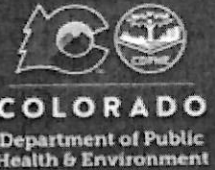


# SUPPORT

HB24-1449

## Environmental Sustainability Circular Economy



Sponsors: Representatives Joseph and Lindsay and Senators Cutter and Priola

### PURPOSE

This proposal gives communities, businesses, and local governments across Colorado the opportunity to benefit from state funding that supports large and long-term recycling and waste diversion projects. It also ensures continued access to resources for businesses seeking more operational sustainability.

### BACKGROUND

The Colorado Department of Public Health and Environment currently provides grant funding for recycling and waste diversion projects through two separate programs: the Recycling Resources Economic Opportunity program and the Front Range Waste Diversion Enterprise. The primary differences between the two programs is the geographic area they cover and their enterprise and non-enterprise status. RREO is a traditional grant program and applies statewide, while FRWD is limited to the 13 Front Range counties and operates as an enterprise. A geographic limitation on FRWD makes it difficult for Front Range counties and Colorado's rural, frontier, and western slope communities to collaborate on large scale recycling and waste diversion projects. And the non-enterprise status of RREO means grant recipients can't pursue multi-year infrastructure projects. Streamlining RREO and FRWD eliminates administrative burdens such as the one-year grants, fosters opportunities for regional models, facilitates public-private partnerships across all Colorado communities, and enhances Colorado's capacity to promote a robust circular economy statewide.

The department also implements the Pollution Prevention Act of 1992. The Act's current terminology focuses solely on pollution prevention and does not recognize the evolution over the last 30 years to a focus on sustainability, which includes environmental as well as social and economic dimensions. In addition to outdated language, the law also does not recognize the department's Green Business Network, the voluntary technical assistance and recognition program for businesses pursuing sustainability.

### SOLUTION

Communities across the state could benefit from merging the RREO program into the existing FRWD enterprise and expanding it to have a statewide focus. The expanded enterprise would be called the Colorado Circular Communities (C3) Enterprise. Consolidating the programs removes burdens like one-year grants and creates opportunities for regional models. Administrative efficiencies will result from maintaining grantmaking under a single board of for-profit and nonprofit businesses, and state and local government and sustainability experts. Colorado businesses can also benefit from continued access to technical assistance through the Green Business Network if it is codified in statute.

## FREQUENTLY ASKED QUESTIONS

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### **Will currently approved FRWD and RREO grants continue?**

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Yes, all grants will continue under the current contract requirements. The last round of RREO grants will be awarded in March 2024; these projects will run from July 1, 2024 through June 30, 2025. The new C3 enterprise would begin awarding statewide grants in FY25.

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### **Will the composition of the FRWD Board of Directors change?**

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Yes, the board composition would change to ensure statewide representation. Current FRWD, Pollution Prevention Advisory Board, and Pollution Prevention Advisory Board Assistance Committee members are encouraged to apply.

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### **What counties make up the FRWD service area?**

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Adams, Arapahoe, Boulder, Broomfield, Denver, Douglas, Elbert, El Paso, Jefferson, Larimer, Pueblo, Teller, and Weld counties.

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### **Who currently pays the user fees?**

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Waste producers and persons or entities disposing of waste pay the fee. The fee is collected by solid waste disposal sites (landfill operators). The FRWD fee is assessed only at solid waste disposal sites located within the 13-county Front Range region as well as in Custer, Fremont, Morgan, and Otero counties on any loads that originate from the Front Range region.

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### **What are the current fee amounts?**

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The RREO user fee is set at \$0.14 per cubic yard of material and the FRWD user fee is set at \$0.60 per cubic yard, increasing to \$0.64 per cubic yard in January 2024 due to CPI adjustment.

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### **Are the fees changing?**

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Statewide user fees will remain at the current rate of \$0.14 per cubic yard and the Front Range counties will continue to pay \$0.78, per cubic yard after an initial 6-month, rate of \$0.74 per cubic yard from July 1, 2024 to December 31, 2024. The adjustment for CPI was removed. The fees will flow into the C3 Enterprise beginning July 1, 2025. This

approach eliminates duplicate fees for Front Range counties. Front Range counties will continue to pay more than non-Front Range counties based on the anticipated waste diversion infrastructure needs, and sufficient revenue to support Colorado's waste diversion goals. The RREO fund balance will transfer to the C3 Enterprise prior to dissolving the fund. The anticipated TABOR savings is \$3.8M for FY25 and \$3.9M for FY26.

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### **What is the Green Business Network?**

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The Colorado Green Business Network is a voluntary program that provides free assistance to Colorado companies interested in increasing the efficiency of their operations, including emissions, water, waste, energy, transportation, and policy efforts. The support offers free sustainability assessments and resources for networking, peer-to-peer support, and green business branding.

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### **How is the Colorado Green Business Network funded?**

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The network is funded with federal pollution prevention funds and facility reporting fees for reporting that occurs under the Emergency Planning and Community Right-to-Know Act.

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### **Is the Colorado Green Business Network funding changing?**

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No. The department is monitoring changes in the federal program and assessing the results of its Small Business Equity pilot.

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