



Fiscal Note

Legislative Council Staff

Nonpartisan Services for Colorado's Legislature

HB 25-1122: AUTOMATED DRIVING SYS COMMERCIAL MOTOR VEHICLE

Prime Sponsors:

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

Summary Information

Overview. The bill prohibits the use of an automated driving system to drive a commercial motor vehicle, except under certain circumstances, and creates a new Class A traffic infraction.

Types of impacts. The bill is projected to affect the following areas on a limited basis:

- State Expenditures

Appropriations. For FY 2025-26, the bill requires and appropriation of \$12,449 to the Department of Revenue.

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)	\$12,449	\$112,809
Transferred Funds	\$0	\$0
Change in TABOR Refunds	\$0	\$0
Change in State FTE	0.0 FTE	0.0 FTE

Summary of Legislation

Automated driving systems are hardware or software that are able, without the intervention or supervision of a human operators, to perform all the aspects of dynamic driving of a motor vehicle on a part- or full-time basis.

The bill prohibits the use of an automated driving system to drive a commercial motor vehicle unless an individual who holds a commercial driver license is:

- in the vehicle;
- monitoring the system's driving; and,
- intervening if necessary to avoid illegal and/or unsafe driving.

Individuals who do not comply with these requirements commit a Class A traffic infraction and are subject to penalties of \$1,000 for the first offense, \$2,000 for the second offense, and fees doubling for each additional offense.

Background

The Division of Motor Vehicles (DMV) in the Department of Revenue (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. As a result, the DOR has requested that any new legislation requiring DRIVES programming have an effective date of April 1, 2026, with roll-forward spending authority through FY 2026-27, noting that each programming requirement during the system upgrade period may increase the overall project timeline. Based on the current effective date in the bill, the fiscal note includes costs for the DRIVES programming to take place twice in both the existing and new system.

Comparable Crime Analysis

Legislative Council Staff is required to include certain information in the fiscal note for any bill that creates a new crime, changes the classification of an existing crime, or creates a new factual basis for an existing crime. The following section outlines crimes that are comparable to the offense in this bill and discusses assumptions on future rates of criminal convictions resulting from the bill.

Prior Conviction Data and Assumptions

This bill creates the new offense of using an automated driving system to drive a commercial motor vehicle without taking the required precautions, a Class A traffic infraction. To form an estimate on the prevalence of this new crime, the fiscal note analyzed the existing offense of testing an automated driving system that is not capable of complying with every state and

federal law without the permission of Colorado State Patrol and the Colorado Department of Transportation (CDOT) as a comparable crime. From FY 2021-22 to FY 2023-24, zero offenders have been sentenced and convicted for this existing offense; therefore, the fiscal note assumes that there will be minimal or no additional case filings or convictions for the new offense under the bill. Because the bill is not expected to have a tangible impact on criminal justice-related expenditures or revenue at the state or local levels, these potential impacts are not discussed further in this fiscal note.

State Expenditures

The bill increases expenditures in the Department of Revenue by \$12,449 in FY 2025-26 and \$112,809 in FY 2026-27. These costs, paid from the DRIVES Cash Fund, are summarized in Table 3 and discussed below.

Table 3
State Expenditures
Department of Revenue

Cost Component	Budget Year FY 2025-26	Out Year FY 2026-27
DRIVES Programming	\$12,449	\$12,809
DRIVES Upgrade Delay Fee	\$0	100,000
Total Costs	\$12,449	\$112,809
Total FTE	0.0 FTE	0.0 FTE

Department of Revenue

The bill increases expenditures in the DMV within the DOR to update the DRIVES system with the new traffic offense and the ability to double fines for convictions up to four times. Any additional doubling of fines will require additional programming and associated costs.

Computer programming costs in FY 2025-26 and FY 2026-27 include DRIVES programming, estimated at 40 hours at a rate of \$252 per hour in FY 2025-26 and 40 hours at a rate of \$261 per hour in FY 2026-27; plus \$2,369 for ISD development, Office of Information Technology support, and additional testing in both FY 2025-26 and FY 2026-27. These costs will require roll-forward spending authority through FY 2026-27.

DRIVES Upgrade Delay Fee

As discussed in the Background section, the DRIVES upgrade is scheduled to be completed in March 31, 2026. Additional significant programming requirements through legislation will delay the completion of the upgrade and result in an expenditure delay fee from the project contractor of \$200,000 per month of additional work. The programming needs for this bill are estimated to take two weeks, thus a \$100,000 delay fee will be incurred.

Technical Note

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 and Expenditures sections, the bill's current effective date means that DRIVES programming will need to occur twice, in both the current and new systems, and will result in a \$100,000 delay fee from DOR's contract vendor. Moving the bill's effective date to April 1, 2026 or later will remove the duplicate programming costs as well as the delay fee.

Effective Date

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

State Appropriations

For FY 2025-26, the bill requires an appropriation of \$12,449 from the DRIVES Cash Fund to the Department of Revenue, with roll-forward spending authority through FY 2026-27.

State and Local Government Contacts

Counties	Municipalities
District Attorneys	Public Safety
Information Technology	Revenue
Judicial	Sheriffs
Local Affairs	Transportation