



Legislative Council Staff

Nonpartisan Services for Colorado's Legislature

Fiscal Note

Drafting Number: LLS 23-0944
Prime Sponsors: Rep. Valdez

Date: April 11, 2023
Bill Status: House Finance
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Bill Topic: **STORE USE OF CARRYOUT BAGS & SUSTAINABLE PRODUCTS**

Summary of Fiscal Impact:

- | | |
|--|--|
| <input type="checkbox"/> State Revenue | <input type="checkbox"/> TABOR Refund |
| <input type="checkbox"/> State Expenditure | <input checked="" type="checkbox"/> Local Government |
| <input type="checkbox"/> State Transfer | <input type="checkbox"/> Statutory Public Entity |

The bill allows local governments to accept carryout bag fee revenue from stores in 2023 and specifies how stores may use any retained revenue they would otherwise have had to remit. It may increase local government revenue and expenditures in the current FY 2022-23 and in FY 2023-24.

Appropriation Summary: No appropriation is required.

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

Summary of Legislation

Under current law, stores must remit a share of carryout bag fees to local governments beginning in 2024. The bill instead requires the remittance of fees to begin in 2023. If the store's municipality or county has not established a process to accept the fees, the bill allows stores to retain the fees and use the revenue to purchase recycled paper carryout bags, recycled cups, or compostable food containers.

Background

House Bill 21-1162 established the carryout bag fee, which took effect on January 1, 2023. State law requires a fee of ten cents per bag, unless the applicable municipality or county opts to raise the fee. Stores must remit 60 percent of the revenue generated to the local government on a quarterly basis. Local governments may use the revenue for its administrative and enforcement costs, waste diversion programs, and related outreach activities.

Local Government

The bill increases revenue and expenditures in FY 2022-23 and FY 2023-24 for any municipality or county that establishes a process to accept fees consistent with the new deadlines.

Effective Date

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

State and Local Government Contacts

Counties

Municipalities