

Second Regular Session
Seventy-second General Assembly
STATE OF COLORADO

Attachment B

10.2.19

BILL 1

LLS NO. 20-0309.01 Thomas Morris x4218

INTERIM COMMITTEE BILL

Zero Waste and Recycling Interim Study Committee

BILL TOPIC: "Incentivize Development Recycling End Markets"

A BILL FOR AN ACT

101 **CONCERNING THE EXPANSION OF MARKET MECHANISMS FOR THE**
102 **FURTHER DEVELOPMENT OF RECYCLING.**

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/>.)

Zero Waste and Recycling Interim Study Committee. Section 1 of the bill creates the recycling market development center within the Colorado school of mines. The center would:

- Assist existing and new end-market recycling businesses that process recyclable materials or reuse recyclable materials into new products sold or otherwise furnished to

*Capital letters or bold & italic numbers indicate new material to be added to existing statute.
Dashes through the words indicate deletions from existing statute.*

- end users; and
- Conduct studies and report to the general assembly regarding best recycling practices and programs and the feasibility of requiring glass, aluminum, and plastic bottles sold in Colorado to include a minimum amount of recycled material.

Section 5 authorizes the payment of the expenses of the center from the front range waste diversion cash fund.

Sections 3, 4, and 5 allow the pollution prevention advisory board to use the recycling resources economic opportunity fund and the front range waste diversion cash fund to reimburse eligible recycling businesses for locally assessed personal property taxes paid in the current tax year in this state on personal property.

Section 2 specifies the criteria that the advisory board will use in awarding personal property tax reimbursements.

Section 6 directs the department of public health and environment to conduct studies regarding:

- How to best structure a glass bottle deposit program that addresses rural needs, increases the amount of available recyclable materials, and retains and expands existing closed recycling loops in Colorado; and
- The feasibility of requiring manufacturers or retailers of consumer products to accept the products, including their packaging, for recycling.

For an establishment that is located in the front range, on and after September 1, 2021, **sections 7 and 8** prohibit the issuance or renewal of a hotel and restaurant or a tavern license unless the licensee recycles in accordance with rules promulgated by the state licensing authority.

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

2 **SECTION 1.** In Colorado Revised Statutes, **add** 23-41-124 as
3 follows:

4 **23-41-124. Recycling market development center - definition**
5 **- repeal.** (1) THE RECYCLING MARKET DEVELOPMENT CENTER, REFERRED
6 TO IN THIS SECTION AS THE "CENTER", IS CREATED WITHIN THE COLORADO
7 SCHOOL OF MINES TO SUPPORT THE DEVELOPMENT OF END-MARKET
8 BUSINESSES WITHIN THE STATE. THE CENTER SHALL ASSIST EXISTING AND
9 NEW END-MARKET RECYCLING BUSINESSES THAT PROCESS RECYCLABLE

1 MATERIALS OR REUSE RECYCLABLE MATERIALS INTO NEW PRODUCTS SOLD
2 OR OTHERWISE FURNISHED TO END USERS BY:

3 (a) EVALUATING THE SHORT- AND LONG-TERM CAPACITY OF
4 EXISTING MARKETS TO USE THE CURRENT AND FUTURE QUANTITIES OF
5 RECYCLABLE MATERIALS AND OPPORTUNITIES TO EXPAND EXISTING
6 MARKETS;

7 (b) IDENTIFYING POTENTIAL END-MARKET BUSINESS TARGETS AND
8 FEASIBLE INCENTIVES THAT THE STATE MAY OFFER TO BRING THESE
9 BUSINESSES TO COLORADO;

10 (c) DEVELOPING A RECYCLABLE MATERIAL DATABASE TO IDENTIFY
11 HOW MUCH RECYCLABLE MATERIAL IS AVAILABLE AND FROM WHAT
12 SOURCES AND REGIONS;

13 (d) ADVOCATING FOR STATE AND LOCAL POLICIES TO INCREASE
14 THE SUPPLY OF RECYCLABLE MATERIALS TO SUPPORT END-MARKET
15 BUSINESSES;

16 (e) CONNECTING END-MARKET BUSINESSES WITH FUNDING
17 ASSISTANCE INCLUDING GRANTS, LOANS, AND TAX BREAKS AVAILABLE
18 THROUGH THE COLORADO OFFICE OF ECONOMIC DEVELOPMENT CREATED
19 IN SECTION 24-48.5-101, THE DEPARTMENT OF PUBLIC HEALTH AND
20 ENVIRONMENT, AND OTHER SOURCES AND EXPANDING AND DIVERSIFYING
21 THESE FUNDING SOURCES;

22 (f) PROVIDING MATERIAL-SPECIFIC RESEARCH AND BUSINESS
23 DEVELOPMENT ASSISTANCE FOR NEW AND EXPANDED END-MARKET
24 BUSINESSES TO CREATE AND EXPAND RECYCLING PROCESSING
25 INFRASTRUCTURE;

26 (g) RECOMMENDING PUBLIC OUTREACH CAMPAIGNS, WHICH MAY
27 BE MATERIAL-SPECIFIC, TO INCREASE THE SUPPLY AND QUALITY OF

1 RECYCLABLE MATERIALS; AND

2 (h) INTEGRATING THE CENTER'S EFFORTS WITH THE STATE SOLID
3 WASTE PLAN DEVELOPED PURSUANT TO SECTION 30-20-100.5 (1)(d)(II)
4 AND THE CLIMATE ACTION PLAN DEVELOPED PURSUANT TO SECTION
5 24-20-111 (2)(a).

6 (2) (a) THE CENTER SHALL CONDUCT STUDIES AND SHALL SUBMIT
7 A REPORT TO THE COMMITTEES OF REFERENCE OF THE GENERAL ASSEMBLY
8 WITH JURISDICTION OVER SOLID WASTE AND RECYCLING BY DECEMBER 15,
9 2020, ON THE FOLLOWING TOPICS:

10 (I) BEST RECYCLING PRACTICES AND PROGRAMS THAT ADDRESS
11 RURAL NEEDS, INCREASE THE PURCHASING OF RECYCLABLE AND
12 RECYCLED MATERIALS, AND RETAIN AND EXPAND EXISTING CLOSED
13 RECYCLING LOOPS IN COLORADO; AND

14 (II) THE FEASIBILITY OF REQUIRING GLASS, ALUMINUM, AND
15 PLASTIC BOTTLES SOLD IN COLORADO TO INCLUDE A MINIMUM AMOUNT OF
16 RECYCLED MATERIAL.

17 (b) THIS SUBSECTION (2) IS REPEALED, EFFECTIVE SEPTEMBER 1,
18 2021.

19 (3) AS USED IN THIS SECTION, "END-MARKET BUSINESS" MEANS A
20 BUSINESS, OR A PORTION OF A BUSINESS, THAT PROCESSES RECYCLABLE
21 MATERIALS OR REUSES RECYCLABLE MATERIALS IN NEW PRODUCTS SOLD
22 OR OTHERWISE FURNISHED TO END USERS.

23 **SECTION 2.** In Colorado Revised Statutes, 25-16.5-105, **add**
24 (1)(n) as follows:

25 **25-16.5-105. Powers and duties of advisory board - definitions.**

26 (1) The advisory board has the following powers and duties:

27 (n) (I) IN CONSULTATION WITH THE POLLUTION PREVENTION

1 ADVISORY BOARD ASSISTANCE COMMITTEE CREATED IN SECTION
2 25-16.5-105.5 (2), TO DEVELOP A FORMULA FOR REIMBURSING A NEW OR
3 EXISTING BUSINESS, OR A PORTION OF A BUSINESS, THAT RECLAIMS OR
4 RECYCLES RECYCLABLE MATERIALS FOR LOCALLY ASSESSED PERSONAL
5 PROPERTY TAXES THE BUSINESS PAID ON PERSONAL PROPERTY ASSOCIATED
6 WITH NEW OR EXISTING WASTE DIVERSION OPERATIONS. REIMBURSEMENTS
7 ARE PAYABLE ONLY FROM THE FOLLOWING SOURCES:

8 (A) FOR AN ELIGIBLE RECYCLING BUSINESS THAT PAID LOCALLY
9 ASSESSED PERSONAL PROPERTY TAX ON PERSONAL PROPERTY LOCATED
10 OUTSIDE THE FRONT RANGE, FROM MONEY APPROPRIATED TO THE
11 RECYCLING RESOURCES ECONOMIC OPPORTUNITY FUND PURSUANT TO
12 SECTION 25-16.5-106.5 (1)(a)(II); AND

13 (B) FOR AN ELIGIBLE RECYCLING BUSINESS THAT PAID LOCALLY
14 ASSESSED PERSONAL PROPERTY TAX ON PERSONAL PROPERTY LOCATED IN
15 THE FRONT RANGE, FROM MONEY IN THE FRONT RANGE WASTE DIVERSION
16 CASH FUND PURSUANT TO SECTION 25-16.5-111 (4)(b)(V).

17 (II) <*In what year will reimbursements start?*> APPLICATIONS
18 TO THE ADVISORY BOARD FOR A REIMBURSEMENT OF LOCALLY ASSESSED
19 PERSONAL PROPERTY TAXES MUST BE SUBMITTED BY OCTOBER 1 FOR
20 PERSONAL PROPERTY TAXES PAID IN THE CURRENT TAX YEAR.

21 (III) TO BE ELIGIBLE FOR REIMBURSEMENT OF LOCALLY ASSESSED
22 PERSONAL PROPERTY TAXES, A BUSINESS MUST:

23 (A) BE REGISTERED UNDER RULES ADOPTED BY THE SOLID AND
24 HAZARDOUS WASTE COMMISSION AS A RECYCLING OR COMPOSTING
25 FACILITY;

26 (B) DEMONSTRATE THAT THE LOCALLY ASSESSED PERSONAL
27 PROPERTY TAXES PAID BY THE BUSINESS ARE ASSOCIATED WITH NEW OR

1 EXISTING WASTE DIVERSION OPERATIONS; AND

2 (C) BE IN COMPLIANCE WITH ALL STATE AND FEDERAL LAWS,
3 RULES, AND REGULATIONS.

4 (IV) IN DEVELOPING THE FORMULA FOR THE PERSONAL PROPERTY
5 TAX REIMBURSEMENTS, THE ADVISORY BOARD MAY CONSIDER THE
6 FOLLOWING:

7 (A) THE AMOUNTS OF RECYCLABLE MATERIALS REUSED,
8 REMANUFACTURED, RECLAIMED, OR RECYCLED AT THE BUSINESS; AND

9 (B) THE NUMBER OF JOBS LOCATED AT THE BUSINESS.

10 (V) INCINERATION AND MIXED WASTE PROCESSING FACILITIES ARE
11 NOT ELIGIBLE FOR THE PERSONAL PROPERTY TAX REIMBURSEMENTS.

12 (VI) A PERSONAL PROPERTY TAX REIMBURSEMENT PAID TO AN
13 ELIGIBLE RECYCLING BUSINESS PURSUANT TO THIS SUBSECTION (1)(n) AND
14 SECTIONS 25-16.5-106.7 (6.5) AND 25-16.5-111 (4)(b)(V) MUST NOT
15 EXCEED FIFTY PERCENT OF THE LOCALLY ASSESSED PERSONAL PROPERTY
16 TAXES DUE FOR ANY ONE BUSINESS, AND THE TOTAL AMOUNT OF
17 REIMBURSEMENTS PAID TO ALL APPLICANTS IN A CALENDAR YEAR MUST
18 NOT EXCEED THE AMOUNTS SPECIFIED IN SECTIONS 25-16.5-106.7 (6.5)
19 AND 25-16.5-111 (4)(b)(V). THE ADVISORY BOARD MAY SET A LOWER
20 MAXIMUM PERCENTAGE BASED ON THE AMOUNT OF MONEY APPROPRIATED
21 TO THE RECYCLING RESOURCES ECONOMIC OPPORTUNITY FUND PURSUANT
22 TO SECTIONS 25-16.5-106.5 (1)(a)(II) AND 25-16.5-111 (4)(b) AND THE
23 NUMBER OF APPLICATIONS RECEIVED.

24 (VII) AS USED IN THIS SUBSECTION (1)(n):

25 (A) "FRONT RANGE" HAS THE MEANING SET FORTH IN SECTION
26 25-16.5-111 (2)(f).

27 (B) "RECYCLABLE MATERIALS" MEANS ANY TYPE OF DISCARDED

1 OR WASTE MATERIAL THAT IS NOT REGULATED UNDER SECTION 25-8-205
2 (1)(e) AND CAN BE REUSED, REMANUFACTURED, RECLAIMED, OR
3 RECYCLED, INCLUDING COMPOSTABLE ORGANIC MATERIAL. "RECYCLABLE
4 MATERIALS" DOES NOT INCLUDE PAINT OR A WASTE TIRE AS DEFINED IN
5 SECTION 30-20-1402 (12).

6 **SECTION 3.** In Colorado Revised Statutes, 25-16.5-106.5,
7 **amend** (1)(a) introductory portion and (1)(a)(II) as follows:

8 **25-16.5-106.5. Recycling resources economic opportunity fund**
9 **- creation - repeal.** (1) (a) The recycling resources economic opportunity
10 fund, ~~is hereby created in the state treasury,~~ referred to in this section as
11 the "fund", IS HEREBY CREATED IN THE STATE TREASURY. The fund ~~shall~~
12 ~~consist~~ CONSISTS of:

13 (II) Any ~~moneys~~ MONEY appropriated to the fund by the general
14 assembly, INCLUDING MONEY APPROPRIATED FOR PERSONAL PROPERTY
15 TAX REIMBURSEMENTS FOR ELIGIBLE RECYCLING BUSINESSES PURSUANT
16 TO SECTION 26-16.5-105 (1)(n); and

17 **SECTION 4.** In Colorado Revised Statutes, 25-16.5-106.7, **add**
18 (6.5) as follows:

19 **25-16.5-106.7. Recycling resources economic opportunity**
20 **program - grants - definitions - repeal.** (6.5) IN ADDITION TO
21 AWARDED GRANTS PURSUANT TO SUBSECTION (4) OF THIS SECTION, THE
22 ADVISORY BOARD MAY USE MONEY IN THE FUND TO REIMBURSE, IN
23 ACCORDANCE WITH SECTION 25-16.5-105 (1)(n), ELIGIBLE RECYCLING
24 BUSINESSES FOR LOCALLY ASSESSED PERSONAL PROPERTY TAXES PAID IN
25 THE CURRENT TAX YEAR IN THIS STATE ON PERSONAL PROPERTY THAT IS
26 LOCATED OUTSIDE THE FRONT RANGE, AS DEFINED IN SECTION 25-16.5-111
27 (2)(f). THE TOTAL AMOUNT OF REIMBURSEMENTS PAID PURSUANT TO THIS

1 SUBSECTION (6.5) TO ALL ELIGIBLE RECYCLING BUSINESSES IS LIMITED TO
2 FIVE HUNDRED THOUSAND DOLLARS PER YEAR.

3 **SECTION 5.** In Colorado Revised Statutes, 25-16.5-111, **amend**
4 **(4)(b)(II); and add (4)(b)(IV) and (4)(b)(V) as follows:**

5 **25-16.5-111. Front range waste diversion enterprise -**
6 **legislative declaration - fund - goals - grant program - personal**
7 **property tax reimbursements - gifts, grants, or donations - definitions**
8 **- repeal. (4) Fund. (b) Money in the fund is continuously appropriated**
9 **to the enterprise to:**

10 (II) Award grants in accordance with this section; **and**

11 (IV) PAY FOR THE EXPENSES OF THE RECYCLING MARKET
12 DEVELOPMENT CENTER CREATED IN SECTION 23-41-124 (1); AND

13 (V) REIMBURSE ELIGIBLE RECYCLING BUSINESSES FOR LOCALLY
14 ASSESSED PERSONAL PROPERTY TAXES PAID IN THE CURRENT TAX YEAR IN
15 THIS STATE ON PERSONAL PROPERTY THAT IS LOCATED IN THE FRONT
16 RANGE. THE TOTAL AMOUNT OF REIMBURSEMENTS PAID PURSUANT TO
17 THIS SUBSECTION (4)(b)(V) TO ALL ELIGIBLE RECYCLING BUSINESSES IS
18 LIMITED TO FIVE HUNDRED THOUSAND DOLLARS PER YEAR.

19 **SECTION 6.** In Colorado Revised Statutes, **add 25-16.5-112 as**
20 **follows:**

21 **25-16.5-112. Recycling studies - report - repeal. (1) THE**
22 **DEPARTMENT SHALL CONDUCT STUDIES REGARDING:**

23 (a) HOW TO BEST STRUCTURE A GLASS BOTTLE DEPOSIT PROGRAM
24 THAT ADDRESSES RURAL NEEDS, INCREASES THE AMOUNT OF AVAILABLE
25 RECYCLABLE MATERIALS, AND RETAINS AND EXPANDS EXISTING CLOSED
26 RECYCLING LOOPS IN COLORADO; AND

27 (b) (I) THE FEASIBILITY OF REQUIRING THE MANUFACTURERS OR

1 RETAILERS OF CONSUMER PRODUCTS TO ACCEPT THE PRODUCTS,
2 INCLUDING THEIR PACKAGING, FOR RECYCLING. THE STUDY MUST APPLY
3 TO HARD-TO-RECYCLE PRODUCTS SUCH AS ELECTRONICS, MATTRESSES,
4 AND CARPET; PACKAGING, INCLUDING PRODUCTS ACCEPTED IN
5 SINGLE-STREAM RECYCLING; AND PRINTED PAPER. THE STUDY SHOULD
6 INCLUDE, AT A MINIMUM:

7 (A) A SET OF CRITERIA TO BE USED TO EVALUATE PRODUCTS FOR
8 PRODUCT STEWARDSHIP SOLUTIONS, ENVIRONMENTAL AND PUBLIC
9 HEALTH IMPACTS, EXISTING COLLECTION SYSTEMS AND THEIR
10 EFFECTIVENESS, AND THE COST TO LOCAL MUNICIPALITIES, CONSUMERS,
11 PRODUCERS, AND HAULERS;

12 (B) RECOMMENDATIONS TO REMOVE BARRIERS TO THE
13 ESTABLISHMENT OF, OR TO ESTABLISH, A PROGRAM IN STATE LAW FOR
14 AGENCY OVERSIGHT OF A COLLECTION AND RECYCLING PROGRAM THAT
15 INCLUDES TRANSPARENCY AND STAKEHOLDER ENGAGEMENT; AND

16 (C) METHODS TO FINANCE THE INCREASED DIVERSION OF
17 MATERIALS THROUGH INCREASED INFRASTRUCTURE, IMPROVED ACCESS TO
18 COLLECTION, AND EDUCATION METHODS THAT DRIVE CONSUMER
19 PARTICIPATION.

20 (II) TO THE EXTENT POSSIBLE, THE RECOMMENDATIONS DESCRIBED
21 IN SUBSECTION (1)(b)(I)(B) OF THIS SECTION MUST BE CONSISTENT WITH
22 EXISTING AND PROPOSED PRODUCT STEWARDSHIP PROGRAMS IN NORTH
23 AMERICA. IN DEVELOPING THE RECOMMENDATIONS, THE DEPARTMENT
24 SHALL CONSULT WITH MANUFACTURERS, RETAILERS, RECYCLING FACILITY
25 OPERATORS, ENVIRONMENTAL ADVOCACY ORGANIZATIONS, LOCAL
26 GOVERNMENTS, AND OTHER INTERESTED PARTIES.

27 (2) THE DEPARTMENT SHALL SUBMIT REPORTS SUMMARIZING THE

1 STUDIES TO THE HOUSE OF REPRESENTATIVES HEALTH AND INSURANCE
2 AND ENERGY AND ENVIRONMENT COMMITTEES AND THE SENATE HEALTH
3 AND HUMAN SERVICES AND TRANSPORTATION AND ENERGY COMMITTEES,
4 OR THEIR SUCCESSOR COMMITTEES, BY SEPTEMBER 1, 2021.

5 (3) THIS SECTION IS REPEALED, EFFECTIVE SEPTEMBER 1, 2022.

6 **SECTION 7.** In Colorado Revised Statutes, 44-3-301, **add** (13)
7 as follows:

8 **44-3-301. Licensing in general - recycling requirement - rules.**

9 (13)(a) WITH REGARD TO A LICENSED PREMISES THAT IS LOCATED IN THE
10 FRONT RANGE, AS THAT TERM IS DEFINED IN SECTION 25-16.5-111 (2)(f),
11 ON AND AFTER SEPTEMBER 1, 2021, NEITHER THE STATE LICENSING
12 AUTHORITY NOR A LOCAL LICENSING AUTHORITY SHALL ISSUE A HOTEL
13 AND RESTAURANT LICENSE PURSUANT TO SECTION 44-3-413 OR A TAVERN
14 LICENSE PURSUANT TO SECTION 44-3-414 UNLESS THE LICENSEE RECYCLES
15 IN ACCORDANCE WITH RULES PROMULGATED PURSUANT TO SUBSECTION
16 (13)(b) OF THIS SECTION.

17 (b) ON OR BEFORE <{*What date?*}>, THE STATE LICENSING
18 AUTHORITY SHALL PROMULGATE RULES, TO BECOME EFFECTIVE
19 SEPTEMBER 1, 2021, REQUIRING HOLDERS OF A HOTEL AND RESTAURANT
20 LICENSE ISSUED PURSUANT TO SECTION 44-3-413 OR A TAVERN LICENSE
21 ISSUED PURSUANT TO SECTION 44-3-414 WHOSE LICENSED PREMISES ARE
22 LOCATED IN THE FRONT RANGE, AS THAT TERM IS DEFINED IN SECTION
23 25-16.5-111 (2)(f), TO RECYCLE.

24 **SECTION 8.** In Colorado Revised Statutes, 44-3-302, **add** (3) as
25 follows:

26 **44-3-302. License renewal - recycling requirement.** (3) WITH
27 REGARD TO A LICENSED PREMISES THAT IS LOCATED IN THE FRONT RANGE,

1 AS THAT TERM IS DEFINED IN SECTION 25-16.5-111 (2)(f), ON AND AFTER
2 SEPTEMBER 1, 2021, NEITHER THE STATE LICENSING AUTHORITY NOR A
3 LOCAL LICENSING AUTHORITY SHALL RENEW A HOTEL AND RESTAURANT
4 LICENSE ISSUED PURSUANT TO SECTION 44-3-413 OR A TAVERN LICENSE
5 ISSUED PURSUANT TO SECTION 44-3-414 UNLESS THE LICENSEE RECYCLES
6 IN ACCORDANCE RULES PROMULGATED PURSUANT TO SECTION 44-3-301
7 (13)(b).

8 **SECTION 9. Act subject to petition - effective date.** This act
9 takes effect at 12:01 a.m. on the day following the expiration of the
10 ninety-day period after final adjournment of the general assembly (August
11 5, 2020, if adjournment sine die is on May 6, 2020); except that, if a
12 referendum petition is filed pursuant to section 1 (3) of article V of the
13 state constitution against this act or an item, section, or part of this act
14 within such period, then the act, item, section, or part will not take effect
15 unless approved by the people at the general election to be held in
16 November 2020 and, in such case, will take effect on the date of the
17 official declaration of the vote thereon by the governor.

