



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

SB 25-160: MOTOR VEHICLE SALES BY MANUFACTURERS' AFFILIATES

Prime Sponsors:

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Rep. Hamrick; Mauro

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Published for: Senate Business, Labor, & Tech.
Drafting number: LLS 25-0864

Version: Initial Fiscal Note
Date: March 3, 2025

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

Summary Information

Overview. The bill expands the definition of motor vehicle manufacturer to include affiliates. It also modifies manufacturer restrictions related to owning or operating dealerships and service centers.

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

- Minimal State Workload

Appropriations. No appropriation is required.

Table 1
State Fiscal Impacts

Type of Impact	Budget Year FY 2025-26	Out Year FY 2026-27
State Revenue	\$0	\$0
State Expenditures	\$0	\$0
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 expands the definition of a “manufacturer” of new motor vehicles to include its “affiliates,” which are defined as having a controlling influence in the management or policy of the entity.

The bill clarifies that existing law—which prohibits a manufacturer from owning, operating, or controlling a motor vehicle or used motor vehicle dealership in the state—also extends to competing with such dealers, and expands this prohibition to include manufacturer-operated service centers.

Under current law, manufacturers that exclusively produce electric vehicles are exempted from a law prohibiting ownership of one or more motor vehicle dealerships when there are no franchised dealers of the same line-make in the state. The bill modifies this exemption, allowing a manufacturer to own, operate, or control dealerships as long as it has never had franchised dealers of any line-make in the state, regardless of the type of vehicles it produces.

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

By adding “affiliates” to the definition of motor vehicle manufacturer, the bill creates a new factual basis for motor vehicle dealer-related offenses, a class 2 misdemeanor. To form an estimate on the prevalence of this new crime, the fiscal note analyzed motor vehicle dealer offenses as a comparable crime. From FY 2021-22 to FY 2023-24, two offenders (demographically, two males, one White, one “Other”) have been sentenced and convicted for related offenses; 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 Motor Vehicle Dealer Board within the Department of Revenue will update its rules and guidance to include the new definitions from the bill. DOR will also engage with stakeholders to craft new regulations and update their publications and guidance to reflect who qualifies as an affiliate or manufacturer. This additional workload will be minimal.

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

Law

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](#).