



Legislative Council Staff
Nonpartisan Services for Colorado's Legislature

Fiscal Note

Drafting Number:	LLS 24-0201	Date:	March 4, 2024
Prime Sponsors:	Rep. Armagost; Kipp Sen. Hansen; Smallwood	Bill Status:	House Trans., Hous. & Local Govt.
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Bill Topic: **DRIVING IMPROVEMENT COURSE DRIVER'S LICENSE POINTS**

Summary of Fiscal Impact:	<input checked="" 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 allows an individual convicted of a traffic offense to complete a traffic improvement course in order to waive license suspension points. It decreases state revenue on net and increases state expenditures starting in FY 2026-27.

Appropriation Summary: No appropriation is required.

Fiscal Note Status: The fiscal note reflects the introduced bill.

Table 1
State Fiscal Impacts Under HB 24-1250

		Budget Year FY 2024-25	Out Year FY 2026-27	Out Year FY 2027-28
Revenue	Cash Funds	-	(\$78,166)	(\$164,422)
	Total Revenue	-	(\$78,166)	(\$164,422)
Expenditures	Cash Funds	-	\$72,419	\$25,581
	Centrally Appropriated	-	\$4,938	\$8,148
	Total Expenditures	-	\$77,357	\$33,729
	Total FTE	-	0.3 FTE	0.5 FTE
Transfers		-	-	-
Other Budget Impacts	TABOR Refund	-	<i>not estimated</i>	<i>not estimated</i>

Summary of Legislation

The bill allows an individual convicted of a traffic offense to complete a traffic improvement course in order to waive license suspension points for the conviction. It requires the Department of Revenue (DOR) to develop rules that establish how many points may be waived, procedures for claiming a points waiver, a process for approval of commercial driving school courses, and fee amounts charged to a commercial driving school. The DOR must set fees so revenue offsets the direct and indirect costs of implementing the bill. The bill’s requirements are effective January 1, 2027, or when the department finishes developing the rules.

State Revenue

The bill increases state revenue to the DRIVES Cash Fund in the DOR and decreases revenue in other cash funds starting in FY 2026-27. Revenue is shown in Table 2 and detailed below. FY 2026-27 revenue assumes a half-year impact to reflect a January 2027 effective date.

**Table 2
 Revenue Under HB 24-1250**

	FY 2024-25	FY 2026-27	FY 2027-28
Driver License Administrative Revocation Account (HUTF)	-	(\$90,593)	(\$181,186)
First Time Drunk Driver Fund	-	(\$27,302)	(\$54,604)
DRIVES Cash Fund	-	\$39,729	\$71,368
Total Revenue	-	(\$78,166)	(\$164,422)

Highway Users Tax Fund. The bill decreases revenue to the Driver License Administrative Revocation Account in the Highway Users Tax Fund (HUTF) and the First Time Drunk Driver Fund by reducing the annual number of license suspension restoration fees. License suspension restoration fees are \$95, of which \$73 is credited to the HUTF and \$22 is credited to the First Time Drunk Driver Fund. DOR data show an average of 4,964 individuals subject to license point suspensions annually, and the fiscal note assumes 50 percent of these individuals will participate in an approved driving improvement course, resulting in 2,482 fewer suspensions and reinstatements requiring the \$95 restoration fee once fully implemented in FY 2027-28.

Fee impact on DRIVES Cash Fund. Colorado law requires legislative service agency review of measures which create or increase any fee collected by a state agency. In order to offset the direct and indirect costs of implementing the bill, this fiscal note assumes the license points suspension waiver application fee is \$2.81 and the driving improvement course certification fee is \$279. For FY 2026-27, revenue impacts are prorated to six months to reflect an assumed January implementation date for the fees. This revenue is subject to the state’s revenue limit under TABOR. Table 3 identifies the fee impact of this bill.

**Table 3
Fee Impact Under HB 24-1250**

Fiscal Year	Type of Fee	Proposed Fee	Number Affected	Total Fee Impact
FY 2026-27	Waiver Application Fee	\$2.81	11,359	\$31,917
	Commercial Driving School Fee	\$279.00	28	\$7,812
FY 2026-27 Total				\$39,729
FY 2027-28	Waiver Application Fee	\$2.81	22,717	\$63,835
	Commercial Driving School Fee	\$279.00	27	\$7,533
FY 2027-28 Total				\$71,368

DRIVES Cash Fund. The bill increases revenue in the DRIVES Cash Fund by increasing fees from license suspense point waiver applications and commercial driving school fees.

- **Waiver application fee.** There is an average of 45,434 individuals with unpaid citations annually. The fiscal note assumes 50 percent, or 22,717 of these individuals, will complete a driving improvement class, claim a license points suspension waiver, and pay a \$2.81 fee per point waiver application.
- **Commercial driving school fee.** Of the estimated 73 commercial driving schools in the state, this fiscal note assumes 75 percent of these schools, or 55 schools, will apply for certification of a driving improvement course and pay a one-time fee of \$279. It is assumed these schools will apply for the certification over the course of two years, 28 in FY 2026-27 and 27 in FY 2027-28, and that renewals will occur on a two-year cycle.

State Expenditures

The bill increases state expenditures in the Department of Revenue by \$77,357 in FY 2025-26 and \$33,729 in FY 2026-27 and ongoing, paid from the DRIVES Cash Fund. Expenditures are shown in Table 4 and detailed below.

**Table 4
Expenditures Under HB 24-1250**

	FY 2024-25	FY 2026-27	FY 2027-28
Department of Revenue			
Personal Services	-	\$15,487	\$24,941
Operating Expenses	-	\$384	\$640
DRIVES Programming	-	\$56,548	-
Centrally Appropriated Costs ¹	-	\$4,938	\$8,148
Total Cost	-	\$77,357	\$33,729
Total FTE	-	0.3 FTE	0.5 FTE

¹ Centrally appropriated costs are not included in the bill's appropriation.

Department of Revenue. The DOR requires staff and computer programming to implement the bill.

- **Staff.** Beginning FY 2026-27, the DOR requires 0.4 FTE annually to process suspension point reduction waivers, prorated for a December 2026 start date. From December 2026 to November 2027, the department requires a term-limited 0.2 FTE to review and certify the initial influx of driving improvement courses offered by commercial driving schools. Standard operating costs are included.
- **DRIVES Programming.** The bill requires \$56,548 in FY 2026-27 for DRIVES programming to allow commercial driving schools to report completion of driving improvement courses, assess course certification fees to driving schools, and allow the waiver of license suspension points. This includes \$43,132 for 164 hours of programming at a rate of \$263 an hour plus \$13,416 for ISD development, Office of Information Technology support, and additional testing. Programming rates are subject to annual adjustments and future rates are an estimate only.
- **Centrally appropriated costs.** Pursuant to a Joint Budget Committee policy, certain costs associated with this bill are addressed through the annual budget process and centrally appropriated in the Long Bill or supplemental appropriations bills, rather than in this bill. These costs, which include employee insurance and supplemental employee retirement payments, are shown in Table 4.

Other Budget Impacts

TABOR refunds. The bill will decrease the amount of state revenue required to be refunded to taxpayers by the amounts shown in the State Revenue section above, if the state is in a TABOR refund situation. However, a forecast of state revenue subject to TABOR is not available beyond FY 2025-26.

Effective Date

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

State and Local Government Contacts

Judicial
Regulatory Agencies

Law
Revenue

Legislative Legal Services

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](#).