



## Fiscal Note

### Legislative Council Staff

Nonpartisan Services for Colorado's Legislature

## HB 26-1111: PESTICIDE PRODUCT DISPOSAL & CONTAINER RECYCLING

**Prime Sponsors:**

Rep. Mauro; McCormick  
Sen. Kipp; Roberts

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**Published for:** Senate Finance

**Drafting number:** LLS 26-0428

**Version:** Third Revised Note

**Date:** May 5, 2026

**Fiscal note status:** This revised fiscal note reflects the reengrossed bill.

### Summary Information

**Overview.** The bill creates the Pesticide Product Disposal and Container Recycling Enterprise in the Department of Agriculture.

**Types of impacts.** The bill is projected to affect the following areas on an ongoing basis:

- State Revenue
- State Expenditures
- TABOR Refunds

**Appropriations.** For FY 2026-27, the bill requires a reappropriation of \$19,875 from the Department of Agriculture to the Department of Law. The bill currently includes a reappropriation of \$20,771.

**Table 1**  
**State Fiscal Impacts**

Type of Impact	Budget Year FY 2026-27	Out Year FY 2027-28	Out Year FY 2028-29
State Revenue	\$580,416	\$780,416	\$730,416
State Expenditures	\$401,809	\$625,857	\$712,107
Transferred Funds	\$0	\$0	\$0
Change in TABOR Refunds	\$34,561	\$31,380	not estimated
Change in State FTE	0.8 FTE	1.1 FTE	1.1 FTE

Funds sources for these impacts are shown in the tables below.

**Table 1A  
 State Revenue**

<b>Fund Source</b>	<b>Budget Year FY 2026-27</b>	<b>Out Year FY 2027-28</b>	<b>Out Year FY 2028-29</b>
General Fund	\$0	\$0	\$0
Cash Funds	\$580,416	\$780,416	\$730,416
<b>Total Revenue</b>	<b>\$580,416</b>	<b>\$780,416</b>	<b>\$730,416</b>

**Table 1B  
 State Expenditures**

<b>Fund Source</b>	<b>Budget Year FY 2026-27</b>	<b>Out Year FY 2027-28</b>	<b>Out Year FY 2028-29</b>
General Fund	\$0	\$0	\$0
Cash Funds	\$334,725	\$523,261	\$598,261
Federal Funds	\$0	\$0	\$0
Centrally Appropriated	\$67,084	\$102,596	\$113,846
<b>Total Expenditures</b>	<b>\$401,809</b>	<b>\$625,857</b>	<b>\$712,107</b>
<b>Total FTE</b>	<b>0.8 FTE</b>	<b>1.1 FTE</b>	<b>1.1 FTE</b>

## Summary of Legislation

The bill creates the Pesticide Product Disposal and Container Recycling Enterprise in the Department of Agriculture (CDA) to provide pesticide applicators and manufacturers with disposal services and recycling coordination across the state.

### Enterprise Governance

The enterprise is governed by a board of directors, who must adopt rules, identify products that are exempt from the program, administer the program, and set and assess fees on pesticide applicators and businesses. The enterprise may contract with the CDA for office space and administrative staff, and must use the Department of Law for legal services.

### Pesticide Product Disposal and Container Recycling Program

Starting November 1, 2026, the enterprise must create and operate the Pesticide Product Disposal and Container Recycling Program, which provides pesticide applicators and businesses with product disposal services.

## Applicator and Business Services

The program must offer commercial and private pesticide applicators with disposal services, including a means for safe disposal, education on proper and safe practices, and statewide events. Further, the enterprise must provide businesses that register pesticide products with decreased disposal costs and decreased liability for consequences associated with improper disposal.

## Fee Assessment

Starting November 1, 2026, the enterprise must impose a fee on pesticide applicators of no more than \$50 per eligible product disposed through the program, annually adjusted for inflation. In addition, the enterprise must impose a fee on businesses that register pesticide products for sale and distribution in the state.

Fee revenue collected for the enterprise is deposited into the newly created Pesticide Product Disposal and Container Recycling Enterprise Cash Fund, which is continuously appropriated to the enterprise. The enterprise may also issue revenue bonds and accept gifts, grants, and donations for program administration.

## Reporting

By April 1, 2028, and each year thereafter, the enterprise must provide a report to the General Assembly with certain information, including the amount of fees collected and the types of products disposed.

## Background and Assumptions

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The CDA enforces the Pesticide Act, which requires the registration of all pesticides and pesticide applicators in the state. Currently, about 18,100 pesticide products and 10,200 applicators are registered in Colorado. The fiscal note assumes that the manufacturers and suppliers of these registered products are required to participate in the Pesticide Product Disposal and Container Recycling Program, while participation for applicators is optional. Therefore, the CDA will increase fees on all existing product registrations in the state to cover the program's costs. The enterprise will use these funds to administer the program and contract with third-party hazardous waste firms that offer free disposal services to applicators at events around the state.

This analysis further assumes that each contract will cover a distinct quantity of products, measured by weight, after which applicators must pay a fee. For example, a \$300,000 contract will account for about 100,000 pounds of subsidized disposal for licensed applicators. Once this

limit is reached, applicators will begin paying a fee to the department of about \$2 per pound. The revenue collected from these disposal fees will be used to fund larger contracts and subsidization in future years. The fiscal note assumes that applicators will seek to dispose an estimated 200,000 pounds of pesticide product per year, based on programs in other states.

## State Revenue

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The bill increases state cash fund revenue by about \$580,000 in FY 2026-27, \$780,000 in FY 2027-28, and \$730,000 in FY 2028-29 to the Pesticide Product Disposal and Container Recycling Enterprise Fund in the CDA from increased fees imposed on pesticide product registrants and applicants, as shown in Table 2 and discussed below. It may also increase state revenue from bonds and gifts, grants, or donations.

**Table 2**  
**Pesticide Product Disposal and Container Recycling Enterprise Revenue**

<b>Revenue Source</b>	<b>Budget Year FY 2026-27</b>	<b>Out Year FY 2027-28</b>	<b>Out Year FY 2028-29</b>
Pesticide Product Registration Fees	\$580,416	\$580,416	\$580,416
Pesticide Applicator Disposal Fees	\$0	\$200,000	\$150,000
<b>Total Revenue</b>	<b>\$580,416</b>	<b>\$780,416</b>	<b>\$730,416</b>

## Fee Impacts

Colorado law requires legislative service agency review of measures which create or increase any fee collected by a state agency. The proposed fees are estimates only; actual fees will be set administratively by CDA based on cash fund balances, estimated program costs, and the number of pesticide product registrants subject to the fee, as well as the amount of pesticide product disposed, forthcoming contracts, and applicators participating in the program. As enterprise revenue, this fee revenue is exempt from TABOR.

### Fee Impact on Pesticide Product Registrants

The bill increases cash fund revenue from pesticide product registrations by about \$580,000 per year, which is based on a \$32 increase to the current \$205 fee paid by approximately 18,000 pesticide product registrants annually. This fee revenue is collected to cover the program's administrative costs and the first \$300,000 of each year's hazardous waste contracts.

## Fee Impact on Pesticide Applicators

The bill increases cash fund revenue from pesticide applicator disposal fees by about \$200,000 in FY 2027-28, \$150,000 in FY 2028-29, and decreasing amounts in future years. This estimate is based on a \$2 per pound fee on pesticide products that surpass each year's subsidized limit. As discussed in the Background and Assumptions section, it is assumed that the first year's \$300,000 contract will subsidize 100,000 pounds of product, resulting in 100,000 remaining pounds subject to the fee. In each subsequent year, the enterprise will increase the contract size by an estimated \$75,000 using excess fees, thus increasing the amount of subsidized disposal and decreasing the amount of remaining product subject to the fee.

## Bond Revenue

The enterprise is allowed to issue revenue bonds. The decision to issue bonds and the amount of any bonds will be made by the enterprise board; thus, bond revenue, if any, cannot be estimated by the fiscal note. Revenue bonds are exempt from TABOR revenue limits.

## Gifts, Grants, and Donations

The bill potentially increases state revenue to the Pesticide Product Disposal and Container Recycling Enterprise Fund from gifts, grants, or donations; however, no sources have been identified at this time. Gifts, grants, and donations are exempt from TABOR revenue limits.

## State Expenditures

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The bill increases state expenditures in the CDA by about \$402,000 in FY 2026-27, \$626,000 in FY 2027-28, and \$712,000 in FY 2028-29. These costs, paid from the Pesticide Product Disposal and Container Recycling Enterprise Fund, are summarized in Table 3 and discussed below. Workload will also minimally increase in the Departments of Personnel and Administration and Treasury.

## Department of Agriculture

The department will have staff, motor fleet, travel and lodging, database development, outreach, contract, and legal services costs beginning in FY 2026-27 to implement the bill.

## Staff

Beginning in FY 2026-27, the CDA requires 1.0 FTE Administrator V to establish the governing board, manage third-party contracts, collect enterprise fees, oversee database development, and attend disposal events. Staff costs and FTE are prorated in the first year based on a November 1, 2026, start date.

### Motor Vehicle Fleet Costs

Beginning in FY 2026-27, the CDA requires a vehicle for staff to scope out and travel to enterprise-hosted events, attend industry events, and conduct educational outreach. The department will make vehicle lease and operating cost payments to the DPA, which manages the state's fleet of vehicles. Costs also include mileage and are prorated in the first year to a November 1, 2026, start date. Appropriations to the Department of Personnel and Administration are adjusted through the annual budget process for bills involving under ten vehicles.

### Travel Expenses

Costs in the CDA will increase by about \$8,000 for staff to travel across the state for events and outreach. Costs include a \$79 per diem rate for 42 days of travel, and a \$200 lodging rate for 25 nights. Costs in the first year are prorated to a November 1, 2026, start date.

### Database Development

In FY 2026-27 only, costs in the CDA will increase by an estimated \$200,000 to develop a database for program participants to pay fees, register for disposal events, and track the volume of disposed products. The database will incur ongoing maintenance and software costs of \$65,000 per year.

### Outreach Materials

Beginning in FY 2026-27, the CDA requires \$14,000 to conduct outreach and education through mail design, printing, and postage to all pesticide applicators and businesses operating in the state. Materials are estimated to cost \$1.29 per correspondence.

### Disposal Contracts

In FY 2027-28, costs in the CDA will increase by an estimated \$300,000 to contract with third-party hazardous waste firms for program participants to use for the disposal of pesticide products. As discussed in the State Revenue and Background and Assumptions sections, ongoing contract costs are expected to increase as the enterprise collects additional fee review and expands the size of the contracts to subsidize more pesticide product disposals. Actual costs will be determined through the contracting process and depend on fee review collected from disposal fees.

**Legal Services**

Legal services, provided by the Department of Law at a rate of \$132.50 per hour, are required to implement and support the enterprise. It is assumed that 150 hours will be required initially, and 100 hours ongoing, which equates to 0.1 FTE.

**Table 3  
 State Expenditures  
 Department of Agriculture**

<b>Cost Component</b>	<b>Budget Year FY 2026-27</b>	<b>Out Year FY 2027-28</b>	<b>Out Year FY 2028-29</b>
Personal Services	\$72,298	\$103,283	\$103,283
Operating Expenses	\$896	\$1,280	\$1,280
Capital Outlay Costs	\$7,000	\$0	\$0
Motor Fleet Vehicle Costs	\$14,686	\$18,130	\$18,130
Travel Expenses	\$5,970	\$8,318	\$8,318
Database Development	\$200,000	\$65,000	\$65,000
Outreach Materials	\$14,000	\$14,000	\$14,000
Disposal Contracts	\$0	\$300,000	\$375,000
Legal Services	\$19,875	\$13,250	\$13,250
Centrally Appropriated Costs	\$67,084	\$102,596	\$113,846
FTE – Personal Services	0.7 FTE	1.0 FTE	1.0 FTE
FTE – Legal Services	0.1 FTE	0.1 FTE	0.1 FTE
<b>Total Costs</b>	<b>\$401,808</b>	<b>\$625,856</b>	<b>\$712,106</b>
<b>Total FTE</b>	<b>0.8 FTE</b>	<b>1.1 FTE</b>	<b>1.1 FTE</b>

**Cash Fund Creation—Departments of Personnel and Treasury**

Workload will increase for the Departments of Personnel and Administration and Treasury to manage and perform accounting for the cash fund created in the bill. While no appropriation is required at this time, these departments may seek additional funding through the annual budget process based on the cumulative impact of all cash funds created through legislation.

**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 may include employee insurance, supplemental employee retirement payments, indirect cost assessments, and other costs, are shown in Table 3 above.

## TABOR Refunds

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As a general matter, revenue collected and retained or spent by a TABOR-exempt enterprise is not subject to the state revenue limit. However, when an enterprise uses its revenue to purchase services from state government outside the enterprise (e.g., legal services, fleet management, information technology support), these payments become subject to the TABOR revenue limit.

The bill is expected to increase the amount of state revenue required to be refunded to taxpayers by \$34,561 in FY 2026-27 and \$31,380 in FY 2027-28 from enterprise payments to the Department of Law for legal services and to the Department of Personnel and Administration for fleet vehicles. This estimate assumes the March 2026 LCS revenue forecast. A forecast of state revenue subject to TABOR is not available beyond FY 2027-28. Because TABOR refunds are paid from the General Fund, increased cash fund revenue will reduce the amount of General Fund available to spend or save in FY 2026-27, FY 2027-28, and any future years when the state is over its revenue limit.

## Effective Date

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

## State Appropriations

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The Pesticide Product Disposal and Container Recycling Enterprise Fund is continuously appropriated to the CDA, so no appropriation to the department is required.

For FY 2026-27, the bill requires a reappropriation of \$19,875 from the Department of Agriculture to the Department of Law, and 0.1 FTE, paid using continuously appropriated funds in the Pesticide Product Disposal and Container Recycling Enterprise Fund. The bill currently includes a reappropriation of \$20,771.

Department of Personnel and Administration costs for fleet vehicles are adjusted through the annual budget process for bills involving under ten vehicles.

## State and Local Government Contacts

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Agriculture

Public Health and Environment

Law

Treasury