

Second Regular Session
Seventieth General Assembly
STATE OF COLORADO

REENGROSSED

*This Version Includes All Amendments
Adopted in the House of Introduction*

LLS NO. 16-0924.01 Ed DeCecco x4216

HOUSE BILL 16-1415

HOUSE SPONSORSHIP

Hamner, Young, Rankin

SENATE SPONSORSHIP

Steadman, Grantham, Lambert

House Committees

Appropriations

Senate Committees

A BILL FOR AN ACT

101 **CONCERNING THE MANNER IN WHICH THE STATE FUNDS DRIVER AND**
102 **VEHICLE SERVICES BY THE DIVISION OF MOTOR VEHICLES IN**
103 **THE DEPARTMENT OF REVENUE, AND, IN CONNECTION**
104 **THEREWITH, MAKING AND REDUCING AN APPROPRIATION.**

Bill Summary

(Note: This summary applies to this bill as introduced and does not reflect any amendments that may be subsequently adopted. If this bill passes third reading in the house of introduction, a bill summary that applies to the reengrossed version of this bill will be available at <http://www.leg.state.co.us/billsummaries>.)

Joint Budget Committee. Section 2 of the bill specifies that the current surcharge for retesting added for issuance of a driver's or minor driver's license applies regardless of whether an applicant retakes the

Shading denotes HOUSE amendment. Double underlining denotes SENATE amendment.

Capital letters indicate new material to be added to existing statute.

Dashes through the words indicate deletions from existing statute.

HOUSE
3rd Reading Unamended
April 1, 2016

HOUSE
Amended 2nd Reading
March 31, 2016

examination or demonstration with the department of revenue (department) or a vendor approved by the department.

Beginning July 1, 2016, **section 4** increases fees related to driver's licenses. These fees, which were initially set in statute and increased by the department, are further increased as follows:

- ! \$2.60 to \$9 for a driving record;
- ! \$3.20 to \$10 for a certified driving record;
- ! \$9 to \$12 for a duplicate permit or minor driver's license;
- ! \$3.60 to \$6.50 for a driver's license extension;
- ! \$360 to \$3,094 for licensing testing units for the initial license, and from \$120 to \$1,052 for each subsequent annual license renewal; and
- ! \$120 to \$148 for licensing driving testers for the initial license and from \$60 to \$140 for each subsequent annual license renewal.

In addition, the fee for a driver's license or minor driver's license is increased from \$25 to \$26 during the fiscal year 2016-17, to \$27 for the fiscal year 2017-18, and to \$28 thereafter. Like the existing fees, the department has the authority to raise or lower these increased fees in the future.

The revenue from these fees is deposited in the licensing services cash fund (fund). Currently, the excess reserve in the fund at the end of a fiscal year is transferred to the highway users tax fund (HUTF). **Section 3** eliminates this transfer, and **section 1** exempts the fund from the maximum reserve requirement that generally applies to cash funds.

Section 5 sets up a procedure whereby, after qualifying for a driver's license but failing the driving test, an applicant for a driver's license who is not a permanent lawful resident may use a private vendor to readminister the driving test. The applicant must successfully complete the driver's test within 60 days after the first attempt.

For the next 3 fiscal years, **section 6** permits the general assembly to appropriate moneys from the HUTF to the department for use by the division of motor vehicles for expenses incurred in connection with the administration of driver and vehicle services. These appropriations are in addition to the existing off-the-top appropriations from the HUTF for the Colorado state patrol, which are subject to a 6% annual growth limit.

1 *Be it enacted by the General Assembly of the State of Colorado:*

2 **SECTION 1.** In Colorado Revised Statutes, 24-75-402, **amend**
3 (5) (hh) and (5) (ii); and **add** (5) (jj) as follows:

4 **24-75-402. Cash funds - limit on uncommitted reserves -**

1 **reduction in amount of fees - exclusions - repeal.** (5) Notwithstanding
2 any provision of this section to the contrary, the following cash funds are
3 excluded from the limitations specified in this section:

4 (hh) The conveyance safety fund created in section 9-5.5-111 (2)
5 (b), C.R.S., until this paragraph (hh) is repealed, effective July 1, 2017;
6 **and**

7 (ii) The oil and gas conservation and environmental response fund
8 created in section 34-60-122 (5), C.R.S.; AND

9 (jj) THE LICENSING SERVICES CASH FUND CREATED IN SECTION
10 42-2-114.5 (1), C.R.S.

11 **SECTION 2.** In Colorado Revised Statutes, 42-2-114, **amend** (2)
12 (e) as follows:

13 **42-2-114. License issued - fees - rules - repeal.** (2) (e) In
14 addition to the fee established in paragraph (a) of this subsection (2), a
15 surcharge is added for issuance of a driver's or minor driver's **license, OR**
16 **INSTRUCTION PERMIT**, when an applicant retakes either the examination
17 of knowledge of the traffic laws of this state or the demonstration of the
18 applicant's ability to exercise ordinary and reasonable care and control in
19 the operation of a motor vehicle. **THE SURCHARGE APPLIES REGARDLESS**
20 **OF WHETHER THE APPLICANT RETAKES THE EXAMINATION OR**
21 **DEMONSTRATION WITH THE DEPARTMENT OR A VENDOR APPROVED BY THE**
22 **DEPARTMENT.** The department shall set the surcharge by rule in an
23 amount to offset the direct and indirect cost of giving the **FAILED**
24 examination or demonstration. The department shall transfer the
25 surcharge to the state treasurer, who shall credit it to the licensing
26 services cash fund, created in section 42-2-114.5.

27 **SECTION 3.** In Colorado Revised Statutes, 42-2-114.5, **amend**

1 (1) as follows:

2 **42-2-114.5. Licensing services cash fund - fee setting**
3 **procedures - rules.** (1) The licensing services cash fund is hereby
4 created in the state treasury. The general assembly shall appropriate
5 moneys in the fund to the department for the cost of implementing this
6 article. ~~At the end of each fiscal year, the state treasurer shall credit the~~
7 ~~money in the fund, less sixteen and one-half percent of the amount~~
8 ~~appropriated from the fund for such operation in the fiscal year, to the~~
9 ~~highway users tax fund.~~

10 **SECTION 4.** In Colorado Revised Statutes, 42-2-114.5, amend
11 (2) (a), (2) (b), (2) (d), (2) (f), (2) (g), (2) (n), (2) (o), and (3) as follows:

12 **42-2-114.5. Licensing services cash fund - fee setting**
13 **procedures - rules.** (2) Except as provided in subsection (3) of this
14 section, the following fees must be paid for the following functions:

15 (a) The fee for a driving record under section 42-1-206 (2) is ~~two~~
16 ~~dollars and twenty cents~~ NINE DOLLARS;

17 (b) The fee for a certified driving record under section 42-1-206
18 (2) is ~~two~~ TEN dollars; ~~and seventy cents;~~

19 (d) The fee for a driver's license or minor driver's license under
20 section 42-2-114 (2) (a) or (4) (a), respectively, is:

21 (I) ~~twenty-one~~ TWENTY-SIX dollars beginning July 1, 2016, BUT
22 BEFORE JULY 1, 2017;

23 (II) TWENTY-SEVEN DOLLARS BEGINNING JULY 1, 2017, BUT
24 BEFORE JULY 1, 2018; AND

25 (III) TWENTY-EIGHT DOLLARS BEGINNING JULY 1, 2018;

26 (f) The fee for a duplicate permit or minor driver's license under
27 section 42-2-117 (1) is ~~seven~~ TWELVE dollars ~~and fifty cents~~ for the first

1 duplicate and fourteen dollars for a subsequent duplicate;

2 (g) The fee for a driver's license extension under section 42-2-118

3 (1) (b) (I) is ~~three~~ SIX dollars AND FIFTY CENTS;

4 (n) The fee for licensing testing units under section 42-2-406 (4)

5 is ~~three hundred~~ THREE THOUSAND NINETY-FOUR dollars for the initial

6 license and ~~one hundred~~ ONE THOUSAND FIFTY-TWO dollars for each

7 subsequent annual license renewal;

8 (o) The fee for licensing driving testers under section 42-2-406 (3)

9 is one hundred FORTY-EIGHT dollars for the initial license and ~~fifty~~ ~~dollar~~

10 ONE HUNDRED FORTY DOLLARS for each subsequent annual license

11 renewal; and

12 (3) (a) EXCEPT AS SET FORTH IN PARAGRAPH (b) OF THIS

13 SUBSECTION (3), beginning July 1, 2015, the department may raise or

14 lower the fees listed in subsection (2) of this section, but the department

15 shall not increase the fee by more than twenty percent before July 1,

16 2016, or by more than five percent per year on or after July 1, 2016.

17 (b) THE DEPARTMENT SHALL NOT RAISE OR LOWER THE FEES

18 LISTED IN PARAGRAPHS (a), (b), (f), (g), (n), AND (o) OF SUBSECTION (2)

19 OF THIS SECTION BEFORE JULY 1, 2017, AND THE FEES LISTED IN PARAGRAPH

20 (d) OF SUBSECTION (2) OF THIS SECTION BEFORE JULY 1, 2019.

21 **SECTION 5.** In Colorado Revised Statutes, **add** 42-2-511 as

22 follows:

23 **42-2-511. Driving test - third-party option - definition.** (1) As

24 USED IN THIS SECTION, "DRIVING TEST" MEANS THE DEMONSTRATION OF

25 ORDINARY AND REASONABLE CARE IN THE OPERATION OF A MOTOR

26 VEHICLE IN ACCORDANCE WITH SECTION 42-2-111.

27 (2) TO USE THE PROCEDURE SET FORTH IN SUBSECTION (3) OF THIS

1 SECTION, AN APPLICANT FOR AN IDENTIFICATION DOCUMENT MUST FULFILL
2 THE APPLICABLE REQUIREMENTS OF THIS PART 5 AND PART 1 OF THIS
3 ARTICLE OTHER THAN THE DRIVING TEST.

4 (3) IF AN APPLICANT FOR AN IDENTIFICATION DOCUMENT UNDER
5 THIS PART 5 FAILS THE DRIVING TEST, THE APPLICANT MAY RETAKE THE
6 DRIVING TEST FROM A VENDOR APPROVED BY THE DEPARTMENT TO
7 CONDUCT THE TEST. IF THE APPLICANT PASSES THE DRIVING TEST WITHIN
8 SIXTY DAYS AFTER FAILING THE DRIVING TEST, THE APPLICANT MAY
9 REOPEN THE APPLICATION FOR A DRIVER'S LICENSE AT ANY OFFICE
10 AUTHORIZED TO ISSUE IDENTIFICATION DOCUMENTS TO THE APPLICANT.
11 TO BE ISSUED THE LICENSE UNDER THIS PART 5, THE APPLICANT MUST
12 PRESENT EVIDENCE OF PASSING THE TEST.

13 **SECTION 6.** In Colorado Revised Statutes, 43-4-201, **amend** (3)

14 (a) (I) (C) and (3) (a) (III) (C); and **repeal** (3) (a) (I.1) as follows:

15 **43-4-201. Highway users tax fund - created.** (3) (a) (I) The
16 general assembly shall not make any annual appropriation (whether by
17 regular, special, or supplementary appropriation) or any statutory
18 distribution from the highway users tax fund for any purpose or purposes
19 in a total amount that is:

20 (C) Commencing in the fiscal year 2013-14, more than a six
21 percent increase over the appropriation to the Colorado state patrol for the
22 prior fiscal year, PLUS, FOR THE FISCAL YEARS 2016-17, 2017-18, AND
23 2018-19 ONLY, THE AMOUNT APPROPRIATED TO THE DEPARTMENT OF
24 REVENUE FOR USE BY THE DIVISION OF MOTOR VEHICLES PURSUANT TO
25 SUB-SUBPARAGRAPH (C) OF SUBPARAGRAPH (III) OF THIS PARAGRAPH (a).

26 (I.1) ~~Commencing with the fiscal year 1995-96, the general~~
27 assembly shall not make any annual appropriation or statutory distribution

1 from the highway users tax fund pursuant to this paragraph (a), except to
2 the department of public safety for the Colorado state patrol or, through
3 the fiscal year 2011-12 only, to the department of revenue for the ports of
4 entry section, that exceeds the annual appropriation or statutory
5 distribution for all purposes except the Colorado state patrol and the ports
6 of entry division for the fiscal year 1994-95.

7 (III) (C) The general assembly shall not make any annual
8 appropriation or statutory distribution from the highway users tax fund for
9 the fiscal year 1997-98 or for any succeeding fiscal year authorized by
10 subparagraph (II) of this paragraph (a), excluding the annual
11 appropriation or statutory distribution to the Colorado state patrol and,
12 through the fiscal year 2011-12 only, the ports of entry section and
13 excluding any appropriation to the department of revenue for the fiscal
14 years 2008-09, 2009-10, 2010-11, and 2011-12, 2016-17, 2017-18, AND
15 2018-19, for expenses incurred in connection with the administration of
16 article 2 of title 42, C.R.S., by the division of motor vehicles within the
17 department.

18 **SECTION 7. Appropriation - adjustments to 2016 long bill.**

19 (1) To implement this act, appropriations made in the annual general
20 appropriation act for the 2016-17 state fiscal year to the department of
21 revenue for use by the division of motor vehicles are adjusted as follows:

22 (a) The general fund appropriation for personal services related
23 to driver services is decreased by \$3,200,000; and

24 (b) The cash funds appropriation from the licensing services cash
25 fund created in section 42-2-114.5 (1), C.R.S., for personal services
26 related to driver services is increased by \$1,200,000.

27 (2) For the 2016-17 state fiscal year, \$2,000,000 is appropriated

1 to the department of revenue for use by the division of motor vehicles.

2 This appropriation is from the highway users tax fund created in section

3 43-4-201, C.R.S. To implement this act, the division may use this

4 appropriation for personal services, related to driver services.

5 **SECTION 8. Effective date.** This act takes effect upon passage;

6 except that section 4 of this act takes effect July 1, 2016.

7 **SECTION 9. Safety clause.** The general assembly hereby finds,

8 determines, and declares that this act is necessary for the immediate

9 preservation of the public peace, health, and safety.