



## Fiscal Note

### Legislative Council Staff

Nonpartisan Services for Colorado's Legislature

## HB 25-1121: PERMANENT TRAILER REGISTRATION

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**Prime Sponsors:**

Rep. Suckla

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**Fiscal note status:** The revised fiscal note reflects the introduced bill, as amended by the House Finance Committee.

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### Summary Information

**Overview.** The bill allows a person to register a trailer for the duration of their ownership on a modified fee schedule beginning January 1, 2028.

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

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

**Appropriations.** No appropriation is required.

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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 2027-28</b>	<b>Out Year FY 2028-29</b>
State Revenue (Cash Funds)	\$0	-\$37,125	-\$688,500
State Expenditures (Cash Funds)	\$0	\$75,728	\$0
Transferred Funds	\$0	\$0	\$0
Change in TABOR Refunds	\$0	not estimated	not estimated
Change in State FTE	0.0 FTE	0.0 FTE	0.0 FTE

## Summary of Legislation

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Beginning January 1, 2028, an owner of a trailer may register their trailer one time, and the registration does not expire until the trailer changes ownership. The trailer must be classified as class B or class D personal property under specific ownership tax provisions. To register a trailer in this way, the owner of the trailer must prepay two years of annual specific ownership taxes as well as fees totaling \$55.82, which are outlined in the bill and have a distribution that differs from current registration fees paid by trailer owners. The Department of Revenue (DOR) must issue a license plate for a trailer, but a validating sticker or tab is not required. The owner is required to notify the DOR when transferring the trailer to a new owner.

## Background and Assumptions

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As of 2024, about 35,000 class B trailers and 100,000 class D trailers were actively registered. The fiscal note assumes 10 percent of these owners (13,500) will register their trailers permanently in the first year, and 2 percent (2,700) will register in subsequent years.

## State Revenue

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The bill decreases revenue overall by about \$37,000 in FY 2027-28 and \$689,000 in FY 2028-29 to various cash funds by eliminating revenue from annual registration fees when owners elect to register their trailers permanently. The majority of revenue loss is from the Highway Users Tax Fund (HUTF), while the Bridge and Tunnel Enterprise and the DRIVES Cash Fund will see an increase in revenue under the bill. These impacts are summarized below in Table 2. Revenue is subject to TABOR, except that collected on behalf of the Statewide Bridge and Tunnel Enterprise.

## Permanent Trailer Registrations

Beginning in FY 2027-28, less revenue will flow into certain cash funds and more into others as some owners elect to register their trailer permanently instead of annually. As discussed in the Background and Assumptions section, the fiscal note assumes 13,500 will elect for permanent registration in the first year and an additional 2,700 will register in ongoing years. These impacts are summarized below in Table 2.

**Table 2  
 State Revenue**

<b>Fund Source</b>	<b>Budget Year FY 2025-26</b>	<b>Out Year FY 2027-28</b>	<b>Out Year FY 2028-29</b>
DRIVES Cash Fund	\$0	\$0	\$6,750
License Plate Cash Fund	\$0	-\$28,620	-\$5,724
Highway Users Tax Fund	\$0	-\$56,430	-\$666,036
Statewide Bridge & Tunnel Enterprise (TABOR Exempt)	\$0	\$67,500	\$13,500
P.O.S.T. Board Account	\$0	-\$12,825	-\$15,390
State AIR Account	\$0	-\$6,750	-\$8,100
<b>Total Revenue</b>	<b>\$0</b>	<b>-\$37,125</b>	<b>-\$688,500</b>

**Fee Impacts on Trailer Owners**

Colorado law requires legislative service agency review of measures which create or increase any fee collected by a state agency. Table 2A below identifies the fee impact of this bill for the registration fee included in the bill, under the assumption that a trailer owner elects for permanent registration in FY 2027-28 when the bill takes effect.

**Table 2A  
 Fee Impact on Permanent Trailer Registrations<sup>1</sup>**

<b>Year</b>	<b>Type of Fee</b>	<b>Current Law</b>	<b>HB 25-1121</b>
FY 2027-28	Trailer Registration Fees	\$55.82	\$55.82
FY 2028-29	Trailer Registration Fees	\$55.82	\$0

<sup>1</sup> These amounts do not include the specific ownership tax, which is based on vehicle age and taxable value and is credited to counties.

**State Expenditures**

The bill increases state expenditures in the Department of Revenue (DOR) by about \$76,000 in FY 2027-28, paid from the DRIVES Cash Fund. It also reduces expenditures in programs in correlation to the revenue reductions outlined above. Finally, the reduction in SOT collections will minimally impact school finance.

**DRIVES Programming**

The bill requires \$75,728 for DRIVES programming in FY 2027-28 only to allow permanent registration for certain trailers and to update accounting functions and reporting. These programming costs include \$58,688 for 224 hours of programming at a rate of \$262 per hour, plus \$17,040 for ISD development, Office of Information Technology support, and additional testing.

## Programs Impacted by Revenue Reductions

The following fees will no longer be collected under the bill for permanent trailer registrations, which will affect the following programs:

- the Road Safety Surcharge, the Bridge Safety Surcharge, and the Registration Base Fee, which are credited to the HUTF and split 65 percent to the Department of Transportation, and 35 percent to local governments (26 percent to counties, and 9 percent to municipalities) for transportation infrastructure;
- the Peace Officer Standards and Training Board fee, which is used by the POST Board in the Department of Law; and
- the State and County Emissions Fees, which are used by the Department of Public Health and Environment and county emissions programs, where applicable.

## School Finance

To the extent that the bill's changing of specific ownership tax collection timelines impacts the local share of total program funding for school finance, the state aid requirement may also change. Any impact is assumed to be minimal.

## TABOR Refunds

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If in a TABOR refund situation, the bill will decrease the amount of state revenue subject to the state's TABOR limit, less the Statewide Bridge and Tunnel Enterprise Fee. 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

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Similar to the state, the bill will increase revenue in FY 2027-28 and decrease revenue in ongoing years to local governments by reducing or removing fees and modifying specific ownership tax collection schedules.

## Effective Date

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The bill takes effect July 1, 2027, assuming no referendum petition is filed. It applies to registrations made on or after January 1, 2028.

## **State and Local Government Contacts**

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Counties

Transportation

Local Affairs

Treasury

Revenue