



Fiscal Note

Legislative Council Staff

Nonpartisan Services for Colorado’s Legislature

SB 25-163: BATTERY STEWARDSHIP PROGRAMS

Prime Sponsors:

Sen. Cutter
Rep. Brown; Stewart R.

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Fiscal note status: The fiscal note reflects the introduced bill.

Summary Information

Overview. The bill creates a program in the Department of Public Health and Environment for collecting and recycling batteries.

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

- State Expenditures
- State Revenue
- Local Government
- TABOR Refunds

Appropriations. For FY 2025-26, the bill requires an appropriation of \$73,564 to the Department of Public Health and Environment.

**Table 1
State Fiscal Impacts**

Type of Impact ¹	Budget Year FY 2025-26	Out Year FY 2026-27	Out Year FY 2027-28
State Revenue	\$0	\$0	\$129,983
State Expenditures	\$83,698	\$129,983	\$129,983
Transferred Funds	\$0	\$0	\$0
Change in TABOR Refunds	\$0	\$0	\$129,983
Change in State FTE	0.6 FTE	1.1 FTE	1.1 FTE

¹ Fund sources for these impacts are shown in the tables below.

**Table 1A
State Revenue**

Fund Source	Budget Year FY 2025-26	Out Year FY 2026-27	Out Year FY 2027-28
General Fund	\$0	\$0	\$0
Cash Funds	\$0	\$0	\$129,983
Total Revenue	\$0	\$0	\$129,983

**Table 1B
State Expenditures**

Fund Source	Budget Year FY 2025-26	Out Year FY 2026-27	Out Year FY 2027-28
General Fund	\$73,564	\$109,715	\$0
Cash Funds	\$0	\$0	\$109,715
Federal Funds	\$0	\$0	\$0
Centrally Appropriated	\$10,134	\$20,268	\$20,268
Total Expenditures	\$83,698	\$129,983	\$129,983
Total FTE	0.6 FTE	1.1 FTE	1.1 FTE

Summary of Legislation

The bill creates the Battery Stewardship Program in the Department of Public Health and Environment (CDPHE). The program requires producers of batteries and battery-containing products (producers) to plan for the collection, transportation, processing, and recycling of the batteries.

Battery Stewardship Plans

By July 1, 2026, nonprofit organizations, or producers directly, may submit battery stewardship plans to the CDPHE for approval. The plan must establish battery collection and recycling methods, including developing accessible battery collection sites, performance goals, and outreach plans for program awareness. The organization must also charge a fee to producers that participate in their plan to cover costs of the plan.

By August 1, 2026, producers must participate in an approved battery stewardship plan and pay required fees to the organization, otherwise they may not sell or distribute the battery or product in the state. By July 1, 2028, retailers cannot sell or distribute batteries or battery-containing products unless the producer is in compliance. Organizations may provide retailers with materials describing collection methods in their plan.

By January 1, 2027, all batteries and battery-containing products must comply with new labeling requirements, which include producer identification and disposal instructions.

Program Reporting & Fees

By July 1, 2027, battery stewardship organizations must complete an assessment of battery management challenges and opportunities and submit a report to CDPHE. The organization must also submit an annual report regarding their plan's implementation to CDPHE.

Organizations must pay an annual fee to CDPHE within 12 months of collecting dues and by each July 1 thereafter. Fees will be deposited into the new Battery Stewardship Fund to cover program administration costs.

Penalties

Producers or organizations that violate requirements in the bill are liable for a civil penalty of \$7,000 per violation.

Assumptions

Timeline for Fee Revenue to CDPHE

Battery stewardship organizations can begin to collect fees once plans are approved by CDPHE. As plans are required to be submitted by July 1, 2026, and CDPHE has 120 days to review and approve plans, the fiscal note assumes plans will be effective November 2026. The bill requires battery stewardship organizations to pay the CDPHE within 12 months of collecting dues and each July 1 thereafter. As a result, the fiscal note assumes CDPHE will receive funding from fees to support the program beginning in November 2027 (FY 2027-28).

State Revenue

Beginning in FY 2027-28, state revenue will increase in the Battery Stewardship Funds by \$129,983 annually from fees paid by battery stewardship organizations to CDPHE. It may also increase court fees and penalty revenue. These impacts are discussed below.

Fee Impact on Battery Producers and Battery Stewardship Organizations

Colorado law requires legislative service agency review of measures which create or increase any fee collected by a state agency. This measure increases fee revenue to the CDPHE by \$129,983 per year from fees paid by battery stewardship organizations. This fee revenue is subject to TABOR. Fee revenue is estimated in an amount necessary to cover the total administrative costs of the program. Actual fees will be set administratively by CDPHE based on cash fund balance, program costs, and the number of stewardship organizations subject to the fee.

The bill will also increase fees paid by battery producers to battery stewardship organizations to implement their stewardship plans. These fees are collected by private entities and not subject to TABOR or received by the state.

Civil Penalties and Court Fees

State revenue may also increase for civil penalties from violations and increased civil case filings. The fiscal note assumes that entities will comply with the law and fee revenue impacts will be minimal. Fine revenue is not subject to TABOR.

State Expenditures

The bill increases state expenditures in the CDPHE by \$84,000 in FY 2025-26 and \$130,000 in FY 2026-27 and ongoing years. These costs, paid from the General Fund initially until FY 2027-28 when cash funds are available, are summarized in Table 2 and discussed below. The bill also minimally affects workload in the Judicial Department.

**Table 2
State Expenditures
Department of Public Health and Environment**

Cost Component	Budget Year FY 2025-26	Out Year FY 2026-27	Out Year FY 2027-28
Personal Services	\$42,181	\$84,362	\$84,362
Operating Expenses	\$640	\$1,280	\$1,280
Capital Outlay Costs	\$6,670	\$0	\$0
Legal Services	\$24,073	\$24,073	\$24,073
Centrally Appropriated Costs	\$10,134	\$20,268	\$20,268
FTE – Personal Services	0.5 FTE	1.0 FTE	1.0 FTE
FTE – Legal Services	0.1 FTE	0.1 FTE	0.1 FTE
Total Costs	\$83,698	\$129,983	\$129,983
Total FTE	0.6 FTE	1.1 FTE	1.1 FTE

Department of Public Health and Environment

The department will have staff and legal services costs beginning in FY 2025-26 to implement the bill. CDPHE requires General Fund support in FY 2025-26 and FY 2026-27, until expenditures shift to the Battery Stewardship Cash Fund beginning in FY 2027-28, as described in the Assumptions Section above.

Staff

CDPHE requires 1.0 FTE beginning in FY 2025-26, for program implementation and ongoing operations. This includes rulemaking, reviewing plans, and monitoring compliance. Standard operating and capital outlay costs are included. Staff costs are prorated for a January 1, 2026 start date.

Legal Services

CDPHE requires 180 hour of legal services from the Department of Law for rulemaking and enforcement for the program beginning in FY 2025-26.

Judicial Department

Trial court workload may increase for violations that require judicial review beginning in FY 2026-27. The fiscal note assumes entities will generally comply with the law, and any impacts will be minimal and can be accomplished within existing resources.

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, leased space, and indirect cost assessments, are shown in the expenditure table(s) above.

TABOR Refunds

In years in which the state is above the Referendum C revenue limit, the bill will increase the amount of state revenue required to be refunded to taxpayers by the amounts shown in the State Revenue section above, starting in FY 2027-28. A forecast of state revenue subject to TABOR is not available beyond FY 2026-27. 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.

Local Government

To the extent that local governments carry out battery recycling initiatives in their jurisdictions currently, expenditures may decrease as battery stewardship organizations and producers assume responsibility for battery collection and recycling. However, workload may also increase for local governments that collaborate with organizations in implementing stewardship programs. The impact will vary by local government.

Effective Date

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

State Appropriations

For FY 2025-26, the bill requires a General Fund appropriation of \$73,564 to the Department of Public Health and Environment and 0.5 FTE. Of this, \$24,073 is reappropriated to the Department of Law, with an additional 0.1 FTE.

State and Local Government Contacts

Counties	Law
District Attorneys	Public Health and Environment
Judicial	Treasury

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](#).