

SUPPORT

SB25-321:

Motor Vehicle Emissions Inspection Facilities



COLORADO
Department of Public
Health & Environment

Sponsors: Senator Kirkmeyer, Majority Leader Rodriguez, and Representative Joseph

PURPOSE

Colorado's automobile emissions testing program provides important air quality benefits for the state but lacks adequate funding. SB25-321 would modernize emissions testing fees in order to improve customer service for motorists, continue state ozone reduction efforts, and ensure compliance with federal law.

BACKGROUND

The federal Environmental Protection Agency (EPA) sets air quality standards for ozone pollution. When ozone levels are too high in an area, the EPA designates it as being in "nonattainment" of a standard and requires the state to develop a State Implementation Plan (SIP) to come into compliance. For areas in "serious" nonattainment or above, the SIP must include a vehicle emissions inspection program. Colorado's Denver Metro / North Front Range is in "severe" nonattainment and requires an inspection program. The Colorado Department of Public Health and Environment and the Department of Revenue operate the Automobile Inspection and Readjustment (AIR) Program for gasoline-powered vehicles in Colorado. Emissions testing is required every two years for vehicles seven model-years through the 1982 model year. Annual emissions testing is required for 1981 and older model-year vehicles.

CDPHE and DOR contract with a vendor to test vehicle emissions. The vendor charges a fee to the motorist at the time a test is performed. The fee amount is limited in § 42-4-311(6)(a), C.R.S. to \$25 for model year 1982 and newer vehicles and \$15 for 1981 and older vehicles. Since 1995, there has only been one fee adjustment of \$0.75 in 2003. Meanwhile, inflation has increased the costs to recruit and retain employees and has made it cost-prohibitive to update technology. Additionally, population growth has increased the volume of motorists. The result is longer wait times, traffic congestion near testing sites, and equipment breakdowns. Because of this, the vendor indicated the company may not bid to operate the AIR program when the current contract expires in late 2025. There is no other viable operator.

Maintaining testing is important, because air quality models show that light-duty gasoline vehicles are the top contributor of ozone pollution along the Front Range. A 2022 General Assembly audit found that the AIR program decreases ozone precursor emissions by about 13%, or 10 tons per day. Despite its success, the program experiences operational challenges due to funding shortages. Had fees kept up with inflation, the current fee would be around \$52.

SOLUTION

- SB25-321 directs CDPHE's Air Quality Control Commission to adjust the emissions testing fee based on a study of necessary capital improvements. The legislation caps the fee at \$50 for model-year vehicles 1982 and newer and \$30 for model-year vehicles 1981 and older. This proposal would not impact the state budget, because the fee revenue is retained by the emissions contractor and is therefore not classified as TABOR revenue.
- SB25-321 establishes a high-emitting vehicle program to identify broken and tampered vehicles with excessive emissions but that are otherwise exempt from testing: (1) vehicles registered in the program area and within the seven-model-year exemption, (2) vehicles between their two-year inspection cycle, (3) vehicles previously registered in the program area that failed an emissions test and subsequently registered outside the area.
- SB25-321 expands CDPHE and DOR's current repair program, which provides financial assistance for vehicle repairs for individuals receiving public assistance or who already invested a qualifying amount in repairs. The legislation would allow the vehicle repairs to be funded with air pollution violation penalties.