



**Legislative Council Staff**

*Nonpartisan Services for Colorado's Legislature*

**Revised Fiscal Note**

(replaces fiscal note dated January 23, 2024)

<b>Drafting Number:</b>	LLS 24-0446	<b>Date:</b>	March 29, 2024
<b>Prime Sponsors:</b>	Sen. Smallwood; Kolker Rep. Vigil; Soper	<b>Bill Status:</b>	House Trans., Hous. & Local Govt. Nina Forbes   303-866-4785
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**Bill Topic: REMUNERATION-EXEMPT IDENTIFYING PLACARDS**

<b>Summary of Fiscal Impact:</b>	<input type="checkbox"/> State Revenue	<input type="checkbox"/> State Transfer	<input type="checkbox"/> Local Government
	<input checked="" type="checkbox"/> State Expenditure	<input type="checkbox"/> TABOR Refund	<input type="checkbox"/> Statutory Public Entity

The bill expands and clarifies access to remuneration-exempt placards. The bill increases state expenditures in FY 2024-25 and FY 2025-26 only.

<b>Appropriation Summary:</b>	For FY 2024-25, the bill includes an appropriation of \$10,782 to the Department of Revenue.
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<b>Fiscal Note Status:</b>	The revised fiscal note reflects the reengrossed bill
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**Table 1  
State Fiscal Impacts Under SB 24-019**

		<b>Budget Year FY 2024-25</b>	<b>Out Year FY 2025-26</b>
<b>Revenue</b>		-	-
<b>Expenditures</b>	Cash Funds	\$10,782	\$10,843
<b>Transfers</b>		-	-
<b>Other Budget Impacts</b>		-	-

## Summary of Legislation

Under current law, individuals with remuneration-exempt placards are exempt from paying at a parking device. The bill defines “parking device” and makes clarifications regarding remuneration-exempt placards as follows:

- it increases the number of remuneration-exempt placards that the Department of Revenue (DOR) may issue from one to two per person;
- it clarifies that a remuneration-exempt placard is not included in the limits on disability identifying placards and license plates that the DOR may issue to an individual; and
- it specifies that individuals with remuneration-exempt placards are exempt from paying at a parking device within a parking lot.

## Background and Assumptions

**Remuneration-exempt placards.** Identifying placards, including remuneration-exempt placards, are issued to eligible individuals at no cost. More information about remuneration-exempt placards is available on the [DOR’s website](#).

**DRIVES programming.** The Division of Motor Vehicles (DMV) in the DOR uses its Driver License, Record, Identification and Vehicle Enterprise Solution (DRIVES) information technology system for all driver license and motor vehicle transactions. The DRIVES system requires an extensive 18-month upgrade which is scheduled to take place from July 1, 2024, through March 31, 2026. As a result, the DOR has requested that any new legislation requiring DRIVES programming have an effective date of April 1, 2026, with roll-forward spending authority through FY 2026-27, noting that each programming requirement during the system upgrade period may increase the overall project timeline. Based on the current effective date in the bill, the fiscal note includes costs for the DRIVES programming to take place twice—in the existing and new system.

## State Expenditures

The bill increases state cash fund expenditures by \$10,782 in FY 2024-25 and \$10,843 in FY 2025-26. Expenditures are shown in Table 2 and discussed below.

**Table 2**  
**State Expenditures Under SB 24-019**

	<b>FY 2024-25</b>	<b>FY 2025-26</b>
<b>Department of Revenue</b>		
DRIVES Programming	\$10,447	\$10,671
Placards	\$335	\$172
<b>Total Expenditures</b>	<b>\$10,782</b>	<b>\$10,843</b>

**DRIVES programming.** Programming and testing costs of \$9,160 in FY 2024-25 and \$9,384 in FY 2025-26 are required to update the Driver License, Record, Identification and Vehicle Enterprise Solutions (DRIVES) system. Office of Information Technology (OIT) support requirements are estimated at 13 hours at a rate of \$99 per hour for a total cost of \$1,287, which will be allocated to the DOR and paid to OIT via real time billing in each year. These costs are paid from the DRIVES Cash Fund.

**Additional placards.** Based on the number of existing remuneration-exempt placards the DOR currently issues, the department will produce an estimated 744 additional placards in FY 2024-25 and 220 additional placards in FY 2025-26 at a cost of \$0.45 per placard. These costs are paid from the License Plate Cash Fund.

### **Technical Note**

The fiscal note currently includes a duplicative programming cost for the DOR's DRIVES system, as discussed in the Background and Assumptions section. The duplicate cost would be removed if the bill's effective date were amended to April 1, 2026, when the DRIVES upgrade is complete.

### **Effective Date**

The bill takes effect 90 days following adjournment of the General Assembly sine die, assuming no referendum petition is filed.

### **State Appropriations**

For FY 2024-25, the bill includes the following appropriations to the Department of Revenue:

- \$10,447 from the DRIVES Account; and
- \$335 from the License Plate Cash Fund.

### **State and Local Government Contacts**

Revenue

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The revenue and expenditure impacts in this fiscal note represent changes from current law under the bill for each fiscal year. For additional information about fiscal notes, please visit the [General Assembly website](#).