


Colorado Legislative Council Staff Fiscal Note
FINAL
FISCAL NOTE

Drafting Number: LLS 12-0151
Prime Sponsor(s): Rep. Young
 Sen. Spence

Date: June 25, 2012
Bill Status: Postponed Indefinitely
Fiscal Analyst: Jonathan Senft (303-866-3523)

TITLE: CONCERNING THE REPEAL OF THE FEE FOR THE BRANCH OF SERVICE IDENTIFIER ON COLORADO DRIVER'S LICENSES.

Fiscal Impact Summary	FY 2011-2012	FY 2012-2013	FY 2013-14
State Revenue			
Cash Funds			
Highway Users Tax Fund	(\$22,923)	(\$91,695)	(\$91,695)
State Expenditures			
Cash Funds			
Licensing Services Cash Fund	up to \$5,000		
FTE Position Change			
Effective Date: The bill was postponed indefinitely by the House Appropriations Committee on February 17, 2012.			
Appropriation Summary for FY 2011-2012: See State Appropriations section.			
Local Government Impact: See Local Government Impact section.			

Summary of Legislation

This bill is recommended by the Transportation Legislation Review Committee. It eliminates the \$15 fee to add a military identifier on an applicant's driver's license or state identification card.

Background

Under House Bill 10-1209, a military service member or veteran may add an identifier to his or her driver's license or state identification card for a \$15 fee. The identifier indicates the branch of service of the applicant. Information technology delays have prevented this program's implementation, and therefore it has not collected any revenue. The program, however, is expected to be available on April 1, 2012. This bill, House Bill 12-1035, does not repeal the fee concerning state-issued identification cards.

State Revenue

This bill is expected to reduce projected cash fund revenue by \$22,923 for FY 2011-12 and \$91,695 for FY 2012-13. Since the program has not yet been implemented, no revenue has been collected. Revenue assumptions are based on 6,113 individuals requesting this service in each of the first three years of implementation, who would no longer pay the \$15 fee.

This revenue would otherwise be credited to the Highway Users Tax Fund (HUTF), which is distributed to the State Highway Fund (60%), counties (22%), and municipalities (18%). This distribution is indicated below in Table 1.

	FY 2011-12	FY 2012-13
State Highway Fund	(\$13,752)	(\$55,017)
Counties	(5,042)	(20,173)
Municipalities	(4,126)	(16,505)
TOTAL	(\$22,923)	(\$91,695)

State Expenditures

One-time state cash fund expenditures for computer programming will increase by up to \$5,000, cash funds, in FY 2011-12. These programming costs are related to the removal of the \$15 payment option through the Statewide Internet Portal Authority, which allows residents to renew drivers licenses online. The implementation of this feature is likely to be completed prior to the passage of this bill and the DOR may require this authorization to make programming changes to the portal.

Expenditures of \$83,088 were assessed and appropriated for the implementation of this program under HB10-1209. Of this amount, \$52,583.53 has been expended, and the remainder has been reverted in spending authority.

Local Government Impact

As is shown in Table 1, county and municipal governments would receive a portion of the projected HUTF revenue from HB10-1209, which they will not receive under this bill. Under this bill, local governments will not receive \$9,169 in FY 2011-12 and \$36,678 in projected revenue in FY2012-13.

Please note that this program has not yet been implemented and thus has not collected any fee revenue. The figures above represent projected revenue under current law.

State Appropriations

In the current fiscal year of FY 2011-12, the Department of Revenue requires an appropriation of up to \$5,000 from the Licensing Services Cash Fund.

Departments Contacted

Revenue Transportation