

## House Bill 1054

### Legislation in Response to the Performance Evaluation of the Automobile Inspection and Readjustment Program, Colorado Department of Public Health and Environment

#### Concerning Repealing the Requirement that the Legislative Audit Committee Cause to Be Conducted Performance Reviews of the Automobile Inspection and Readjustment Program Every 5 Years.

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#### WHAT WOULD THIS BILL DO?

This Bill would amend Section 42-4-316, C.R.S., to remove the requirement that the Office of the State Auditor (OSA) conduct a performance evaluation of the Automobile Inspection and Readjustment (AIR) Program at the Colorado Department of Public Health and Environment (Department) every 5 years.

#### WHY SHOULD THIS CHANGE BE MADE?

Statute requires the OSA to conduct an evaluation of the AIR Program every 5 years to assess: 1) the demonstrable effect of the AIR Program on ambient air quality, 2) the cost to the public of the AIR Program, 3) the cost-effectiveness of the AIR Program, 4) the need, if any, for further reduction in air pollution caused by mobile sources to attain or maintain compliance with national ambient air quality standards, and 5) the AIR Program's ability to ensure compliance with legally required warranties covering air pollution control equipment. This requirement has been in place since 2000. The last evaluation was completed in December 2022, and the next one is required by January 1, 2028.

The OSA recommends that the General Assembly repeal this requirement for the following reasons:

- The OSA has been conducting these evaluations for about 24 years. Over the years, the evaluation conclusions related to the effectiveness of the AIR Program have remained fairly consistent and the evaluations have typically included only one or two recommendations to help further refine the established program.
- The cost of the AIR Program evaluation has continued to increase and there is a limited pool of contractors with the expertise necessary to conduct the evaluation. Since 2012, the cost of the AIR Program evaluation has increased 72 percent; in 2012, the OSA paid \$140,000 for the evaluation and the contract amount increased to \$240,228 in 2022. One factor contributing to the cost increase is that there is limited competition in bidding for the contract. In 2022, all of the experts that we had previously contracted with sent one combined bid for the evaluation.

- The Department is required to conduct a similar evaluation of the program and report annually to the federal Environmental Protection Agency as well as the Air Quality Control Commission and the Regional Air Quality Counsel. Statute charges the Commission with, “The Commission shall continuously evaluate the AIR Program to ensure compliance with the state implementation program and federal law. Such evaluation should be based on continuing research by [the Department], in accordance with Section 25-7-130, C.R.S. Such evaluation should include assessments of the cost-effectiveness and air pollution control effectiveness of the program” [Section 42-4-306(9)(a)(I), C.R.S.].

It is important to note that even if the OSA’s requirement to evaluate the AIR Program every 5 years is repealed, the State Auditor would still have the authority to audit the AIR Program under Section 2-3-103, C.R.S.