

Second Regular Session
Seventy-fifth General Assembly
STATE OF COLORADO

INTRODUCED

LLS NO. 26-0285.01 Clare Haffner x6137

SENATE BILL 26-101

SENATE SPONSORSHIP

Pelton B.,

HOUSE SPONSORSHIP

(None),

Senate Committees
Transportation & Energy

House Committees

A BILL FOR AN ACT

101 **CONCERNING MEASURES TO ASSIST LOCAL GOVERNMENTS IN**
102 **COMPLYING WITH LANDFILL METHANE EMISSION REDUCTION**
103 **REGULATIONS ADOPTED BY THE AIR QUALITY CONTROL**
104 **COMMISSION.**

Bill Summary

(Note: This summary applies to this bill as introduced and does not reflect any amendments that may be subsequently adopted. If this bill passes third reading in the house of introduction, a bill summary that applies to the reengrossed version of this bill will be available at <http://leg.colorado.gov>.)

Under current law, the air quality control commission (commission) in the department of public health and environment is directed to adopt emission control regulations for significant sources of

Shading denotes HOUSE amendment. Double underlining denotes SENATE amendment.
Capital letters or bold & italic numbers indicate new material to be added to existing law.
Dashes through the words or numbers indicate deletions from existing law.

air pollutants. A solid waste landfill (landfill) is a significant source of air pollutants such as methane.

The bill:

- Allows a county to utilize money from the community impact cash fund, air quality enterprise cash fund, and local government mineral impact fund for the purpose of complying with landfill methane emission reduction requirements adopted by the commission;
- Requires the air quality enterprise to research best practices for reducing methane emissions from landfills;
- Requires the commission to consider debt service availability when developing schedules of compliance for landfills;
- Requires the commission to establish a process for an owner or operator of a landfill to request a waiver from methane emission reduction requirements;
- States that a landfill that reaches or exceeds applicable methane emission limits on or after the effective date of the bill is not subject to methane emission reduction requirements until 2 years after the landfill reaches or exceeds applicable methane emission limits; and
- Exempts a local government from paying a noncompliance penalty for failure to comply with requirements to reduce methane emissions from landfills if the local government demonstrates that the failure to comply is due solely to a financial inability to comply.

1 *Be it enacted by the General Assembly of the State of Colorado:*

2 **SECTION 1.** In Colorado Revised Statutes, 25-7-129, **add** (3)(g)
3 as follows:

4 **25-7-129. Disposition of fines - community impact cash fund**
5 **- repeal.**

6 (3) (g) THE DEPARTMENT OF PUBLIC HEALTH AND ENVIRONMENT
7 MAY EXPEND MONEY FROM THE FUND TO PROVIDE GRANTS TO COUNTIES
8 FOR SOLID WASTE LANDFILL METHANE EMISSION REDUCTION PROJECTS
9 CONDUCTED IN ACCORDANCE WITH RULES ADOPTED BY THE COMMISSION
10 UNDER THIS ARTICLE 7.

1 **SECTION 2.** In Colorado Revised Statutes, 25-7-103.5, **amend**
2 (1) introductory portion, (1)(j)(IV), (3)(c)(VIII), and (4)(d); **repeal**
3 (1)(j)(V); and **add** (1)(j)(VI) and (1)(j)(VII) as follows:

4 **25-7-103.5. Air quality enterprise - legislative declaration -**
5 **fund - definitions - gifts, grants, or donations - rules - report - repeal.**

6 (1) **Legislative declaration.** The general assembly ~~hereby~~ finds
7 and declares that:

8 (j) The air quality enterprise provides business services when, in
9 exchange for payment of fees, it provides:

10 (IV) Opportunities for trusted and cost-effective mitigation project
11 development; ~~and~~

12 (V) ~~Additional business services to fee payers as may be provided~~
13 ~~by law;~~

14 (VI) FINANCING AND RESEARCH TO ASSIST COUNTIES IN REDUCING
15 METHANE EMISSIONS FROM SOLID WASTE LANDFILLS; AND

16 (VII) ADDITIONAL BUSINESS SERVICES TO FEE PAYERS AS MAY BE
17 PROVIDED BY LAW;

18 (3) **Enterprise.**

19 (c) In addition to any other powers and duties specified in this
20 section, the enterprise's powers and duties are to:

21 (VIII) Receive payments to finance specific projects, including
22 community-based monitoring or emission mitigation projects in the state
23 or in a specified area of the state, SUCH AS SOLID WASTE LANDFILL
24 METHANE EMISSION REDUCTION PROJECTS, as directed by this article 7 or
25 any program that the commission establishes by rule pursuant to this
26 article 7.

27 (4) **Fund - enterprise fees and other revenue.**

1 (d) (I) The enterprise shall dedicate a meaningful portion of its
2 annual revenues toward competitive grants to conduct highly qualified,
3 peer-reviewed research related to research priorities identified by the
4 board. Before finalizing a draft research product, the board shall post the
5 draft on the board's website and allow a period of time for public
6 comment on the draft. The board shall publish the research products and
7 make them and all data collected pursuant to enterprise-funded research
8 publicly available.

9 (II) (A) THE BOARD SHALL CONDUCT RESEARCH RELATED TO BEST
10 PRACTICES FOR COUNTIES TO ACHIEVE REDUCTION OF METHANE EMISSIONS
11 FROM SOLID WASTE LANDFILLS. ON OR BEFORE DECEMBER 31, 2028, THE
12 BOARD SHALL PUBLISH A REPORT CONTAINING THE RESEARCH CONDUCTED
13 PURSUANT TO THIS SUBSECTION (4)(d)(II)(A), INCLUDING BEST PRACTICES
14 FOR REDUCING METHANE EMISSIONS FROM LANDFILLS AND ANY
15 APPLICABLE FUNDING OPPORTUNITIES OR RECOMMENDED STRATEGIES
16 THAT WILL OFFSET COSTS FOR A COUNTY TO REDUCE METHANE EMISSIONS
17 FROM SOLID WASTE LANDFILLS.

18 (B) THIS SUBSECTION (4)(d)(II) IS REPEALED, EFFECTIVE
19 DECEMBER 31, 2030.

20 **SECTION 3.** In Colorado Revised Statutes, 34-63-102, **add**
21 (5.4)(c.5) as follows:

22 **34-63-102. Creation of mineral leasing fund - distribution -**
23 **advisory committee - local government permanent fund created -**
24 **transfer of money - definitions.**

25 (5.4) Except as otherwise provided in subsection (5.5) of this
26 section, on and after July 1, 2008, all money other than bonus payments,
27 as defined in subsection (5.3)(b) of this section, credited to the mineral

1 leasing fund created in subsection (1)(a)(II) of this section must be
2 distributed on a quarterly basis for quarters beginning on July 1, October
3 1, January 1, and April 1 of each state fiscal year as follows:

4 (c.5) NOTWITHSTANDING ANY PROVISION OF THIS SECTION TO THE
5 CONTRARY, A COUNTY MAY USE MONEY DISTRIBUTED BY THE EXECUTIVE
6 DIRECTOR OF THE DEPARTMENT OF LOCAL AFFAIRS PURSUANT TO
7 SUBSECTIONS (5.4)(b) AND (5.4)(c) OF THIS SECTION FOR THE PURPOSE OF
8 COMPLYING WITH REQUIREMENTS ESTABLISHED BY RULE BY THE AIR
9 QUALITY CONTROL COMMISSION, CREATED IN SECTION 25-7-104, TO
10 REDUCE METHANE EMISSIONS FROM SOLID WASTE LANDFILLS.

11 **SECTION 4.** In Colorado Revised Statutes, 25-7-114.4, **add** (6)
12 as follows:

13 **25-7-114.4. Permit applications - contents - rules - definitions.**

14 (6) (a) THE DIVISION SHALL CONSIDER CURRENT DEBT SERVICE ON
15 SOLID WASTE LANDFILLS WHEN DEVELOPING SCHEDULES OF COMPLIANCE
16 FOR METHANE EMISSION REDUCTION REQUIREMENTS.

17 (b) A SCHEDULE OF COMPLIANCE THAT THE DIVISION DEVELOPS
18 FOR METHANE EMISSION LIMITS IN LOCAL GOVERNMENT PERMITS MUST,
19 CONSISTENT WITH STATE AND FEDERAL LAW, CONSIDER THE LOCAL
20 GOVERNMENT'S FINANCIAL CAPABILITY TO REPAY EXISTING DEBT ON
21 LANDFILLS OR TO FUND LANDFILL UPGRADES BEFORE REQUIRING NEW
22 LANDFILL UPGRADES. TO THE EXTENT ALLOWABLE UNDER FEDERAL LAW,
23 THE DIVISION MAY ESTABLISH COMPLIANCE SCHEDULES IN A LOCAL
24 GOVERNMENT PERMIT FOR A NEW METHANE EMISSION LIMIT IN EXCESS OF
25 TWENTY YEARS.

26 (c) THE COMMISSION SHALL ESTABLISH BY RULE A PROCESS FOR A
27 LOCAL GOVERNMENT TO REQUEST A WAIVER FROM SOLID WASTE LANDFILL

1 METHANE EMISSION REDUCTION REQUIREMENTS IF THE LOCAL
2 GOVERNMENT DEMONSTRATES A DIFFERENT APPROACH TO ACHIEVING
3 RELEVANT METHANE EMISSION REDUCTION GOALS.

4 (d) IF A LOCAL GOVERNMENT'S SOLID WASTE LANDFILL, ON OR
5 AFTER THE EFFECTIVE DATE OF THIS SUBSECTION (6), REACHES OR
6 EXCEEDS APPLICABLE METHANE EMISSION LIMITS ESTABLISHED BY THE
7 COMMISSION, THE LOCAL GOVERNMENT IS NOT SUBJECT TO THE METHANE
8 EMISSION REDUCTION REQUIREMENTS ESTABLISHED BY THE COMMISSION
9 UNTIL TWO YEARS AFTER THE LOCAL GOVERNMENT'S SOLID WASTE
10 LANDFILL REACHES OR EXCEEDS APPLICABLE METHANE EMISSION LIMITS.

11 **SECTION 5.** In Colorado Revised Statutes, 25-7-115, **add** (14)
12 as follows:

13 **25-7-115. Enforcement - civil actions - definitions - reporting.**

14 (14) A LOCAL GOVERNMENT IS EXEMPT FROM THE DUTY TO PAY A
15 NONCOMPLIANCE PENALTY PURSUANT TO THIS SECTION FOR FAILURE TO
16 COMPLY WITH COMMISSION RULES REGARDING METHANE EMISSION
17 REDUCTION REQUIREMENTS FOR SOLID WASTE LANDFILLS IF THE LOCAL
18 GOVERNMENT DEMONSTRATES THAT THE FAILURE TO COMPLY IS DUE
19 SOLELY TO A FINANCIAL INABILITY TO COMPLY.

20 **SECTION 6. Act subject to petition - effective date -**
21 **applicability.** (1) This act takes effect at 12:01 a.m. on the day following
22 the expiration of the ninety-day period after final adjournment of the
23 general assembly (August 12, 2026, if adjournment sine die is on May 13,
24 2026); except that, if a referendum petition is filed pursuant to section 1
25 (3) of article V of the state constitution against this act or an item, section,
26 or part of this act within such period, then the act, item, section, or part
27 will not take effect unless approved by the people at the general election

1 to be held in November 2026 and, in such case, will take effect on the
2 date of the official declaration of the vote thereon by the governor.

3 (2) This act applies to conduct occurring on or after the applicable
4 effective date of this act.