



Fiscal Note

Legislative Council Staff

Nonpartisan Services for Colorado's Legislature

HB 26-1251: CREATING EQUAL JUSTICE LICENSE PLATE

Prime Sponsors:

Rep. Joseph; Woodrow

Fiscal Analyst:

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Fiscal note status: The fiscal note reflects the introduced bill.

Summary Information

Overview. Conditional upon the receipt of sufficient gifts, grants, and donations, the bill creates the Equal Justice special license plate.

Types of impacts. The bill is projected to affect the following areas in FY 2027-28 and FY 2028-29:

- State Revenue
- State Expenditures
- TABOR Refunds
- Local Government

Appropriations. No appropriation is required.

Table 1
State Fiscal Impacts

Type of Impact	Budget Year FY 2026-27	Out Year FY 2027-28	Out Year FY 2028-29
State Revenue	\$0	\$155,753	\$257,430
State Expenditures	\$0	\$61,753	\$62,230
Transferred Funds	\$0	\$0	\$0
Change in TABOR Refunds	\$0	\$123,967	\$257,430
Change in State FTE	0.0 FTE	0.0 FTE	0.0 FTE

Fund sources for these impacts are shown in the tables below. The timing of revenue and expenditures may differ from this estimate if gifts, grants, and donations are received on a later date. State expenditures only occur if sufficient gifts, grants, and donations are received.

**Table 1A
 State Revenue**

Fund Source	Budget Year FY 2026-27	Out Year FY 2027-28	Out Year FY 2028-29
General Fund	\$0	\$0	\$0
Cash Funds (Gifts, Grants and Donations)	\$0	\$31,786	\$0
Cash Funds (Other Cash Funds)	\$0	\$123,967	\$257,430
Total Revenue	\$0	\$155,753	\$257,430

**Table 1B
 State Expenditures**

Fund Source	Budget Year FY 2026-27	Out Year FY 2027-28	Out Year FY 2028-29
General Fund	\$0	\$0	\$0
Cash Funds	\$0	\$61,753	\$62,230
Federal Funds	\$0	\$0	\$0
Centrally Appropriated	\$0	\$0	\$0
Total Expenditures	\$0	\$61,753	\$62,230
Total FTE	0.0 FTE	0.0 FTE	0.0 FTE

State expenditures only occur if sufficient gifts, grants and donations are received.

Summary of Legislation

Conditional on the receipt of sufficient gifts, grants, and donations, the bill creates the Equal Justice special license plate, which is available to all applicants who make a donation of at least \$50 to the [Equal Justice Authority](#). Applicants must also pay two one-time fees of \$25, in addition to standard license plate fees and taxes, to the Department of Revenue (DOR).

The plate is available January 1, 2028, or at a later date when the DOR is able to issue the plate. The DOR can only issue the plate after receiving sufficient gifts, grants, or donations from public or private sources to cover the cost of creating the plate and any other related administrative or programming needs.

Assumptions

Demand for this new plate is assumed to be similar to the demand for the Donate Life license plate. Out of the 6.3 million registered vehicles in Colorado, the Donate Life plate has a 0.122 percent participation rate and about 7,710 plates issued over multiple years. The fiscal note assumes, due to the higher cost of the Equal Justice plate, that demand for the Equal

Justice plate will be 25 percent less (5,784 plates) than the total demand for the Donate Life plate. The fiscal note also assumes 32.5 percent (1,880 plates) will be issued in the first six months the plate is available and the other 67.5 percent (3,904 plates) will be issued in the following 12 months, assuming the DOR begins issuing plates on January 1, 2028.

State Revenue

The bill increases state cash fund revenue to the DOR by an estimated \$136,000 in FY 2027-28 and \$257,000 in FY 2028-29. Of this amount, about \$32,000 is revenue from gifts, grants, and donations, which are not subject to TABOR. The remaining revenue from license plate sales, which is subject to TABOR, is contingent upon receiving the required amount in gifts, grants, and donations. This revenue is discussed below and shown in Tables 2 and 2A.

Table 2
State Revenue
Department of Revenue

Revenue from Gifts, Grants, and Donations	Budget Year FY 2026-27	Out Year FY 2027-28	Out Year FY 2028-29
DRIVES Cash Fund	\$0	\$31,536	\$0
License Plate Cash Fund	\$0	\$250	\$0
Total GGD Revenue	\$0	\$31,786	\$0
Revenue from License Plates Issued	Budget Year FY 2026-27	Out Year FY 2027-28	Out Year FY 2028-29
Highway Users Tax Fund (\$25.00) (see Table 2A)	\$0	\$47,000	\$97,600
DRIVES Cash Fund (\$25.00)	\$0	\$47,000	\$97,600
License Plate Cash Fund (\$14.80)	\$0	\$29,967	\$62,230
Total License Plate Revenue	\$0	\$123,967	\$257,430
Total Revenue	\$0	\$155,753	\$257,430

Department of Revenue

Gifts, Grants, and Donations

In order to issue the plate, the fiscal note assumes the DOR will receive \$31,786 in gifts, grants, and donations in FY 2027-28 to cover the costs of creating the plate. This includes \$31,536 for programming costs and \$250 for the one-time fee paid to Colorado Correctional Industries to design the plate. At the time of writing, no sources of funding have been identified. Gifts, grants and donations are not subject to the state's TABOR revenue limit.

Special License Plate Fees

Applicants for the Equal Justice special license plate are required to pay an additional \$50 in fees, of which \$25 is credited to the Highway Users Tax Fund (HUTF) and \$25 is credited to the DRIVES Cash Fund, as shown in Table 2.

Standard License Plate Fees

Upon registration, all vehicle owners must pay a plate and tab production fee of \$15.94 for a digital passenger vehicle plate set in FY 2027-28 and beyond. All specialty plates are manufactured as digital plates, and the fiscal note assumes motorcycle issuance will be minimal. Fees from plate and tab production are credited to the License Plate Cash Fund (LPCF).

Highway Users Tax Fund Distributions

Of the HUTF revenue generated under this bill, 65 percent is credited to the State Highway Fund (SHF) for expenditure by the Department of Transportation, 26 percent is credited to counties, and 9 percent is credited to municipalities. Table 2A outlines the estimated distribution of HUTF revenue generated under this bill.

Table 2A
HUTF Distributions
Department of Transportation and Local Governments

HUTF Distributions	FY 2026-27	FY 2027-28	FY 2028-29
State Highway Fund (65 percent)	\$0	\$30,550	\$63,440
Counties (26 percent)	\$0	\$12,220	\$25,376
Municipalities (9 percent)	\$0	\$4,230	\$8,784
Total HUTF Distribution	\$0	\$47,000	\$97,600

State Expenditures

Conditional on the receipt of sufficient gifts, grants, and donations, the bill increases state cash fund expenditures in the Department of Revenue by about \$62,000 in FY 2027-28 and FY 2028-29. These costs are summarized in Table 3 and discussed below.

**Table 3
 State Expenditures
 Department of Revenue**

Cost Component	Budget Year FY 2026-27	Out Year 1 FY 2027-28	Out Year 2 FY 2028-29
Plate and Tab Production	\$0	\$30,217	\$62,230
DRIVES Programming	\$0	\$31,536	\$0
Total Costs	\$0	\$61,753	\$62,230
Total FTE	0.0 FTE	0.0 FTE	0.0 FTE

Department of Revenue

The DOR will have costs to produce the new plates, perform computer system changes, and make other updates, as outlined below.

Plate and Tab Production

As discussed in the State Revenue section, plate tab and production costs for special group plate sets are \$15.94 per set in FY 2027-28 and subsequent years. Based on the assumed number of plates, this will increase costs by the amounts shown in Table 3 above. In addition, Colorado Correctional Industries will receive a one-time fee of \$250 for designing the plate. Plate and tab production costs are paid from the LPCF.

DRIVES Programming

The bill requires \$31,536 in FY 2027-28 for programming to update the DRIVES system with the license plate, create new license plate inventory types in the system, allow for eServices transactions, and collect and distribute taxes and fees. Programming costs include \$23,584 for 88 hours of programming at a rate of \$268 per hour, plus \$4,592 for an estimated 112 hours of testing and ISD programming support at a rate of \$41 per hour. The Office of Information Technology (OIT) support requirements are estimated at a rate of \$112 per hour for 30 hours, which will be allocated to DOR and paid to OIT via real time billing.

Training and Materials Updates

DOR will be required to update rules, forms, manuals, and the department's website to include the license plate. The DOR will also provide training to authorized agents, Title and Registration Section staff, and law enforcement. Any workload increases or costs associated with these activities can be accomplished within existing appropriations.

TABOR Refunds

Conditional on the receipt of sufficient gifts, grants, and donations, the bill is expected to increase the amount of state revenue required to be refunded to taxpayers by the amounts listed in Table 1. This estimate assumes the December 2025 LCS revenue forecast. A forecast of state revenue subject to TABOR is not available beyond FY 2027-28. Because TABOR refunds are paid from the General Fund, increased cash fund revenue will reduce the amount of General Fund available to spend or save in FY 2027-28 and any future years when the state is over its revenue limit.

Local Government

The bill will increase local government HUTF revenue by the amount shown Table 2A. HUTF revenue generated by license plate fees is distributed to counties (26 percent) and municipalities (9 percent) for transportation needs.

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

Counties	Revenue
County Clerks	