



Fiscal Note

Legislative Council Staff

Nonpartisan Services for Colorado's Legislature

HB 25-1054: REPEAL LEG AUDIT CMT REVIEWS OF EMISSIONS PROGRAM

Prime Sponsors:

Rep. Boesenecker
Sen. Pelton R.; Gonzales J.

Fiscal Analyst:

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Bill Outcome: Signed into Law

Drafting number: LLS 25-0146

Version: Final Fiscal Note

Date: May 14, 2025

Fiscal note status: The final fiscal note reflects the enacted bill. The bill was recommended by the Legislative Audit Committee.

Summary Information

Overview. The bill repeals the requirement that the Legislative Audit Committee direct the State Auditor to conduct performance audits of the Automobile Inspection and Readjustment (AIR) program every five years.

Type of impacts. The bill is projected to affect the following areas on an ongoing basis:

- State Expenditures

Appropriations. No appropriation is required.

Table 1
State Fiscal Impacts

Type of Impact	Budget Year FY 2025-26	Out Year FY 2026-27
State Revenue	\$0	\$0
State Expenditures	\$0	\$0
Transferred Funds	\$0	\$0
Change in TABOR Refunds	\$0	\$0
Change in State FTE	0.0 FTE	0.0 FTE

Summary of Legislation

Current state law requires the Office of the State Auditor (OSA) to audit the Automobile Inspection and Readjustment (AIR) Program in the Colorado Department of Public Health and Environment (CDPHE) every five years. The bill repeals this requirement and instead leaves audit timing to the OSA's discretion.

Background

The AIR Program audit has been in place since 2000 and requires the OSA to assess the following:

- the demonstrable effect of the AIR Program on ambient air quality;
- the cost to the public of the AIR Program;
- the cost-effectiveness of the AIR Program relative to other air pollution control programs;
- 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
- the AIR Program's ability to ensure compliance with legally required warranties covering air pollution control equipment.

The [last evaluation](#) was completed in December 2022 at a cost of \$240,000. The CDPHE is required to conduct a similar evaluation of the AIR program for the federal Environmental Protection Agency, the Air Quality Control Commission, and the Regional Air Quality Counsel.

State Expenditures

The bill allows the OSA to redirect funding that would otherwise be spent on the AIR audit every five years to other audit priorities. No change in appropriations is required.

Effective Date

The bill was signed into law by the Governor on March 7, 2025, and takes effect on August 6, 2025, assuming no referendum petition is filed.

State and Local Government Contacts

Public Health and Environment
Revenue

State Auditor