



Fiscal Note

Legislative Council Staff

Nonpartisan Services for Colorado's Legislature

HB 25-1039: COMMERCIAL VEHICLE MUFFLER REQUIREMENTS

Prime Sponsors:

Rep. Titone; Smith

Sen. Roberts; Catlin

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Fiscal note status: The revised fiscal note reflects the reengrossed bill.

Summary Information

Overview. The bill requires all commercial vehicles to have a muffler and increases the penalty for noncompliance.

Types of impacts. The bill is projected to affect state expenditures in FY 2026-27 and state and local revenue on an ongoing basis beginning in FY 2027-28:

- State Revenue
- State Expenditures
- Local Government
- TABOR Impact

Appropriations. No appropriation is required.

Table 1
State Fiscal Impacts

Type of Impact	Budget Year FY 2025-26	Out Year FY 2026-27	Out Year FY 2027-28
State Revenue (Highway Users Tax Fund)	\$0	\$0	up to \$7,500
State Expenditures (DRIVES Cash Fund)	\$0	\$5,414	\$0
Transferred Funds	\$0	\$0	\$0
Change in TABOR Refunds	\$0	\$0	not estimated
Change in State FTE	0.0 FTE	0.0 FTE	0.0 FTE

Summary of Legislation

Under current law, a commercial vehicle must have a muffler if the commercial vehicle is equipped with an engine brake. Beginning July 1, 2027, the bill requires all commercial vehicles to have a muffler, which must be located on the vehicle where it can be visually inspected to ensure that it is present, intact, and functioning properly, unless the vehicle has the necessary documentation. The requirements only apply to a commercial vehicle powered by an internal combustion engine and do not apply to farm vehicles.

The bill increases the fine for a violation, which is a class B traffic infraction, from \$500 to \$1,000. If the owner or operator can show that a muffler was installed before the citation was issued and that the muffler complied with the manufacturing noise standards, the fine is not imposed. The fine is decreased by 50 percent if a muffler is installed within 30 days after the citation is written.

The bill also requires state agencies to include language in construction contracts stating that a contractor's or subcontractor's commercial vehicle that enters a public project site is required to comply with the bill.

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

This bill creates a new factual basis for the existing class B traffic infraction of driving a commercial vehicle without a muffler by making the law apply to all commercial vehicles powered by an internal combustion engine, regardless of whether the vehicle has an engine brake. From FY 2021-22 to FY 2023-24, 39 have been convicted and sentenced for this offense. Of the persons convicted, all 39 were male. Demographically, 31 were White and 8 were classified as "Other."

Assumptions

This analysis assumes that most commercial vehicles have engine breaks and internal combustion engines and are subject to this law. Therefore, the fiscal note assumes minimal increases in cases by making it apply to all commercial vehicles, other than farm vehicles. The bill will, however, impact the fine amounts. Currently, there are about 30 convictions per year, 13 from the courts, and 17 from citation mailed to the DOR. Visit the [Legislative Council Staff Fiscal Notes site](#) for more information about criminal justice costs in fiscal notes.

State Revenue

The bill increases state revenue to the Highway Users Tax Fund (HUTF) by up to \$7,500 per year beginning in FY 2027-28 due to the increase in the fine amount for noncompliance from \$500 to \$1,000. Between the 17 cases processed by the DOR and the 13 processed by the Judicial Department, the fiscal note assumes there will be 30 annual convictions and fine payments. Half of this new revenue is redistributed to local governments, while the other half is distributed into the HUTF and distributed pursuant to the first-stream formula to CDOT (65 percent), counties (26 percent), and municipalities (9 percent). The amount of revenue may be less to the extent individuals show that a muffler was installed; however, it is unknown how often that will occur. These revenue streams are subject to TABOR.

State Expenditures

The bill increases state expenditures in the Department of Revenue by about \$5,000 in FY 2026-27. These costs, paid from the DRIVES Cash Fund, are discussed below. The bill also increases workload in the Judicial Department.

DRIVES Programming

The bill requires \$5,414 for DRIVES programming in FY 2026-27 to increase the muffler violation fine and update citation language. These programming costs include \$4,112 for 16 hours of programming at a rate of \$257 per hour, plus \$1,302 for ISD development, Office of Information Technology support, and additional testing.

Judicial Department

Workload will minimally increase in the Judicial Department to update forms, which will take place during the normal course of business.

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 March 2025 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.

Local Government

Similar to the state, the bill will increase revenue in jurisdictions where violations occur, and from the HUTF distribution to counties (26 percent) and municipalities (9 percent).

Effective Date

The bill takes effect July 1, 2027, assuming no referendum petition is filed. It applies to offenses committed on or after this date.

State and Local Government Contacts

Judicial

Revenue