



Legislative
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FISCAL NOTE

Drafting Number: LLS 20-0269	Date: February 21, 2020
Prime Sponsors: Rep. Valdez A.; Sirota	Bill Status: House Energy & Environment
Sen. Gonzales	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 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, single-use plastic straws, and expanded polystyrene food service products to consumers beginning July 1, 2021. They may sell recyclable paper carryout bags to customers. Local governments are preempted from setting less stringent provisions. This may increase state revenue and will increase state and school district expenditures beginning in FY 2021-22.

Appropriation Summary: No appropriation is required.

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

Table 1
State Fiscal Impacts Under HB 20-1163

		FY 2020-21	FY 2021-22
Revenue		-	-
Expenditures	General Fund	-	\$67,460
Transfers		-	-
TABOR Refund		-	-

Summary of Legislation

This bill prohibits stores and retail food establishments from providing single-use products to customers beginning July 1, 2021. This includes single-use plastic carryout bags, single-use plastic stirrers, single-use plastic straws, and expanded polystyrene food service products. Stores and retail food establishments that have an inventory of single-use products purchased prior to July 1, 2021, may continue to use these products until December 31, 2021. They may sell recyclable paper carryout bags to customers for at least ten cents per bag which they can retain in full unless a local government prohibits stores and food establishments from retaining the full charge.

Local governments are preempted from setting less stringent provisions than those specified in the bill. 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, 2022.

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 2022-23.

State Expenditures

This bill will increase state expenditures and workload beginning in FY 2020-21 as described below.

Department of Corrections. The Department of Corrections is subject to the bill and currently uses some expanded polystyrene in their food service operations. The increased cost to replace the expanded polystyrene products with paper products is estimated to be \$67,460 per year beginning in FY 2021-22, which will be paid from the General Fund.

Other agencies. 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 2022-23, 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.

School Districts

This bill is expected to increase costs for school districts that currently use expanded polystyrene trays for food service beginning in FY 2021-22. The amount of the increase will depend on the type of food service facility each school has, the number of student meals served per day, and the cost of alternative solutions.

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

Corrections
Law

Counties
Municipalities

Information Technology
Public Health and Environment