

CHAPTER 387

HEALTH AND ENVIRONMENT

SENATE BILL 25-321

BY SENATOR(S) Kirkmeyer and Rodriguez, Amabile, Kipp, Wallace, Winter F.;
also REPRESENTATIVE(S) Joseph and Gonzalez R., Boesenecker, Clifford, Duran, Lindsay, Sirota, Smith, Titone, McCluskie.

AN ACT

**CONCERNING MEASURES TO ADDRESS AIR POLLUTION LEVELS RELATED TO THE OPERATION OF
MOTOR VEHICLES IN AREAS THAT DO NOT MEET FEDERAL NATIONAL AMBIENT AIR QUALITY
STANDARDS.**

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

SECTION 1. In Colorado Revised Statutes, 42-4-304, **amend** the introductory portion and (5) as follows:

42-4-304. Definitions relating to motor vehicle inspection and readjustment program. As used in sections 42-4-301 to ~~42-4-316~~ **42-4-316.5**, unless the context otherwise requires:

(5) "Contractor" means ~~any~~ A person, partnership, entity, or corporation that is awarded a contract ~~by the state of Colorado through a competitive bid process conducted~~ by the division, in consultation with the executive director and in accordance with the "Procurement Code", articles 101 to 112 of title 24, ~~C.R.S.~~, and section 42-4-306, to provide inspection services for vehicles required to be inspected ~~pursuant to~~ IN ACCORDANCE WITH section 42-4-310 within the enhanced EMISSIONS program area, as set forth in subsection (9) of this section; to operate enhanced inspection centers necessary to perform inspections; and to operate the clean screen program within the program area.

SECTION 2. In Colorado Revised Statutes, 42-4-306, **amend** (3)(a)(I)(C), (3)(b)(IV), (3)(b)(V)(A), and (13); and **add** (3)(b)(VI) and (8)(c) as follows:

42-4-306. Powers and duties of commission - automobile inspection and readjustment program - basic emissions program - enhanced emissions program - clean screen program - rules - repeal. (3) (a) (I) (C) Upon the

Capital letters or bold & italic numbers indicate new material added to existing law; dashes through words or numbers indicate deletions from existing law and such material is not part of the act.

adoption of specifications for measuring instruments and test analyzer systems, the division, in consultation with the executive director, may ~~let~~ INVITE bids for the procurement of instruments that meet federal requirements or guidelines and the standards of the federal act. The invitation for bids for test analyzer systems for the basic EMISSIONS program and the inspection-only facilities 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. IF THE COMMISSION RAISES THE FEE, THE DIVISION SHALL MAKE A REPORT TO THE TRANSPORTATION LEGISLATION REVIEW COMMITTEE CREATED IN SECTION 43-2-145 DURING THE SCHEDULED INTERIM MEETINGS THAT FOLLOW THE FEE CHANGE, BUT NOT LESS THEN SIXTY DAYS FOLLOWING ADOPTION OF THE RULE. THE REPORT MUST:

(A) LIST THE FEES BEING CHANGED AND THE AMOUNTS OF THE CHANGES;

(B) PROVIDE AN EXPLANATION FOR THE CHANGES AND AN ANALYSIS OF WHY THE CHANGES ARE NEEDED.

(8) (c) NOTWITHSTANDING ANY OTHER PROVISION OF THIS SUBSECTION (8), THE COMMISSION SHALL ADOPT RULES REQUIRING INSPECTIONS OF MOTOR VEHICLES THAT ARE:

(I) REGISTERED IN COLORADO AND OUTSIDE THE PROGRAM AREA;

(II) REGULARLY OPERATED INSIDE THE PROGRAM AREA;

(III) IDENTIFIED AS PRODUCING EXCESS EMISSIONS UNDER THE CLEAN SCREEN PROGRAM; AND

(IV) (A) WITHIN THE TWO-YEAR VEHICLE INSPECTION CYCLE; OR

(B) EXEMPT FROM PERIODIC INSPECTION IN ACCORDANCE WITH RULES ADOPTED UNDER SUBSECTION (8)(a) OF THIS SECTION.

(13) (a) The commission shall identify MOTOR vehicle populations contributing significantly to ambient pollution inventories BY utilizing mobile source computer models approved by the environmental protection agency. The commission shall develop and implement more stringent or frequent, or both, inspection criteria for those vehicles with ~~such~~ significant pollution contributions.

(b) (I) THE COMMISSION MAY ADOPT RULES TO IDENTIFY MOTOR VEHICLES WITH EXCESS EMISSIONS THAT REGULARLY OPERATE WITHIN THE PROGRAM AREA. THE RULES MUST REQUIRE THAT MOTOR VEHICLES IDENTIFIED AS HAVING EXCESS EMISSIONS COMPLY WITH THE EMISSIONS AND MAINTENANCE REQUIREMENTS OF THIS PART 3 AND ARE SUBJECT TO ENFORCEMENT UNDER RULES ADOPTED BY THE COMMISSION.

(II) MOTOR VEHICLES OPERATING IN THE PROGRAM AREA THAT FAILED AN ENHANCED EMISSIONS INSPECTION AND ARE SUBSEQUENTLY REGISTERED OUTSIDE THE PROGRAM AREA MUST COMPLY WITH THE EMISSIONS AND MAINTENANCE REQUIREMENTS OF THIS PART 3 AND ARE SUBJECT TO ENFORCEMENT UNDER RULES ADOPTED BY THE COMMISSION.

(III) (A) THIS SUBSECTION (13)(b) IS EFFECTIVE APRIL 1, 2027.

(B) THIS SUBSECTION (13)(b)(III) IS REPEALED, EFFECTIVE JULY 1, 2027.

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

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:

(A) GASOLINE-POWERED MOTOR VEHICLES ARE A MAJOR SOURCE OF OZONE PRECURSORS, INCLUDING NITROGEN OXIDES, HYDROCARBONS, AND CARBON MONOXIDE;

(B) GASOLINE-POWERED MOTOR VEHICLES WITH EMISSIONS CONTROL SYSTEMS THAT HAVE BEEN TAMPERED WITH OR EMISSIONS CONTROL SYSTEMS THAT ARE NOT OPERATING PROPERLY CREATE EXCESS OZONE PRECURSORS, INCLUDING NITROGEN OXIDES, HYDROCARBONS, AND CARBON MONOXIDE, AND ARE HIGH-EMITTING MOTOR VEHICLES;

(C) HIGH-EMITTING MOTOR VEHICLES CONTRIBUTE A DISPROPORTIONATE AMOUNT OF TOTAL EMISSIONS AND ARE A MAJOR SOURCE OF AIR POLLUTION, ESPECIALLY IN THE OZONE NONATTAINMENT AREA;

(D) THE CLEAN SCREEN PROGRAM CURRENTLY OPERATES TO IDENTIFY CLEAN MOTOR VEHICLES OPERATING ON THE ROAD AND WILL IDENTIFY HIGH-EMITTING MOTOR VEHICLES ON THE ROAD; AND

(E) HIGH-EMITTING MOTOR VEHICLES THAT ARE OPERATING IN THE OZONE NONATTAINMENT AREA ARE DIFFICULT TO IDENTIFY THROUGH MANDATORY TESTING, AND THESE INCLUDE MOTOR VEHICLES WITH TAMPERED EMISSIONS CONTROL SYSTEMS WITHIN A TESTING EXEMPTION PERIOD, MOTOR VEHICLES REQUIRING REPAIRS BETWEEN EMISSIONS TESTS, AND MOTOR VEHICLES THAT HAVE FAILED AN EMISSIONS TEST AND WERE SUBSEQUENTLY REGISTERED OUTSIDE THE PROGRAM AREA.

(II) THE GENERAL ASSEMBLY DETERMINES THAT THE BEST INTEREST OF THE STATE IS TO IDENTIFY HIGH-EMITTING MOTOR VEHICLES AND REQUIRE VEHICLES WITH MALFUNCTIONING OR TAMPERED WITH MOTOR VEHICLE EMISSIONS CONTROL SYSTEMS TO BE REPAIRED IN ORDER TO REDUCE EXCESS EMISSIONS OF OZONE PRECURSORS, INCLUDING NITROGEN OXIDES, HYDROCARBONS, AND CARBON MONOXIDE.

(b) (I) THE COMMISSION MAY ADOPT RULES TO IDENTIFY AND REGULATE HIGH-EMITTING MOTOR VEHICLES THAT ARE WITHIN THE MODEL YEAR EXEMPTION PERIOD FOR THEIR VEHICLE EMISSIONS INSPECTION CYCLE OR THAT ARE REGISTERED IN COLORADO AND OUTSIDE THE PROGRAM AREA AFTER FAILING AN EMISSIONS TEST.

(II) IF A MOTOR VEHICLE IS IDENTIFIED AS A HIGH-EMITTING MOTOR VEHICLE THROUGH AN ENHANCED EMISSIONS INSPECTION, THE DIVISION MAY NOTIFY THE EXECUTIVE DIRECTOR THAT THE MOTOR VEHICLE FAILS TO COMPLY WITH THE EMISSIONS AND MAINTENANCE REQUIREMENTS OF THIS PART 3 OR RULES ADOPTED BY THE COMMISSION UNDER THIS PART 3.

(III) (A) THIS SUBSECTION (17)(b) IS EFFECTIVE APRIL 1, 2027.

(B) THIS SUBSECTION (17)(b)(III) IS REPEALED, EFFECTIVE JULY 1, 2027.

(c) AS USED IN THIS SUBSECTION (17), UNLESS THE CONTEXT OTHERWISE REQUIRES, "HIGH-EMITTING MOTOR VEHICLE" MEANS A MOTOR VEHICLE THAT

PRODUCES SIGNIFICANTLY MORE AIR POLLUTANTS THAN THE MOTOR VEHICLE AVERAGE, EXCEEDING ESTABLISHED EMISSIONS LIMITS.

SECTION 4. In Colorado Revised Statutes, 42-4-311, **amend** (4)(a)(I), (6)(a), and (6)(b) as follows:

42-4-311. Operation of inspection and readjustment stations - inspection-only facilities - fleet inspection stations - motor vehicle dealer test facilities - enhanced inspection centers. (4) (a) (I) A licensed inspection and readjustment station, inspection-only facility, or motor vehicle dealer test facility shall charge a fee ~~not to exceed fifteen dollars~~ for the inspection of MOTOR vehicles ~~model year 1981 and older, at facilities licensed or authorized within either the basic or enhanced emissions program. except that for 1982 model and newer vehicles, a test facility may charge a fee not to exceed twenty-five dollars~~. THE COMMISSION MAY SET OR ADJUST THE AMOUNT OF THE FEE UNDER SECTION 42-4-306 (3)(b)(VI); EXCEPT THAT THE COMMISSION SHALL NOT SET OR ADJUST THE FEE FOR MODEL YEAR 1981 AND OLDER MOTOR VEHICLES TO EXCEED THIRTY DOLLARS OR FOR 1982 MODEL YEAR AND NEWER MOTOR 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 percent and not to exceed twenty-five dollars~~ THE COMMISSION MAY ADJUST THE AMOUNT OF THE FEE UNDER SECTION 42-4-306 (3)(b)(VI).

SECTION 5. In Colorado Revised Statutes, 42-4-314, **amend** (1) and (2); and **add** (7) as follows:

42-4-314. Automobile emissions control systems - tampering - operation of vehicle - penalty. (1) ~~No~~ A person shall NOT knowingly disconnect, deactivate, or otherwise render inoperable ~~any air pollution control system which~~ A MOTOR VEHICLE'S EMISSIONS CONTROL SYSTEM THAT has been installed by the manufacturer of any automobile of a model year of 1968 or later, except to repair or replace a part or all of the system.

(2) ~~No~~ A person shall NOT operate on ~~any~~ A highway ~~in this state~~ ~~any~~ AN automobile described in subsection (1) of this section knowing that ~~any air pollution control system~~ THE EMISSIONS CONTROL SYSTEM installed on ~~such~~ THE automobile has been disconnected, deactivated, or ~~otherwise~~ rendered inoperable.

(7) IF A MOTOR VEHICLE'S EMISSIONS CONTROL SYSTEM HAS BEEN DISCONNECTED, DEACTIVATED, OR RENDERED INOPERABLE, THE DIVISION MAY NOTIFY THE EXECUTIVE DIRECTOR THAT THE OWNER OF THE MOTOR VEHICLE HAS VIOLATED SUBSECTION (1) OR (2) OF THIS SECTION.

SECTION 6. In Colorado Revised Statutes, 25-7-129, **amend** (2)(a) introductory portion and (2)(a)(V) as follows:

25-7-129. Disposition of fines - community impact cash fund - repeal.

(2) (a) ~~At~~ THE STATE TREASURER SHALL CREDIT THE receipts from penalties or fines collected under sections 25-7-115, 25-7-122, and 25-7-123 ~~shall be credited~~ in the following manner:

(V) For state fiscal year 2025-26 and any state fiscal year thereafter:

(A) THE FIRST ONE MILLION DOLLARS TO THE MOTOR VEHICLE EMISSIONS ASSISTANCE FUND ESTABLISHED IN SECTION 25-7-129.5; AND

(B) One hundred percent of the ~~receipts from penalties or fines collected during the fiscal year shall be credited~~ REMAINDER to the fund.

SECTION 7. In Colorado Revised Statutes, **add** 25-7-129.5 as follows:

25-7-129.5. Motor vehicle emissions assistance fund - division to provide grants - gifts, grants, or donations - definition. (1) AS USED IN THIS SECTION, "FUND" MEANS THE MOTOR VEHICLE EMISSIONS ASSISTANCE FUND CREATED IN SUBSECTION (2) OF THIS SECTION.

(2) THE MOTOR VEHICLE EMISSIONS ASSISTANCE FUND IS CREATED IN THE STATE TREASURY. THE FUND CONSISTS OF MONEY CREDITED TO THE FUND PURSUANT TO SECTION 25-7-129 (2)(a)(V)(A), ANY OTHER MONEY THAT THE GENERAL ASSEMBLY MAY APPROPRIATE OR TRANSFER TO THE FUND, AND ANY GIFTS, GRANTS, AND DONATIONS RECEIVED UNDER SUBSECTION (5) OF THIS SECTION.

(3)(a) THE STATE TREASURER SHALL CREDIT ALL INTEREST AND INCOME DERIVED FROM THE DEPOSIT AND INVESTMENT OF MONEY IN THE FUND TO THE FUND.

(b) AT THE END OF EACH STATE FISCAL YEAR, NO MORE THAN TWO HUNDRED FIFTY THOUSAND DOLLARS THAT IS UNEXPENDED AND UNENCUMBERED REMAINS IN THE FUND.

(c) AT THE END OF EACH STATE FISCAL YEAR, THE STATE TREASURER SHALL CREDIT ANY UNEXPENDED AND UNENCUMBERED MONEY IN EXCESS OF TWO HUNDRED FIFTY THOUSAND DOLLARS REMAINING IN THE FUND TO THE COMMUNITY IMPACT CASH FUND CREATED IN SECTION 25-7-129 (1).

(4) BEGINNING IN THE STATE FISCAL YEAR 2025-26, THE DIVISION MAY EXPEND MONEY FROM THE FUND TO PROVIDE GRANTS FOR:

(a) PAYING EMISSIONS INSPECTION FEES REQUIRED BY PART 3 OF ARTICLE 4 OF TITLE 42, OR RULES ADOPTED BY THE COMMISSION UNDER PART 3 OF ARTICLE 4 OF TITLE 42, FOR MOTOR VEHICLES REGISTERED TO INDIVIDUALS PARTICIPATING IN AN ESTABLISHED AND RECOGNIZED PUBLIC ASSISTANCE PROGRAM; OR

(b) ADJUSTMENTS OR EMISSIONS-RELATED REPAIRS THAT ARE NECESSARY AND SUFFICIENT TO RECEIVE A CERTIFICATION OF EMISSIONS COMPLIANCE UNDER PART 3 OF ARTICLE 4 OF TITLE 42 AND RULES ADOPTED UNDER PART 3 OF ARTICLE 4 OF TITLE 42 IF THE ADJUSTMENTS OR REPAIRS ARE PERFORMED BY:

(I) A REGISTERED REPAIR FACILITY OR TECHNICIAN, AS DEFINED IN SECTION 42-4-304 (21); OR

(II) A MOTOR VEHICLE REPAIR FACILITY REGISTERED WITH THE SECRETARY OF STATE AND IN COMPLIANCE WITH ARTICLE 9 OF TITLE 42 OR REGISTERED WITH THE DIVISION PURSUANT TO RULES ADOPTED BY THE COMMISSION.

(c) TO QUALIFY FOR A GRANT UNDER SUBSECTION (4)(b) OF THIS SECTION, A MOTOR VEHICLE OWNER MUST:

(I) OWN A MOTOR VEHICLE THAT IS REQUIRED TO BE REGISTERED IN THE PROGRAM AREA AND EITHER;

(A) PARTICIPATE IN AN ESTABLISHED AND RECOGNIZED PUBLIC ASSISTANCE PROGRAM; OR

(B) DEMONSTRATE QUALIFYING REPAIR EXPENDITURES THAT MEET OR EXCEED THE LIMITS ESTABLISHED TO COMPLY WITH SECTION 42-4-310 (1)(d)(VI); OR

(II) OWN A MOTOR VEHICLE THAT HAS BEEN IDENTIFIED AS A HIGH EMITTER AND PARTICIPATE IN A VOLUNTARY STUDY CONDUCTED BY THE DIVISION.

(d) SUBSECTION (4)(c)(II) OF THIS SECTION DOES NOT REQUIRE THE DIVISION TO PAY A MOTOR VEHICLE OWNER TO PARTICIPATE IN A VOLUNTARY STUDY.

(5) THE DIVISION MAY SEEK, ACCEPT, AND EXPEND GIFTS, GRANTS, OR DONATIONS FROM PRIVATE OR PUBLIC SOURCES FOR THE PURPOSES SET FORTH IN THIS SECTION. THE STATE TREASURER SHALL CREDIT ANY GIFTS, GRANTS, OR DONATIONS RECEIVED BY THE DIVISION TO THE FUND.

(6) MONEY IN THE FUND IS CONTINUOUSLY APPROPRIATED TO THE DIVISION TO ACCOMPLISH THE PURPOSES SET FORTH IN THIS SECTION.

SECTION 8. In Colorado Revised Statutes, 42-3-304, **add** (18)(e) as follows:

42-3-304. Registration fees - passenger-mile taxes - clean screen fund - pilot program - report - rules - definitions - repeal. (18) (e) (I) ON JULY 1, 2026, THE STATE TREASURER SHALL TRANSFER FIVE THOUSAND SIX HUNDRED SEVENTY-FOUR

DOLLARS FROM THE AIR ACCOUNT'S SUBACCOUNT AVAILABLE FOR APPROPRIATION TO THE DEPARTMENT OF PUBLIC HEALTH AND ENVIRONMENT UNDER SUBSECTIONS (18)(a) AND (18)(b) OF THIS SECTION TO THE COLORADO DRIVES VEHICLE SERVICES ACCOUNT CREATED IN SECTION 42-1-211.

(II) THIS SUBSECTION (18)(e) IS REPEALED, EFFECTIVE JULY 1, 2027.

SECTION 9. In Colorado Revised Statutes, 24-77-102, **amend as amended by Senate Bill 25-173** (2)(b)(IV) as follows:

24-77-102. Definitions. As used in this article 77, unless the context otherwise requires:

(2) "Damage award" means any pecuniary compensation received by the state as a result of:

(b) For state fiscal years commencing on or after July 1, 2024:

(IV) A monetary fine or penalty collected by the division of administration of the department of public health and environment pursuant to section 25-7-115, 25-7-122, or 25-7-123 and deposited in the community impact cash fund created in section 25-7-129 OR IN THE MOTOR VEHICLE EMISSIONS ASSISTANCE FUND CREATED IN SECTION 25-7-129.5; and

SECTION 10. Effective date. This act takes effect upon passage; except that section 9 of this act takes effect only if Senate Bill 25-173 becomes law, in which case section 9 takes effect upon the effective date of this act or Senate Bill 25-173, whichever is later.

SECTION 11. Safety clause. The general assembly finds, determines, and declares that this act is necessary for the immediate preservation of the public peace, health, or safety or for appropriations for the support and maintenance of the departments of the state and state institutions.

Approved: June 3, 2025