



Fiscal Note

Legislative Council Staff

Nonpartisan Services for Colorado's Legislature

HB 25-1112: LOCAL AUTHORITIES ENFORCE VEHICLE REGISTRATION

Prime Sponsors:

Rep. Titone; Hamrick
Sen. Exum

Fiscal Analyst:

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

Published for: House Trans., Hous. & Local Gov.**Drafting number:** LLS 25-0103**Version:** Initial Fiscal Note**Date:** February 5, 2025**Fiscal note status:** The fiscal note reflects the introduced bill.

Summary Information

Overview. The bill allows local authorities to enforce vehicle registration requirements and requires courts to waive fees and penalties for certain people for failing to register a vehicle.

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. No appropriation is required.

Table 1
State Fiscal Impacts

Type of Impact	Budget Year FY 2025-26	Out Year FY 2026-27
State Revenue	\$0	\$0
State Expenditures (Cash Funds)	\$0	\$51,953
Transferred Funds	\$0	\$0
Change in TABOR Refunds	\$0	\$0
Change in State FTE	0.0 FTE	0.0 FTE

Summary of Legislation

Beginning July 1, 2027, bill allows local authorities to enforce vehicle registration requirements. For any violations of failing to register a vehicle, the bill requires a court to waive penalties, past-due specific ownership taxes, and past-due fees if the failure to register was for good cause or the person's household had an income below a certain threshold when the violation occurred.

The bill also requires the Department of Revenue (DOR) to adopt forms and rules to implement the bill and, beginning January 2028, present information to the General Assembly on waived past-due fees, past-due specific ownership taxes, and penalties.

State Revenue

The bill decreases state revenue by an indeterminate amount in the Highway Users Tax Fund (HUTF), the State Highway Fund, and various cash funds beginning in FY 2025-26 from waivers for penalties and past-due fees. Due to uncertainties over how many local governments will enforce vehicle registration requirements, how often they will do so, and how often a waiver will be issued, the fiscal note cannot determine how many waivers the courts will issue. Of the HUTF revenue decreased by the bill, 65 percent of revenue is reduced from the State Highway Fund for expenditure by CDOT, 26 percent is reduced from counties, and 9 percent is reduced from municipalities.

State Expenditures

The bill increases state expenditures in the DOR by about \$52,000 in FY 2026-27, paid from the DRIVES Cash Fund. It also affects workload in the DOR and the Judicial Department.

Department of Revenue

The bill requires \$51,953 for DRIVES programming in FY 2026-27 to create a new waiver for past-due registration fees and specific ownership tax, and update conviction reporting to include waiver information. These programming costs include \$40,092 for 156 hours of programming at a rate of \$257 per hour, plus \$11,861 for ISD development, Office of Information Technology support, and additional testing.

The bill also increases workload in the DOR to conduct rulemaking and update forms to comply with the bill's requirements. This workload can be accomplished within existing resources.

Judicial Department

The bill increases workload in the trial courts for judicial officers to review fee and penalty waivers to determine indigency and/or good cause, as well as process forms containing any court orders. In addition, the bill requires programming to update data transfers from the DMV to include a modifier reflecting if a fee is waived by the courts. However, the department is not able to include information on fee and fine amounts (see Technical Note). The department can absorb this workload impact with current resources.

TABOR Refunds

The bill is expected to decrease the amount of state revenue required to be refunded to taxpayers as explained in the State Revenue section 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, decreased cash fund revenue will increase the amount of General Fund available to spend or save.

Local Government

The bill may increase workload for counties and municipalities that are currently not enforcing vehicle registration if they choose to enforce vehicle registration as a result of the bill. While this may increase revenue from fines and fees, the bill also allows for many of these fines and fees to be waived. For counties and municipalities already enforcing vehicle registration, these waivers may reduce revenue.

Technical Note

The bill would require courts to include information about fee waivers when they transfer conviction records to the DMV. However, the DOR imposes the fees and penalties being waived by the bill, and the courts do not currently collect or possess information about fees imposed by another agency. As a result, it is currently not possible for courts to include information about the amounts of fees and fines waived in the data transfer.

Effective Date

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

State and Local Government Contacts

Judicial	Public Safety
Law	Revenue
Local Affairs	