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Final Fiscal Note

Drafting Number: LLS 24-0979 Date: July 12, 2024
Prime Sponsors: Rep. Duran; Winter T. Sen. Danielson Bill Status: Signed into Law
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Bill Topic: FIRE FIGHTERS LICENSE PLATE EXPIRATION ON TRANSFER

Summary of Fiscal Impact: [] State Revenue [] State Transfer [] Local Government
[x] State Expenditure [] TABOR Refund [] Statutory Public Entity

The bill requires the Colorado Professional Fire Fighters license plate to expire upon transfer or assignment of the motor vehicle. It increases state expenditures in FY 2024-25 and FY 2025-26 only.

Appropriation Summary: For FY 2024-25, the bill requires and includes an appropriation of \$4,010 to the Department of Revenue.

Fiscal Note Status: The final fiscal note reflects the enacted bill.

Table 1
State Fiscal Impacts Under HB 24-1319

Table with 3 columns: Category, Budget Year FY 2024-25, and Out Year FY 2025-26. Rows include Revenue, Expenditures (Cash Funds), Transfers, and Other Budget Impacts.

Summary of Legislation

Under current law, distinctive special license plates do not expire when a motor vehicle's ownership is transferred or assigned. The bill requires that the Colorado Professional Firefighter distinctive special license plate expire upon the transfer or assignment of the motor vehicle. Eligible individuals whose license plate expires upon transfer may reapply for the license plate by paying the required fees and fulfilling the application requirements.

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.

State Expenditures

Expenditures in DOR will increase by about \$4,000 in both FY 2024-25 and FY 2025-26, as shown in Table 2.

Table 2
Expenditures Under HB 24-1319

	FY 2024-25	FY 2025-26
Department of Revenue		
Programming	\$4,010	\$4,094
Total Cost	\$4,010	\$4,094

Department of Revenue. The DOR will have costs to make computer system changes and make other updates, as outlined below. Computer programming costs in FY 2024-25 and FY 2025-26 include DRIVES programming, estimated at 12 hours at a rate of \$248 per hour in FY 2024-25 and 12 hours at a rate of \$255 per hour in FY 2025-26; ISD development and testing costs, estimated at 9 hours at a rate of \$35 per hour in each year; support from the Office of Information Technology estimated at 4 hours at a rate of \$99 per hour in each year, paid to OIT through real-time billing; and business user acceptance testing at 7 hours at a rate of \$32 per hour in each year. These costs will require roll-forward spending authority through FY 2026-27.

Effective Date

The bill was signed into law by the Governor on May 22, 2024, and takes effect on August 7, 2024, assuming no referendum petition is filed.

State Appropriations

For FY 2024-25, the bill requires and includes an appropriation of \$4,010 from the DRIVES Cash Fund to the Department of Revenue.

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](#).