



## Fiscal Note

### Legislative Council Staff

Nonpartisan Services for Colorado's Legislature

## HB 25-1103: FALLEN FIREFIGHTER SPECIAL LICENSE PLATE

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**Prime Sponsors:**

Rep. Richardson

**Fiscal Analyst:**

Nina Forbes, 303-866-4785

nina.forbes@coleg.gov

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

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### Summary Information

**Overview.** The bill creates the Fallen Firefighter special license plate.

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

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

**Appropriations.** For FY 2025-26, the bill requires an appropriation of \$24,198 to the Department of Revenue.

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**Table 1**  
**State Fiscal Impacts**

<b>Type of Impact</b>	<b>Budget Year FY 2025-26</b>	<b>Out Year FY 2026-27</b>
State Revenue (Cash Funds)	\$94,907	\$102,198
State Expenditures (Cash Funds)	\$24,198	\$18,798
Transferred Funds	\$0	\$0
Change in TABOR Refunds	\$94,907	\$102,198
Change in State FTE	0.0 FTE	0.0 FTE

## Summary of Legislation

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The bill creates the Fallen Firefighter special license plate. The license plate is available to all applicants who make a donation to an approved nonprofit that provides services to the families of firefighters killed in the line of duty and pay two one-time fees of \$25, in addition to standard license plate fees and taxes to the Department of Revenue (DOR). The license plate will be available starting January 1, 2026, or when the department is able to issue the plates.

## Background

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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 from July 1, 2024, through March 31, 2026. Each additional programming requirement, including new license plates, during the system upgrade period may increase the overall project timeline.

## Assumptions

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Demand for this new plate is assumed to be similar to the demand for the Fallen Heroes license plate. For the Fallen Heroes license plate, 1,549 plates were issued in the first year of availability and 1,668 were issued in the second year.

## State Revenue

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### Department of Revenue

The bill will increase state cash fund revenue to the DOR by an estimated \$94,907 in FY 2025-26, \$102,198 in FY 2026-27, and similar amounts in future years. This revenue is discussed below and shown in Tables 2 and 2A. It is subject to TABOR.

### Special License Plate Fees

Applicants for the Fallen Firefighter 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 \$11.27 for a digital passenger vehicle plate set in FY 2025-26 and beyond, as shown in Table 2. 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).

**Table 2  
State Revenue  
Department of Revenue**

<b>Fund Source</b>	<b>Budget Year FY 2025-26</b>	<b>Out Year FY 2026-27</b>
Highway Users Cash Fund (\$25) (see Table 2A)	\$38,725	\$41,700
DRIVES Cash Fund (\$25)	\$38,725	\$41,700
License Plate Cash Fund (\$11.27)	\$17,457	\$18,798
<b>Total Revenue</b>	<b>\$94,907</b>	<b>\$102,198</b>

**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**

<b>HUTF Distributions</b>	<b>FY 2025-26</b>	<b>FY 2026-27</b>
State Highway Fund (65 percent)	\$25,171	\$27,105
Counties (26 percent)	\$10,069	\$10,842
Municipalities (9 percent)	\$3,485	\$3,753
<b>Total HUTF Distribution</b>	<b>\$38,725</b>	<b>\$41,700</b>

## State Expenditures

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The bill increases state cash fund expenditures in the Department of Revenue by \$24,198 in FY 2025-26 and \$18,798 in FY 2026-27. These costs are summarized in Table 3 and discussed below.

**Table 3**  
**State Expenditures**  
**Department of Revenue**

<b>Cost Component</b>	<b>Budget Year FY 2025-26</b>	<b>Out Year FY 2026-27</b>
Plate and Tab Production	\$17,707	\$18,798
DRIVES Programming	\$6,491	\$0
<b>Total Costs</b>	<b>\$24,198</b>	<b>\$18,798</b>
<b>Total FTE</b>	<b>0.0 FTE</b>	<b>0.0 FTE</b>

## 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 plates are \$11.27 per license plate set in FY 2025-26 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

In FY 2025-26, one-time programming costs of \$6,491 are required to update the DRIVES system with the license plate. Programming costs assume 20 hours at a rate of \$251 per hour for a total cost of \$5,020. Testing is estimated to require 26 hours at between \$32 and \$35 per hour for a total cost of \$877. Office of Information Technology (OIT) support requirements are estimated at 6 hours at a rate of \$99 per hour, 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**

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The bill is expected to increase the amount of state revenue required to be refunded to taxpayers by the amounts shown in Table 1 above. This estimate assumes the December 2024 LCS revenue forecast. A forecast of state revenue subject to TABOR is not available beyond FY 2026-27. 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.

## **Local Government**

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

## **Technical Note**

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### **DRIVES Cash 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.

### **DRIVES Upgrade**

As discussed in the Background section, the ongoing DRIVES upgrade may delay the implementation of this bill. In addition to providing roll-forward spending authority, the issuance date, which is currently January 1, 2026, may need to be pushed back to ensure the programming is completed by the time the license plate must be issued.

## **Effective Date**

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

## State Appropriations

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For FY 2025-26, the bill requires an appropriation of \$24,198 to the Department of Revenue, with roll-forward spending authority through FY 2026-27. Of this total:

- \$6,491 is from the DRIVES Cash Fund; and,
- \$17,707 is from the License Plate Cash Fund.

## State and Local Government Contacts

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Corrections

County Clerks

Counties

Revenue