



Fiscal Note

Legislative Council Staff

Nonpartisan Services for Colorado's Legislature

HB 26-1242: INTERLOCK DEVICE FOR IMPAIRED DRIVERS

Prime Sponsors:

Rep. Paschal; Jackson
Sen. Roberts

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Published for: House Trans., Hous. & Local Gov.**Drafting number:** LLS 26-0730**Version:** Initial Fiscal Note**Date:** March 9, 2026**Fiscal note status:** This fiscal note reflects the introduced bill.

Summary Information

Overview. The bill modifies requirements for an interlock-restricted driver license, as well as financial assistant requirements for ignition interlock devices.

Types of impacts. The bill is projected to affect the following areas on an ongoing basis starting in FY 2026-27:

- Minimal State Revenue
- State Expenditures

Appropriations. For FY 2026-27, the bill requires an appropriation of \$15,225 to the Department of Revenue.

Table 1
State Fiscal Impacts

Type of Impact	Budget Year FY 2026-27	Out Year FY 2027-28
State Revenue	\$0	\$0
State Expenditures (Cash Funds)	\$15,225	\$0
Transferred Funds	\$0	\$0
Change in TABOR Refunds	\$0	\$0
Change in State FTE	0.0 FTE	0.0 FTE

Summary of Legislation

The bill modifies requirements for interlock-restricted driver licenses and financial assistance for ignition interlock devices as described below.

Interlock-Restricted Driver Licenses

First-time drunk driving offenders must hold an interlock-restricted license and can only obtain an unrestricted license after they have completed the restriction removal process or after nine months, whichever period is shorter. These first-time offenders must hold a restricted license granted under these provisions even if their nine-month revocation period has expired. Additionally, the bill removes a requirement that a person whose driving privilege has been revoked for refusal to submit to testing can only apply for reinstatement after two months of revocation.

Ignition Interlock Financial Assistance

Under current law, the Department of Revenue (DOR) is required to offer certain interlock-restricted licensees financial assistance for ignition interlock costs; the DOR determines eligibility by rule and is required to fund the program from the First-Time Drunk Driving Offender Account (account) in the Highway Users Tax Fund (HUTF). The bill removes the HUTF account program funding requirement and instead requires ignition interlock manufacturers to offer discounts. If a participant fails to remain compliant with the assistance program requirements, they become responsible for the full costs, unless and until eligibility is reestablished by rule. Manufacturers can only request updated financial information once every six months for the purpose of determining eligibility.

The bill also specifies eligibility based on one of the following three factors:

- proof of enrollment in a jurisdictional or federal public assistance program;
- income not in excess of 150 percent of the federal poverty level; or
- meets eligibility criteria established by the DOR based on available discretionary income

Background and Assumptions

Background information and assumptions on the DOR's ignition interlock financial assistance program and driver license reinstatement applications under the bill is provided below.

Ignition Interlock Financial Assistance Program

Current law requires a person with a driver license that has been suspended, cancelled, or revoked to pay a restoration fee of \$95 to the DOR to restore their driver license. All of the fee is credited to the HUTF, with \$22 credited to the First-Time Drunk Driving Offender Account. Money in this account is spent in the following order:

- implementation costs associated with [House Bill 08-1194](#) and [House Bill 13-1240](#);
- ignition interlock assistance for first-time drunk or impaired driving offenders;
- ignition interlock assistance for persistent drunk or impaired drivers; and
- any remaining amount stays in the account.

Although the bill repeals the requirement that this account fund the ignition interlock assistance program, it does not repeal the distribution of money to provide assistance to affected drivers. Therefore, the fiscal note assumes that the DOR will continue to provide assistance or allocate the money to other authorized purposes. No net change in the DOR's expenditures from the HUTF account are expected.

[According to the DOR](#), there are four approved ignition interlock vendors in the state.

Driver License Reinstatement Applications

Under current law, first-time drunk or impaired driving offenders must serve a mandatory license revocation period, which is typically nine months, unless they apply for an interlock-restricted license. However, it is possible for a person to only serve the revocation period and apply for an unrestricted license without having an interlock-restricted license. Although the bill requires first-time offenders to apply for an interlock-restricted license, and specifically removes the option to let the nine-month revocation period expire, the fiscal note assumes that the vast majority of people already choose to apply for interlock-restricted licenses. Therefore, any revenue increase from new driver license reinstatement applications is assumed to be minimal.

State Revenue

Starting in FY 2026-27, the bill may increase state revenue to the HUTF account in the DOR if more driver license reinstatement applications occur. As discussed in the Background and Assumptions section, the fiscal note estimates a minimal revenue increase.

State Expenditures

For FY 2026-27 only, the bill increases state expenditures in the DOR by about \$15,000. These costs, paid from the DRIVES Cash Fund, are shown in Table 2 and discussed below.

Table 2
State Expenditures
Department of Revenue

Cost Component	Budget Year FY 2026-27	Out Year FY 2027-28
OIT Programing Costs	\$1,188	\$0
DOR Programing Costs	\$13,094	\$0
DOR User Acceptance Testing	\$943	\$0
Total Costs	\$15,225	\$0
Total FTE	0.0 FTE	0.0 FTE

DOR DRIVES Update

The DOR will have expenditures in FY 2026-27 for programming to update the DRIVES system. This includes:

- 11 hours of programming from the Office of Information Technology, at a cost of \$108.00 per hour;
- 79 hours of programming from the DOR's DRIVES vendor, at a blended cost of \$165.75 per hour; and
- 23 hours of user acceptance testing, at a cost of \$41.00 per hour.

Effective Date

The bill takes effect June 1, 2027, assuming no referendum petition is filed, and applies to revocations on or after this date.

State Appropriations

For FY 2026-27, the bill requires an appropriation of \$15,225 from the DRIVES Cash Fund to the Department of Revenue.

State and Local Government Contacts

District Attorneys
Judicial

Public Defender
Public Safety

Revenue

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](#).