



Fiscal Note
Legislative Council Staff
Nonpartisan Services for Colorado’s Legislature

SB 25-025: ALLOWING VEHICLE MORTGAGE FILINGS ANY COUNTY

Prime Sponsors:

Sen. Liston
Rep. Rydin

Fiscal Analyst:

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Bill Outcome: Postponed Indefinitely
Drafting number: LLS 25-0482

Version: Final Fiscal Note
Date: July 15, 2025

Fiscal note status: The final fiscal note reflects the introduced bill. This bill was postponed indefinitely by the Senate Finance Committee on February 4, 2025; therefore, the impacts identified in this analysis do not take effect.

Summary Information

Overview. The bill would have allowed an individual to file an off-highway vehicle mortgage or lien in any county in the state.

Types of impacts. The bill was projected to affect the following areas through FY 2026-27:

- State Expenditures
- Local Government

Appropriations. For FY 2025-26, the bill would have required an appropriation of \$96,220 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)	\$96,220	\$455,163
Transferred Funds	\$0	\$0
Change in TABOR Refunds	\$0	\$0
Change in State FTE	0.0 FTE	0.0 FTE

Summary of Legislation

The bill allows an individual to file an off-highway vehicle mortgage or lien in any county in the state, rather than only the county in which they reside, which is the current requirement.

Background and Assumptions

Department of Revenue Transactions

Mortgages and liens are usually filed as part of an application for a certificate of title. Under the bill, while individuals will be able to file mortgages and liens in any county, all applications for certificate of title would still have to be performed in the county in which the applicant resides. As a result, the fiscal note assumes that the Department of Revenue (DOR) will have to create a new transaction type for individuals to file a vehicle lien or mortgage independent of an application for a certificate of title.

DRIVES Programming

The Division of Motor Vehicles (DMV) in the 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 until March 31, 2026. As a result, the DOR has requested that any new legislation requiring DRIVES programming have an effective date of July 1, 2027, with roll-forward spending authority through FY 2028-29, 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 the existing and new system.

State Expenditures

The bill increases state expenditures in the Department of Revenue by about \$96,000 in FY 2025-26 and \$455,000 in FY 2026-27 only. These costs, paid from the DRIVES Cash Fund, are summarized in Table 2 and discussed below.

Table 2
State Expenditures
Department of Revenue

Cost Component	Budget Year FY 2025-26	Out Year FY 2026-27
Programming Costs	\$96,220	\$98,020
DRIVES Upgrade Extension	\$0	\$357,143
Total Costs	\$96,220	\$455,163
Total FTE	0.0 FTE	0.0 FTE

DRIVES Programming

The bill requires \$96,220 for DRIVES programming in FY 2025-26 to create a new transaction type to file a vehicle lien or mortgage independent of an application for title. Programming costs include \$75,300 for 251 hours of programming at a rate of \$245 per hour, plus \$22,720 for ISD development, Office of Information Technology support, and additional testing. The second round of programming for the new system in FY 2026-27 requires \$98,020, accounting for an increase in DRIVES programming costs to \$251 per hour.

DRIVES Upgrade Extension

The required DRIVES programming under the bill is expected to delay completion of the DRIVES upgrade by almost 2 months. Any change to the project timeline will require the vendor to retain additional personnel beyond the current agreement, with the DOR responsible for these additional costs. For each month the upgrade is delayed, the vendor will charge the DOR an additional \$200,000 resulting in an estimated cost of \$357,143.

Local Government

The bill increases workload for county clerks to train on the new process and system.

Technical Note

Duplicative DRIVES Costs

The fiscal note currently includes a duplicative programming cost for the DOR's DRIVES system, as discussed in the Background and Assumptions section. The duplicate cost would be removed if the bill's effective date were amended to July 1, 2027, when the DRIVES upgrade is complete.

DRIVES 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.

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 \$96,220 to the Department of Revenue from the DRIVES Cash Fund.

State and Local Government Contacts

Counties

Local Affairs

County Clerks

Revenue

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](#).