



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 introduced bill as amended by the House Transportation, Housing, and Local Government Committee.

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 | \$37,725 | \$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 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 commercial vehicle may not be registered for one year unless the owner or operator shows compliance. 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.

Background and Assumptions

Registration Holds

Currently, when drivers are cited for a violation of operating a commercial motor vehicle with an engine brake but without a muffler, law enforcement sends a citation to the DOR. The DOR received an average of 17 of these citations per year over the last three fiscal years.

When law enforcement or courts send these citations to the DOR, they are not required to include the Vehicle Identification Number (VIN) of the vehicle that was driven. This is because the conviction is posted only to the driver's record, not the vehicle's record. Without this information, the DOR does not have a way to match a driver with a specific vehicle, which the bill requires in order to place a registration hold on the vehicle. As a result, the DOR will need to perform DRIVES programming to require law enforcement to include the vehicle's VIN and license plate information when sending a citation to the DOR, which will allow the DOR to place a registration hold on a specific vehicle. Additional programming will be required to create interfaces between the DOR and law enforcement to implement registration holds.

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, 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 are subject to this law. Therefore, the fiscal note assumes minimal increases in cases by making it apply to all commercial 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 \$38,000 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 \$37,725 for DRIVES programming in FY 2026-27 to increase the muffler violation fine and ensure law enforcement includes a vehicle's VIN and license plate information when sending a citation to the DOR, as described in the Background and Assumptions section. These programming costs include \$28,270 for 110 hours of programming at a rate of \$257 per hour, plus \$9,455 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 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.

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).

Technical Note

The bill's effective date does not allow for computer programming costs to occur in FY 2026-27. The fiscal note assumes the costs will occur in that fiscal year and that the bill will be adjusted to be effective prior to its applicability on July 1, 2027.

Effective Date

The bill takes effect July 1, 2027, assuming no referendum petition is filed.

State and Local Government Contacts

| | |
|---------------|----------------|
| Judicial | Revenue |
| Public Safety | Transportation |