



Fiscal Note

Legislative Council Staff

Nonpartisan Services for Colorado's Legislature

HB 26-1053: MOTOR VEHICLE REGULATION ADMINISTRATION

Prime Sponsors:

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Fiscal note status: The revised fiscal note reflects the reengrossed bill, which was amended by the Senate Finance Committee.

Summary Information

Overview. The bill makes various changes to the administration and registration of motor vehicles.

Types of impacts. The bill is projected to affect the following areas on an ongoing basis:

- Minimal State Revenue
- State Expenditures
- Local Government

Appropriations. For FY 2026-27, the bill requires and includes an appropriation of \$18,170 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)	\$18,170	\$0
Transferred Funds	\$0	\$0
Change in TABOR Refunds	\$0	\$0
Change in State FTE	0.0 FTE	0.0 FTE

Summary of Legislation

Beginning January 1, 2028, the bill allows the owner of a motor vehicle to transfer any numbered license plate from one vehicle to another as long as one person is listed as an owner of each motor vehicle.

On or before December 31, 2027, the bill requires the Department of Revenue (DOR) to develop and implement a contingency plan for the event of a disruption in vehicle licensing operations. The plan must be developed in conjunction with, and unanimously approved by, an association of county clerks that has existed and been active for at least ten years, and the Office of Information Technology.

State Revenue and Expenditures

Department of Revenue

The bill increases state expenditures in the DOR by \$18,170 in FY 2026-27 only, paid from the DRIVES Cash Fund, and will impact contingency-planning related workload. The bill also has an ongoing net-neutral impact on license plate revenue and expenditures. These impacts are discussed in further detail below.

Plate Transfer

Computer Programming

In FY 2026-27 only, the bill increases state expenditures from the DRIVES Cash Fund in the DOR by \$18,170 to make adjustments to the DRIVES system to authorize the transfer of regular license plates between two vehicles owned by an individual. Programming costs assume 52 hours at a rate of \$260 per hour for a total cost of \$13,520. Testing and development support is estimated to require 66 hours at \$41 per hour for a total cost of \$2,706.

Office of Information Technology (OIT) support requirements are estimated at 18 hours at a rate of \$108 per hour for a total cost of \$1,944.

License Plate Cash Fund

The bill allows individuals to transfer their existing plates to new vehicles rather than purchase new plates, and therefore not pay the DOR the \$15.94 in license plate fees. Because this fee covers the cost of license plate production, this revenue decrease is equal to the expenditure decrease; therefore, this impact is expected to be net-neutral.

Contingency Plan

The bill increases workload for the DOR to develop, implement, and maintain the required contingency plan for the event of a disruption in vehicle licensing operations. The bill instructs the DOR to consult with and receive recommendations from OIT and an association of county clerks. The fiscal note assumes any expenditures associated with developing and implementing the plan, including network and equipment support, can be accomplished within existing appropriations.

Local Government

The bill increases workload for select county clerks to consult with the DOR on developing a contingency plan related to disruptions in vehicle licensing operations.

Effective Date

The bill takes effect 90 days following adjournment of the General Assembly sine die, assuming no referendum petition is filed, except that Sections 1, 4, 5, and 6 take effect on January 1, 2028.

State Appropriations

For FY 2026-27, the bill requires and includes an appropriation of \$18,170 to the Department of Revenue from the DRIVES Cash Fund.

State and Local Government Contacts

Counties	Natural Resources
County Clerks	Revenue
Information Technology	Transportation
Local Affairs	

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](#).