



Fiscal Note

Legislative Council Staff

Nonpartisan Services for Colorado's Legislature

HB 26-1053: MOTOR VEHICLE REGULATION ADMINISTRATION

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

Summary Information

Overview. The bill makes various changes to the administration and registration of motor vehicles.

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. For FY 2026-27, the bill requires an appropriation of \$29,251 to the Department of Revenue.

Table 1
State Fiscal Impacts

Type of Impact	Budget Year FY 2026-27	Out Year FY 2027-28	Out Year FY 2028-29
State Revenue (Cash Funds)	\$0	\$733,182	\$1,433,882
State Expenditures (Cash Funds)	\$29,251	\$0	\$0
Transferred Funds	\$0	\$0	\$0
Change in TABOR Refunds	\$0	\$733,182	not estimated
Change in State FTE	0.0 FTE	0.0 FTE	0.0 FTE

Summary of Legislation

The bill makes the following changes to the administration and registration of motor vehicles:

- Beginning January 1, 2028, the bill allows the owner of a motor vehicle to transfer any numbered license plate from one vehicle to another as long as one person is listed as an owner of each motor vehicle.
- On or before January 1, 2027, the bill requires the Department of Revenue (DOR) to create an application programming interface for an electronic vehicle registration and titling system. The DOR must provide the interface to its authorized agents, who may use the interface or an internal interface system.
- On or before December 31, 2027, the bill requires the DOR to develop and implement a contingency plan for the event of a disruption in vehicle licensing operations. The plan must be developed in conjunction with, and approved unanimously by, an association of county clerks and the Office of Information Technology.
- Beginning January 1, 2028, the bill requires authorized agents of the DOR to retain 3.33 percent of each Keep Colorado Wild Pass sold.

Background and Assumptions

Electronic Vehicle Titling and Registration

The DOR currently operates and maintains an Electronic Vehicle Titling and Registration (EVTR) system, which was developed by Division of Motor Vehicles (DMV) to provide third parties access to the Colorado Driver License, Record, Identification and Vehicle Enterprise Solution (DRIVES) system. This fiscal note assumes that this system satisfies the bill's requirements for an application programming interface to perform electronic titling and registration.

Keep Colorado Wild Pass Sales

Current Pass Sales

Approximately 1.5 million Keep Colorado Wild Passes were sold by CPW in FY 2024-25, resulting in \$41.0 million in revenue. Sales are anticipated to increase by 5 percent in FY 2025-26 and then flatten, resulting in \$43.0 million in revenue per year ongoing. The regular pass is \$29, and the collector plate pass is \$145, covering a five-year registration period.

Fee Increase

The fiscal note assumes that CPW will increase pass fees by about \$1 to cover the 3.33 percent county share in the bill and to avoid cutting expenditures to specific DNR programs.

State Revenue

The bill increases state revenue to various cash funds in the CPW by about \$733,000 in FY 2027-28 (half-year impact) and about \$1.4 million in FY 2028-29 and ongoing years. Because this fee revenue will be retained by the counties instead of CPW, a state enterprise, this revenue is subject to TABOR.

Fee Impact on Keep Colorado Wild Pass

Legislative Council Staff is required to estimate the fee impact of bills that create or increase any fee collected by a state agency. The fiscal note assumes a \$1 fee increase to cover the 3.33 percent county share of the fee without reducing DNR program expenditures. Table 2 shows the first full year of the increased fee impact in FY 2028-29.

Table 2
Annual Fee Impact on Keep Colorado Wild Pass Holders

Fiscal Year	Type of Fee	Estimated Fee Increase	Number Affected	Total Fee Impact
FY 2028-29	Keep Colorado Wild Pass	\$0.97	1.48 million	\$1,433,882

State Expenditures

The bill increases state expenditures in the DOR by \$29,251 in FY 2026-27 only, paid from the DRIVES Cash Fund. The bill will also increase state workload in the CPW.

Department of Revenue

Computer Programming

In FY 2026-27 only, the bill increases state expenditures from the DRIVES Cash Fund in the DOR by \$29,251 to make adjustments to the DRIVES system to authorize the transfer of regular license plates between two vehicles owned by an individual, as well as to allow counties to retain 3.33 percent of every Keep Colorado Wild Pass fee. Programming costs assume 84 hours at a rate of \$260 per hour for a total cost of \$21,840. Testing and development support is estimated to require 107 hours at between \$41 per hour for a total cost of \$4,387. Office of Information Technology (OIT) support requirements are estimated at 28 hours at a rate of \$108 per hour for a total cost of \$3,024, which will be allocated to DOR and paid to OIT via real time billing.

Because of uncertainty regarding when the current DRIVES upgrade will be completed, some of the bill's programming efforts may extend into FY 2027-28. Therefore, any DRIVES programming-related expenditures not expended in FY 2026-27 should be allowed to roll forward to the following fiscal year.

Contingency Plan

The bill increases workload for the DOR to develop, implement, and maintain the required contingency plan for the event of a disruption in vehicle licensing operations. The bill instructs the DOR to consult with and receive recommendations from the Governor's Office of Information Technology and an association of county clerks. The fiscal note assumes any expenditures associated with developing and implementing the plan, including network and equipment support, can be accomplished within existing appropriations.

Colorado Parks and Wildlife

Workload for the Parks and Wildlife Commission will increase to adjust the fees.

If CPW is unable to increase the fee to recoup the costs associated with loss in revenue from the fee created in the bill, then the division may cut expenditures to state park capital construction, park expansion, wolf conflict minimization and depredation compensation, and species conservation. Because some of these expenditures are statutorily required, CPW would need alternative funding sources to cover the reduction.

TABOR Refunds

Because CPW is a state enterprise, its revenue collections are exempt from TABOR. By collecting additional funds that will be used by counties, rather than CPW, these funds will no longer be enterprise funds and will be counted as nonexempt state revenue under TABOR. Consequently, the bill is expected to increase the amount of state revenue required to be refunded to taxpayers by \$733,182 in FY 2027-28.

This estimate assumes the December 2025 LCS revenue forecast. A forecast of state revenue subject to TABOR is not available beyond FY 2027-28. 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 in FY 2026-27, FY 2027-28, and any future years when the state is over its revenue limit.

Local Government

As outlined in the State Revenue section, the bill increases overall county clerk revenue by about \$733,000 in FY 2027-28 (half-year impact) and about \$1.4 million FY 2028-29 and ongoing from Keep Colorado Wild pass revenue retained by counties.

The bill also increases workload for certain representatives in an association of county clerks to consult with the DOR on developing a contingency plan for the event of a disruption in vehicle licensing operations.

Effective Date

The bill takes effect 90 days following adjournment of the General Assembly sine die, assuming no referendum petition is filed, except that Sections 1, 5, 6, 7, and 8 take effect on January 1, 2028.

State Appropriations

For FY 2026-27, the bill requires an appropriation of \$29,251 to the Department of Revenue from the DRIVES Cash Fund.

State and Local Government Contacts

Counties	Natural Resources
County Clerks	Revenue
Information Technology	Transportation
Local Affairs	