



Fiscal Note

Legislative Council Staff

Nonpartisan Services for Colorado’s Legislature

SB 25-075: LICENSE TO SELL VEHICLES CRIMINAL OFFENSE

Prime Sponsors:

Sen. Gonzales J.
Rep. Espenoza; Bacon

Fiscal Analyst:

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Bill Outcome: Signed into Law

Drafting number: LLS 25-0251

Version: Final Fiscal Note

Date: August 5, 2025

Fiscal note status: The final fiscal note reflects the enacted bill.

Summary Information

Overview. The bill shortens the length of time that the Motor Vehicle Dealer Board is required to revoke or deny licenses for people with certain criminal convictions from convictions within 10 years to those within 3 years.

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

- State Revenue
- Minimal State Workload
- TABOR Refunds

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	\$75,000	\$90,000
State Expenditures	\$0	\$0
Transferred Funds	\$0	\$0
Change in TABOR Refunds	\$75,000	\$90,000
Change in State FTE	0.0 FTE	0.0 FTE

Summary of Legislation

The Auto Industry Division and the Colorado Motor Vehicle Dealer Board (MVDB) within the Department of Revenue (DOR) license motor vehicle dealers and salespersons. Under current law, applications and licenses must be denied or revoked if the applicant or licensee has been convicted of certain felonies or motor vehicle-related fraudulent activities within 10 years. The bill shortens this mandatory denial/revocation period to 3 years. The 3-year window begins on the date of the conviction or the end of incarceration, whichever is later.

Background

The Auto Industry Division within DOR processes applications for motor vehicle sales-related licenses and refers applications to the MVDB when appropriate. This includes when the mandatory denial based on certain criminal convictions is present. It is current practice that, if an applicant is within the 10-year criminal activity window, the MVDB grants authority to their Executive Secretary to issue the denial without requiring further board action. The Executive Secretary is not authorized to revoke licenses; revocations are considered by the MVDB and allow the licensee an opportunity for a hearing.

Approximately 3,600 applications for a new motor vehicle sales-related license are submitted to the Auto Industry Division each year. Of those, approximately 25 percent disclose some type of criminal history.

State Revenue

The bill will increase state revenue to the Auto Dealer License Cash Fund by approximately \$75,000 in FY 2025-26 and \$90,000 per year ongoing.

The fiscal note assumes that reducing the criminal history timeframe from 10 years to 3 years will result in a 10 percent increase in applications. Revenue collected from new license applications in FY 2023-24 totaled \$913,046. As the increased applications will affect a variety of license types, the fiscal note uses this amount to calculate this increase, estimated at \$90,000 annually, prorated for the bill's effective date in FY 2025-26. License fees are subject to TABOR.

State Expenditures

The MVDB within the Department of Revenue will update its procedures for automatically denying certain applications based on criminal history to change to the 3-year time period. This workload will be minimal.

TABOR Refunds

The bill is expected to increase the amount of state revenue required to be refunded to taxpayers by the amounts shown in the State Revenue section above. This estimate assumes the December 2024 LCS revenue forecast. A forecast of state revenue subject to TABOR is not available beyond FY 2026-27. 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.

Effective Date

The bill was signed into law by the Governor on June 4, 2025, and takes effect on August 6, 2025, assuming no referendum petition is filed. It applies to license or renewal applications made on or after August 6, 2025.

State and Local Government Contacts

Judicial
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](#).