARS Account or in the License Plate Cash Fund (LPCF) remain in those funds at the end of any fiscal year;
- modifies the allocation of the drivers license restoration fee to distribute \$73 to the Drivers License Administrative Revocation Account of the HUTF, and \$22 to the First Time Drunk Driving Offender Account of the HUTF (currently \$60 and \$35, respectively); and
- allows eligible applicants for drivers licenses and identification cards to renew the card electronically for two consecutive renewal periods.

For FY 2014-15 appropriates \$191,651 General Fund and 2.7 FTE to the Department of Revenue and reappropriates \$6,077 to the Governor's Office of Information Technology for computer programming costs.

**S.B. 14-215 (Disposition of Legal Marijuana Related Revenue):** Creates the Marijuana Tax Cash Fund (MTCF) and directs that all sales tax moneys collected by the state starting in FY 2014-15 from retail and medical marijuana to be deposited in the MTCF instead of the Marijuana Cash Fund (MCF). All moneys attributable to fees will continue to be deposited in the MCF. The bill specifies the programs that can receive appropriations out of the MTCF and the MCF. The bill also transfers the balance of marijuana sales tax revenues previously collected in the MCF to the MTCF on July 1, 2014. Limits appropriations from the MTCF to moneys received in the prior fiscal year (cannot appropriate revenues in the fiscal year in which they are received) except that the Department of Revenue is allowed to receive appropriations from current year revenues for direct and indirect costs related to the regulation and enforcement of the marijuana industry; limits the total amount that the General Assembly can appropriate out of the MTCF starting with appropriations for FY 2015-16 to 93.5 percent of moneys in the fund available for appropriation.

*JBC Staff Budget Briefing: FY 2016-17*  
*Staff Working Document – Does Not Represent Committee Decision*

---

Moneys in the MTCF can initially be appropriated based on the most recent Legislative Council Staff (LCS) or Office of State Planning and Budgeting (OSPB) forecast for the following purposes:

- For the study of law enforcement's activity and costs related to the implementation of the laws legalizing retail marijuana;
- For the coordination of the executive branch response to the legalization of retail marijuana;
- To increase the expertise and knowledge among prosecutors and law enforcement officials regarding the legal and regulatory issues surrounding the legalization of marijuana;
- To obtain health data, through surveys or other means, regarding marijuana and other drug use and to monitor the health effects of marijuana, including changes in drug use patterns and the emerging science and medical information relevant to the health effects associated with marijuana use;
- To advance roadside impaired driving enforcement training and drug recognition expert training for peace officers;
- To develop and implement marijuana education and prevention campaigns;
- To provide inpatient treatment for adults who suffer from co-occurring disorders at the Colorado mental health institute at Pueblo;
- To increase the availability of school-based prevention, early intervention, and health care services and programs to reduce the risk of marijuana and other substance use and abuse by school-aged children;
- For community based programs to provide marijuana prevention and intervention services to youth;
- For local judicial district-based programs to provide marijuana prevention and intervention services to pre-adjudicated and adjudicated youth;
- To expand the provision of jail-based behavioral health services in underserved counties and to enhance the provision of jail-based behavioral health services to offenders transitioning from jail to the community to ensure continuity of care;
- For the provision of substance use disorder treatment services for adolescents and pregnant women; and
- To provide child welfare training specific to issues arising from marijuana use and abuse.

Specifies the permissible uses of the moneys in the MTCF, including:

- [Section 3] Creates the school health professional grant program in the department of education to provide matching grants to education providers to enhance the presence of school health professionals in secondary schools throughout the state and to facilitate better screening, education, and referral care coordination for secondary school students with substance abuse and other behavioral health needs;
- [Section 4] Creates the office of marijuana coordination in the governor's office to coordinate the executive branch response to the legalization of marijuana;



**JBC Staff Budget Briefing: FY 2016-17**  
**Staff Working Document – Does Not Represent Committee Decision**

- [Section 5] Requires the department of public health to conduct 2 marijuana education and prevention campaigns, each with a specified purpose, and to create a web site to serve as the state portal for the most accurate and timely information regarding the health effects of marijuana and the laws regarding marijuana use;
- [Section 6] Creates the school-based substance abuse prevention and intervention grant program in the department of health care policy and financing to award competitive grants to entities to provide school-based prevention and intervention programs for youth 12 to 19 years of age, primarily focused on reducing marijuana use, but including strategies and efforts to reduce alcohol use and prescription drug misuse; and
- [Section 7] Expands the purposes of the Tony Grampsas youth services program, created in the department of human services, to include community-based programs specifically related to the prevention and intervention of adolescent and youth marijuana use.

Continues for FY 2013-14 and FY 2014-15 the transfer of \$2.0 million of sales tax revenues to the General Fund to offset General Fund expenditures for the Department of Human Services' "Circle Program" and the Department of Health Care Policy and Financing Screening, Brief Intervention, and Referral for Treatment for Substance Abuse ("SBIRT") Program. Starting in FY 2015-16, the bill authorizes the General Assembly to appropriate moneys from the MTCF to support the Circle Program.

For FY 2014-15 appropriates \$24.9 million total funds, including \$4.0 million General Fund and \$18.5 million from the MTCF for new programs authorized in the bill (Section 13). Appropriates \$8.2 million from the MTCF for existing programs that previously received appropriations out of the MCF (Section 12). Transfers \$6.3 million from the MTCF to the General Fund for the CIRCLE and SBIRT programs as well as for two new school-based prevention and intervention services program and the school-based early intervention and prevention substance abuse grant program (Section 2).

**SB 14-215 Appropriations and Transfers for New Programs**

Agency		Total	General Fund	Marijuana Tax Cash Fund	Federal Funds	FTE	Purpose
EDU	(1)	\$2,500,000	\$0	\$2,500,000	\$0	1.0	Behavioral health issues in public schools.
GOV	(2)	190,097	0	190,097	0	2.0	Drug policy office creation.
HCP	(3)	4,363,807	2,000,000	0	2,363,807	0.0	School-based prevention and intervention services.
HCP	(4)	2,000,000	2,000,000	0	0	0.0	School-based early intervention and prevention substance abuse grant program.
HUM	(5)	2,000,000	0	2,000,000	0	0.0	Tony Grampsas program grants for prevention.
HUM	(6)	1,500,000	0	1,500,000	0	0.0	Substance use disorder treatment services for adolescents and pregnant women.
HUM	(7)	2,000,000	0	2,000,000	0	0.0	Expansion and enhancement of jail-based behavioral health services.
HUM	(8)	2,000,000	0	2,000,000	0	0.0	Enhancement of S.B. 91-094 programs.
LAW	(9)	456,760	0	456,760	0	2.0	Development of in-house expertise on regulations.
LAW	(10)	1,168,000	0	1,168,000	0	1.0	Peace Officers Standards and Training Board expanded training activities.
PBH	(11)	5,683,608	0	5,683,608	0	3.7	Public awareness campaign.

**JBC Staff Budget Briefing: FY 2016-17**  
**Staff Working Document – Does Not Represent Committee Decision**

<b>SB 14-215 Appropriations and Transfers for New Programs</b>							
Agency		Total	General Fund	Marijuana Tax Cash Fund	Federal Funds	FTE	Purpose
PBH	(12)	903,561	0	903,561	0	1.5	Health Kids Colorado survey.
HUM	(13)	100,000	0	100,000	0	0.0	Child welfare training.
<b>Section 13 Subtotal</b>		<b>\$24,865,833</b>	<b>\$4,000,000</b>	<b>\$18,502,026</b>	<b>\$2,363,807</b>	<b>11.2</b>	
<b>Section 12 Subtotal</b>		<b>\$8,156,371</b>	<b>\$0</b>	<b>\$8,156,371</b>	<b>\$0</b>	<b>0.0</b>	<b>Adjustments to 2014 Long Bill</b>
		2,000,000	0	2,000,000	0	0.0	Transfer to General Fund for CIRCLE and SBIRT
		4,260,000	0	4,260,000	0	0.0	Transfer to General Fund for HCP Sect. 13 (3) and HCP Sect. 13 (4) programs, as well as a 6.5 percent (\$260,000) General Fund reserve.
<b>Section 2 Subtotal</b>		<b>\$6,260,000</b>	<b>\$0</b>	<b>\$6,260,000</b>	<b>\$0</b>	<b>0.0</b>	
<b>Sections 2, 12, 13 Total</b>		<b>\$39,282,204</b>	<b>\$4,000,000</b>	<b>\$32,918,397</b>	<b>\$2,363,807</b>	<b>11.2</b>	

**H.B. 14-1003 (Nonresident Disaster Relief Worker Tax Exemption):** Allows a state withholding tax exemption for nonresident taxpayers who performed disaster-related work during a disaster period in the state. The withholding exemption is available beginning in tax year 2015. For FY 2014-15 appropriates to the Department \$30,900 General Fund.

**H.B. 14-1006 (Tax Remittance for Local Marketing Districts):** Changes the filing and remittance deadlines for lodging taxes levied by a local marketing district from quarterly remittance to monthly remittance starting July 1, 2014. For FY 2014-15 appropriates \$14,811 General Fund to the Department.

**H.B. 14-1012 (Advanced Industry Investment Income Tax Credit):** Repeals the Colorado Innovation Investment Income Tax Credit and replaces it with the Advanced Industry Investment Income Tax Credit. The total amount of the tax credit shall not exceed \$375,000 for the 2014 calendar year and \$750,000 for each of the 2015, 2016, and 2017 calendar years. For FY 2014-15 appropriates \$16,480 General Fund to the Department of Revenue. For additional information on H.B. 14-1012, see the "Recent Legislation" section for the Governor's Office.

**H.B. 14-1029 (Disabled Parking License Plate Placards):** Repeals and reenacts the laws governing reserved parking for persons with disabilities and makes clarifying changes to the Program. For FY 2014-15 appropriates \$84,147 total funds, including \$66,689 General Fund and \$17,458 cash funds, to the. Reappropriates \$4,120 to the Governor's Office of Information Technology.

**H.B. 14-1034 (Wine Packaging Permits):** Creates the wine packaging permit to a licensed winery to package wine manufactured by another winery, and the permit also allows a wine

*JBC Staff Budget Briefing: FY 2016-17*  
*Staff Working Document – Does Not Represent Committee Decision*

---

wholesaler to package wine. For FY 2014-15 appropriates \$5,202 cash funds to the Department and reappropriates \$4,120 to the Governor's Office of Information Technology.

**H.B. 14-1066 (County Clerk and Recorder Drivers License Fee):** Adjusts the amount of a drivers license fee that may be retained by a county clerk when issuing a drivers license in counties with a population of 100,000 people or fewer. Under current law, this amount is \$8; the bill increases this amount to \$13.60. For FY 2014-15 appropriates \$67,856 total funds, including \$61,264 General Fund and \$6,592 cash funds, to the Department and reappropriates \$6,592 to the Governor's Office of Information Technology.

**H.B. 14-1072 (Income Tax Credit for Child Care Expenses):** Creates a new child care tax credit for Colorado taxpayers who have a federal adjusted gross income (FAGI) of \$25,000 or less. The credit is equal to 25.0 percent of the taxpayer's child care expenses with a maximum amount of \$500 for a single dependent or \$1,000 for two or more dependents. For FY 2014-15 appropriates \$61,381 General Fund and 0.6 FTE to the Department.

**H.B. 14-1100 (Motor Vehicle Title Branding):** Requires that a branding be placed on the certificate of title of a motor vehicle, if the vehicle is non-repairable, is flood-damaged, has had the odometer tampered with, has an incorrect odometer, or has a designation placed on the title by another jurisdiction. For FY 2014-15 appropriates \$97,850 cash funds to the Department and reappropriates the \$97,850 to the Governor's Office of Information Technology.

**H.B. 14-1178 (Sales and Use Tax Exemption for Property Used in Space Flight):** Creates a sales and use tax exemption for tangible personal property used in space flight starting in FY 2014-15. Appropriates \$31,000 General Fund to the Department for FY 2013-14.

**H.B. 14-1228 (Court-ordered Driving School Evaluation Repeal):** Removes the requirement that the Department monitor, evaluate, and report on the curriculum and effectiveness of court-ordered driver improvement courses and eliminates the penalty surcharge imposed on persons who attend these courses. Repeals the Defensive Driving School Fund (Fund) and requires the State Treasurer to transfer any remaining fund balance to the General Fund on January 1, 2015. For FY 2014-15 decreases \$73,145 cash funds appropriation to the Department.

**H.B. 14-1246 (Supplemental Bill):** Supplemental appropriation to the Department of Revenue to modify FY 2013-14 appropriations included in the FY 2013-14 Long Bill (S.B. 13-230).

**H.B. 14-1326 (Tax Incentives for Alternative Fuel Trucks):** Changes three areas of tax policy affecting low-emission and alternative fuel vehicles. Creates a new income tax credit for innovative trucks, reduces the number of vehicles eligible to claim an existing sales and use tax exemption, and reduces the taxable value of certain vehicles for the purpose of calculating the specific ownership tax. For FY 2014-15 appropriates \$412 cash funds to the Department and reappropriates that amount to the Governor's Office of Information Technology.

**H.B. 14-1327 (Expand Deployment of Broadband Technology):** Sets statewide policy concerning the deployment of broadband technology. Specifically, the bill:

*JBC Staff Budget Briefing: FY 2016-17*  
*Staff Working Document – Does Not Represent Committee Decision*

---

- creates a state rebate of state sales and use taxes paid on broadband equipment installed in target areas of the state;
- requires local government permitting of broadband facilities and certain wireless service facilities to adhere to new statutory deadlines, and to allow consolidation of applications for small cell networks;
- requires state and local government agencies, including coordination by the Department of Transportation, to provide notice of trenching activity to broadband providers, except in emergencies, and to regulate other aspects of trenching; and
- clarifies that broadband service providers may utilize public rights-of-way for broadband facilities to the same extent as other telecommunication providers.

For FY 2014-15 appropriates \$73,725 General Fund and 0.9 FTE to the Department.

**H.B. 14-1336 (Long Bill):** General appropriations act for FY 2014-15. Includes provisions modifying FY 2013-14 appropriations included in H.B. 13-1042 and H.B. 13-1318.

**H.B. 14-1350 (Modifications to Regional Tourism Act):** Changes the application process for Regional Tourism Act projects, and limits the amount of State sales tax increment financing that can be approved for each future project. For FY 2014-15 appropriates \$43,260 General Fund to the Department. For additional information on H.B. 14-1350, see the "Recent Legislation" section for the Governor's Office.

**H.B. 14-1352 (Update Waste Tire Management System):** Repeals and reenacts the state's waste tire laws into a new part of the solid waste statutes and makes changes to the Waste Tire Program. Modifies the distribution of the \$1.50 waste tire fee, consolidates several cash funds and creates three new cash funds, and specifies how the moneys in each cash fund are to be used. Reduces the waste tire fee to \$0.55 per tire beginning January 1, 2018, and repeals the End Users and Processors Rebate Program at that time. Requires the Department of Public Health and Environment to administer and collect the waste tire fee, among other duties in lieu of the Department of Revenue. Establishes new regulations for waste tire haulers, generators, processors, end users, collection facilities, mobile processors, used tire sellers, and waste tire monofills. Repeals the Waste Tire Advisory Committee. For FY 2014-15 appropriates \$43,867 cash funds to the Department of Revenue. For additional information on H.B. 14-1352, see the "Recent Legislation" section for the Department of Public Health and Environment.

**H.B. 14-1361 (Regulation of Marijuana Concentrates):** Requires that by January 1, 2016, the Department of Revenue promulgate rules establishing the equivalency of one ounce of retail marijuana flower in various retail marijuana products including retail marijuana concentrate. Prior to promulgating the rules, the Department may contract for a scientific study to determine such equivalency. Clarifies that a retail marijuana store may not sell more than one ounce of retail marijuana or its equivalent in retail marijuana products to a Colorado resident, or not more than a quarter ounce of retail marijuana or its equivalent in marijuana products to a nonresident. For FY 2014-15 appropriates \$100,000 cash funds to the Department of Revenue.

**H.B. 14-1367 (Autocycles, Motorcycles, & Motor Vehicles):** Defines "autocycle" and removes this type of vehicle from classification and regulation as a motorcycle. For FY 2014-15 appropriates \$33,990 cash funds to the Department of Revenue and reappropriates that amount to the Governor's Office of Information Technology to make changes to the Colorado State Titling and Registration System.

## **2015 Session Bills**

**S.B. 15-014 (Medical Marijuana):** Requires all transporting and cultivating primary caregivers to register with the state medical marijuana licensing authority (Department of Revenue). Places registration requirements on a cultivating primary caregiver and transporting primary caregivers. DOR may verify patient registration numbers and extended plant count numbers with the state health agency to confirm that a patient does not have more than one primary caregiver, or does not have both a designated caregiver and medical marijuana center, cultivating medical marijuana on his or her behalf at any given time. The bill prohibits any registering as a primary caregiver if the person is licensed as medical or retail marijuana business. A cultivating or transporting primary caregiver shall maintain a list of his or her patients including the registry identification card number of each patient and a recommended total plant count at all times.

Requires DOR and DPHE to share the minimum amount of information necessary to ensure that a medical marijuana patient has only one caregiver and is not using a primary caregiver and a medical marijuana center. Encourages patients cultivating more than 6 medical marijuana plants for their own medical use to register with the state licensing authority. Prohibits a patient and primary caregiver from cultivating more than 99 plants. A cultivating primary caregiver who grows more than 36 plants must register with the state licensing authority including the location of his or her cultivation operation, the patient registration identification number for each of the primary caregiver's patients, and any extended plant count numbers and their corresponding patient registry numbers. DOR must verify the location of extended plant counts for primary caregiver cultivation operations and homebound patient registration for transporting caregivers to a local government or law enforcement agency upon receiving a request for verification. The location of the cultivation operation shall comply with all applicable local laws, rules, or regulations. Sunsets the medical marijuana program on September 1, 2019. Adds an exception to the student possession policy for medical marijuana. Permits moneys in the Marijuana Tax Cash Fund to be used to fund the implementation of any costs for law enforcement audits. Appropriates \$113,704 cash funds and 1.0 FTE from the Marijuana Tax Cash Fund to the Department of Revenue in FY 2015-16. For additional information, see the "Recent Legislation" section at the end of the Department of Public Health and Environment.

**S.B. 15-090 (Temporary Registration Document Standards):** Requires that temporary motor vehicle registration plates and certificates meet the same statutory requirements regarding attachment, visibility, and readability as permanent plates, except that a temporary plate is only required to be affixed to the rear of the vehicle. The bill takes effect January 1, 2016, if the Department of Revenue receives enough gifts, grants, or donations to cover the materials, start-up costs, and computer programming necessary to implement the legislation. If that condition is met, the new temporary tags will be issued effective July 1, 2016. Requires the Department of Revenue to create an electronic issuance system for temporary plates and to promulgate rules for

*JBC Staff Budget Briefing: FY 2016-17*  
*Staff Working Document – Does Not Represent Committee Decision*

---

dealers printing temporary certificates. County clerk and recorder offices are no longer required to issue dealer blocks to dealers; rather, the blocks may be issued directly to the dealers from Colorado Correctional Industries (CCi) in the Department of Corrections (DOC). Appropriates \$506,487 to the Department of Revenue contingent upon the Department receiving at least \$355,595 from gifts, grants, and donations and limited to the amount received by the Department.

**S.B. 15-115 (Sunset Medical Marijuana Programs):** Continues the Medical Marijuana Code (Medical Code) from July 1, 2015, until September 1, 2019, and implements some of the recommendations from the Department of Regulatory Agencies' 2014 sunset review. The changes include:

- Aligning the sunset date of the medical marijuana program administered by the Department of Public Health and Environment with the Medical Code;
- Prohibiting the infusion of trademarked items with medical marijuana;
- Allowing optional premises cultivation licensees to sell medical marijuana directly to other medical marijuana licensees within the context of vertical integration;
- Harmonizing the license disqualifiers with the Retail Marijuana Code (Retail Code);
- Requiring a seed-to-sale tracking system for medical marijuana and medical marijuana products;
- Harmonizing the destruction of unauthorized medical marijuana or medical marijuana products with the Retail Code;
- Repealing the hours during which medical marijuana centers can sell medical marijuana and authorizing the Department of Revenue (DOR) to set the hours in rule;
- Clarifying that the DOR must keep medical or retail marijuana licensee data confidential; and
- Allowing the executive director of the DOR to administratively continue a license renewal application.

**S.B. 15-161 (Supplemental Bill):** Supplemental appropriations to the Department of Revenue to modify FY 2014-15 appropriations included in the FY 2014-15 Long Bill (H.B. 14-1336).

**S.B. 15-167 (Modify 2014-15 Appropriation from Marijuana Revenue):** Reduces the difference between appropriations made from the Marijuana Tax Cash Fund (MTCF) for FY 2014-15 and the actual moneys collected and deposited in the MTCF during FY 2013-14 by creating a one-year exception to the prohibition on appropriating moneys in the MTCF for the current fiscal year, authorizing the general assembly to appropriate, in FY 2014-15, a certain amount of moneys in the MTCF received by the State during FY 2014-15, and by reducing appropriations for marijuana-related programs and services for FY 2014-15 in four principal departments of the executive branch of State government as follows:

- Reduces the appropriation from the MTCF to the Department of Law for optional training for certified peace officers who will act as trainers in advanced roadside impaired driving enforcement by \$76,000;

*JBC Staff Budget Briefing: FY 2016-17*  
*Staff Working Document – Does Not Represent Committee Decision*

---

- Reduces the appropriation from the MTCF to the Department of Revenue for the Marijuana Enforcement Division by \$6.4 million and increases the appropriation from the Marijuana Cash Fund (MCF) to the Department of Revenue for the Marijuana Enforcement Division by the same amount;
- Reduces the General Fund appropriation to the Department of Health Care Policy and Financing (HCPF) for the School-based Substance Abuse Prevention and Intervention Grant Program by \$1,081,344 to reflect the actual amount of grants HCPF awarded plus \$50,000 for HCPF's administrative costs. In addition, the act reduces the amount that the State Treasurer is required to transfer from the MTCF to the General Fund by \$1,151,631 to offset the General Fund appropriation for the grant program for the associated 6.5% statutory reserve.
- Reduces the appropriation from the MTCF to the Department of Human Services (DHS) for jail-based behavioral health services to offenders, including screening and providing treatment for adult inmates with a substance use disorder and providing continuity of care within the community after the inmate's release from jail. The appropriation is reduced by \$452,787 to reflect actual allocations to counties for the fiscal year.

In addition, the act authorizes DHS to use moneys appropriated from the MTCF for FY 2014-15 for the provision of substance use disorder treatment services for adolescents and pregnant women for the expanded purposes of providing substance use disorder treatment and prevention services and intensive wrap around services for adolescents and pregnant women. The act also authorizes DHS to spend such appropriated moneys in FY 2014-15 if necessary.

For more information about bills related to the topic of marijuana and the disposition of marijuana taxes made through the 2015 Long Bill, please refer to Appendix L – Marijuana.

**S.B. 15-188 (Tobacco settlement defense account allocation):** Beginning in FY 2016-17, makes a new annual statutory allocation of 2.0 percent of tobacco litigation settlement money to the Tobacco Settlement Defense Account (Account) of the Litigation Settlement Cash Fund and an offsetting 2.0 percent reduction in the annual statutory allocation of such money to the Children's Basic Health Plan Trust. Under previous law, only the Department of Law was authorized to use money in the account. The act authorizes the Department of Revenue to also use money in the Account to help administer, coordinate, and support the activities of the Departments of Revenue and Law, including the investigation of and response to settlement agreement manufacture and distribution reporting irregularities identified by the Department of Law. For FY 2015-16, \$69,453 is appropriated from the Account to the Department of Revenue to help administer, coordinate, and support the activities of the Departments of Revenue and Law in relation to the tobacco litigation settlement agreements. Appropriates \$69,453 and 1.0 FTE to the Department of Revenue for FY 2015-16. For additional information, see the "Recent Legislation" section at the end of the Department of Public Health and Environment.

**S.B. 15-206 (Implement Conservation Easement Audit):** Makes two changes to the gross conservation easement income tax credit beginning tax year 2015 through tax year 2017. First, credit awarded for the first \$100,000 of a donated conservation easement is increased to 75.0 percent of the easement's fair market value, up from 50.0 percent in current law. Second, the

*JBC Staff Budget Briefing: FY 2016-17*  
*Staff Working Document – Does Not Represent Committee Decision*

---

maximum credit that may be awarded to a donor for a single donation is increased to \$1,000,000 from the \$375,000 cap in current law. Appropriates \$5,300 General Fund to the Department of Revenue to modify the State's tax administration software in FY 2015-16.

**S.B. 15-229 (ALS Motor Vehicles License Plate):** The bill creates the Amyotrophic Lateral Sclerosis (ALS) license plate. The license plate will be available—to any applicant who pays the standard license plate taxes and fees and a one-time additional special license plate fee of \$50—on January 1, 2016, or when the Rocky Mountain Chapter of the ALS Association has collected 3,000 signatures of individuals committing to purchase the plate, whichever is later. Appropriates \$5,304 cash funds to the Department of Revenue for FY 2015-16. Of this amount, \$4,120 is reappropriated to the Governor's Office of Information Technology.

**S.B. 15-234 (Long Bill):** General appropriations act for FY 2015-16.

**H.B. 15-1004 (Firefighter Motorcycle License Plate):** The act directs the Department of Revenue to issue firefighter license plates for motorcycles, passenger cars, trucks, or recreational motor vehicles that do not exceed 16,000 pounds empty weight. This adds motorcycles to the list of vehicles that may use a firefighter license plate. Appropriates \$4,120 cash funds from the Colorado State Titling and Registration Account in the Highway Users Tax Fund and reappropriated \$4,120 to the Governor's Office of Information and Technology.

**H.B. 15-1026 (Reserved Parking Disabled Military License Plates):** Allows the Division of Motor Vehicles (DMV) within the Department of Revenue to create and issue a people with disabilities version for each of the 36 other military special license plates. The DMV will also create a people with disabilities version of each of the 36 military motorcycle special license plates. In total, 72 new people with disabilities military veterans license plates will be created. Appropriates \$58,132 cash funds to the Department of Revenue in FY 2015-16. Of this amount, \$52,942 is reappropriated to the Governor's Office of Information Technology.

**H.B. 15-1136 (Parking Privileges for Disabled Veterans License Plate):** Increases from one to two the number of special license plates with an identifying figure that may be issued to a disabled veteran to indicate the owner of the vehicle is authorized to use reserved parking for persons with disabilities.

**H.B. 15-1180 (Sales & Use Tax Refund Medical and Clean Technology):** Recreates a sales and use tax refund for clean technology and medical device firms with 35 employees or less. The refund must be claimed between January 1 and April 1 in the year following when the sales taxes were paid. The refund is for sales taxes paid on equipment used for the research and development of clean technology or medical technology and is limited to \$50,000 per taxpayer per year. Taxpayers will be allowed to claim the refund for sales taxes paid between January 1, 2015, and December 31, 2019.

**H.B. 15-1217 (Local Government Input on Liquor Sales Rooms Applications):** The act requires a licensed winery, limited winery, distillery, or beer wholesaler that applies to the State licensing authority for approval to operate a sales room to send a copy of the application submitted to the State licensing authority, to the local licensing authority in whose jurisdiction



the proposed sales room is located. The local licensing authority has 45 days to provide input on the sales room application if it chooses to do so. Appropriates \$3,060 cash funds from the Liquor Enforcement Division Cash Fund.

**H.B. 15-1219 (Enterprise Zone Investment Tax Credit for Renewable Energy Projects):** Allows a taxpayer who places a renewable energy project in an enterprise zone and receives certification to claim an Enterprise Zone Investment Tax Credit (ITC) for the project an option to receive a refund of the credit. The amount of the refund is equal to 80 cents for every one dollar of ITC credit and is capped at \$750,000 per tax year and taxpayer. Renewable energy investments completed on or after January 1, 2015 may elect to receive a refund. A taxpayer can only receive a refund from one new renewable investment at a time. The taxpayer must exhaust the full amount of the refund from one project before electing to receive a refund from another renewable energy investment that generated ITC credits. Requires the Governor's Office of Economic Development and International Trade to annual post on its website the level of renewable energy investment and other information resulting from the refund. Appropriates \$33,000 General Fund to the Department of Revenue in FY 2015-16. Of this amount, \$1,200 is reappropriated to the Department of Personnel.

**H.B. 15-1228 (Special Fuel Tax on Liquefied Petroleum Gas):** Makes several changes to the administration and collection of the special fuel excise tax (tax) on liquefied petroleum gas (LPG), beginning in calendar year 2016. These changes include:

- Limiting the imposition of the tax on LPG so that, in most instances, the tax is levied when LPG is placed in a motor vehicle's fuel tank, instead of when the LPG is acquired, sold, offered for sale, or used for any purpose whatsoever;
- Requiring a distributor that places LPG in a fuel tank to pay the tax;
- Allowing a retailer not to be considered as a distributor, provided it files an affidavit with the Department of Revenue (DOR) and posts a notice stating that the LPG it sells is not for vehicle use;
- Designating the operator of a private commercial fleets that uses LPG as a distributor where no other distribution contract is in place;
- Requiring a distributor that uses LPG to propel a cargo tank motor vehicle to pay the tax on the LPG used for this purpose, based on odometer readings of the mileage traveled by the vehicle;
- Assessing the tax on the volume of net gallons, rather than gross gallons, of LPG;
- Eliminating the 2 percent allowance for LPG lost in transit or handling;
- Eliminating the minimum amount, currently \$25,000, of a surety bond that an LPG distributor may deposit with the DOR in lieu of evidence of a savings account, deposit, or certificate of deposit; and
- Prohibiting the DOR from collecting any penalties or interest related to the tax on LPG sold in calendar years 2014 and 2015.

Appropriates \$73,440 cash funds from the Highway Users Tax Fund in FY 2015-16.

**H.B. 15-1313 (Rocky Mountain National Park License Plate):** The act creates the Rocky Mountain National Park License Plate. For FY 2015-16, it appropriates \$5,452 cash funds to the

*JBC Staff Budget Briefing: FY 2016-17*  
*Staff Working Document – Does Not Represent Committee Decision*

---

Department of Revenue and reappropriates \$4,120 of this amount to the Governor's Office of Information Technology.

**H.B. 15-1366 (Expand Job Growth Tax Credit for Higher Education Projects):** Changes the job growth incentive tax credit for taxpayers who enter into a partnership with a state institution of higher education. In particular, this bill allows the credit to be refundable under certain conditions and relaxes the requirements to qualify for the credit. Firms must create at least five jobs with wages of at least 100 percent of the average wage within the county in which the new jobs are located, and retain those jobs for one year. For FY 2015-16, appropriates \$36,000 General Fund to the Department of Revenue to program the State's tax administration software.

**H.B. 15-1367 (Retail Marijuana Taxes):** The act refers a ballot issue to voters on November 3, 2015, asking whether the State may retain and spend revenue collected from the Proposition AA excise and special sales taxes on retail marijuana in FY 2014-15. Further, it creates a Proposition AA Refund Account (Refund Account) in the General Fund. The Refund Account comprises \$58.0 million, the amount expected to be collected from Proposition AA taxes in FY 2014-15. Of this amount, \$27.7 million is a transfer from the Marijuana Tax Cash Fund (MTCF) pursuant to Senate Bill 15-249, and \$30.3 million is from the General Fund. If voters approve the ballot issue, the bill apportions the amount in the Refund Account for expenditure during FY 2015-16. If voters reject the ballot issue, the bill establishes mechanisms to refund moneys in the Account to taxpayers in FY 2015-16.

Independent of whether the voters approve the ballot issue, the act:

- lowers the retail marijuana excise and special sales tax rates to zero effective September 16, 2015, and raises them back to 15.0 percent and 10.0 percent, respectively, effective September 17, 2015;
- lowers the retail marijuana special sales tax rate from 10.0 percent to 8.0 percent beginning July 1, 2017;
- repeals current law requiring the Finance Committees of the General Assembly to review tax rates by April 1, 2016;
- transfers any marijuana excise tax revenue collected in excess of \$40.0 million during a single fiscal year to the Public School Fund rather than the MTCF;
- broadens purposes for which funds in the MTCF can be expended and requires the Marijuana Enforcement Division to report on its website how tax revenue is spent;
- requires that appropriations from the MTCF for jail-based behavioral health services be made through the Correctional Treatment Cash Fund;
- creates the Local Government Retail Marijuana Impact Grant Program (described below); and
- makes conforming adjustments to appropriations in the 2015 Long Bill, as detailed in the following table.

**JBC Staff Budget Briefing: FY 2016-17**  
**Staff Working Document – Does Not Represent Committee Decision**

<b>Section 22 Appropriations not Dependent on Outcome of Ballot Question</b>				
<b>Department/Recipient</b>	<b>Fund Source</b>	<b>Dollar Amount</b>	<b>FTE</b>	
Department of Agriculture	Marijuana Tax Cash Fund	\$314,633	4.3	
Department of Law	Reappropriated funds from Department of Local Affairs	1,890	0.0	
Department of Law	Reappropriated funds from Department of Agriculture	24,703	0.1	
Department of Local Affairs	Marijuana Tax Cash Fund	71,342	1.0	
Department of Revenue	Marijuana Tax Cash Fund	25,440	0.0	
<b>Total</b>		<b>\$438,008</b>	<b>1.1</b>	
<b>2015 Long Bill Conforming Adjustments</b>				
Department of Human Services	Marijuana Tax Cash Fund	(\$1,550,000)	0.0	
Department of Human Services	Reappropriated funds from Correctional Treatment Cash Fund	1,550,000	0.0	
Correctional Treatment Cash Fund	Marijuana Tax Cash Fund	1,550,000	0.0	
Judicial Department	Correctional Treatment Cash Fund	1,550,000	0.0	

The act requires that the General Fund be reimbursed between FY 2014-15 and FY 2019-20 for the \$30.3 million deposited in the Proposition AA Refund Account. The schedule and amount of the reimbursement depends on whether voters approve or reject the ballot issue.

<b>Contingency Appropriations in H.B. 15-1367 with Passage of Proposition BB</b>	
<b>Description</b>	<b>Amount</b>
Explicitly describes how the funds identified for the refund (\$58.0 million) would be spent:	
\$40.0 million is transferred to the Public School Capital Construction Fund, known as the BEST Fund	\$40,000,000
\$2.5 million to the Department of Public Health and Environment (CDPHE) for the marijuana education campaign	2,500,000
\$1.0 million to CDPHE for the dissemination of information from poison control centers	1,000,000
\$2.0 million to the School Bullying Prevention and Education Cash Fund administered by the Colorado Department of Education (CDE)	2,000,000
\$2.0 million to CDE via the Student Re-Engagement Program Cash Fund for costs associated with the student re-engagement program	2,000,000
\$1.0 million to the Department of Human Services (DHS) via the Youth Mentoring Services Cash Fund for costs associated with youth mentoring services	1,000,000
\$1.0 million to DHS for the provision of grants through the Tony Grampas youth mentoring program	1,000,000
\$0.5 million to the Department of Health Care Policy and Financing for grants to substance the substance abuse screening, brief intervention, and referral to treatment (SBIRT) program	500,000
\$0.3 million to the Department of Agriculture for Future Farmers of American and 4-H programs at the state fair	300,000

**JBC Staff Budget Briefing: FY 2016-17**  
**Staff Working Document – Does Not Represent Committee Decision**

<b>Contingency Appropriations in H.B. 15-1367 with Passage of Proposition BB</b>	
<b>Description</b>	<b>Amount</b>
\$1.0 million to the Department of Local Affairs (DOLA) for grants through the Local Government Retail Marijuana Impact (LGRMI) Grant Program	1,000,000
\$0.5 million to DHS for treatment and detoxification contracts	500,000
\$0.2 million to the Department of Law (DOL) for Peace Officers Standards and Training (POST) Board	200,000
\$6.0 retained in the General Fund to begin repayment of the \$30.3 million General Fund identified for the refund	6,000,000
Appropriates \$82,132 and 1.0 FTE from the MTCF to DOLA for additional expenditures requires to make grants through the LGRMI Grant Program	82,132
Of the \$82,132 to DOLA, \$21,803 is reappropriated to the Office of Information Technology	21,803
Of the \$82,132 to DOLA, \$2,835 is reappropriated to the Department of Law	<u>2,835</u>
<b>Total<sup>1</sup></b>	<b>\$58,106,770</b>

The Local Government Retail Marijuana Impact Program is to be administered by the Division of Local Government in the Department of Local Affairs. Local governments eligible to receive grants from the program are those that:

- permit the sale of retail marijuana but do not impose a tax, except sales taxes that apply uniformly to all products;
- counties where no retail marijuana is sold in unincorporated areas, but where retail marijuana is sold in one of more municipalities within the county;
- counties where no marijuana is sold, but where retail marijuana is sold in a contiguous county; and
- municipalities where no retail marijuana is sold, but where retail marijuana is sold in another municipality or unincorporated area of the same county, or in any part of a contiguous county.

For more information about bills related to the topic of marijuana and the disposition of marijuana taxes made through the 2015 Long Bill, please refer to Appendix L – Marijuana.

**H.B. 15-1379 (Marijuana Permitted Economic Interest):** Allows people who are not residents of Colorado to apply to the Marijuana Enforcement Division (MED) in the Department of Revenue for the authorization to hold a Permitted Economic Interest (PEI) in a regulated medical or retail marijuana business. Only a natural person who is a lawful United States resident may obtain a PEI, and the interest is limited to an unsecured debt instrument, option agreement, warrant, or any other right to obtain an ownership interest. The MED is required to promulgate rules regarding the PEI by January 1, 2016, including a process for, and a requirement to, submit to, and pass, a criminal history record check, divestiture, and other agreements that would qualify as PEIs. In FY 2015-16, appropriates \$166,305 and 1.4 FTE from the Marijuana Cash Fund to the Department of Revenue. Of this amount, \$33,254 and 0.2 FTE is reappropriated to the Department of Law and \$15,999 is reappropriated to the Department of Public Safety.

## **Appendix C: Update on Long Bill Footnotes and Requests for Information**

### **Long Bill Footnotes**

74 Department of Revenue, Division of Motor Vehicles, Driver Services, Personal Services – The initial fiscal note estimated a total of 66,000 individuals would request an appointment for a S.B. 13-251 document. Continued operations for this program at more than one office are premised on the need to handle the up front surge of applicants. It is the intent of the General Assembly that once the annual appointments made available for individuals who are not lawfully present in the United States falls below 5,000 per year or the total appointments served reaches 60,000 the Division will reduce the offices that provide the service to one location.

Comment: A detailed analysis of this program is provided in the issue brief above.

### **Requests for Information**

1. Department of Revenue, Division of Motor Vehicles, Driver Services, Operating Expenses – The Department is requested to submit to the Joint Technology Committee and Joint Budget Committee, beginning October 1, 2015, quarterly reports about the progress of installation of the Wait Less technology the Department is implementing in 31 of its offices.
2. Department of Revenue, Division of Motor Vehicles, Driver Services, Personal Services – The Department is requested to submit to the Joint Budget Committee by the first of every month, beginning May 1, 2015, a report about the progress made on meeting the demand for services offered under S.B. 13-251, which was estimated at 66,000 individuals. For individuals served who are not lawfully present, the report should include the number of appointments made available, the number of “no shows” for appointments, the number of appointments that resulted in no document issuance, the number of documents issued, and a justification based in data for why there is a continued need to offer services for individuals who cannot demonstrate a lawful presence in the United States at more than one location.

**JBC Staff Budget Briefing: FY 2016-17**  
**Staff Working Document – Does Not Represent Committee Decision**

## Appendix D: Drivers License Fees

Fee Description	Prior Fee	Cost to Provide	Prior Fee + 20 percent	Current Fee
Drivers License	\$21.00	\$27.88	\$25.20	\$25.00
Identification Card	\$10.50	\$11.52	\$12.60	\$11.50
Driving Permit	\$14.00	\$26.95	\$16.80	\$16.80
Duplicate License or Permit	\$7.50	\$12.33	\$9.00	\$9.00
Drivers License Extension	\$3.00	\$6.51	\$3.60	\$3.60
Commercial Driving Permit	\$14.00	\$101.72	\$16.80	\$16.80
Driving Record	\$2.20	\$17.37	\$2.64	\$2.60
Certified Driving Record	\$2.70	\$21.72	\$3.24	\$3.20
Road Test – Retest <sup>2</sup>	\$0	\$60.21	\$0	\$15.00
Written Test – Retest <sup>2</sup>	\$0	\$11.16	\$0	\$11.15
Return of Drivers License	\$5.00	\$12.33	\$6.00	\$6.00
Surrendered License Replacement	\$5.00	\$12.33	\$6.00	\$6.00
Commercial Drivers License	\$35.00	\$15.51	\$42.00	\$15.50
CDL Drive Test	\$100.00	\$353.50	\$120.00	\$120.00
CDL Testing Unit License (Initial)	\$300.00	\$3,093.17	\$360.00	\$360.00
CDL Testing Unit License (Renewal)	\$100.00	\$1,051.49	\$120.00	\$120.00
CDL Tester License (Initial)	\$100.00	\$147.29	\$120.00	\$120.00
CDL Tester License (Renewal)	\$50.00	\$139.11	\$60.00	\$60.00

<sup>1</sup>Excludes CO-RCSA S.B.13-251 fees for individuals unable to demonstrate lawful presence

<sup>2</sup>Per statute, retest fee is not to exceed \$15.00

*JBC Staff Budget Briefing: FY 2016-17*  
*Staff Working Document – Does Not Represent Committee Decision*

## Appendix E: Licensing Services Cash Fund Cash Flow

### Cash Flow Projection Assuming R1 DMV Funding Deficit is Approved as Requested

Colorado Department of Revenue  
Fund 4370 - Licensing Services Cash Fund (LSCF)  
Executive Fund Summary

	FY 2015-16 Spending Authority	FY 2015-16 Projection	FY 2016-17 Requested	FY 2017-18 Projected	FY 2018-19 Projected	FY 2019-20 Projected
<b>Beginning Fund Balance (LSCF)</b>	\$ 4,510,927	\$ 4,510,927	\$ 5,815,032	\$ 5,003,949	\$ 2,895,839	\$ (1,677,059)
<b>Revenue (LSCF)</b>						
Document Fee Revenue	\$ 27,528,954	\$ 27,528,954	\$ 26,539,349	\$ 25,565,159	\$ 23,423,570	\$ 29,283,838
Special Plate Fee Revenue	\$ 2,839,263	\$ 2,839,263	\$ 2,896,484	\$ 2,954,432	\$ 3,012,017	\$ 3,024,874
Interest Income	\$ 76,121	\$ 76,121	\$ 83,316	\$ 90,511	\$ 97,706	\$ 75,126
<b>Total Revenue</b>	<b>\$ 30,444,338</b>	<b>\$ 30,444,338</b>	<b>\$ 29,519,149</b>	<b>\$ 28,610,102</b>	<b>\$ 26,533,293</b>	<b>\$ 32,383,838</b>
<b>Expenditures (LSCF)</b>						
Personal Services	\$ 15,574,529	\$ 15,574,529	\$ 16,573,591	\$ 16,961,571	\$ 17,349,550	\$ 17,737,530
Document Costs	\$ 4,365,339	\$ 5,010,902	\$ 5,201,840	\$ 5,201,840	\$ 5,201,840	\$ 5,201,840
Operating Expenses	\$ 6,135,267	\$ 6,135,267	\$ 6,135,267	\$ 6,135,267	\$ 6,135,267	\$ 6,135,267
Indirect Cost Assessment	\$ 2,419,534	\$ 2,419,534	\$ 2,419,534	\$ 2,419,534	\$ 2,419,534	\$ 2,419,534
<b>Total Expenditures<sup>1,2</sup></b>	<b>\$ 28,494,669</b>	<b>\$ 29,140,232</b>	<b>\$ 30,330,232</b>	<b>\$ 30,718,212</b>	<b>\$ 31,106,191</b>	<b>\$ 31,494,171</b>
Net Income	\$ 1,949,669	\$ 1,304,105	\$ (811,083)	\$ (2,108,109)	\$ (4,572,898)	\$ 889,667
<b>Fund Balance Prior to HUTF Sweep</b>	<b>\$ 6,460,595</b>	<b>\$ 5,815,032</b>	<b>\$ 5,003,949</b>	<b>\$ 2,895,839</b>	<b>\$ (1,677,059)</b>	<b>\$ (787,392)</b>
HUTF Sweep	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
<b>Ending Fund Balance (LSCF)</b>	<b>\$ 6,460,595</b>	<b>\$ 5,815,032</b>	<b>\$ 5,003,949</b>	<b>\$ 2,895,839</b>	<b>\$ (1,677,059)</b>	<b>\$ (787,392)</b>

1. Includes growth assumptions for salary survey and merit pay in FY18, FY19, and FY20. Includes costs related to POTS.

2. Assumes 100% of Spending Authority is spent. Vacancy and turnover savings may impact this projection. In FY2015-16 a supplemental will likely be needed for the Driver's License Documents line based on current projections.

<b>Additional Resources:</b>						
Additional GF support	\$ 4,199,062	\$ 4,199,062	\$ -	\$ -	\$ -	\$ -
Base GF Support	\$ 4,272,405	\$ 4,272,405	\$ 4,272,405	\$ 4,325,590	\$ 4,378,775	\$ 4,431,960
<b>Total GF support</b>	<b>\$ 8,471,467</b>	<b>\$ 8,471,467</b>	<b>\$ 4,272,405</b>	<b>\$ 4,325,590</b>	<b>\$ 4,378,775</b>	<b>\$ 4,431,960</b>
HUTF Support	\$ -	\$ -	\$ 3,200,000	\$ 3,239,835	\$ 3,279,671	\$ 3,319,506
<b>Total Expenditures LSCF, HUTF, and GF</b>	<b>\$ 36,966,136</b>	<b>\$ 37,611,699</b>	<b>\$ 37,802,637</b>	<b>\$ 38,283,637</b>	<b>\$ 38,764,637</b>	<b>\$ 39,245,637</b>

**JBC Staff Budget Briefing: FY 2016-17**  
**Staff Working Document – Does Not Represent Committee Decision**

Colorado Department of Revenue  
Fund 4370 - Licensing Services Cash Fund (LSCF)  
Executive Fund Summary

**Cash Flow Projection Assuming no Change in Current Law**

	FY 2015-16 Spending Authority	FY 2015-16 Projection	FY 2016-17 Requested	FY 2017-18 Projected	FY 2018-19 Projected	FY 2019-20 Projected
<b>Beginning Fund Balance (LSCF)</b>	\$ 4,510,927	\$ 4,510,927	\$ 4,808,138	\$ 797,055	\$ (4,550,890)	\$ (12,403,459)
<b>Revenue (LSCF)</b>						
Document Fee Revenue	\$ 27,528,954	\$ 27,528,954	\$ 26,539,349	\$ 25,565,159	\$ 23,423,570	\$ 29,283,838
Special Plate Fee Revenue	\$ 2,839,263	\$ 2,839,263	\$ 2,896,484	\$ 2,954,432	\$ 3,012,017	\$ 3,024,874
Interest Income	\$ 76,121	\$ 76,121	\$ 83,316	\$ 90,511	\$ 97,706	\$ 75,126
<b>Total Revenue</b>	\$ 30,444,338	\$ 30,444,338	\$ 29,519,149	\$ 28,610,102	\$ 26,533,293	\$ 32,383,838
<b>Expenditures (LSCF)</b>						
Personal Services	\$ 15,574,529	\$ 15,574,529	\$ 19,773,591	\$ 20,201,406	\$ 20,629,221	\$ 21,057,036
Document Costs	\$ 4,365,339	\$ 5,010,902	\$ 5,201,840	\$ 5,201,840	\$ 5,201,840	\$ 5,201,840
Operating Expenses	\$ 6,135,267	\$ 6,135,267	\$ 6,135,267	\$ 6,135,267	\$ 6,135,267	\$ 6,135,267
Indirect Cost Assessment	\$ 2,419,534	\$ 2,419,534	\$ 2,419,534	\$ 2,419,534	\$ 2,419,534	\$ 2,419,534
<b>Total Expenditures<sup>1,2</sup></b>	\$ 28,494,669	\$ 29,140,232	\$ 33,530,232	\$ 33,958,047	\$ 34,385,862	\$ 34,813,677
Net Income	\$ 1,949,669	\$ 1,304,105	\$ (4,011,083)	\$ (5,347,945)	\$ (7,852,569)	\$ (2,429,838)
<b>Fund Balance Prior to HUTF Sweep</b>	\$ 6,460,595	\$ 5,815,032	\$ 797,055	\$ (4,550,890)	\$ (12,403,459)	\$ (14,833,297)
HUTF Sweep	\$ 1,758,975	\$ 1,006,894	\$ -	\$ -	\$ -	\$ -
<b>Ending Fund Balance (LSCF)</b>	\$ 4,701,620	\$ 4,808,138	\$ 797,055	\$ (4,550,890)	\$ (12,403,459)	\$ (14,833,297)

1. Includes growth assumptions for salary survey and merit pay in FY18, FY19, and FY20. Includes costs related to POTS.

2. Assumes 100% of Spending Authority is spent. Vacancy and turnover savings may impact this projection. In FY2015-16 a supplemental will likely be needed for the Driver's License Documents line based on current projections.

<b>Additional Resources:</b>						
Additional GF support	\$ 4,199,062	\$ 4,199,062	\$ -	\$ -	\$ -	\$ -
Base GF Support	\$ 4,272,405	\$ 4,272,405	\$ 4,272,405	\$ 4,325,590	\$ 4,378,775	\$ 4,431,960
<b>Total GF support</b>	\$ 8,471,467	\$ 8,471,467	\$ 4,272,405	\$ 4,325,590	\$ 4,378,775	\$ 4,431,960
HUTF Support	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
<b>Total Appropriation LSCF, HUTF, and GF</b>	\$ 36,966,136	\$ 37,611,699	\$ 37,802,637	\$ 38,283,637	\$ 38,764,637	\$ 39,245,637



**JBC Staff Budget Briefing: FY 2016-17**  
**Staff Working Document – Does Not Represent Committee Decision**

**Appendix F: Detailed Administrative Costs of the Limited Gaming Program**

**Colorado Division of Gaming**

State agency services history:	FY 2002-03	FY 2003-04	FY 2004-05	FY 2005-06	FY 2006-07	FY 2007-08	FY 2008-09	FY 2009-10	FY 2010-11	FY 2011-12	FY 2012-13	FY 2013-14	FY 2014-15
Personal Services	4,881,819	4,489,787	4,545,273	4,434,155	4,504,463	5,129,772	5,942,404	6,084,986	5,977,282	6,037,524	6,116,053	6,415,211	6,893,064
Health, Dental and Life Insurance	0	0	0	192,533	239,241	284,207	363,544	406,492	492,969	523,299	606,701	632,406	617,368
Short Term Disability	0	0	0	5,536	4,386	5,198	6,483	7,109	9,197	9,262	9,290	10,561	12,343
Amortization Equalization Disbursement	0	0	0	9,416	28,719	47,980	79,795	91,730	126,674	144,941	166,942	198,129	221,960
Supplemental Amort. Equal. Disbursemt	0	0	0	0	0	9,995	37,404	57,331	92,329	116,607	143,485	178,866	208,125
Operating Expenditures	541,305	428,297	518,340	462,399	388,297	475,923	527,947	362,426	575,800	467,302	500,424	489,341	379,847
Workers Compensation	25,591	24,407	55,429	41,636	32,805	29,660	38,390	28,445	35,448	45,759	53,184	57,282	64,679
Risk Management	11,896	14,957	9,879	4,078	14,283	10,279	16,886	11,050	4,242	10,722	17,220	16,374	18,299
Licensure Activities	89,103	95,411	118,849	90,765	108,296	93,525	130,520	123,096	104,984	100,547	104,915	90,461	116,724
Leased Space	47,160	54,384	54,384	54,384	54,384	77,352	90,807	85,620	183,741	268,380	265,083	283,345	289,366
Pierce Payment	206,731	195,608	195,666	197,401	177,115	0	0	0	0	0	0	0	0
Vehicle Lease Payments - Fixed	98,151	92,558	67,473	48,953	49,543	46,514	53,776	81,897	85,677	81,823	74,880	77,681	70,105
Vehicle Lease Payments - Variable	0	0	0	57,760	53,672	16,551	23,930	62,155	65,295	62,155	101,171	111,618	101,633
Utilities	0	0	0	19,538	17,965	16,361	16,849	19,318	19,261	21,862	22,987	24,764	25,235
Capital Outlay	0	0	0	0	0	12,086	22,578	0	0	0	0	0	1,178
Capitol Complex Leased Space	0	0	0	0	90,262	70,544	67,267	64,858	10,771		4	3,171	4,363
Legal Services	112,924	101,900	122,565	0	0	141,349	139,915	132,878	147,873	167,795	149,508	164,607	192,586
COFRS Upgrade and CORE Maintenance	0	0	0	0	0	0	0	0	0	0	26,004	26,076	26,004
Payments to Office of Information Technology	89,709	94,358	119,786	91,491	151,797	148,273	178,336	172,334	189,669	189,972	210,611	556,423	427,679
Indirect Costs - Department of Revenue	655,337	790,481	400,056	525,307	640,919	553,509	579,221	610,868	711,203	685,832	814,123	643,612	990,302
<b>Sub Total</b>	<b>6,759,726</b>	<b>6,382,149</b>	<b>6,207,700</b>	<b>6,235,352</b>	<b>6,556,147</b>	<b>7,169,078</b>	<b>8,316,053</b>	<b>8,402,593</b>	<b>8,832,416</b>	<b>8,933,783</b>	<b>9,382,585</b>	<b>9,979,927</b>	<b>10,660,859</b>
<b>Payments to Other State Agencies</b>	<b>FY 2002-03</b>	<b>FY 2003-04</b>	<b>FY 2004-05</b>	<b>FY 2005-06</b>	<b>FY 2006-07</b>	<b>FY 2007-08</b>	<b>FY 2008-09</b>	<b>FY 2009-10</b>	<b>FY 2010-11</b>	<b>FY 2011-12</b>	<b>FY 2012-13</b>	<b>FY 2013-14</b>	<b>FY 2014-15</b>
Colorado Bureau of Investigations	725,657	616,350	649,268	709,446	689,447	708,104	691,464	755,373	694,656	804,838	838,268	795,159	752,072
Division of Fire Prevention and Control	142,277	135,192	134,799	152,579	154,445	170,987	148,302	181,797	167,421	175,044	177,247	189,373	193,276
Colorado State Patrol	1,323,210	1,311,388	1,364,592	1,530,104	1,528,892	2,120,652	2,039,646	2,105,317	2,326,121	2,319,762	2,400,400	2,731,841	2,696,126
Colorado Department of Local Affairs	89,766	95,452	102,437	121,411	126,764	134,444	147,678	158,094	151,516	158,103	153,939	156,633	165,789
<b>Sub Total</b>	<b>2,280,910</b>	<b>2,158,382</b>	<b>2,251,096</b>	<b>2,513,540</b>	<b>2,499,548</b>	<b>3,134,187</b>	<b>3,027,090</b>	<b>3,200,581</b>	<b>3,339,714</b>	<b>3,457,747</b>	<b>3,569,854</b>	<b>3,873,006</b>	<b>3,807,263</b>
<b>Grand Total</b>	<b>9,040,636</b>	<b>8,540,531</b>	<b>8,458,796</b>	<b>8,748,892</b>	<b>9,055,695</b>	<b>10,303,265</b>	<b>11,343,143</b>	<b>11,603,174</b>	<b>12,172,130</b>	<b>12,391,530</b>	<b>12,952,439</b>	<b>13,852,933</b>	<b>14,468,122</b>

*JBC Staff Budget Briefing: FY 2016-17*  
*Staff Working Document – Does Not Represent Committee Decision*

## Appendix G: Cash Flow for Individuals Unable to Prove Lawful Presence in the United States

**FY 2014-15**

Month Period Actual/Projection	Jul-14 Period 1 Actual	Aug-14 Period 2 Actual	Sep-14 Period 3 Actual	Oct-14 Period 4 Actual	Nov-14 Period 5 Actual	Dec-14 Period 6 Actual	Jan-15 Period 7 Actual	Feb-15 Period 8 Actual	Mar-15 Period 9 Actual	Apr-15 Period 10 Actual	May-15 Period 11 Actual	Jun-15 Period 12 Actual	Total
<b>Projected Revenue</b>													
Drivers License <sup>1</sup>	0	63,479	66,458	71,912	72,165	79,538	80,750	23,028	25,806	22,927	16,564	56,156	<b>578,781</b>
Instruction Permit <sup>1</sup>	0	18,746	19,082	19,824	19,656	22,204	21,728	5,880	6,832	6,118	4,648	16,758	<b>161,476</b>
Identification Card <sup>1</sup>	0	3,234	4,690	5,390	3,668	3,752	3,108	462	434	574	364	1,512	<b>27,188</b>
<b>Total Revenue</b>	<b>0</b>	<b>85,459</b>	<b>90,230</b>	<b>97,126</b>	<b>95,489</b>	<b>105,494</b>	<b>105,586</b>	<b>29,370</b>	<b>33,072</b>	<b>29,619</b>	<b>21,576</b>	<b>74,426</b>	<b>767,445</b>
<b>Expenditures</b>													
Direct Labor	37,664	46,928	36,009	42,817	29,943	27,127	27,293	21,335	10,373	8,370	15,499	27,875	<b>331,235</b>
Operating Expenses	150	964	2,134	791	0	0	0	11,115	0	0	117	574	<b>15,845</b>
DL/ID Card Production Costs	0	8,733	9,310	9,962	9,560	10,592	10,419	2,808	3,182	2,879	2,119	7,466	<b>77,030</b>
Indirect Costs <sup>2</sup>	0	37,746	40,339	43,847	42,906	47,107	47,383	13,246	14,791	13,259	9,548	32,544	<b>342,716</b>
<b>Total Expenditures</b>	<b>37,814</b>	<b>94,371</b>	<b>87,792</b>	<b>97,417</b>	<b>82,410</b>	<b>84,826</b>	<b>85,096</b>	<b>48,504</b>	<b>28,346</b>	<b>24,508</b>	<b>27,283</b>	<b>68,459</b>	<b>766,826</b>
<b>Net Income</b>	<b>(37,814)</b>	<b>(8,913)</b>	<b>2,438</b>	<b>(291)</b>	<b>13,079</b>	<b>20,668</b>	<b>20,490</b>	<b>(19,134)</b>	<b>4,726</b>	<b>5,111</b>	<b>(5,707)</b>	<b>5,967</b>	<b>618</b>
<b>Ending Program Cash Balance</b>	<b>(57,786)</b>	<b>(66,698)</b>	<b>(64,261)</b>	<b>(64,552)</b>	<b>(51,474)</b>	<b>(30,806)</b>	<b>(10,316)</b>	<b>(29,450)</b>	<b>(24,724)</b>	<b>(19,613)</b>	<b>(25,320)</b>	<b>(19,353)</b>	<b>(19,353)</b>

<sup>1</sup>Revenue totals were estimated by multiplying the document counts by the fee for each activity. Since all document fee revenue flows into the Licensing Services Cash Fund, revenue for specific transactions cannot be separated.

<sup>2</sup>Indirect costs were estimated using information from a cost accounting study performed by an independent consultant in FY 2013-14. These costs include support from other DMV business areas , equipment costs, utilities, and other DMV and DOR costs.

**JBC Staff Budget Briefing: FY 2016-17**  
**Staff Working Document – Does Not Represent Committee Decision**

**FY 2015-16**

Month Period Actual/Projection	Jul-15 Period 1 Actual	Aug-15 Period 2 Actual	Sep-15 Period 3 Actual	Oct-15 Period 4 Actual	Nov-15 Period 5 Projection	Dec-15 Period 6 Projection	Jan-16 Period 7 Projection	Feb-16 Period 8 Projection	Mar-16 Period 9 Projection	Apr-16 Period 10 Projection	May-16 Period 11 Projection	Jun-16 Period 12 Projection	Total
<b>Projected Revenue</b>													
Drivers License <sup>1</sup>	81,450	88,970	85,708	89,766	69,749	80,762	69,749	73,420	84,433	77,091	77,091	80,762	<b>958,953</b>
Instruction Permit <sup>1</sup>	38,416	52,383	50,503	53,202	41,693	48,276	41,693	43,887	50,470	46,081	46,081	48,276	<b>560,961</b>
Identification Card <sup>1</sup>	2,260	3,548	3,575	3,682	3,953	4,577	3,953	4,161	4,785	4,369	4,369	4,577	<b>47,809</b>
<b>Total Revenue</b>	<b>122,126</b>	<b>144,901</b>	<b>139,786</b>	<b>146,650</b>	<b>115,395</b>	<b>133,615</b>	<b>115,395</b>	<b>121,468</b>	<b>139,688</b>	<b>127,542</b>	<b>127,542</b>	<b>133,615</b>	<b>1,567,723</b>
<b>Expenditures</b>													
Direct Labor	32,044	32,044	32,044	30,941	32,044	32,044	32,044	32,044	32,044	32,170	32,170	32,422	<b>384,052</b>
Operating Expenses	0	0	0	0	0	0	0	0	0	0	0	0	<b>0</b>
DL/ID Card Production Costs <sup>2</sup>	7,485	7,222	6,978	7,321	5,838	6,759	7,733	8,140	9,361	8,547	8,547	8,954	<b>92,885</b>
Indirect Costs <sup>3</sup>	97,070	92,453	89,197	93,573	73,686	85,321	73,686	77,564	89,199	81,443	81,443	85,321	<b>1,019,956</b>
<b>Total Expenditures</b>	<b>136,598</b>	<b>131,719</b>	<b>128,219</b>	<b>131,835</b>	<b>111,568</b>	<b>124,124</b>	<b>113,463</b>	<b>117,748</b>	<b>130,604</b>	<b>122,160</b>	<b>122,160</b>	<b>126,697</b>	<b>1,496,893</b>
<b>Net Income</b>	<b>(14,472)</b>	<b>13,183</b>	<b>11,567</b>	<b>14,815</b>	<b>3,827</b>	<b>9,491</b>	<b>1,932</b>	<b>3,720</b>	<b>9,085</b>	<b>5,382</b>	<b>5,382</b>	<b>6,918</b>	<b>70,830</b>
<b>Ending Program Cash Balance</b>	<b>(33,825)</b>	<b>(20,642)</b>	<b>(9,075)</b>	<b>5,740</b>	<b>9,567</b>	<b>19,058</b>	<b>20,990</b>	<b>24,710</b>	<b>33,795</b>	<b>39,177</b>	<b>44,559</b>	<b>51,477</b>	<b>51,477</b>

<sup>1</sup>Revenue totals were estimated by multiplying the document counts by the fee for each activity. Since all document fee revenue flows into the Licensing Services Cash Fund, revenue for specific transactions cannot be separated.

<sup>2</sup>DL/ID card production cost per document is estimated to increase by \$1.00 in January 2016 the change to a new vendor.

<sup>3</sup>Indirect costs were estimated using information from a cost accounting study performed by an independent consultant in FY 2014-15. These costs include support from other DMV business areas (Investigations, Driver Control, etc.), equipment costs, utilities, and other DMV and DOR costs.