First Regular Session Seventy-fifth General Assembly STATE OF COLORADO

INTRODUCED

LLS NO. 25-0469.02 Jery Payne x2157

SENATE BILL 25-321

SENATE SPONSORSHIP

Kirkmeyer and Rodriguez,

HOUSE SPONSORSHIP

Joseph,

Senate Committees

Transportation & Energy

1 1

House Committees

	A BILL FOR AN ACT
01	CONCERNING MEASURES TO ADDRESS AIR POLLUTION LEVELS RELATED
02	TO THE OPERATION OF MOTOR VEHICLES IN AREAS THAT DO NOT
03	MEET FEDERAL NATIONAL AMBIENT AIR QUALITY STANDARDS.

Bill Summary

(Note: This summary applies to this bill as introduced and does not reflect any amendments that may be subsequently adopted. If this bill passes third reading in the house of introduction, a bill summary that applies to the reengrossed version of this bill will be available at http://leg.colorado.gov.)

Under current law, the state contracts to conduct emissions testing. Current law also sets limits on how long the contracts may run. The bill repeals these limits and authorizes the division of administration in the department of public health and environment (division) to determine the length of each contract. Current law also authorizes a vehicle emissions

inspection facility to charge a fee that is set by the air quality control commission (commission), but the fee is capped at \$25 for model year 1982 and newer vehicles and \$15 for model year 1981 and older vehicles. The bill authorizes the commission to adopt rules adjusting this fee limit, but the commission is limited to adjusting:

- The \$15 maximum fee to \$30 when a licensed inspection and readjustment station inspects vehicles model year 1981 and older; and
- The \$25 maximum fee to \$50 for a clean screen inspection performed on vehicles registered in the basic emissions program that are model year 1982 and newer.

The commission may adopt rules requiring the emissions compliance of vehicles that have failed an emissions test and that are registered outside of the program area but that operate within the program area.

The bill requires the commission to adopt rules requiring inspections of motor vehicles that are registered in the nonattainment area and identified as having excess emissions under the clean screen program and are either within the 2-year vehicle inspection cycle or exempt from periodic inspection.

If a motor vehicle's emissions control system has been disconnected, deactivated, or rendered inoperable, the division may notify the executive director of the department of revenue.

Under current law, fines and penalties assessed for violations of air quality laws are deposited in the community impact cash fund. The bill creates a motor vehicle emissions assistance fund (fund) and diverts the first \$1 million from the community impact cash fund to the new fund, but at the end of each state fiscal year, any unspent money in the fund exceeding \$250,000 is returned to the community impact cash fund.

The division may expend money from the fund to provide grants for:

- Paying emissions inspection fees for motor vehicles registered to individuals participating in an established and recognized public assistance program; or
- Adjustments or emissions-related repairs that are necessary and sufficient to receive a certification of emissions compliance.

The division may accept and expend gifts, grants, and donations. The money in the fund is continuously appropriated. To implement the bill, \$5,674 is transferred from the AIR account of the highway users tax fund to the Colorado DRIVES vehicle services account of the fund.

1 Be it enacted by the General Assembly of the State of Colorado:

-2- SB25-321

1	SECTION 1. In Colorado Revised Statutes, 42-4-304, amend the
2	introductory portion and (5) as follows:
3	42-4-304. Definitions relating to motor vehicle inspection and
4	readjustment program. As used in sections 42-4-301 to 42-4-316
5	42-4-316.5, unless the context otherwise requires:
6	(5) "Contractor" means any A person, partnership, entity, or
7	corporation that is awarded a contract by the state of Colorado through a
8	competitive bid process conducted by the division, in consultation with
9	the executive director and in accordance with the "Procurement Code",
10	articles 101 to 112 of title 24, C.R.S., and section 42-4-306, to provide
11	inspection services for vehicles required to be inspected pursuant to IN
12	ACCORDANCE WITH section 42-4-310 within the enhanced EMISSIONS
13	program area, as set forth in subsection (9) of this section; to operate
14	enhanced inspection centers necessary to perform inspections; and to
15	operate the clean screen program within the program area.
16	SECTION 2. In Colorado Revised Statutes, 42-4-306, amend
17	(3)(a)(I)(C), $(3)(b)(IV)$, $(3)(b)(V)(A)$, and (13) ; and add $(3)(b)(VI)$ and
18	(8)(c) as follows:
19	42-4-306. Powers and duties of commission - automobile
20	inspection and readjustment program - basic emissions program -
21	enhanced emissions program - clean screen program - rules - repeal.
22	(3) (a) (I) (C) Upon the adoption of specifications for measuring
23	instruments and test analyzer systems, the division, in consultation with
24	the executive director, may let INVITE bids for the procurement of
25	instruments that meet federal requirements or guidelines and the
26	standards of the federal act. The invitation for bids for test analyzer
27	systems for the basic EMISSIONS program and the inspection-only facilities

-3- SB25-321

in the enhanced EMISSIONS program shall MUST include but shall not be limited to, the requirements for data collection and electronic transfer of data as established by the commission, service and maintenance requirements for such instruments for the period of the contract, requirements for replacement or loan instruments in the event that the purchased or leased instruments do not function, and the initial purchase or lease price. On and after June 5, 2001, each contract for the purchase of such instruments shall have a term of no more than four years.

- (b) (IV) On and after May 26, 1998, any A contract for inspection services shall MUST have a term of no more than five years and shall be DETERMINED BY THE DIVISION AND IS subject to rebidding under the provisions of this paragraph (b) THIS SUBSECTION (3)(b).
- (V) (A) Notwithstanding any contrary provision in the "Procurement Code", articles 101 to 112 of title 24, C.R.S., or this article, any ARTICLE 4, A contract for inspection services may be renewed for a term not to exceed two years, after which the contract may be renewed for a single term of up to four years or rebid AS DETERMINED BY THE DIVISION; except that inspection fees during any such four-year renewal contract shall be as ARE determined under section 42-4-311 (6).
- (VI) UPON THE DIVISION MAKING A RECOMMENDATION OR DURING THE RENEWAL OF A CONTRACT, THE COMMISSION MAY ADOPT A RULE TO SET OR ADJUST THE INSPECTION FEES AS DESCRIBED IN SECTION 42-4-311 (4)(a)(I) OR (6)(a). THE COMMISSION SHALL REQUEST SUPPORTING DOCUMENTATION OR FINANCIAL ANALYSES FROM THE CONTRACTOR TO INFORM THE COMMISSION'S DECISION.
- (8) (c) NOTWITHSTANDING ANY OTHER PROVISION OF THIS SUBSECTION (8), THE COMMISSION SHALL ADOPT RULES REQUIRING

-4- SB25-321

1	INSPECTIONS OF MOTOR VEHICLES THAT ARE:
2	(I) REGISTERED IN COLORADO AND OUTSIDE THE PROGRAM AREA;
3	(II) IDENTIFIED AS PRODUCING EXCESS EMISSIONS UNDER THE
4	CLEAN SCREEN PROGRAM; AND
5	(III) (A) WITHIN THE TWO-YEAR VEHICLE INSPECTION CYCLE; OR
6	(B) EXEMPT FROM PERIODIC INSPECTION IN ACCORDANCE WITH
7	RULES ADOPTED UNDER SUBSECTION (8)(a) OF THIS SECTION.
8	(13)(a) The commission shall identify MOTOR vehicle populations
9	contributing significantly to ambient pollution inventories BY utilizing
10	mobile source computer models approved by the environmental
11	protection agency. The commission shall develop and implement more
12	stringent or frequent, or both, inspection criteria for those vehicles with
13	such significant pollution contributions.
14	(b) (I) THE COMMISSION MAY ADOPT RULES TO IDENTIFY MOTOR
15	VEHICLES WITH EXCESS EMISSIONS THAT REGULARLY OPERATE WITHIN THE
16	PROGRAM AREA. THE RULES MUST REQUIRE THAT MOTOR VEHICLES
17	IDENTIFIED AS HAVING EXCESS EMISSIONS COMPLY WITH THE EMISSIONS
18	AND MAINTENANCE REQUIREMENTS OF THIS PART 3 AND ARE SUBJECT TO
19	ENFORCEMENT UNDER RULES ADOPTED BY THE COMMISSION.
20	(II) MOTOR VEHICLES OPERATING IN THE PROGRAM AREA THAT
21	FAILED AN ENHANCED EMISSIONS INSPECTION AND ARE SUBSEQUENTLY
22	REGISTERED OUTSIDE THE PROGRAM AREA MUST COMPLY WITH THE
23	EMISSIONS AND MAINTENANCE REQUIREMENTS OF THIS PART 3 AND ARE
24	SUBJECT TO ENFORCEMENT UNDER RULES ADOPTED BY THE COMMISSION.
25	(III) (A) This subsection $(13)(b)$ is effective April 1, 2027.
26	(B) This subsection (13)(b)(III) is repealed, effective July
27	1, 2027.

-5- SB25-321

SECTION 3. In Colorado Revised Statutes, 42-4-307, amend (10)(b); and add (17) as follows:

1

2

3

4

5

6

7

8

9

10

11

12

13

14

15

16

17

18

19

20

21

22

23

27

42-4-307. Powers and duties of the department of public health and environment - division of administration - automobile inspection and readjustment program - basic emissions program enhanced emissions program - clean screen program - legislative declaration - high-emitter motor vehicle regulation - definition - rules - repeal. (10) (b) Upon approval by the department of public health and environment and the executive director, the contractor shall provide inspection services for vehicles within the enhanced EMISSIONS program area required to be inspected pursuant to section 42-4-310. Notwithstanding any contrary provision in the "Procurement Code", articles 101 to 112 of title 24, C.R.S., or this article, any ARTICLE 4, A contract for inspection services may be renewed for a term not to exceed two years to ensure that, on or after December 31, 2001, inspection services in the enhanced program area will not be interrupted by the expiration of the previous contract, after which the contract may be renewed for a single term of up to four years as provided in section 42-4-306 (3)(b)(V)(A). Any new contract entered into or renewed after the two-year renewal shall require the contractor to provide any necessary alternative inspection services or technologies so approved THAT IS DETERMINED BY THE DIVISION.

- (17) (a) (I) THE GENERAL ASSEMBLY DECLARES THAT:
- 24 (A) GASOLINE-POWERED MOTOR VEHICLES ARE A MAJOR SOURCE
 25 OF OZONE PRECURSORS, INCLUDING NITROGEN OXIDES, HYDROCARBONS,
 26 AND CARBON MONOXIDE;
 - (B) GASOLINE-POWERED MOTOR VEHICLES WITH EMISSIONS

-6- SB25-321

1	CONTROL SYSTEMS THAT HAVE BEEN TAMPERED WITH OR EMISSIONS
2	CONTROL SYSTEMS THAT ARE NOT OPERATING PROPERLY CREATE EXCESS
3	OZONE PRECURSORS, INCLUDING NITROGEN OXIDES, HYDROCARBONS, AND
4	CARBON MONOXIDE, AND ARE HIGH-EMITTING MOTOR VEHICLES;
5	(C) HIGH-EMITTING MOTOR VEHICLES CONTRIBUTE A
6	DISPROPORTIONATE AMOUNT OF TOTAL EMISSIONS AND ARE A MAJOR
7	SOURCE OF AIR POLLUTION, ESPECIALLY IN THE OZONE NONATTAINMENT
8	AREA;
9	(D) THE CLEAN SCREEN PROGRAM CURRENTLY OPERATES TO
10	IDENTIFY CLEAN MOTOR VEHICLES OPERATING ON THE ROAD AND WILL
11	IDENTIFY HIGH-EMITTING MOTOR VEHICLES ON THE ROAD; AND
12	(E) HIGH-EMITTING MOTOR VEHICLES THAT ARE OPERATING IN THE
13	OZONE NONATTAINMENT AREA ARE DIFFICULT TO IDENTIFY THROUGH
14	MANDATORY TESTING, AND THESE INCLUDE MOTOR VEHICLES WITH
15	TAMPERED EMISSIONS CONTROL SYSTEMS WITHIN A TESTING EXEMPTION
16	PERIOD, MOTOR VEHICLES REQUIRING REPAIRS BETWEEN EMISSIONS TESTS,
17	AND MOTOR VEHICLES THAT HAVE FAILED AN EMISSIONS TEST AND WERE
18	SUBSEQUENTLY REGISTERED OUTSIDE THE PROGRAM AREA.
19	(II) THE GENERAL ASSEMBLY DETERMINES THAT THE BEST
20	INTEREST OF THE STATE IS TO IDENTIFY HIGH-EMITTING MOTOR VEHICLES
21	AND REQUIRE VEHICLES WITH MALFUNCTIONING OR TAMPERED WITH
22	MOTOR VEHICLE EMISSIONS CONTROL SYSTEMS TO BE REPAIRED IN ORDER
23	TO REDUCE EXCESS EMISSIONS OF OZONE PRECURSORS, INCLUDING
24	NITROGEN OXIDES, HYDROCARBONS, AND CARBON MONOXIDE.
25	(b) (I) THE COMMISSION MAY ADOPT RULES TO IDENTIFY AND
26	REGULATE HIGH-EMITTING MOTOR VEHICLES THAT ARE WITHIN THE MODEL
27	YEAR EXEMPTION PERIOD FOR THEIR VEHICLE EMISSIONS INSPECTION

-7- SB25-321

1	CYCLE OR THAT ARE REGISTERED IN COLORADO AND OUTSIDE THE
2	PROGRAM AREA AFTER FAILING AN EMISSIONS TEST.
3	(II) IF A MOTOR VEHICLE IS IDENTIFIED AS A HIGH-EMITTING
4	MOTOR VEHICLE THROUGH AN ENHANCED EMISSIONS INSPECTION, THE
5	DIVISION MAY NOTIFY THE EXECUTIVE DIRECTOR THAT THE MOTOR
6	VEHICLE FAILS TO COMPLY WITH THE EMISSIONS AND MAINTENANCE
7	REQUIREMENTS OF THIS PART 3 OR RULES ADOPTED BY THE COMMISSION
8	UNDER THIS PART 3.
9	(III) (A) This subsection $(17)(b)$ is effective April 1, 2027.
10	(B) This subsection (17)(b)(III) is repealed, effective July
11	1, 2027.
12	(c) As used in this subsection (17), unless the context
13	OTHERWISE REQUIRES, "HIGH-EMITTING MOTOR VEHICLE" MEANS A MOTOR
14	VEHICLE THAT PRODUCES SIGNIFICANTLY MORE AIR POLLUTANTS THAN
15	THE MOTOR VEHICLE AVERAGE, EXCEEDING ESTABLISHED EMISSIONS
16	LIMITS.
17	SECTION 4. In Colorado Revised Statutes, 42-4-311, amend
18	(4)(a)(I), (6)(a), and (6)(b) as follows:
19	42-4-311. Operation of inspection and readjustment stations
20	- inspection-only facilities - fleet inspection stations - motor vehicle
21	dealer test facilities - enhanced inspection centers. (4) (a) (I) A
22	licensed inspection and readjustment station, inspection-only facility, or
23	motor vehicle dealer test facility shall charge a fee not to exceed fifteen
24	dollars for the inspection of MOTOR vehicles model year 1981 and older,
25	at facilities licensed or authorized within either the basic or enhanced
26	emissions program. except that for 1982 model and newer vehicles, a test
27	facility may charge a fee not to exceed twenty-five dollars THE

-8-

SB25-321

1 COMMISSION MAY SET OR ADUST THE AMOUNT OF THE FEE UNDER SECTION
2 42-4-306 (3)(b)(VI); EXCEPT THAT THE COMMISSION SHALL NOT SET OR
3 ADJUST THE FEE FOR MODEL YEAR 1981 AND OLDER MOTOR VEHICLES TO
4 EXCEED THIRTY DOLLARS OR FOR 1982 MODEL YEAR AND NEWER MOTOR
5 VEHICLES TO EXCEED FIFTY DOLLARS.

(6) (a) The AMOUNT OF THE fee charged for enhanced emissions inspections performed within the enhanced emissions program area on 1982 MODEL YEAR and later NEWER motor vehicles shall not be any greater than that determined by the contract. and in no case greater than twenty-five dollars. The AMOUNT OF THE fee charged for clean screen inspections performed on vehicles registered in the basic EMISSIONS PROGRAM area shall not be any greater than that determined by the contract and in no case greater than fifteen dollars. Such THE AMOUNT OF THE fee shall MUST not exceed the AMOUNT OF THE maximum fee required to be posted by the enhanced inspection center pursuant to section 42-4-305 for the inspection of any motor vehicle required to be inspected under section 42-4-310. THE COMMISSION MAY SET OR ADJUST THE AMOUNT OF THE FEES UNDER SECTION 42-4-306 (3)(b)(VI); EXCEPT THAT THE COMMISSION SHALL NOT SET OR ADJUST THE FEE AMOUNT TO EXCEED FIFTY DOLLARS.

(b) During the two-year renewal of the A contract entered into pursuant to section 42-4-307 (10), the commission shall MAY hold a hearing to determine the maximum fee that may be charged pursuant to the contract for inspections during any subsequent renewal term. The maximum fee AMOUNT must be based on estimated actual operating costs during the life of the contract, determined pursuant to the proceeding, plus a percentage to be determined by the commission. not to exceed ten

-9- SB25-321

1	percent and not to exceed twenty-five dollars THE COMMISSION MAY
2	ADJUST THE AMOUNT OF THE FEE UNDER SECTION 42-4-306 (3)(b)(VI).
3	SECTION 5. In Colorado Revised Statutes, 42-4-314, amend (1)
4	and (2); and add (7) as follows:
5	42-4-314. Automobile emissions control systems - tampering
6	- operation of vehicle - penalty. (1) No A person shall NOT knowingly
7	disconnect, deactivate, or otherwise render inoperable any air pollution
8	control system which A MOTOR VEHICLE'S EMISSIONS CONTROL SYSTEM
9	THAT has been installed by the manufacturer of any automobile of a
10	model year of 1968 or later, except to repair or replace a part or all of the
11	system.
12	(2) No A person shall NOT operate on any A highway in this state
13	any AN automobile described in subsection (1) of this section knowing
14	that any air pollution control system THE EMISSIONS CONTROL SYSTEM
15	installed on such THE automobile has been disconnected, deactivated, or
16	otherwise rendered inoperable.
17	(7) IF A MOTOR VEHICLE'S EMISSIONS CONTROL SYSTEM HAS BEEN
18	DISCONNECTED, DEACTIVATED, OR RENDERED INOPERABLE, THE DIVISION
19	MAY NOTIFY THE EXECUTIVE DIRECTOR THAT THE OWNER OF THE MOTOR
20	VEHICLE HAS VIOLATED SUBSECTION (1) OR (2) OF THIS SECTION.
21	SECTION 6. In Colorado Revised Statutes, 25-7-129, amend
22	(2)(a) introductory portion and (2)(a)(V) as follows:
23	25-7-129. Disposition of fines - community impact cash fund
24	- repeal. (2) (a) All The State treasurer shall credit the receipts
25	from penalties or fines collected under sections 25-7-115, 25-7-122, and
26	25-7-123 shall be credited in the following manner:
27	(V) For state fiscal year 2025-26 and any state fiscal year

-10- SB25-321

1	thereafter:
2	(A) THE FIRST ONE MILLION DOLLARS TO THE MOTOR VEHICLE
3	EMISSIONS ASSISTANCE FUND ESTABLISHED IN SECTION 25-7-129.5; AND
4	(B) One hundred percent of the receipts from penalties or fines
5	collected during the fiscal year shall be credited REMAINDER to the fund.
6	SECTION 7. In Colorado Revised Statutes, add 25-7-129.5 as
7	follows:
8	25-7-129.5. Motor vehicle emissions assistance fund - division
9	to provide grants - gifts, grants, or donations - definition. (1) AS USED
10	IN THIS SECTION, "FUND" MEANS THE MOTOR VEHICLE EMISSIONS
11	ASSISTANCE FUND CREATED IN SUBSECTION (2) OF THIS SECTION.
12	(2) THE MOTOR VEHICLE EMISSIONS ASSISTANCE FUND IS CREATED
13	IN THE STATE TREASURY. THE FUND CONSISTS OF MONEY CREDITED TO THE
14	Fund pursuant to section 25-7-129 (2)(a)(V)(A), any other money
15	THAT THE GENERAL ASSEMBLY MAY APPROPRIATE OR TRANSFER TO THE
16	FUND, AND ANY GIFTS, GRANTS, AND DONATIONS RECEIVED UNDER
17	SUBSECTION (5) OF THIS SECTION.
18	(3) (a) The state treasurer shall credit all interest and
19	INCOME DERIVED FROM THE DEPOSIT AND INVESTMENT OF MONEY IN THE
20	FUND TO THE FUND.
21	(b) AT THE END OF EACH STATE FISCAL YEAR, NO MORE THAN TWO
22	HUNDRED FIFTY THOUSAND DOLLARS THAT IS UNEXPENDED AND
23	UNENCUMBERED REMAINS IN THE FUND.
24	(c) AT THE END OF EACH STATE FISCAL YEAR, THE STATE
25	TREASURER SHALL CREDIT ANY UNEXPENDED AND UNENCUMBERED
26	MONEY IN EXCESS OF TWO HUNDRED FIFTY THOUSAND DOLLARS
27	REMAINING IN THE FUND TO THE COMMUNITY IMPACT CASH FUND CREATED

-11- SB25-321

1	IN SECTION 25-7-129 (1).
2	(4) BEGINNING IN THE STATE FISCAL YEAR 2025-26, THE DIVISION
3	MAY EXPEND MONEY FROM THE FUND TO PROVIDE GRANTS FOR:
4	(a) Paying emissions inspection fees required by part 3 of
5	ARTICLE 4 OF TITLE 42, OR RULES ADOPTED BY THE COMMISSION UNDER
6	PART 3 OF ARTICLE 4 OF TITLE 42, FOR MOTOR VEHICLES REGISTERED TO
7	INDIVIDUALS PARTICIPATING IN AN ESTABLISHED AND RECOGNIZED PUBLIC
8	ASSISTANCE PROGRAM; OR
9	(b) Adjustments or emissions-related repairs that are
10	NECESSARY AND SUFFICIENT TO RECEIVE A CERTIFICATION OF EMISSIONS
11	COMPLIANCE UNDER PART 3 OF ARTICLE 4 OF TITLE 42 AND RULES
12	ADOPTED UNDER PART 3 OF ARTICLE 4 OF TITLE 42 IF THE ADJUSTMENTS
13	OR REPAIRS ARE PERFORMED BY:
14	(I) A REGISTERED REPAIR FACILITY OR TECHNICIAN, AS DEFINED IN
15	SECTION 42-4-304 (21); OR
16	(II) A MOTOR VEHICLE REPAIR FACILITY REGISTERED WITH THE
17	SECRETARY OF STATE AND IN COMPLIANCE WITH ARTICLE 9 OF TITLE 42 OR
18	REGISTERED WITH THE DIVISION PURSUANT TO RULES ADOPTED BY THE
19	COMMISSION.
20	(5) THE DIVISION MAY SEEK, ACCEPT, AND EXPEND GIFTS, GRANTS,
21	OR DONATIONS FROM PRIVATE OR PUBLIC SOURCES FOR THE PURPOSES SET
22	FORTH IN THIS SECTION. THE STATE TREASURER SHALL CREDIT ANY GIFTS,
23	GRANTS, OR DONATIONS RECEIVED BY THE DIVISION TO THE FUND.
24	(6) Money in the fund is continuously appropriated to the
25	DIVISION TO ACCOMPLISH THE PURPOSES SET FORTH IN THIS SECTION.
26	SECTION 8. In Colorado Revised Statutes, 42-3-304, add
27	(18)(e) as follows:

-12- SB25-321

1	42-3-304. Registration fees - passenger-mile taxes - clean
2	screen fund - pilot program - report - rules - definitions - repeal.
3	(18) (e) (I) On July 1, 2026, the state treasurer shall transfer
4	FIVE THOUSAND SIX HUNDRED SEVENTY-FOUR DOLLARS FROM THE AIR
5	ACCOUNT'S SUBACCOUNT AVAILABLE FOR APPROPRIATION TO THE
6	DEPARTMENT OF PUBLIC HEALTH AND ENVIRONMENT UNDER SUBSECTIONS
7	(18)(a) AND (18)(b) OF THIS SECTION TO THE COLORADO DRIVES
8	VEHICLE SERVICES ACCOUNT CREATED IN SECTION 42-1-211.
9	(II) This subsection (18)(e) is repealed, effective July 1,
10	2027.
11	SECTION 9. Safety clause. The general assembly finds,
12	determines, and declares that this act is necessary for the immediate
13	preservation of the public peace, health, or safety or for appropriations for
14	the support and maintenance of the departments of the state and state
15	institutions.

-13- SB25-321