



Legislative
Council Staff

Nonpartisan Services for Colorado's Legislature

HB 20-1163

REVISED FISCAL NOTE

(replaces fiscal note dated February 21, 2020)

Drafting Number:	LLS 20-0269	Date:	March 3, 2020
Prime Sponsors:	Rep. Valdez A.; Sirota Sen. Gonzales	Bill Status:	House Finance
		Fiscal Analyst:	Clare Pramuk 303-866-2677 clare.pramuk@state.co.us

Bill Topic: **MANAGEMENT OF SINGLE-USE PRODUCTS**

Summary of Fiscal Impact:

<input checked="" type="checkbox"/> State Revenue	<input checked="" type="checkbox"/> TABOR Refund
<input checked="" type="checkbox"/> State Expenditure	<input checked="" type="checkbox"/> Local Government
<input type="checkbox"/> State Transfer	<input type="checkbox"/> Statutory Public Entity

This bill prohibits stores and retail food establishments from providing single-use plastic carryout bags, single-use plastic stirrers, and single-use plastic straws to consumers beginning July 1, 2022. They may sell recyclable paper or single use carryout bags to customers beginning July 1, 2021. This may increase state revenue beginning in FY 2023-24 and will increase state workload beginning in FY 2021-22.

Appropriation Summary: No appropriation is required.

Fiscal Note Status: The revised fiscal note reflects the introduced bill as amended by the House Energy and Environment Committee.

Summary of Legislation

This bill prohibits stores and retail food establishments from providing single-use products to customers beginning July 1, 2022. This includes single-use plastic carryout bags, single-use plastic stirrers, and single-use plastic straws. Single-use plastic straws may be provided upon request of a customer. Stores and retail food establishments that have an inventory of single-use products purchased prior to July 1, 2022, may continue to use these products until December 31, 2022.

Beginning July 1, 2021, stores may sell recyclable paper or single use plastic carryout bags to customers for at least ten cents per bag. Customers who provide evidence that they participate in a federal or state food assistance program are not subject to the bag fee. Bag fees are to be split 60 percent to the municipality or county in which the store is located and 40 percent to the store. The municipality or county is required to use the bag fees for administrative costs, recycling, composting, or other waste diversion programs and related outreach and education activities. Beginning July 1, 2022, stores may only provide recyclable paper bags for a fee but may use up existing supplies of single-use plastic bags until December 31, 2022. Stores must provide customers with a record of bag fees charged, and are prohibited from refunding bag fees. They must also post signs alerting customers to the bag charge.

Local governments are preempted from setting less stringent provisions than those specified in the bill on or after July 1, 2022. The Executive Director of the Department of Public Health and Environment (CDPHE) is authorized to levy civil penalties and may, through the Attorney General, seek injunctive relief against a store or retail food establishment that violates the prohibition. The Hazardous Waste Commission in CDPHE is authorized to promulgate rules to implement the bill.

Assumptions

The fiscal note assumes that the CDPHE executive director will not levy civil penalties or seek injunctions until July 1, 2023.

State Revenue

To the extent that stores and retail food establishments violate the prohibition on single-use products, the CDPHE may issue civil penalties. The fiscal note assumes a high rate of compliance and that any revenue from civil penalties will be minimal beginning in FY 2023-24.

State Expenditures

This bill will increase state workload beginning in FY 2021-22 as described below.

The CDPHE will have an increase in workload to respond to inquiries about the prohibition and once the prohibition is in effect, to investigate alleged violations. Beginning in FY 2023-24, the Attorney General's Office will have an increase in workload to seek injunctions against stores and retail food establishments. The Judicial Department will have an increase in workload from district civil court filings from the Attorney General's Office. These workload increases can be addressed within existing appropriations.

Local Governments

This bill is expected to increase revenue for local governments from the percentage of bag fees remitted beginning in FY 2021-22. To the extent that revenue increases have not been exempted from TABOR limits by voters in affected local jurisdictions, the amount required to be refunded to taxpayers under TABOR will increase.

Effective Date

The bill takes effect August 5, 2020, if the General Assembly adjourns on May 6, 2020, as scheduled, and no referendum petition is filed.

State and Local Government Contacts

Counties	Information Technology	Law
Municipalities	Public Health and Environment	School Districts