



**Legislative Council Staff**

*Nonpartisan Services for Colorado's Legislature*

**Final Fiscal Note**

<b>Drafting Number:</b>	LLS 24-0619	<b>Date:</b>	July 30, 2024
<b>Prime Sponsors:</b>	Sen. Cutter; Michaelson Jenet Rep. Froelich	<b>Bill Status:</b>	Vetoed by Governor
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**Bill Topic: PROCESSING OF MUNICIPAL SOLID WASTE**

<b>Summary of Fiscal Impact:</b>	<input checked="" type="checkbox"/> State Revenue	<input type="checkbox"/> State Transfer	<input checked="" type="checkbox"/> Local Government
	<input checked="" type="checkbox"/> State Expenditure	<input type="checkbox"/> TABOR Refund	<input type="checkbox"/> Statutory Public Entity

The bill would have modified laws around processing solid waste. It would have increased state and local expenditures, and may have impacted state revenue, beginning in FY 2024-25.

**Appropriation Summary:** For FY 2024-25, the bill required but did not include an appropriation of \$100,000 to the Office of Economic Development and International Trade.

**Fiscal Note Status:** The final fiscal note reflects the enrolled bill. This bill was vetoed by the Governor on May 17, 2024; therefore, the impacts identified in this analysis do not take effect.

**Table 1  
State Fiscal Impacts Under SB 24-150**

		<b>Budget Year FY 2024-25</b>	<b>Out Year FY 2025-26</b>
<b>Revenue</b>		-	-
<b>Expenditures</b>	General Fund	\$100,000	-
<b>Transfers</b>		-	-
<b>Other Budget Impacts</b>	General Fund Reserve	\$15,000	-

## **Summary of Legislation**

The bill prohibits units that combust municipal solid waste from being eligible for any state incentives that are not granted or awarded before January 1, 2025, with some exceptions. The bill clarifies that these units do not meet state-set standards for recycling, clean energy, and other established programs. The bill also specifies that pyrolysis and gasification processes from incineration systems can be regulated by municipalities and boards of county commissioners.

The bill also specifies that synthetic gas produced by the pyrolysis of waste materials is no longer considered an eligible energy resources under state renewable energy standards, and methane from the pyrolysis of waste is not considered recovered methane or a clean heat resource for clean heat plants.

## **State Revenue**

The bill increases General Fund revenue from income and sales taxes by an indeterminate amount. The bill makes combustion units ineligible for any state "incentive" for which they would otherwise qualify. This may affect eligibility for tax expenditures including, but not limited to: the advanced industry investment credit; the enterprise zone investment tax credit; the enterprise zone research and experimental activities credit; the plastic recycling investment credit; and the sales and use tax exemptions for components used in the production of electricity from a renewable energy source, for energy used for industrial and manufacturing purposes and for residential heat, light, and power, and for property used in space flight. The amount by which revenue increases depends on how the restriction in the bill is implemented. The potential increase affects income and sales tax revenue, which is subject to TABOR.

## **State Expenditures**

The bill increases state expenditures in the Office of Economic Development and International Trade (OEDIT) by \$100,000 in FY 2024-25 only, paid from the General Fund. It also minimally increases workload in the CDPHE.

**Office of Economic Development and International Trade.** The bill affects eligible applicant pools for at least 10 existing tax incentive programs. As such, OEDIT requires \$100,000 in FY 2024-25 only to contract to update the system platforms for each affected program to ensure tax incentives are not applied to entities that qualify as a combustion unit. This estimate assumes each program will require \$10,000 each to update.

**Department of Public Health and Environment.** Workload will increase to provide compliance assistance, perform inspections, and manage enforcement issues. The extent of this workload impact is expected to be minimal, as the fiscal note assumes that there are few combustion units in operation that are covered by the bill.

## **Local Government**

To the extent local governments operate combustion or pyrolysis facilities, costs may increase to shift or adjust waste disposal methods. The fiscal note assumes these impacts will be minimal as not many operate these facilities currently.

## **Effective Date**

The bill takes effect upon signature of the Governor, or upon becoming law without his signature.

## **State Appropriations**

For FY 2024-25, the bill requires a General Fund appropriation of \$100,000 to the Office of Economic Development. The General Assembly elected not to include this appropriation.

## **State and Local Government Contacts**

Colorado Energy Office  
Local Affairs  
Regulatory Agencies

Counties  
Municipalities  
Revenue

Higher Education  
Public Health and Environment

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The revenue and expenditure impacts in this fiscal note represent changes from current law under the bill for each fiscal year. For additional information about fiscal notes, please visit the [General Assembly website](#).