



Fiscal Note

Legislative Council Staff

Nonpartisan Services for Colorado's Legislature

HB 25-1083: VEHICLE TRANSACTIONS DEPLOYED MILITARY FAMILIES

Prime Sponsors:

Rep. Hamrick; Bradfield
Sen. Frizell

Fiscal Analyst:

Colin Gaiser, 303-866-2677
colin.gaiser@coleg.gov

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Summary Information

Overview. The bill allows a service member's dependents to extend their driver license expiration date when the service member is on active duty.

Types of impacts. The bill is projected to affect the following areas in the current FY 2024-25 and FY 2025-26:

- State Expenditures

Appropriations. The requires appropriations to the Department of Revenue of \$7,718 in the current FY 2024-25 and \$67,862 in FY 2025-26.

Table 1
State Fiscal Impacts

Type of Impact	Current Year FY 2024-25	Budget Year FY 2025-26	Out Year FY 2026-27
State Revenue	\$0	\$0	\$0
State Expenditures (Cash Funds)	\$7,718	\$67,862	\$0
Transferred Funds	\$0	\$0	\$0
Change in State Refunds	\$0	\$0	\$0
Change in State FTE	0.0 FTE	0.0 FTE	0.0 FTE

Summary of Legislation

Under current law, if a service member's driver license expires while they are on active duty outside of Colorado, the driver license expiration date is extended for three years and for 90 days after the service member returns to the state. The bill makes the service member's dependents eligible for an extension of their driver license expiration date when the service member is on active duty.

Background

The Division of Motor Vehicles (DMV) in the 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 until March 31, 2026. As a result, the DOR has requested that any new legislation requiring DRIVES programming have an effective date of July 1, 2027, with roll-forward spending authority through FY 2028-29, 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

The bill increases state expenditures in the Department of Revenue by about \$8,000 in FY 2024-25 and \$68,000 in FY 2025-26 only for the DOR to make changes to its DRIVES computer system. These costs, paid from the DRIVES Cash Fund, are summarized in Table 2 and discussed below.

Table 2
State Expenditures
Department of Revenue

Cost Component	Current Year FY 2024-25	Budget Year FY 2025-26	Out Year FY 2026-27
Programming Costs	\$7,718	\$7,862	\$0
DRIVES Upgrade Extension	\$0	\$60,000	\$0
Total Costs	\$7,718	\$67,862	\$0
Total FTE	0.0 FTE	0.0 FTE	0.0 FTE

DRIVES Programming

The bill requires \$7,718 in FY 2024-25 for DRIVES programming to modify interfaces within DRIVES to allow military dependents to apply for a driver license extension. Programming costs include \$5,880 for 24 hours of programming at a rate of \$245 per hour, plus \$1,838 for ISD development, Office of Information Technology support, and additional testing. The second round of programming in FY 2025-26 requires \$7,862, accounting for an increase in DRIVES programming costs to \$251 per hour.

DRIVES Upgrade Extension

The required DRIVES programming under the bill is expected to delay completion of the DRIVES upgrade by about a week. Any change to the project timeline will require the vendor to retain additional personnel beyond the current agreement, with the DOR responsible for these additional costs. For each month the upgrade is delayed, the vendor will charge the DOR an additional \$200,000, resulting in an estimated cost of \$60,000.

Technical Note

Duplicative DRIVES Costs

The fiscal note currently includes a duplicative programming cost and upgrade extension for the DOR's DRIVES system, as discussed in the Background section. These costs would be removed if the bill's effective date were amended to July 1, 2027, when the DRIVES upgrade is complete.

DRIVES Fund Solvency

The fiscal note assumes that increased costs for the bill will be paid from the DRIVES Cash Fund, and that the DOR will raise fees as necessary to ensure that it has sufficient funds to pay for program expenses. However, the DOR reports that recent cash fund consolidations have placed the fund above the allowable statutory reserve and it is unable to raise fees currently. At the same time, current spending from the fund is projected to deplete the available fund balance within the next two years. If the DOR is unable or unwilling to raise fees, the General Fund may be required, either in this bill or through the annual budget process, to ensure cash fund solvency.

Effective Date

The bill takes effect 90 days following adjournment of the General Assembly sine die, assuming no referendum petition is filed.

State Appropriations

The bill requires the following appropriations to the Department of Revenue from the DRIVES Cash Fund:

- \$7,718 for the current FY 2024-25; and,
- \$67,862 for FY 2025-26.

State and Local Government Contacts

Military Affairs

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](#).