



Legislative Council Staff

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Fiscal Note

Drafting Number:	LLS 24-0677	Date:	February 12, 2024
Prime Sponsors:	Rep. Evans	Bill Status:	House Finance
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Bill Topic: **FIRST RESPONDER WITH DISABILITY LICENSE PLATE**

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

The bill creates the First Responder with a Permanent Occupational Disability license plate. It increases state and local revenue and state expenditure on an ongoing basis.

Appropriation Summary: For FY 2024-25, the bill requires an appropriation of \$11,725 to the Department of Revenue.

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

**Table 1
State Fiscal Impacts Under HB 24-1112**

		Budget Year FY 2024-25	Out Year FY 2025-26
Revenue		-	-
Expenditures	Cash Funds	\$11,725	\$12,184
Transfers		-	-
Other Budget Impacts		-	-

Summary of Legislation

The bill creates the First Responder with a Permanent Occupational Disability license plate. The license plate is available to an individual who:

- is a retired member of the Fire and Police Pension Association, and has been determined by the association to have a permanent occupational disability resulting from an injury or occupational disease acquired during or resulting from official duties; or
- is a peace officer or firefighter, and has a permanent occupational disability resulting from an injury or occupational disease acquired during or resulting from official duties.

The plates may also include an additional identifying figure to indicate the vehicle is eligible for reserved parking for persons with disabilities.

The first set of license plates is exempt from the standard license plate taxes and fees. Additional plates are subject to the standard license plates taxes and fees, plus two one-time fees of \$25. The plate will be available January 1, 2025, or when the department is able to issue the plates.

Background

DRIVES programming. The Division of Motor Vehicles (DMV) in the Department of Revenue (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.

Assumptions

Demand for this new plate is assumed to be similar to the demand for the Colorado Professional Firefighter license plate, which has a 0.016 percent participation rate across the over 7 million vehicles registered in Colorado. A 0.016 percent participation rate for this plate would result in 361 plates being issued in FY 2024-25 and 389 in FY 2025-26.

State Revenue

Due to the exemption from standard license plate fees and taxes for the first plate, the bill is anticipated to decrease cash fund revenue by less than \$5,000 per year beginning in FY 2024-25. This revenue is subject to TABOR.

Standard license plate fees. The First Responder with a Permanent Occupational Disability license plate is exempt from the plate and tab production fee of \$10.03 for a digital passenger vehicle plate set in FY 2024-25 and \$10.70 the following year. 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).

State Expenditures

Expenditures in DOR will increase by \$11,725 in FY 2024-25, and by \$12,184 in FY 2025-26, as shown in Table 2. In future fiscal years, the ongoing costs will be for plate and tab production only. Expenditures are discussed below.

Table 2
Expenditures Under HB 24-1112

	FY 2024-25	FY 2025-26
Department of Revenue		
Computer Programming	\$7,854	\$8,022
Plate Design and Plate/Tab Production	\$3,871	\$4,162
Total Cost	\$11,725	\$12,184

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

- **Computer programming.** Computer programming costs in FY 2024-25 and FY 2025-26 include DRIVES programming, estimated at 24 hours at a rate of \$248 per hour in FY 2024-25 and 16 hours at a rate of \$255 per hour in FY 2025-26; ISD development and testing costs, estimated at 17 hours at a rate of \$35 per hour in each year; support from the Office of Information Technology estimated at 9 hours at a rate of \$99 per hour in each year, paid to OIT through real-time billing; and business user acceptance testing at 13 hours at a rate of \$32 per hour in each year.
- **Plate and tab production.** As discussed in the State Revenue section, plate tab and production costs are \$10.03 per license plate set in FY 2024-25 and \$10.70 per license plate set in FY 2025-26. Based on the assumed number of plates, this will increase costs as shown in Table 3 above. These costs are paid from the LPCF.
- **Update training and materials.** In addition, DOR will be required to update rules, forms, manuals, and the department's website to reflect the change in law. Additionally, the DOR will 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.

Local Government

This bill will minimally decrease local government HUTF revenue, of which 26 percent is distributed to counties and 9 percent is distributed to municipalities for transportation needs.

Technical Note

The fiscal note currently includes a duplicative programming cost for the DOR's DRIVES system, as discussed in the Background 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 requires appropriations of \$11,725 to the Department of Revenue, including:

- \$7,854 from the DRIVES Cash Fund; and
- \$3,871 from the License Plate Cash Fund.

State and Local Government Contacts

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](#).