


Colorado Legislative Council Staff Fiscal Note
FINAL
FISCAL NOTE

Drafting Number: LLS 09-0305
Prime Sponsor(s): Sen. Spence
 Rep. Benefield

Date: June 23, 2009
Bill Status: Signed into Law
Fiscal Analyst: David Porter (303-866-4375)

TITLE: CONCERNING AN EXTENSION OF FEES ON CERTAIN IDENTIFICATION DOCUMENTS ISSUED BY THE DEPARTMENT OF REVENUE TO FUND IDENTIFICATION SECURITY, AND MAKING AN APPROPRIATION IN CONNECTION THEREWITH.

Fiscal Impact Summary	FY 2009-2010	FY 2010-2011
State Revenue		
Cash Funds		
Highway Users Tax Fund – Identification Security Fund	\$ 644,550	\$830,415
State Expenditures		
Cash Funds		
Highway Users Tax Fund – Identification Security Fund	\$ 644,550	\$ 830,415
FTE Position Change		
Effective Date: The Governor signed the bill into law on May 18, 2009, and it takes effect July 1, 2009.		
Appropriation Summary for FY 2009-2010: See State Appropriations section.		
Local Government Impact: None.		

Summary of Legislation

This bill extends a \$0.60 surcharge on driver's licenses and photo identification (ID) cards from July 1, 2009, to July 1, 2014. It also extends the related Identification Security Fund, a special purpose account in the Highway Users Tax Fund, and sets reporting requirements. The surcharge is split between three security-related purposes approximately as follows:

- ▶ ***Digimarc/L1 (\$0.53)*** – for facial recognition services and the security and anti-fraud features on driver's licenses and ID cards ;
- ▶ ***Department of Homeland Security (approx. \$0.04)***– to provide alien status determination for entitlement programs through the Systematic Alien Verification for Entitlements (SAVE) program ; and
- ▶ ***Social Security Administration (approx. \$0.03)*** – to verify social security numbers.

State Revenue and Expenditures

Total state revenue and expenditures anticipated under SB09-025 are \$644,550 in FY 2009-10 and \$830,415 in FY 2010-11. Revenue estimates are based on 1,074,250 identification documents being issued in FY 2009-10 and 1,384,025 in FY 2010-11. It is assumed that the entire fee amount will be appropriated to the Department of Revenue for the activities identified above. Since the bill simply extends an existing fee, the associated revenue and expenditures of this bill are not new and the bill itself does not create a fiscal impact. However, as the department did not have Long Bill spending authority for the full amount of expenditures, it requires an appropriation.

State Appropriations

Of the \$644,550 costs indicated in this fiscal note, the FY 2009-10 Long Bill includes an appropriation of \$351,743 from the Identification Security Fund. The remaining amount is included as part of a DOR General Fund appropriation. This bill provides fee revenue to offset the General Fund appropriation. As such, it includes a FY 2009-10 reduction in the General Fund appropriation by \$292,807 and an increase in the Identification Security Fund of the HUTF by a like amount.

Departments Contacted

Revenue