



Legislative Council Staff
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Final Fiscal Note

Drafting Number: LLS 23-0914 **Date:** June 27, 2023
Prime Sponsors: Sen. Cutter **Bill Status:** Signed into Law
Rep. Froelich; McCormick **Fiscal Analyst:** Matt Bishop | 303-866-4796
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Bill Topic: **STANDARDS FOR PRODUCTS REPRESENTED AS COMPOSTABLE**

Summary of Fiscal Impact:

<input type="checkbox"/> State Revenue	<input 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

The bill establishes standards for selling compostable products. It increases state expenditures beginning in FY 2023-24.

Appropriation Summary: For FY 2023-24, the bill requires and includes an appropriation of \$26,250 to the Department of Public Health and Environment.

Fiscal Note Status: The fiscal note reflects the enacted bill.

Table 1
State Fiscal Impacts Under SB 23-253

		Budget Year FY 2023-24	Out Year FY 2024-25
Revenue		-	-
Expenditures	General Fund	\$26,250	\$22,214
	Centrally Appropriated	\$6,771	\$5,291
	Total Expenditures	\$33,021	\$27,505
	Total FTE	0.4 FTE	0.3 FTE
Transfers		-	-
Other Budget Impacts	General Fund Reserve	\$3,938	\$3,332

Summary of Legislation

The bill establishes standards for compostable products sold in the state. To be sold, offered for sale, or distributed, a product may only be represented as compostable if it is certified pursuant to certain international standards. The bill specifies labelling requirements, exceptions, and prohibitions. Beginning January 1, 2024, producers must be able to verify compliance with the labelling requirements upon request.

The Department of Public Health and Environment (CDPHE), in collaboration with local governments, must conduct education and outreach with businesses, consumers, and producers. CDPHE must also develop a forum for receiving complaints against producers for violations of the bill's requirements. It may forward credible complaints to the Office of the Attorney General.

State Expenditures

The bill increases state expenditures in CDPHE by about \$33,000 in FY 2023-24 and about \$28,000 in FY 2024-25, paid from the General Fund. Expenditures are shown in Table 2 and detailed below.

Table 2
Expenditures Under SB 23-250

	FY 2023-24	FY 2024-25
Department of Public Health and Environment		
Personal Services	\$25,250	\$21,214
Outreach Materials	\$1,000	\$1,000
Centrally Appropriated Costs ¹	\$6,771	\$5,291
Total Cost	\$33,021	\$27,505
Total FTE	0.4 FTE	0.3 FTE

¹ Centrally appropriated costs are not included in the bill's appropriation.

Department of Public Health and Environment. The department requires 0.4 FTE in FY 2023-24 to develop outreach materials, collaborate with local governments, conduct education activities, and evaluate complaints. Staff costs account for the General Fund pay date shift in FY 2023-24, and decrease to 0.3 FTE in FY 2024-25. Additional expenditures reflect the cost of printing and distributing outreach materials.

Department of Law. The department will review complaints under the bill and may prioritize investigations as necessary within the overall number of complaints and available resources. No change in appropriations is required.

Centrally appropriated costs. Pursuant to a Joint Budget Committee policy, certain costs associated with this bill are addressed through the annual budget process and centrally appropriated in the Long Bill or supplemental appropriations bills, rather than in this bill. These costs, which include employee insurance and supplemental employee retirement payments, are shown in Table 2.

Other Budget Impacts

General Fund reserve. Under current law, an amount equal to 15 percent of General Fund appropriations must be set aside in the General Fund statutory reserve. Based on this fiscal note, the bill is expected to increase the amount of General Fund held in reserve by the amounts shown in Table 1, decreasing the amount of General Fund available for other purposes.

Local Government

The bill increases workload in any local government that collaborates on the education campaign.

Effective Date

The bill was signed into law by the Governor on May 17, 2023, and takes effect on August 7, 2023, assuming no referendum petition is filed.

State Appropriations

For FY 2023-24, the bill requires and includes a General Fund appropriation of \$26,250 to the Department of Public Health and Environment, and 0.4 FTE.

State and Local Government Contacts

Counties	Information Technology	Law
Municipalities	Public Health and Environment	