First Regular Session Seventy-fourth General Assembly STATE OF COLORADO

REVISED

This Version Includes All Amendments Adopted on Second Reading in the Second House

LLS NO. 23-0839.01 Josh Schultz x5486

SENATE BILL 23-191

SENATE SPONSORSHIP

Cutter, Buckner, Coleman, Exum, Fenberg, Fields, Ginal, Gonzales, Hansen, Jaquez Lewis, Marchman, Moreno, Priola, Roberts, Rodriguez, Sullivan, Winter F.

HOUSE SPONSORSHIP

Joseph and Kipp,

Senate Committees Agriculture & Natural Resources Appropriations

House Committees State, Civic, Military, & Veterans Affairs Appropriations

A BILL FOR AN ACT

101 **CONCERNING A STUDY REGARDING DIVERSION OF ORGANIC MATERIALS**

102 FROM LANDFILLS.

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

The bill requires the department of public health and environment (department) to study the impacts, benefits, and feasibility of requiring diversion of organic materials from landfills. The organics diversion study (study) must:

Incorporate and utilize data contained in the statewide organics management plan and other existing Colorado





studies and research from other states;

- Explore how to leverage existing organics diversion pilot projects in Colorado to inform implementation of broader organics diversion projects across the state;
- Evaluate the environmental benefits of diversion of organic materials from landfills;
- Review and identify the infrastructure needed to enable diversion of organic materials from landfills and create a plan for infrastructure development;
- Create actionable parameters for local governments to use to determine if, where, and what types of organics processing infrastructure is needed and basic toolkits to help local governments build the infrastructure;
- Create a timeline to effectively and equitably phase in required diversion of organic materials from landfills by region using the 4 regions of the state as identified in the state organics management plan;
- Outline and recommend policies and regulations that would enable diversion of organic materials from landfills;
- Assess informational resources necessary to enable diversion of organic materials from landfills; and
- Identify opportunities for end-market development of organic materials diverted from landfills.

On or before August 1, 2024, the department is required to submit a report of the study's research and findings to specified committees of reference in the senate and the house of representatives.

The bill authorizes the use of money in the front range waste diversion cash fund and the recycling resources economic opportunity fund to pay for costs associated with conducting the study.

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

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SECTION 1. Legislative declaration. (1) The general assembly

- 3 finds and declares that:
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(a) Thirty-seven percent of the material that is landfilled in

- 5 Colorado is organic material, including yard trimmings and food scraps,
- 6 that could have been diverted from landfills through food donation,
- 7 composting, or mulching. These diversion practices reduce greenhouse
- 8 gas emissions, support resilient local economies, create green jobs, and,

in the case of compost, build healthy soils, conserve water, and create
 more productive agricultural lands.

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4 (b) The statewide organics management plan (plan) commissioned 5 by the department of public health and environment (department) found 6 that the "untapped demand for finished compost is potentially five times 7 greater than the amount of compost being produced today." The plan also 8 found that "[E]conomics, awareness, and lack of existing infrastructure 9 are the greatest barriers to increased organics recovery in Colorado." 10 Additionally, the plan stated that "[T]he [department] should work to gain 11 interagency cooperation to implement strategies that lead to development 12 of organics infrastructure and end-market use of compost." These 13 findings underscore the timely need and opportunity to increase 14 investment to divert more organic materials out of landfills and back into 15 the circular economy. The plan highlighted the need for the construction 16 and operation of more compost processing facilities to realize the 17 potential cost savings, job creation, and agricultural and environmental 18 benefits of diverting organic materials.

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20 (2) The general assembly further declares that the department21 should conduct a study that:

- 22 (a) Evaluates policies intended to divert organic materials from
 23 landfills and into beneficial <u>usages:</u>
- (b) Creates actionable parameters for determining if, where, and
 what types of infrastructure are needed and provides a proposed timeline
 and basic toolkit for infrastructure development for each region of the
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1 state; 2 (c) Generates a summary report outlining the options for future 3 policies to increase organics diversion; 4 (d) Recommends policies that will incentivize and support the use 5 of compost certified by the United States composting council's seal of 6 testing assurance program; and 7 (e) Is completed by August 1, 2024, so that further legislation can 8 be implemented to realize the benefits of increased organics diversion 9 across the state beginning in 2025. 10 **SECTION 2.** In Colorado Revised Statutes, **add** part 8 to article 11 17 of title 25 as follows: 12 PART 8 13 **ORGANICS DIVERSION** 14 **25-17-801. Definitions.** As used in this part 8, unless the 15 CONTEXT OTHERWISE REQUIRES: 16 (1) "COLORADO REGION" MEANS EACH OF THE FOUR GEOGRAPHIC 17 REGIONS IDENTIFIED IN THE SOMP, WHICH ARE THE WESTERN SLOPE, 18 MOUNTAINS, FRONT RANGE, AND EASTERN PLAINS. 19 (2) "COMMISSION" MEANS THE SOLID AND HAZARDOUS WASTE 20 COMMISSION CREATED IN THE DEPARTMENT IN SECTION 25-15-302. (3) "DEPARTMENT" MEANS THE DEPARTMENT OF PUBLIC HEALTH 21 22 AND ENVIRONMENT CREATED IN SECTION 25-1-102. 23 (4) "LOCAL GOVERNMENT" MEANS A HOME RULE OR STATUTORY 24 CITY, COUNTY, OR CITY AND COUNTY OR A SPECIAL DISTRICT FORMED 25 UNDER TITLE 32. (5) "ORGANIC MATERIALS" OR "ORGANICS" MEANS ANY SOLID 26 27 WASTE THAT IS A BIOLOGICAL SUBSTANCE OF PLANT OR ANIMAL ORIGIN,

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1 INCLUDING FOOD SCRAPS AND YARD TRIMMINGS, THAT CAN BE BROKEN 2 DOWN THROUGH BIOLOGICAL PROCESSES.

3 (6) "SOMP" MEANS THE STATEWIDE ORGANICS MANAGEMENT 4 PLAN COMMISSIONED BY THE DEPARTMENT AND DATED AUGUST 29, 2022.

5 (7) "STUDY" MEANS THE ORGANICS DIVERSION STUDY REQUIRED 6 BY SECTION 25-17-802.

7 25-17-802. Organics diversion study - report - funding. 8 (1) THE DEPARTMENT SHALL CONDUCT OR CAUSE TO BE CONDUCTED A 9 STUDY THAT EXPLORES WHAT LOCAL GOVERNMENTS, OTHER STATE 10 AGENCIES, AND OTHER STATES ARE DOING TO FACILITATE THE DIVERSION 11 OF ORGANIC MATERIALS FROM LANDFILLS AND CREATES POLICY AND 12 LEGISLATIVE RECOMMENDATIONS, INCLUDING THE FEASIBILITY OF 13 REQUIRING DIVERSION OF ORGANIC MATERIALS FROM LANDFILLS IN 14 COLORADO.

15 (2) THE DEPARTMENT AND ANY THIRD PARTY CONDUCTING THE 16 STUDY PURSUANT TO SUBSECTION (5) OF THIS SECTION SHALL ENGAGE 17 WITH AND SEEK INPUT FROM STAKEHOLDERS THAT HAVE EXPERTISE AND 18 INTEREST IN ORGANICS DIVERSION.

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(3) THE STUDY MUST, AT A MINIMUM:

21 (a) INCORPORATE AND UTILIZE DATA CONTAINED IN THE SOMP. 22 OTHER EXISTING COLORADO STUDIES, AND RESEARCH FROM OTHER 23 STATES;

24 (b) REVIEW AND IDENTIFY HOW TO LEVERAGE EXISTING ORGANICS 25 DIVERSION ____ PROJECTS IN COLORADO TO INFORM IMPLEMENTATION OF 26 BROADER ORGANICS DIVERSION PROJECTS THROUGHOUT COLORADO; 27 (c) CONSIDER THE COSTS, FEASIBILITY, AND BENEFITS OF

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<u>DIVERSION POLICIES FOR</u> BOTH YARD TRIMMINGS AND FOOD SCRAPS. THE
 REPORT MAY EVALUATE THE FEASIBILITY AND BENEFITS OF <u>POLICIES</u>
 <u>AIMED AT INCREASING DIVERSION</u> OF YARD TRIMMINGS INDIVIDUALLY AND
 FOOD SCRAPS INDIVIDUALLY OR EVALUATE BOTH COMBINED.

5 (d) REGARDING THE BENEFITS OF DIVERSION OF ORGANIC
6 MATERIALS FROM LANDFILLS:

7 (I) EVALUATE THE POTENTIAL TO EXTEND THE LIFE OF LANDFILLS
8 BY REDUCING THE AMOUNT OF ORGANIC MATERIALS LANDFILLED;

9 (II) EVALUATE THE GREENHOUSE GAS EMISSION AVOIDANCE OF
 10 DIVERTING ORGANIC MATERIALS FROM LANDFILLS; AND

11 (III) EVALUATE THE WATER SAVINGS POTENTIAL OF APPLYING
12 FINISHED COMPOST TO COLORADO SOILS;

13 (e) REGARDING THE INFRASTRUCTURE NEEDED TO ENABLE
14 DIVERSION OF ORGANIC MATERIALS FROM LANDFILLS:

15 (I) CREATE ACTIONABLE PARAMETERS TO CONSIDER IF AND WHAT 16 TYPE OF FACILITIES ARE NEEDED TO PROCESS ORGANIC MATERIALS AND 17 WHERE THE FACILITIES SHOULD BE LOCATED. PARAMETERS MAY INCLUDE 18 POPULATION DENSITY, MATERIAL TYPE AND VOLUME GENERATION, 19 DISTANCE TO EXISTING INFRASTRUCTURE, ACCESS TO TRANSPORTATION 20 INFRASTRUCTURE, AND POTENTIAL FOR COLOCATING WITH ANOTHER 21 FACILITY, INCLUDING A LANDFILL, TRANSFER STATION, OR RECYCLING 22 FACILITY.

(II) PROVIDE A PLAN FOR HOW INFRASTRUCTURE MAY BE FUNDED
AND CREATE A TIMELINE FOR INFRASTRUCTURE DEVELOPMENT. THE PLAN
MUST INCLUDE BEST PRACTICES FROM OTHER STATES THAT HAVE
INCENTIVIZED OR FACILITATED DEVELOPMENT OF ORGANICS PROCESSING
INFRASTRUCTURE.

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(III) DETERMINE THE BEST METHODS FOR COLLECTING ORGANIC
 MATERIALS BASED ON THE MATERIALS, GENERATORS, ____ POPULATION
 DENSITY, AND TYPES OF COLLECTION FACILITIES AND VEHICLES;

4 (IV) DETERMINE THE SORTING INFRASTRUCTURE, POLICIES, OR
5 OTHER MECHANISMS REQUIRED TO REDUCE CONTAMINATION AND SORT
6 OUT REMAINING CONTAMINANTS;

7 (V) (A) COMPARE THE DISTANCES REQUIRED TO TRANSPORT
8 ORGANIC MATERIALS TO LANDFILLS BY COLORADO REGION VERSUS
9 CURRENT AND POTENTIAL DISTANCES REQUIRED TO TRANSPORT ORGANIC
10 MATERIALS TO PERMITTED COMPOSTING OPERATIONS; AND

(VI) EVALUATE THE BENEFITS OF INCREASING ORGANICS
PROCESSING CAPACITY AND THE FUNDING, INFRASTRUCTURE, AND
REGULATORY CHANGES NEEDED TO BUILD OUT NECESSARY
INFRASTRUCTURE WITHIN EACH COLORADO REGION; AND

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<u>(VII) DETERMINE HOW</u> TO BEST SERVE AREAS WITH LOW
POPULATION DENSITY AND THOSE AT HIGH <u>ALTITUDES.</u> THE STUDY
SHOULD EXAMINE DIFFERENT TYPES OF COMPOSTING INFRASTRUCTURE,
INCLUDING IN-VESSEL COMPOSTING AND ANAEROBIC DIGESTION.

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24 (f) REGARDING POLICIES AND REGULATIONS TO ENABLE DIVERSION
 25 OF ORGANIC MATERIALS FROM LANDFILLS:

26 (I) WHERE APPROPRIATE TO SUPPORT DIVERSION OF ORGANIC
 27 MATERIALS FROM LANDFILLS, RECOMMEND UPDATES OR AMENDMENTS TO

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EXISTING STATE REGULATIONS TO BEST ACCOMMODATE, IMPLEMENT,
 MONITOR, AND ENFORCE ANY PROPOSED ORGANICS DIVERSION <u>POLICIES</u>;
 (II) RECOMMEND DIVERSION GOALS BY COLORADO REGION TO THE
 COMMISSION AND, IF NEEDED, UPDATES TO GOALS IDENTIFIED IN THE
 COMMISSION'S INTEGRATED SOLID WASTE AND MATERIALS MANAGEMENT
 PLAN; AND

7 (III) REVIEW AND IDENTIFY HOW OTHER STATES MONITOR AND
8 ENFORCE DIVERSION <u>POLICIES</u> AT LOCAL AND STATE LEVELS;

9 (g) REGARDING EDUCATION AND LOCAL SUPPORT TO ENABLE 10 DIVERSION OF ORGANIC MATERIALS FROM LANDFILLS:

11 (I) DETERMINE THE INFORMATIONAL RESOURCES THE DEPARTMENT 12 AND OTHER STATE AGENCIES SHOULD DEVELOP FOR LOCAL GOVERNMENTS 13 TO USE TO FACILITATE DEVELOPMENT OF ORGANICS PROCESSING 14 FACILITIES NEEDED FOR DIVERTING YARD TRIMMINGS AND OTHER ORGANIC 15 MATERIALS. INFORMATIONAL RESOURCES MAY INCLUDE MODEL 16 ORDINANCES, SAMPLE SITING GUIDELINES, RESOURCES FOR FUNDING, 17 EDUCATIONAL MATERIALS, RESOURCES ON FOOD DONATIONS, AND AN 18 ACCESSIBLE MAP OF WHERE ORGANICS PROCESSING FACILITIES ARE 19 LOCATED IN COLORADO.

20 (II) DETERMINE THE EDUCATION NEEDED TO ENSURE RESIDENTS
 21 AND BUSINESSES UNDERSTAND THE VALUE AND OPERATIONS OF ORGANICS
 22 DIVERSION PROGRAMS; AND

23 (III) REVIEW AND IDENTIFY HOW OTHER STATES HAVE EDUCATED
24 MUNICIPALITIES, BUSINESSES, AND RESIDENTS ABOUT ORGANICS
25 <u>DIVERSION;</u>

26 (h) REGARDING END-MARKET DEVELOPMENT OF ORGANIC
 27 MATERIALS DIVERTED FROM LANDFILLS:

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(I) EVALUATE HOW TO COMBINE THE GOAL OF DIVERTING ORGANIC
 MATERIALS FROM LANDFILLS WITH CREATING RESOURCES FOR
 END-MARKET DEVELOPMENT, INCLUDING FOR PRODUCTION OF COMPOST,
 MULCH, AND BIOCHAR;

5 (II) REVIEW AND IDENTIFY INTERDEPARTMENTAL OPPORTUNITIES
6 FOR PARTNERSHIPS IN DEVELOPING USAGE REQUIREMENTS <u>FOR STATE</u>
7 <u>AGENCIES</u> FOR DIVERTED ORGANIC MATERIAL END PRODUCTS, INCLUDING
8 PUBLIC WORKS PROJECTS, EROSION CONTROL, WILDFIRE MITIGATION AND
9 POST-FIRE REHABILITATION, AGRICULTURAL APPLICATION OF COMPOST,
10 AND MINE OR OTHER RECLAMATION <u>PROJECTS;</u>

(III) REVIEW AND IDENTIFY HOW OTHER STATES HAVE DEVELOPED
END MARKETS FOR ORGANIC MATERIAL USAGE AND INCENTIVIZED END
USAGE;

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15 (IV) REVIEW AND IDENTIFY THE BENEFITS OF DIVERTING
16 MATERIALS FROM LANDFILLS, INCLUDING USING ORGANIC RESIDUALS TO
17 MAKE COMPOST AND OTHER PRODUCTS IN ORDER TO BUILD SOIL THAT
18 PROVIDES THE ECOSYSTEM SERVICES OF SEQUESTERING CARBON,
19 REDUCING WATER NEEDS, AND PROVIDING RESILIENCE; AND

20 <u>(V)</u> DETERMINE WHETHER THERE IS A SIGNIFICANT VOLUME OF 21 COMPOST, BIOCHAR, AND MULCH SOLD IN COLORADO THAT IS PRODUCED 22 OUT OF <u>STATE</u>;

23 (i) REGARDING THE IMPACTS SPECIFIC TO COLORADO OF
 24 DIVERTING MATERIALS FROM LANDFILLS:

(I) REVIEW AND IDENTIFY BEST PRACTICES IN COMPOSTING LARGE
 QUANTITIES OF WOODY MATERIALS IN AN ARID CLIMATE AND AT HIGH
 ALTITUDES, INCLUDING RESEARCHING TECHNIQUES SUCH AS BIOCHAR

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PRODUCTION AND UTILIZATION, MYCELIUM INOCULATION, AND OTHER
 ACCELERATED COMPOSTING METHODS THAT CAN HELP BREAK DOWN
 ORGANIC MATERIALS OUTSIDE THE CONFINES OF INDUSTRIAL COMPOST
 FACILITIES AS OFTEN OCCURS IN RURAL AREAS;

5 (II) REVIEW AND IDENTIFY HOW TO ADDRESS THE POTENTIAL
6 OVERSTOCK OF ORGANIC MATERIALS AWAITING PROCESSING; AND

7 (III) REVIEW AND IDENTIFY BEST PRACTICES FOR DIVERTING
8 ORGANIC MATERIALS IN COMMUNITIES WITH TOURISM-BASED ECONOMIES
9 THAT EXPERIENCE LARGE INFLUXES OF VISITOR-GENERATED FOOD SCRAPS
10 DURING SPECIFIC PERIODS THROUGHOUT THE YEAR; AND

12 (j) REGARDING FUNDING SOURCES TO ENABLE DIVERSION OF 13 ORGANIC MATERIALS FROM LANDFILLS:

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14 REVIEW AND IDENTIFY POTENTIAL FUNDING SOURCES TO (I) 15 SUPPORT DEVELOPMENT OF COLLECTION, CONTAMINATION REDUCTION, 16 AND PROCESSING INFRASTRUCTURE. POTENTIAL FUNDING SOURCES MAY 17 INCLUDE EXISTING STATE FUNDS, INCLUDING THE FRONT RANGE WASTE 18 DIVERSION CASH FUND CREATED IN SECTION 25-16.5-111 (4), THE 19 RECYCLING RESOURCES ECONOMIC OPPORTUNITY FUND CREATED IN 20 SECTION 25-16.5-106.5, AND THE COLORADO ECONOMIC DEVELOPMENT 21 FUND CREATED IN SECTION 24-46-105: GRANTS FROM OTHER STATE 22 AGENCIES, INCLUDING THE DEPARTMENT OF LOCAL AFFAIRS CREATED IN 23 SECTION 24-1-125; FEDERAL FUNDS; AND GENERATOR- OR 24 PRODUCER-FUNDED PROGRAMS.

(II) REVIEW AND IDENTIFY POTENTIAL FUNDING SOURCES OR FEES
THAT CAN BE INCREASED OR IMPROVED TO ENCOURAGE OR ENABLE
DIVERSION OF ORGANIC MATERIALS FROM LANDFILLS AND PROVIDE

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INCREASED RESOURCES NEEDED FOR INFRASTRUCTURE AND PROGRAM
 DEVELOPMENT IN ALL COLORADO REGIONS, INCLUDING IN RURAL AND
 UNDERSERVED COMMUNITIES; AND

4 (III) REVIEW AND IDENTIFY PROGRAMS IN OTHER STATE AGENCIES
5 THAT OVERLAP WITH DIVERSION OF ORGANIC MATERIALS FROM LANDFILLS,
6 INCLUDING PUBLIC WORKS PROJECTS, EROSION CONTROL, WILDFIRE
7 MITIGATION AND POST-FIRE REHABILITATION, AGRICULTURAL
8 APPLICATION OF COMPOST, AND MINE OR OTHER RECLAMATION PROJECTS.

9 (4) ON OR BEFORE AUGUST 1, 2024, THE DEPARTMENT SHALL 10 SUBMIT A REPORT TO THE AGRICULTURE AND NATURAL RESOURCES 11 COMMITTEE AND THE TRANSPORTATION AND ENERGY COMMITTEE OF THE 12 SENATE AND THE AGRICULTURE, WATER, AND NATURAL RESOURCES 13 COMMITTEE AND THE ENERGY AND ENVIRONMENT COMMITTEE OF THE 14 HOUSE OF REPRESENTATIVES, OR THEIR SUCCESSOR COMMITTEES. THE 15 REPORT MUST INCLUDE THE STUDY'S RESEARCH, FINDINGS, AND 16 RECOMMENDATIONS, IN ACCORDANCE WITH SUBSECTION (3) OF THIS 17 SECTION.

18 (5) (a) THE DEPARTMENT MAY CONTRACT A THIRD PARTY TO19 CONDUCT PART OR ALL OF THE STUDY.

20 (b) THE DEPARTMENT MAY COMBINE FUNDING WITH OTHER STATE
21 AGENCIES TO HIRE A THIRD PARTY TO CONDUCT THE STUDY.

22 25-17-803. Repeal of part. This PART 8 is REPEALED, EFFECTIVE
 23 JULY 1, 2025.

24 SECTION 3. In Colorado Revised Statutes, 25-16.5-106.5,
25 amend (2)(b) as follows:

26 25-16.5-106.5. Recycling resources economic opportunity fund
 27 - creation - repeal. (2) The money generated pursuant to subsection (1)

1 of this section is annually appropriated to the department:

2 (b) To fund studies pursuant to sections 25-16.5-105 (1)(i), 3 25-16.5-112 (2), and 25-16.5-113, AND 25-17-802, and to make 4 reimbursements pursuant to section 25-16.5-106.7 (6.5); and

5 SECTION 4. In Colorado Revised Statutes, 25-16.5-111, amend (3)(a); and **add** (3)(c)(VIII) and (4)(b)(VI) as follows: 6

7 25-16.5-111. Front range waste diversion enterprise -8 legislative declaration - fund - goals - grant program - personal 9 property tax reimbursements - gifts, grants, or donations - definitions 10 - repeal. (3) Enterprise. (a) There is hereby created in the department 11 the front range waste diversion enterprise. The enterprise is and operates 12 as a government-owned business within the department for the purpose 13 of collecting the fee charged to waste generators and using the fee to 14 provide grants and technical assistance AND PAY FOR STUDIES to promote 15 waste diversion. The enterprise is a **type 1** entity, as defined in section 16 24-1-105, and exercises its powers and performs its duties and functions 17 under the department.

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(c) The enterprise's primary powers and duties are to:

19 (VIII) (A) IN COORDINATION WITH THE DEPARTMENT, PAY THE 20 COSTS ASSOCIATED WITH CONDUCTING THE ORGANICS DIVERSION STUDY 21 REQUIRED BY SECTION 25-17-802.

22 (B) THIS SUBSECTION (3)(c)(VIII) IS REPEALED, EFFECTIVE JULY 23 1,2025.

24 (4) Fund. (b) Money in the fund is continuously appropriated to 25 the enterprise to:

26 (VI) (A) PAY THE COSTS ASSOCIATED WITH CONDUCTING THE 27 ORGANICS DIVERSION STUDY REQUIRED BY SECTION 25-17-802.

1 (B) THIS SUBSECTION (4)(b)(VI) IS REPEALED, EFFECTIVE JULY 1,

2 2025.

3 SECTION 5. Safety clause. The general assembly hereby finds,
4 determines, and declares that this act is necessary for the immediate
5 preservation of the public peace, health, or safety.