



Legislative Council Staff

Nonpartisan Services for Colorado's Legislature

Revised Fiscal Note

(replaces fiscal note dated February 19, 2024)

Drafting Number: LLS 24-0071 Date: March 14, 2024
Prime Sponsors: Rep. Hamrick; Frizell Bill Status: House Appropriations
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Bill Topic: VEHICLE ELECTRONIC NOTIFICATIONS

Summary of Fiscal Impact: State Revenue, State Transfer, Local Government, State Expenditure, TABOR Refund, Statutory Public Entity

The bill requires the Department of Revenue to create a process for vehicle owners to request and receive electronic notifications for transactions and notices. It decreases state and local expenditures on net starting in FY 2025-26.

Appropriation Summary: No appropriation is required.

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

Table 1 State Fiscal Impacts Under HB 24-1089

Table with 4 columns: Category, Budget Year FY 2024-25, Out Year FY 2025-26, Out Year FY 2026-27. Rows include Revenue, Expenditures (Cash Funds, Centrally Appropriated, Total Expenditures), Total FTE, Transfers, and Other Budget Impacts.

**Summary of Legislation**

By March 31, 2026, the bill requires the Department of Revenue (DOR) to create a process for a vehicle owner to request and receive electronic notifications for transactions and notices, including vehicle registration expiration, plate or placard renewal, fleet vehicle registration renewal, dealer license plate and depot tag issuance, missing documentation, and hearings. The DOR must establish rules for implementing the electronic notification process by December 31, 2024.

**Background and Assumptions**

**Driver participation.** County motor vehicle offices process approximately 6.5 million annual notifications for transactions and notices, and an additional 25,500 registrations are completed through the state Department of Motor Vehicles (DMV). This fiscal note assumes 25 percent of customers will opt in to receive electronic motor vehicle notices in the first year, with an additional 5 percent per year in each additional year until reaching about 40 to 45 percent of customers (in line with current use of online services generally for motor vehicle services). The fiscal note also assumes the DMV will begin issuing electronic notifications in April 2026, so first-year cost savings associated with the notifications assume a three-month impact.

**State Expenditures**

On net, the bill reduces state cash fund expenditures in the DOR by about \$9,000 in FY 2025-26 and \$99,000 in FY 2026-27. It reduces printing and mailing expenses while adding staffing and computer programming costs. These expenditures are shown in Table 2 and detailed below.

**Table 2  
 Expenditures Under HB 24-1089**

	<b>FY 2024-25</b>	<b>FY 2025-26</b>	<b>FY 2026-27</b>
<b>Department of Revenue</b>			
Personal Services	-	\$9,454	\$42,541
Operating Expenses	-	\$256	\$1,152
Capital Outlay Costs	-	\$6,670	-
Programming Costs	-	\$10,185	-
Materials and Printing Costs	-	(\$39,240)	(\$156,960)
Centrally Appropriated Costs <sup>1</sup>	-	\$3,210	\$14,446
<b>Total Cost</b>	-	<b>(\$9,465)</b>	<b>(\$98,821)</b>
<b>Total FTE</b>	-	<b>0.2 FTE</b>	<b>0.9 FTE</b>

<sup>1</sup> Centrally appropriated costs are not included in the bill's appropriation.

**Staff.** The DOR requires 0.9 FTE annually for a call center technician to support additional calls to the DMV customer service. The DMV anticipates approximately 60 additional calls per day as a result of questions and concerns around electronic notifications. This fiscal note assumes an April 2026 start date, and standard operating and capital outlay costs are included.

**DRIVES programming.** The bill requires \$10,185 in FY 2025-26 for Driver License, Record, Identification and Vehicle Enterprise Solution (DRIVES) programming. While the majority of the bill's programming requirements will be satisfied by new features developed as part of the 18-month upgrade to the DRIVES system, some additional programming is necessary to make the notification system fully functional.

**Reduction in material and printing costs.** Based on the customer opt-in numbers discussed in the Background and Assumptions section, the bill decreases DOR expenditures by \$39,240 in FY 2025-26 and \$156,960 in FY 2026-27 and ongoing by reducing expenses for paper notifications for certain vehicle transactions and notices. While the majority of counties pay for postage and production costs themselves, the state DMV pays for paper stock and envelopes, which cost about \$0.08 per transaction. The state DMV also pays for postage, paper, and production for transactions in a few counties and the state DMV office, at an average cost of \$0.71 per transaction. The fiscal note assumes the DMV will begin issuing electronic notifications in April 2026.

**Centrally appropriated costs.** Pursuant to a Joint Budget Committee policy, certain costs associated with this bill are addressed through the annual budget process and centrally appropriated in the Long Bill or supplemental appropriations bills, rather than in this bill. These costs, which include employee insurance and supplemental employee retirement payments, are shown in Table 2.

## Local Government

The bill decreases expenditures to counties by reducing the costs of postage and production for county motor vehicle offices. Based on the participation rates discussed in the Background and Assumptions section, county offices will replace approximately 1.6 million annual paper notifications with electronic notifications.

## 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

Counties	County Clerks	Local Affairs
Regulatory Agencies	Revenue	Treasury

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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](#).