


Colorado Legislative Council Staff Fiscal Note
STATE
FISCAL IMPACT

Drafting Number: LLS 07-0635
Prime Sponsor(s): Rep. Gardner B.

Date: February 13, 2007
Bill Status: House Transportation
Fiscal Analyst: Chris Ward (303-866-5834)

TITLE: CONCERNING THE PERFORMANCE OF DRIVER'S LICENSE OFFICES, AND, IN CONNECTION THEREWITH, REQUIRING AN EXTERNAL PERFORMANCE AUDIT OF ALL DRIVER'S LICENSE OFFICES IN THE STATE, REQUIRING THE DEPARTMENT OF REVENUE TO REPORT THE RESULTS OF THE PERFORMANCE AUDIT TO THE JOINT BUDGET COMMITTEE OF THE GENERAL ASSEMBLY AND TO PROVIDE THE COMMITTEE WITH A SPECIFIC PLAN TO IMPROVE THE PERFORMANCE OF SUCH OFFICES, AND IMPOSING A TEMPORARY SURCHARGE FOR THE ISSUANCE OF MINOR DRIVER'S LICENSES AND DRIVER'S LICENSES TO PAY THE COSTS OF THE PERFORMANCE AUDIT AND DEPARTMENT REPORT AND PLAN.

Fiscal Impact Summary	FY 2007-08	FY 2007-08	FY 2008-09
State Revenue			
Cash Funds - Driver's License Office Account/HUTF	\$0	\$491,903	\$0
State Expenditures			
General Fund	\$1,361	\$0	\$0
Cash Funds - Driver's License Office Account/HUTF	\$0	491,903	0
FTE Position Change	0.0 FTE	0.0 FTE	0.0 FTE
Effective Date: Upon signature of the Governor			
Appropriation Summary for FY 2007-2008: See State Appropriations section.			
Local Government Impact: None			

Summary of Legislation

The bill imposes a \$1 surcharge on driver's licenses issued in FY 2007-08 to pay for a performance audit of driver's license offices across the state.

Surcharge revenue would be allocated to the newly-created Driver's License Office Account in the Highway Users Tax Fund (HUTF), along with any interest and income earned on the deposit and investment of moneys in the account. Money in the account is appropriated to the Department of Revenue to pay the costs of the performance audit, as well as the cost of developing a plan in response to the audit. Any money remaining in the account at the end FY 2007-08 would revert to the HUTF. By February 15, 2008, the department must report the results of the audit to the Joint Budget Committee along with a plan to improve certain aspects of driver's license office performance.

State Revenue

A \$1 surcharge on driver's licenses and permits will generate an estimated \$491,903 in FY 2007-08, as shown in Table 1. This money would be credited to the Driver's License Office Account in the HUTF, along with any interest and income earned on the deposit and investment of moneys in the account.

Table 1. Estimated Revenue from \$1 Surcharge on Driver's Licenses	
Type of License or Permit	FY 2007-08
New Adult Driver's License	\$164,922
Adult Driver's License Renewal	\$123,245
Minor Driver's License (including New License, Renewal, and Permit)	\$93,642
Commercial Driver's License	\$54,098
Replacement License	\$55,996
TOTAL	\$491,903

Current driver's license fees. Under current law, the basic fee for an adult driver's license is \$15.60; it is available to adults age 21 and older and is valid for five years. A minor driver's license costs \$15.60, is available to people age 16 to 21, and is valid until 20 days after a person's 21st birthday. For minors completing an instruction permit prior to obtaining a license the fee is \$25.60. An instruction permit purchased separately costs \$10.60 and is valid for 3 years from the date of issue unless there is a change in age group from minor to adult. A commercial driver's license is available to adults for a fee of \$25.60 and is valid for four years.

Fee Impact on Individuals. Section 2-2-322, C.R.S., requires legislative service agency review of measures which create or increase any fee collected by a state agency. Table 2 below identifies the fee impact of this bill.

Table 2. Fee Impact on Individuals, Families or Business					
Type of Fee	Current Fee	Proposed Fee	Fee Change	Number Affected	Total Fee Impact
Driver's License Surcharge	0	\$1	\$1	491,903	\$491,903
TOTAL					\$491,903

State Expenditures

State expenditures will increase by \$1,361 in the current fiscal year, FY 2006-07, and by up to \$491,903 in FY 2007-08. First-year costs are for modifying the driver's license computer system to establish the new \$1 surcharge. All other costs are for conducting a performance audit of driver's license functions.

Costs for modifying the driver's license system are paid from the General Fund and will occur in FY 2006-07 so that the department can complete the estimated 40 hours of computer programming prior to July 1, 2007, when the surcharge begins. Costs for the audit will be paid from the Driver's License Office Account in the HUTF.

State Appropriations

The Department of Revenue will require a General Fund appropriation of \$1,361 for FY 2006-07. The department has statutory authority to spend moneys credited to the Driver's License Office Account in the HUTF in FY 2007-08, so no additional appropriation of this money is necessary.

Departments Contacted

Revenue