

**Second Regular Session
Seventy-third General Assembly
STATE OF COLORADO**

REREVISED

*This Version Includes All Amendments
Adopted in the Second House*

LLS NO. 22-0614.01 Richard Sweetman x4333

HOUSE BILL 22-1159

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House Committees
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A BILL FOR AN ACT

101 **CONCERNING WASTE DIVERSION, AND, IN CONNECTION THEREWITH,**
102 **CREATING THE CIRCULAR ECONOMY DEVELOPMENT CENTER IN**
103 **THE DEPARTMENT OF PUBLIC HEALTH AND ENVIRONMENT,**
104 **ESTABLISHING THE COSTS OF OPERATING THE CENTER AS A**
105 **PERMISSIBLE USE OF MONEY FROM THE FRONT RANGE WASTE**
106 **DIVERSION CASH FUND AND THE RECYCLING RESOURCES**
107 **ECONOMIC OPPORTUNITY FUND, AND EXTENDING AND**
108 **REMOVING CERTAIN REPEAL DATES ASSOCIATED WITH EXISTING**
109 **STATUTORY WASTE DIVERSION EFFORTS.**

Bill Summary

(Note: This summary applies to this bill as introduced and does not reflect any amendments that may be subsequently adopted. If this bill passes third reading in the house of introduction, a bill summary that

Shading denotes HOUSE amendment. Double underlining denotes SENATE amendment.
Capital letters or bold & italic numbers indicate new material to be added to existing statute.
Dashes through the words indicate deletions from existing statute.

SENATE
3rd Reading Unamended
May 5, 2022

SENATE
2nd Reading Unamended
May 4, 2022

HOUSE
3rd Reading Unamended
March 9, 2022

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applies to the reengrossed version of this bill will be available at <http://leg.colorado.gov>.)

Section 1 of the bill makes legislative findings and declarations. **Section 2** creates the circular economy development center (center) in the department of public health and environment (department). The purpose of the center is to grow existing markets; create new markets; and provide necessary infrastructure, logistics, and marketing to create a sustainable circular economy for recycled commodities in Colorado. On or before July 1, 2023, subject to available appropriations, the department must contract with a third-party administrator to operate the center.

The center must conduct a statewide, end-market gap analysis and opportunity assessment and submit a final report of the analysis and assessment to the department by August 1, 2024. Beginning September 1, 2023, and on or before each September 1 thereafter, the center must also submit a report to the department describing the progress of the center. The department must include the report in its annual presentation to the general assembly pursuant to the "State Measurement for Accountable, Responsive, and Transparent (SMART) Government Act".

Section 2 also repeals the center, effective September 1, 2030.

Section 3 requires the front range waste diversion enterprise (enterprise), in coordination with the department, to pay for direct and indirect costs associated with the operation of the center through the front range waste diversion cash fund (fund). **Section 3** also makes changes to the front range waste diversion enterprise grant program as follows:

- Current law imposes limitations for grant applications that are received from a waste hauler or a landfill owner or operator. Specifically, as to the portions of such an application that relate to infrastructure or equipment, only 50% of infrastructure or equipment can be funded through the grant program and, if the board awards a grant to a waste hauler or landfill owner or operator for infrastructure or equipment, the grantee is ineligible to receive a grant for the following 5 years. The bill removes these limitations.
- Current law prohibits the board of directors of the enterprise from allocating more than 20% of the annual fund revenue in any single grant award. The bill raises this maximum to 50%.

Section 3 also extends the repeal date of the enterprise from September 1, 2029, to September 1, 2030.

Sections 4 and 5 extend the repeal dates of the recycling resources economic opportunity program and the associated recycling resources economic opportunity fund from July 1, 2026, to September 1, 2030. **Section 4** also requires the department to use money appropriated from the recycling resources economic opportunity fund to pay for direct and

indirect costs associated with the operation of the center.

Under current law, the solid waste user fee is repealed, effective July 1, 2026. **Section 6** extends this repeal date to September 1, 2030. **Section 6** also extends, from September 1, 2029, to September 1, 2030, the repeal date of a specific user fee that is associated with the solid waste user fee.

1 *Be it enacted by the General Assembly of the State of Colorado:*

2 **SECTION 1. Legislative declaration.** (1) The general assembly
3 finds that:

4 (a) The recycling, remanufacturing, and reuse industry affects
5 86,000 jobs in Colorado, which is 2.7% of the state's overall employment;

6 (b) In 2020, recycling in Colorado reduced greenhouse gas
7 emissions by more than 1,900,000 metric tons of carbon dioxide
8 equivalent, which is equal to removing more than 400,000 cars from our
9 roads annually. Recycling also saved more than 13,590,000 BTUs of
10 energy, which is equal to conserving the annual energy use of more than
11 148,000 Colorado households.

12 (c) The recycling, remanufacturing, and reuse industry accounts
13 for 3.1% of the state's gross state product;

14 (d) Recovering and recycling materials provides bottom-line
15 benefits to Colorado in terms of people, the planet, and profits; and

16 (e) Despite such benefits, the state's waste diversion rate has
17 stagnated at around 15%, which is well below the 2021 state goal of
18 achieving a 28% waste diversion rate.

19 (2) The general assembly also finds that:

20 (a) There is no singular solution to increasing diversion;

21 (b) For Colorado to reach its goals, actions must be taken to
22 improve both the supply of materials collected and the demand for those

1 recovered materials; and

2 (c) By growing existing regional markets or creating new end
3 markets for recycled commodities and compost, Colorado has the
4 potential to shift the demand curve.

5 (3) The general assembly therefore declares that a circular
6 economy development center focused on growing existing markets and
7 creating new end markets for recycled commodities and compost in
8 Colorado can increase demand for recycled materials, moving Colorado
9 closer to its waste diversion and sustainability goals.

10 **SECTION 2.** In Colorado Revised Statutes, **add** part 6 to article
11 17 of title 25 as follows:

12 **PART 6**

13 **CIRCULAR ECONOMY DEVELOPMENT CENTER**

14 **25-17-601. Definitions.** AS USED IN THIS PART 6, UNLESS THE
15 CONTEXT OTHERWISE REQUIRES:

16 (1) "ADMINISTRATOR" MEANS THE THIRD-PARTY ADMINISTRATOR
17 WITH WHICH THE DEPARTMENT CONTRACTS PURSUANT TO SECTION
18 25-17-602 (2).

19 (2) "CIRCULAR ECONOMY" MEANS AN ECONOMY THAT USES A
20 SYSTEMS-FOCUSED APPROACH AND INVOLVES INDUSTRIAL PROCESSES AND
21 ECONOMIC ACTIVITIES THAT:

22 (a) ARE RESTORATIVE OR REGENERATIVE BY DESIGN;

23 (b) ENABLE RESOURCES USED IN INDUSTRIAL PROCESSES AND
24 ECONOMIC ACTIVITIES TO MAINTAIN THEIR HIGHEST VALUES FOR AS LONG
25 AS POSSIBLE; AND

26 (c) AIM TO ELIMINATE WASTE THROUGH THE SUPERIOR DESIGN OF
27 MATERIALS, PRODUCTS, AND SYSTEMS, INCLUDING BUSINESS MODELS.

1 (3) "CIRCULAR ECONOMY DEVELOPMENT CENTER" OR "CENTER"
2 MEANS THE CIRCULAR ECONOMY DEVELOPMENT CENTER CREATED IN
3 SECTION 25-17-602.

4 (4) "DEPARTMENT" MEANS THE DEPARTMENT OF PUBLIC HEALTH
5 AND ENVIRONMENT CREATED IN SECTION 24-1-119.

6 (5) "END MARKET BUSINESS" MEANS A BUSINESS, OR A PORTION OF
7 A BUSINESS, THAT PROCESSES OR REUSES RECYCLABLE MATERIAL.

8 (6) "EXECUTIVE DIRECTOR" MEANS THE EXECUTIVE DIRECTOR OF
9 THE DEPARTMENT OR THE EXECUTIVE DIRECTOR'S DESIGNEE.

10 **25-17-602. Circular economy development center - creation -**
11 **administration - reports - repeal. (1) Creation.** THE CIRCULAR
12 ECONOMY DEVELOPMENT CENTER IS HEREBY CREATED IN THE
13 DEPARTMENT. THE PURPOSE OF THE CENTER IS TO GROW EXISTING
14 MARKETS, CREATE NEW MARKETS, AND PROVIDE NECESSARY
15 INFRASTRUCTURE, SYSTEMS, LOGISTICS, AND MARKETING TO CREATE A
16 SUSTAINABLE CIRCULAR ECONOMY FOR RECYCLED COMMODITIES AND
17 COMPOST IN COLORADO. THE PRIMARY ACTIVITIES OF THE CENTER ARE:

18 (a) CONNECTING END MARKETS TO EXISTING STATE GRANTS AND
19 INCENTIVES;

20 (b) WORKING WITH PROCESSORS AND MANUFACTURERS IN THE
21 STATE TO INCREASE THE USE OF RECYCLED CONTENT INPUTS;

22 (c) SUPPORTING WASTE REDUCTION AND REUSE WITHIN SYSTEMS
23 THAT ADVANCE CIRCULARITY GOALS;

24 (d) MARKETING COLORADO RECYCLED MATERIALS AND
25 RECRUITING OUT-OF-STATE RECYCLING END MARKETS, INCLUDING
26 MANUFACTURERS, TO COLORADO;

27 (e) FACILITATING CONNECTIONS AMONG RECYCLERS, WASTE

1 HAULERS, PROCESSORS, MANUFACTURERS, TRANSPORTERS,
2 MUNICIPALITIES, INVESTORS, HIGHER EDUCATION, AND OTHER ENTITIES;

3 (f) SUPPORTING END-MARKET-RELATED BUSINESSES AS THOSE
4 BUSINESSES LOOK TO SCALE OR GROW; AND

5 (g) EVALUATING COLORADO'S RECYCLING END MARKETS AND
6 SUPPLY CHAINS.

7 (2) **Administration.** (a) ON OR BEFORE JULY 1, 2023, SUBJECT TO
8 AVAILABLE APPROPRIATIONS, THE DEPARTMENT SHALL CONTRACT WITH
9 A THIRD-PARTY ADMINISTRATOR TO OPERATE THE CENTER.

10 (b) IN SOLICITING FOR A THIRD-PARTY ADMINISTRATOR OF THE
11 CENTER, THE DEPARTMENT SHALL REQUIRE APPLICANTS TO SUBMIT A
12 PROPOSED WORK PLAN FOR THE CENTER, WHICH WORK PLAN, AT A
13 MINIMUM, OUTLINES GOALS, STRATEGIES, ACTIVITIES, DELIVERABLES, AND
14 EXPECTED OUTCOMES.

15 (c) THE ADMINISTRATOR SHALL UPDATE THE WORK PLAN
16 DESCRIBED IN SUBSECTION (2)(b) OF THIS SECTION ANNUALLY, AND THE
17 DEPARTMENT SHALL APPROVE OR DISAPPROVE THE WORK PLAN. IN
18 SUBMITTING AN UPDATED WORK PLAN PURSUANT TO THIS SUBSECTION
19 (2)(c), THE ADMINISTRATOR SHALL INCLUDE IN THE UPDATED WORK PLAN
20 RECOMMENDED ACTIONS FOR DEVELOPING MARKETS FOR COMMODITIES
21 COMPRISING A SIGNIFICANT PERCENTAGE OF THE WASTE STREAM AND
22 HAVING POTENTIAL FOR USE AS AN INDUSTRIAL OR COMMERCIAL
23 FEEDSTOCK.

24 (d) IN ADMINISTERING THE CENTER, THE ADMINISTRATOR:

25 (I) SHALL SEEK AND CONSIDER THE INPUT OF:

26 (A) THE DEPARTMENT;

27 (B) THE OFFICE OF ECONOMIC DEVELOPMENT CREATED IN SECTION

1 24-48.5-101;

2 (C) REPRESENTATIVES FROM THE PUBLIC AND PRIVATE SECTORS
3 ENGAGED IN WASTE DIVERSION OR ECONOMIC DEVELOPMENT ACTIVITIES
4 ON THE WESTERN SLOPE, IN THE MOUNTAINS, ON THE FRONT RANGE, AND
5 IN EASTERN AND SOUTHEASTERN COLORADO; AND

6 (D) TO THE EXTENT PRACTICABLE, REPRESENTATIVES OF
7 NONPROFIT ORGANIZATIONS AND INSTITUTIONS OF HIGHER EDUCATION;
8 AND

9 (II) MAY SEEK AND SOLICIT ON BEHALF OF THE CENTER GIFTS,
10 GRANTS, AND DONATIONS TO PAY FOR THE FUNCTIONS OF THE CENTER, AS
11 DESCRIBED IN SUBSECTION (6) OF THIS SECTION.

12 (3) **Web page.** THE CENTER SHALL MAINTAIN A PUBLIC WEB PAGE.

13 (4) **Reports.** (a) (I) THE CENTER SHALL CONDUCT A STATEWIDE
14 END-MARKET GAP ANALYSIS AND OPPORTUNITY ASSESSMENT AND SUBMIT
15 A FINAL REPORT OF THE ANALYSIS AND ASSESSMENT TO THE DEPARTMENT
16 BY AUGUST 1, 2024.

17 (II) THIS SUBSECTION (4)(a) IS REPEALED, EFFECTIVE JULY 1, 2025.

18 (b) (I) BEGINNING SEPTEMBER 1, 2023, AND ON OR BEFORE EACH
19 SEPTEMBER 1 THEREAFTER, THE CENTER SHALL SUBMIT A REPORT TO THE
20 DEPARTMENT DESCRIBING THE PROGRESS OF THE CENTER. THE REPORT
21 MUST INCLUDE THE FOLLOWING INFORMATION FROM THE PRECEDING
22 STATE FISCAL YEAR:

23 (A) A SUMMARY OF ACTIVITIES COMPLETED BY THE CENTER;

24 (B) THE RESULTS ACHIEVED AND PROGRESS MADE BY THE CENTER
25 ON ITS APPROVED WORK PLAN AND PROGRESS IN ACHIEVING ITS OBJECTIVE
26 OF COMPLETING CIRCULAR ECONOMIES FOR MATERIALS IN THE STATE; AND

27 (C) A SUMMARY OF ACTIVITIES AND OPPORTUNITIES THAT THE

1 CENTER PLANS TO ADDRESS IN THE FUTURE.

2 (II) THE DEPARTMENT SHALL INCLUDE THE REPORT DESCRIBED IN
3 SUBSECTION (4)(b)(I) OF THIS SECTION IN ITS ANNUAL PRESENTATION TO
4 THE GENERAL ASSEMBLY PURSUANT TO THE "STATE MEASUREMENT FOR
5 ACCOUNTABLE, RESPONSIVE, AND TRANSPARENT (SMART)
6 GOVERNMENT ACT", PART 2 OF ARTICLE 7 OF TITLE 2.

7 (5) **Costs.** THE DIRECT AND INDIRECT COSTS ASSOCIATED WITH
8 THE DEPARTMENT'S OVERSIGHT AND THE ADMINISTRATOR'S OPERATION OF
9 THE CENTER SHALL BE PAID BY MONEY APPROPRIATED TO THE
10 DEPARTMENT FROM:

11 (a) THE FRONT RANGE WASTE DIVERSION CASH FUND, PURSUANT
12 TO SECTION 25-16.5-111 (4)(b)(V); AND

13 (b) THE RECYCLING RESOURCES ECONOMIC OPPORTUNITY FUND,
14 PURSUANT TO SECTION 25-16.5-106.5 (2)(c).

15 (6) **Gifts, grants, and donations.** THE CENTER MAY SEEK,
16 SOLICIT, ACCEPT, AND EXPEND GIFTS, GRANTS, AND DONATIONS FROM
17 PUBLIC AND PRIVATE SOURCES FOR THE PURPOSES OF THIS PART 6.

18 **25-17-603. Repeal of part.** THIS PART 6 IS REPEALED, EFFECTIVE
19 SEPTEMBER 1, 2030. BEFORE THE REPEAL, THE FUNCTIONS OF THE CENTER
20 ARE SCHEDULED FOR REVIEW IN ACCORDANCE WITH SECTION 24-34-104.

21 **SECTION 3.** In Colorado Revised Statutes, 25-16.5-111, **amend**
22 (3)(c)(V), (4)(b)(III), and (6)(e)(II); **repeal** (6)(c)(II); and **add** (3)(c)(VII)
23 and (4)(b)(V) as follows:

24 **25-16.5-111. Front range waste diversion enterprise -**
25 **legislative declaration - fund - goals - grant program - personal**
26 **property tax reimbursements - gifts, grants, or donations - definitions**
27 **- repeal.** (3) **Enterprise.** (c) The enterprise's primary powers and duties

1 are to:

2 (V) Adopt, amend, or repeal policies for the regulation of its
3 affairs and the conduct of its business consistent with this section,
4 including establishing application, review, approval, reporting, and other
5 requirements for grants; ~~and~~

6 (VII) IN COORDINATION WITH THE DEPARTMENT, PAY THE DIRECT
7 AND INDIRECT COSTS ASSOCIATED WITH THE DEPARTMENT'S OVERSIGHT
8 AND THE ADMINISTRATOR'S OPERATION OF THE CIRCULAR ECONOMY
9 DEVELOPMENT CENTER CREATED IN SECTION 25-17-602.

10 (4) **Fund.** (b) Money in the fund is continuously appropriated to
11 the enterprise to:

12 (III) Provide technical assistance to eligible entities to promote
13 diversion, including through the development and implementation of
14 policy; ~~and~~

15 (V) PAY THE DIRECT AND INDIRECT COSTS ASSOCIATED WITH THE
16 DEPARTMENT'S OVERSIGHT AND THE ADMINISTRATOR'S OPERATION OF THE
17 CIRCULAR ECONOMY DEVELOPMENT CENTER CREATED IN SECTION
18 25-17-602.

19 (6) **Grant program.** (c) (II) ~~The policies and procedures~~
20 ~~specified by the board must include the following limitations for grant~~
21 ~~applicants that are either a waste hauler or a landfill owner or operator,~~
22 ~~which the board shall apply only to the portions of an application that~~
23 ~~relate to infrastructure or equipment:~~

24 (A) ~~Only fifty percent of infrastructure or equipment can be~~
25 ~~funded through the grant program;~~

26 (B) ~~If the board awards a grant to a waste hauler or landfill owner~~
27 ~~or operator for infrastructure or equipment, the grantee is ineligible to~~

1 ~~receive a grant for the following five years:~~

2 (e) The board shall:

3 (II) Not allocate more than ~~twenty~~ FIFTY percent of the annual
4 fund revenue in any single grant award;

5

6 **SECTION 4.** In Colorado Revised Statutes, 25-16.5-106.5,
7 **amend** (2) as follows:

8 **25-16.5-106.5. Recycling resources economic opportunity fund**
9 **- creation - repeal.** (2) The money generated pursuant to subsection (1)
10 of this section ~~shall be~~ IS annually appropriated to the department:

11 (a) For the purpose of funding the recycling resources economic
12 opportunity activities authorized by section 25-16.5-106.7, as well as any
13 administrative costs associated therewith, including the grants authorized
14 to be made under section 25-16.5-106.7 (3) and grant program oversight
15 authorized by section 25-16.5-105.5 (3); ~~and~~

16 (b) To fund studies pursuant to sections 25-16.5-105 (1)(i),
17 25-16.5-112 (2), and 25-16.5-113 AND to make reimbursements pursuant
18 to section 25-16.5-106.7 (6.5); ~~and to finance the statewide campaign~~
19 ~~described in section 25-17-108.~~

20 (c) TO PAY UP TO FORTY PERCENT OF THE DIRECT AND INDIRECT
21 COSTS ASSOCIATED WITH THE DEPARTMENT'S OVERSIGHT AND THE
22 ADMINISTRATOR'S OPERATION OF THE CIRCULAR ECONOMY DEVELOPMENT
23 CENTER CREATED IN SECTION 25-17-602.

24 **SECTION 5.** In Colorado Revised Statutes, 25-16-104.5,
25 **repeal** (3.9)(c)(VII) and (6); and **add** (3.9)(d) as follows:

26 **25-16-104.5. Solid waste user fee - imposed - rate - legislative**
27 **declaration - repeal.** (3.9) (c) (VII) ~~This subsection (3.9)(c) is repealed,~~

1 ~~effective September 1, 2029.~~

2 (d) ~~THIS SUBSECTION (3.9) IS REPEALED, EFFECTIVE SEPTEMBER 1,~~
3 ~~2030.~~

4 (6) ~~This section is repealed, effective July 1, 2026.~~

5 **SECTION 6.** In Colorado Revised Statutes, 24-34-104, **add**
6 (31)(a)(VII) as follows:

7 **24-34-104. General assembly review of regulatory agencies**
8 **and functions for repeal, continuation, or reestablishment - legislative**
9 **declaration - repeal.** (31) (a) The following agencies, functions, or both,
10 are scheduled for repeal on September 1, 2030:

11 (VII) ~~THE FUNCTIONS OF THE CIRCULAR ECONOMY DEVELOPMENT~~
12 ~~CENTER CREATED IN SECTION 25-17-602.~~

13 **SECTION 7. Act subject to petition - effective date.** This act
14 takes effect at 12:01 a.m. on the day following the expiration of the
15 ninety-day period after final adjournment of the general assembly; except
16 that, if a referendum petition is filed pursuant to section 1 (3) of article V
17 of the state constitution against this act or an item, section, or part of this
18 act within such period, then the act, item, section, or part will not take
19 effect unless approved by the people at the general election to be held in
20 November 2022 and, in such case, will take effect on the date of the
21 official declaration of the vote thereon by the governor.