

**JBC STAFF FISCAL ANALYSIS
SENATE APPROPRIATIONS COMMITTEE**

CONCERNING DOCUMENTARY EVIDENCE NEEDED FOR AN INDIVIDUAL TO BE ISSUED AN IDENTITY DOCUMENT BY THE DEPARTMENT OF REVENUE.

Prime Sponsors: Sens. Ulibarri and Morse
Representative Melton

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Fiscal Impact of Bill as Amended to Date

The most recent Legislative Council Staff Revised Fiscal Note (attached) reflects the fiscal impact of the bill as of 04/17/13.

XXX	No Change: Attached LCS Fiscal Note accurately reflects the fiscal impact of the bill
	Update: Fiscal impact has changed due to <i>new information or technical issues</i>
	Update: Fiscal impact has changed due to <i>amendment adopted</i> after LCS Fiscal Note was prepared
	Non-Concurrence: JBC Staff and Legislative Council Staff disagree about the fiscal impact of the bill

Amendments in This Packet for Consideration by Appropriations Committee

Amendment	Description
J.001	Staff-prepared appropriation amendment

Current Appropriations Clause in Bill

The bill requires but does not contain an appropriation clause.

Description of Amendments in This Packet

J.001 Staff has prepared amendment **J.001** (attached) to add a provision appropriating \$855,686 total funds and 6.2 FTE to the Department of Revenue for FY 2013-14. Of this amount, \$423,924 is from the General Fund for the costs for the State's contractor to design the changes and to make programming changes to the Department driver's license system and \$431,762 is from cash funds (\$403,194 and 6.2 FTE from the Licensing Services Cash Fund and \$28,568 from the Identification Security Fund) for the costs related to issuance of driver's licenses. Of the amount appropriated from the General Fund, \$33,924 is reappropriated to the Governor's Office of Information Technology for FY 2013-14 for the provision of computer center services to the Department of Revenue.

Points to Consider

1. *General Fund Impact*

The Joint Budget Committee has proposed a budget package for FY 2013-14 based on the March 2013 Office of State Planning and Budgeting revenue forecast. The budget package allocates all but approximately \$9.0 million of General Fund revenues projected to be available. Pursuant to S.B. 13-236, this \$9.0 million General Fund will be transferred to the Colorado Water Conservation Board (CWCB) Construction Fund. This bill requires a General Fund appropriation of \$423,924 for FY 2013-14 and thus will reduce the transfer to the CWCB Construction Fund by that amount.

2. *Revenue Source*

General Fund is required for this bill because the fund balance in the Licensing Services Cash Fund (LSCF) is insufficient to provide funding for the elements of the appropriation that require General Fund, namely the redesign of the driver's license and the computer programming costs. The other elements of the appropriation will be covered by additional fees to the Licensing Services Cash Fund and the Identification Security Fund by applicants for driver's licenses.

The following table provides a revised fund balance projection for the Licensing Services Cash Fund.

Licensing Services Cash Fund FY 2013 Projection (Estimated)	
	Projection
Beginning Fund Balance	\$2,223,582
<u>Revenues</u>	
Document Issuance	18,450,598
Special Plates	2,799,198
Interest Revenue	53,578
Appropriations	(24,665,477)
Ending Fund Balance	(\$1,138,521)
Percentage Reduction in Expenditures to Maintain Positive Fund Balance	-4.6%

In order to maintain a positive fund balance in the LSCF, expenditures from the fund will need to be reduced by approximately \$1.1 million, a reduction of 4.6 percent.

3. Section 3 of the Judiciary Committee Report (Section 42-2-508 on page 3 of the Report) allows the Department of Revenue to promulgate a rule that imposes an additional fee for the issuance of documents (driver's license or identification card) for individuals who are not lawfully present in the United States. This will not help the Department avoid the General Fund described above as the Department requires up-front moneys to design the documents and reprogram the driver's license system, while the additional fees generated by the rule do not occur until a document is issued.