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**TO:** Fruita City Council and Mayor

**FROM:** Margaret Sell, Finance Director

**DATE:** August 23, 2022

**AGENDA TEXT:** DISCUSSION OF PLASTIC POLLUTION REDUCTION ACT (HB21-1162)

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**BACKGROUND**

The purpose of this agenda item is to provide information on the upcoming implementation of the plastic and paper bag fee, future restrictions on provision of plastic bags and expanded polystyrene containers, and begin discussion on education and outreach efforts, penalty and enforcement provisions, and fees.

House Bill 21-1162, Plastic Pollution Reduction Act (CRS 25-17-501 et seq), was signed into law by the Governor on July 6, 2021. House Bill 21-1162. This bill:

1. imposes a minimum fee of ten cents per recycled paper carryout bag or single use plastic carryout bag of which 60% is remitted to the city and 40% is retained by the store
2. sets forth the purposes for which revenue received by the city may be used
3. phases out the provision of single-use plastic carryout bags and expanded polystyrene (styrofoam) products;
4. repeals the state preemption that prohibits local governments from regulating the use or sale of specific plastic materials or products; and
5. authorizes local governments to enforce violations and impose civil penalties.

A copy of the House Bill and Final Fiscal Note from the Legislative Council Staff is attached for your information and review.

**Implementation Timeline**

January 1, 2023	Carryout bag fee enacted in stores; local governments may enforce and assess civil penalties
January 1, 2024	Single-use plastic carryout bags prohibited in stores and retail food establishments, excluding current inventory
January 1, 2024	Expanded polystyrene prohibited in retail food establishments, excluding current inventory
June 1, 2024	Retail stores may no longer use plastic bags. Restaurants may continue using plastic bags after this date.

April 1, 2024: Fee remittance begins for previous quarter, due quarterly.

July 1, 2024 Local governments may enact, implement, or enforce more stringent regulations

### **Key Provisions**

Carryout bag fees. Beginning January 1, 2023, a store may provide a customer with one or more single-use plastic or recycled paper carryout bags for a fee of ten cents per bag, or a higher fee adopted by the municipality or county in which the store is located. Customers who provide evidence of participating in a federal or state food assistance program are exempt from the carryout bag fee. Stores are required to provide customers with a transaction receipt for the fee, conspicuously display a sign that alerts customers to the fee and are prohibited from refunding customers any portion of the fee.

Single-use plastic carryout bags. This bill prohibits stores and retail food establishments from providing single-use plastic carryout bags beginning January 1, 2024. Subject to the carryout bag fees discussed above, a store or retail food establishment may distribute, until June 1, 2024, any remaining inventory of single-use plastic carryout bags purchased prior to January 1, 2024.

Expanded polystyrene products. Effective January 1, 2024, this bill prohibits retail food establishments from providing an expanded polystyrene product for use as a container for ready-to-eat food in this state, except that retail food establishments may distribute any remaining inventory of products purchased prior to January 1, 2024.

Enforcement and penalties. The bill authorizes local governments to enforce against violations of the bill in a manner that they choose, except that they may not enforce violations against retail food establishments located within a school.

Use of revenues. Revenues received by the city shall be used for administrative and enforcement costs and any recycling, composting, or other waste diversion programs and related outreach and education activities

### **Definitions**

"SMALL STORE" means a store that operates solely in Colorado, has three or fewer locations in the state, and is not part of a franchise, corporation, or partnership that has physical locations outside of Colorado.

"STORE" means a grocery store, supermarket, convenience store, liquor store, dry cleaner, pharmacy, drug store, clothing store, or other type of retail establishment at which carryout bags are traditionally provided to customers. "STORE" includes a farmers' market, roadside market or stand, festival, or other temporary vendor or event that includes temporary vendors.