



Fiscal Note

Legislative Council Staff

Nonpartisan Services for Colorado's Legislature

HB 25-1051: REPEAL RECYCLED PAPER CARRYOUT BAG FEE

Prime Sponsors:

Rep. Pugliese; Gonzalez R.
Sen. Pelton B.

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Published for: House Energy & Environment**Drafting number:** LLS 25-0374**Version:** Initial Fiscal Note**Date:** January 30, 2025**Fiscal note status:** This fiscal note reflects the introduced bill.

Summary Information

Overview. The bill repeals the requirement that retail establishments charge a fee for providing recycled paper carryout bags.

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

- Local Government

Appropriations. No appropriation is required.

Table 1
State Fiscal Impacts

Type of Impact	Budget Year FY 2025-26	Out Year FY 2026-27
State Revenue	\$0	\$0
State Expenditures	\$0	\$0
Transferred Funds	\$0	\$0
Change in TABOR Refunds	\$0	\$0
Change in State FTE	0.0 FTE	0.0 FTE

Summary of Legislation

The bill repeals the requirement that retail establishments charge a fee for providing recycled paper carryout bags, which currently cost 10 cents per bag, paid by the customer at checkout.

Background

House Bill 21-1162 established the carryout bag fee, which took effect on January 1, 2023. State law requires retail establishments to charge customers 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 enforcement of the fee is optional and an unknown number of counties and cities have elected not to collect the fee revenue from stores.

Some local governments, both statutory and home-rule, already had local ordinances requiring a bag fee prior to the passage of House Bill 21-1162. For example, Nederland previously passed an ordinance charging \$0.10 for a disposable carryout bag in 2015, and Fraser has imposed a \$0.20 carryout bag fee since 2018. Boulder and Denver have similarly imposed a \$0.10 carryout bag fee since 2012 and 2021, respectively.

A statewide total of bag fee collections is not available at this time. In a sample of 10 Colorado cities, annual revenue ranged from about \$900 in Mead to about \$1.2 million in Colorado Springs, with per capita revenues ranging from roughly \$0.14 in Mead to \$8.24 in Granby. For some cities, annual revenues have generally trended downward as consumer behavior changes in response to the carryout bag fee. Local collections vary by jurisdiction depending on consumer behavior, number of stores, the level of local enforcement, tourist activity, and other factors.

Local Government

Unless a municipality or county has passed or passes a local ordinance requiring stores to charge a bag fee, the bill reduces local revenue from carryout bag fees and decreases expenditures on program administration, enforcement, and uses such as waste diversion. These impacts will vary by affected jurisdiction.

Effective Date

The bill takes effect 90 days following adjournment of the General Assembly sine die, assuming no referendum petition is filed.

State and Local Government Contacts

Counties

Municipalities

Information Technology

Revenue

Local Affairs

The revenue and expenditure impacts in this fiscal note represent changes from current law under the bill for each fiscal year. For additional information about fiscal notes, please visit the [General Assembly website](#).