

CHAPTER 336

HEALTH AND ENVIRONMENT

HOUSE BILL 22-1159

BY REPRESENTATIVE(S) Cutter, Amabile, Bacon, Bennett, Bird, Boesenecker, Caraveo, Duran, Exum, Froelich, Hooton, Kennedy, Kipp, Lindsay, Lontine, McCluskie, McCormick, McLachlan, Ricks, Sirota, Titone, Valdez A., Weissman, Woodrow; also SENATOR(S) Priola and Winter, Jaquez Lewis, Lee, Moreno, Story, Fenberg.

AN ACT

CONCERNING WASTE DIVERSION, AND, IN CONNECTION THEREWITH, CREATING THE CIRCULAR ECONOMY DEVELOPMENT CENTER IN THE DEPARTMENT OF PUBLIC HEALTH AND ENVIRONMENT, ESTABLISHING THE COSTS OF OPERATING THE CENTER AS A PERMISSIBLE USE OF MONEY FROM THE FRONT RANGE WASTE DIVERSION CASH FUND AND THE RECYCLING RESOURCES ECONOMIC OPPORTUNITY FUND, AND EXTENDING AND REMOVING CERTAIN REPEAL DATES ASSOCIATED WITH EXISTING STATUTORY WASTE DIVERSION EFFORTS.

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

SECTION 1. Legislative declaration. (1) The general assembly finds that:

- (a) The recycling, remanufacturing, and reuse industry affects 86,000 jobs in Colorado, which is 2.7% of the state's overall employment;
- (b) In 2020, recycling in Colorado reduced greenhouse gas emissions by more than 1,900,000 metric tons of carbon dioxide equivalent, which is equal to removing more than 400,000 cars from our roads annually. Recycling also saved more than 13,590,000 BTUs of energy, which is equal to conserving the annual energy use of more than 148,000 Colorado households.
- (c) The recycling, remanufacturing, and reuse industry accounts for 3.1% of the state's gross state product;
- (d) Recovering and recycling materials provides bottom-line benefits to Colorado in terms of people, the planet, and profits; and
- (e) Despite such benefits, the state's waste diversion rate has stagnated at around

Capital letters or bold & italic numbers indicate new material added to existing law; dashes through words or numbers indicate deletions from existing law and such material is not part of the act.

15%, which is well below the 2021 state goal of achieving a 28% waste diversion rate.

(2) The general assembly also finds that:

(a) There is no singular solution to increasing diversion;

(b) For Colorado to reach its goals, actions must be taken to improve both the supply of materials collected and the demand for those recovered materials; and

(c) By growing existing regional markets or creating new end markets for recycled commodities and compost, Colorado has the potential to shift the demand curve.

(3) The general assembly therefore declares that a circular economy development center focused on growing existing markets and creating new end markets for recycled commodities and compost in Colorado can increase demand for recycled materials, moving Colorado closer to its waste diversion and sustainability goals.

SECTION 2. In Colorado Revised Statutes, **add** part 6 to article 17 of title 25 as follows:

PART 6
CIRCULAR ECONOMY DEVELOPMENT CENTER

25-17-601. Definitions. AS USED IN THIS PART 6, UNLESS THE CONTEXT OTHERWISE REQUIRES:

(1) "ADMINISTRATOR" MEANS THE THIRD-PARTY ADMINISTRATOR WITH WHICH THE DEPARTMENT CONTRACTS PURSUANT TO SECTION 25-17-602 (2).

(2) "CIRCULAR ECONOMY" MEANS AN ECONOMY THAT USES A SYSTEMS-FOCUSED APPROACH AND INVOLVES INDUSTRIAL PROCESSES AND ECONOMIC ACTIVITIES THAT:

(a) ARE RESTORATIVE OR REGENERATIVE BY DESIGN;

(b) ENABLE RESOURCES USED IN INDUSTRIAL PROCESSES AND ECONOMIC ACTIVITIES TO MAINTAIN THEIR HIGHEST VALUES FOR AS LONG AS POSSIBLE; AND

(c) AIM TO ELIMINATE WASTE THROUGH THE SUPERIOR DESIGN OF MATERIALS, PRODUCTS, AND SYSTEMS, INCLUDING BUSINESS MODELS.

(3) "CIRCULAR ECONOMY DEVELOPMENT CENTER" OR "CENTER" MEANS THE CIRCULAR ECONOMY DEVELOPMENT CENTER CREATED IN SECTION 25-17-602.

(4) "DEPARTMENT" MEANS THE DEPARTMENT OF PUBLIC HEALTH AND ENVIRONMENT CREATED IN SECTION 24-1-119.

(5) "END MARKET BUSINESS" MEANS A BUSINESS, OR A PORTION OF A BUSINESS, THAT PROCESSES OR REUSES RECYCLABLE MATERIAL.

(6) "EXECUTIVE DIRECTOR" MEANS THE EXECUTIVE DIRECTOR OF THE DEPARTMENT OR THE EXECUTIVE DIRECTOR'S DESIGNEE.

25-17-602. Circular economy development center - creation - administration - reports - repeal. (1) **Creation.** THE CIRCULAR ECONOMY DEVELOPMENT CENTER IS HEREBY CREATED IN THE DEPARTMENT. THE PURPOSE OF THE CENTER IS TO GROW EXISTING MARKETS, CREATE NEW MARKETS, AND PROVIDE NECESSARY INFRASTRUCTURE, SYSTEMS, LOGISTICS, AND MARKETING TO CREATE A SUSTAINABLE CIRCULAR ECONOMY FOR RECYCLED COMMODITIES AND COMPOST IN COLORADO. THE PRIMARY ACTIVITIES OF THE CENTER ARE:

- (a) CONNECTING END MARKETS TO EXISTING STATE GRANTS AND INCENTIVES;
- (b) WORKING WITH PROCESSORS AND MANUFACTURERS IN THE STATE TO INCREASE THE USE OF RECYCLED CONTENT INPUTS;
- (c) SUPPORTING WASTE REDUCTION AND REUSE WITHIN SYSTEMS THAT ADVANCE CIRCULARITY GOALS;
- (d) MARKETING COLORADO RECYCLED MATERIALS AND RECRUITING OUT-OF-STATE RECYCLING END MARKETS, INCLUDING MANUFACTURERS, TO COLORADO;
- (e) FACILITATING CONNECTIONS AMONG RECYCLERS, WASTE HAULERS, PROCESSORS, MANUFACTURERS, TRANSPORTERS, MUNICIPALITIES, INVESTORS, HIGHER EDUCATION, AND OTHER ENTITIES;
- (f) SUPPORTING END-MARKET-RELATED BUSINESSES AS THOSE BUSINESSES LOOK TO SCALE OR GROW; AND
- (g) EVALUATING COLORADO'S RECYCLING END MARKETS AND SUPPLY CHAINS.

(2) **Administration.** (a) ON OR BEFORE JULY 1, 2023, SUBJECT TO AVAILABLE APPROPRIATIONS, THE DEPARTMENT SHALL CONTRACT WITH A THIRD-PARTY ADMINISTRATOR TO OPERATE THE CENTER.

(b) IN SOLICITING FOR A THIRD-PARTY ADMINISTRATOR OF THE CENTER, THE DEPARTMENT SHALL REQUIRE APPLICANTS TO SUBMIT A PROPOSED WORK PLAN FOR THE CENTER, WHICH WORK PLAN, AT A MINIMUM, OUTLINES GOALS, STRATEGIES, ACTIVITIES, DELIVERABLES, AND EXPECTED OUTCOMES.

(c) THE ADMINISTRATOR SHALL UPDATE THE WORK PLAN DESCRIBED IN SUBSECTION (2)(b) OF THIS SECTION ANNUALLY, AND THE DEPARTMENT SHALL APPROVE OR DISAPPROVE THE WORK PLAN. IN SUBMITTING AN UPDATED WORK PLAN PURSUANT TO THIS SUBSECTION (2)(c), THE ADMINISTRATOR SHALL INCLUDE IN THE UPDATED WORK PLAN RECOMMENDED ACTIONS FOR DEVELOPING MARKETS FOR COMMODITIES COMPRISING A SIGNIFICANT PERCENTAGE OF THE WASTE STREAM AND HAVING POTENTIAL FOR USE AS AN INDUSTRIAL OR COMMERCIAL FEEDSTOCK.

(d) IN ADMINISTERING THE CENTER, THE ADMINISTRATOR:

(I) SHALL SEEK AND CONSIDER THE INPUT OF:

(A) THE DEPARTMENT;

(B) THE OFFICE OF ECONOMIC DEVELOPMENT CREATED IN SECTION 24-48.5-101;

(C) REPRESENTATIVES FROM THE PUBLIC AND PRIVATE SECTORS ENGAGED IN WASTE DIVERSION OR ECONOMIC DEVELOPMENT ACTIVITIES ON THE WESTERN SLOPE, IN THE MOUNTAINS, ON THE FRONT RANGE, AND IN EASTERN AND SOUTHEASTERN COLORADO; AND

(D) TO THE EXTENT PRACTICABLE, REPRESENTATIVES OF NONPROFIT ORGANIZATIONS AND INSTITUTIONS OF HIGHER EDUCATION; AND

(II) MAY SEEK AND SOLICIT ON BEHALF OF THE CENTER GIFTS, GRANTS, AND DONATIONS TO PAY FOR THE FUNCTIONS OF THE CENTER, AS DESCRIBED IN SUBSECTION (6) OF THIS SECTION.

(3) **Web page.** THE CENTER SHALL MAINTAIN A PUBLIC WEB PAGE.

(4) **Reports.** (a) (I) THE CENTER SHALL CONDUCT A STATEWIDE END-MARKET GAP ANALYSIS AND OPPORTUNITY ASSESSMENT AND SUBMIT A FINAL REPORT OF THE ANALYSIS AND ASSESSMENT TO THE DEPARTMENT BY AUGUST 1, 2024.

(II) THIS SUBSECTION (4)(a) IS REPEALED, EFFECTIVE JULY 1, 2025.

(b) (I) BEGINNING SEPTEMBER 1, 2023, AND ON OR BEFORE EACH SEPTEMBER 1 THEREAFTER, THE CENTER SHALL SUBMIT A REPORT TO THE DEPARTMENT DESCRIBING THE PROGRESS OF THE CENTER. THE REPORT MUST INCLUDE THE FOLLOWING INFORMATION FROM THE PRECEDING STATE FISCAL YEAR:

(A) A SUMMARY OF ACTIVITIES COMPLETED BY THE CENTER;

(B) THE RESULTS ACHIEVED AND PROGRESS MADE BY THE CENTER ON ITS APPROVED WORK PLAN AND PROGRESS IN ACHIEVING ITS OBJECTIVE OF COMPLETING CIRCULAR ECONOMIES FOR MATERIALS IN THE STATE; AND

(C) A SUMMARY OF ACTIVITIES AND OPPORTUNITIES THAT THE CENTER PLANS TO ADDRESS IN THE FUTURE.

(II) THE DEPARTMENT SHALL INCLUDE THE REPORT DESCRIBED IN SUBSECTION (4)(b)(I) OF THIS SECTION IN ITS ANNUAL PRESENTATION TO THE GENERAL ASSEMBLY PURSUANT TO THE "STATE MEASUREMENT FOR ACCOUNTABLE, RESPONSIVE, AND TRANSPARENT (SMART) GOVERNMENT ACT", PART 2 OF ARTICLE 7 OF TITLE 2.

(5) **Costs.** THE DIRECT AND INDIRECT COSTS ASSOCIATED WITH THE DEPARTMENT'S OVERSIGHT AND THE ADMINISTRATOR'S OPERATION OF THE CENTER SHALL BE PAID BY MONEY APPROPRIATED TO THE DEPARTMENT FROM:

(a) THE FRONT RANGE WASTE DIVERSION CASH FUND, PURSUANT TO SECTION 25-16.5-111 (4)(b)(V); AND

(b) THE RECYCLING RESOURCES ECONOMIC OPPORTUNITY FUND, PURSUANT TO SECTION 25-16.5-106.5 (2)(c).

(6) **Gifts, grants, and donations.** THE CENTER MAY SEEK, SOLICIT, ACCEPT, AND EXPEND GIFTS, GRANTS, AND DONATIONS FROM PUBLIC AND PRIVATE SOURCES FOR THE PURPOSES OF THIS PART 6.

25-17-603. Repeal of part. THIS PART 6 IS REPEALED, EFFECTIVE SEPTEMBER 1, 2030. BEFORE THE REPEAL, THE FUNCTIONS OF THE CENTER ARE SCHEDULED FOR REVIEW IN ACCORDANCE WITH SECTION 24-34-104.

SECTION 3. In Colorado Revised Statutes, 25-16.5-111, **amend** (3)(c)(V), (4)(b)(III), and (6)(e)(II); **repeal** (6)(c)(II); and **add** (3)(c)(VII) and (4)(b)(V) as follows:

25-16.5-111. Front range waste diversion enterprise - legislative declaration - fund - goals - grant program - personal property tax reimbursements - gifts, grants, or donations - definitions - repeal. (3) **Enterprise.** (c) The enterprise's primary powers and duties are to:

(V) Adopt, amend, or repeal policies for the regulation of its affairs and the conduct of its business consistent with this section, including establishing application, review, approval, reporting, and other requirements for grants; ~~and~~

(VII) IN COORDINATION WITH THE DEPARTMENT, PAY THE DIRECT AND INDIRECT COSTS ASSOCIATED WITH THE DEPARTMENT'S OVERSIGHT AND THE ADMINISTRATOR'S OPERATION OF THE CIRCULAR ECONOMY DEVELOPMENT CENTER CREATED IN SECTION 25-17-602.

(4) **Fund.** (b) Money in the fund is continuously appropriated to the enterprise to:

(III) Provide technical assistance to eligible entities to promote diversion, including through the development and implementation of policy; ~~and~~

(V) PAY THE DIRECT AND INDIRECT COSTS ASSOCIATED WITH THE DEPARTMENT'S OVERSIGHT AND THE ADMINISTRATOR'S OPERATION OF THE CIRCULAR ECONOMY DEVELOPMENT CENTER CREATED IN SECTION 25-17-602.

(6) **Grant program.** (c) (II) ~~The policies and procedures specified by the board must include the following limitations for grant applicants that are either a waste hauler or a landfill owner or operator, which the board shall apply only to the portions of an application that relate to infrastructure or equipment:~~

~~(A) Only fifty percent of infrastructure or equipment can be funded through the grant program;~~

~~(B) If the board awards a grant to a waste hauler or landfill owner or operator for infrastructure or equipment, the grantee is ineligible to receive a grant for the following five years:~~

(e) The board shall:

(II) Not allocate more than ~~twenty~~ FIFTY percent of the annual fund revenue in any single grant award;

SECTION 4. In Colorado Revised Statutes, 25-16.5-106.5, **amend** (2) as follows:

25-16.5-106.5. Recycling resources economic opportunity fund - creation - repeal. (2) The money generated pursuant to subsection (1) of this section ~~shall be~~ is annually appropriated to the department:

(a) For the purpose of funding the recycling resources economic opportunity activities authorized by section 25-16.5-106.7, as well as any administrative costs associated therewith, including the grants authorized to be made under section 25-16.5-106.7 (3) and grant program oversight authorized by section 25-16.5-105.5 (3); ~~and~~

(b) To fund studies pursuant to sections 25-16.5-105 (1)(i), 25-16.5-112 (2), and 25-16.5-113 AND to make reimbursements pursuant to section 25-16.5-106.7 (6.5); ~~and to finance the statewide campaign described in section 25-17-108.~~

(c) TO PAY UP TO FORTY PERCENT OF THE DIRECT AND INDIRECT COSTS ASSOCIATED WITH THE DEPARTMENT'S OVERSIGHT AND THE ADMINISTRATOR'S OPERATION OF THE CIRCULAR ECONOMY DEVELOPMENT CENTER CREATED IN SECTION 25-17-602.

SECTION 5. In Colorado Revised Statutes, 25-16-104.5, **repeal** (3.9)(c)(VII) and (6); and **add** (3.9)(d) as follows:

25-16-104.5. Solid waste user fee - imposed - rate - legislative declaration - repeal. (3.9) (c) (VII) ~~This subsection (3.9)(c) is repealed, effective September 1, 2029.~~

(d) THIS SUBSECTION (3.9) IS REPEALED, EFFECTIVE SEPTEMBER 1, 2030.

(6) ~~This section is repealed, effective July 1, 2026.~~

SECTION 6. In Colorado Revised Statutes, 24-34-104, **add** (31)(a)(VII) as follows:

24-34-104. General assembly review of regulatory agencies and functions for repeal, continuation, or reestablishment - legislative declaration - repeal. (31) (a) The following agencies, functions, or both, are scheduled for repeal on September 1, 2030:

(VII) THE FUNCTIONS OF THE CIRCULAR ECONOMY DEVELOPMENT CENTER CREATED IN SECTION 25-17-602.

SECTION 7. Act subject to petition - effective date. This act takes effect at 12:01 a.m. on the day following the expiration of the ninety-day period after final

adjournment of the general assembly; except that, if a referendum petition is filed pursuant to section 1 (3) of article V of the state constitution against this act or an item, section, or part of this act within such period, then the act, item, section, or part will not take effect unless approved by the people at the general election to be held in November 2022 and, in such case, will take effect on the date of the official declaration of the vote thereon by the governor.

Approved: June 3, 2022