

Proposed Exemption for State Delivery Fee & State Carry Out Bag Fee

City Council Meeting
October 18, 2022



Legislation Overview

- **SB21-260:** This bill increases spending for the state’s transportation system through General Fund transfers and new fees. The bill imposes fees on retail deliveries by motor vehicles that transport tangible personal property subject to the state sales tax. The fees must be collected from the purchaser by the retailer and will be adjusted for inflation in future years.
- **HB21-1162:** This bill phases out the provision of single-use plastic carryout bags and expanded polystyrene products; repeals the state preemption that prohibits local governments from regulating the use or sale of specific plastic materials or products; and authorizes local gov’t to enforce violations and impose civil penalties.

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



- # SB21-260 Sustainability Of The Transportation System

Fee Type	Rate
Community Access Retail Delivery Fee	\$ 0.0690
Clean Fleet Retail Delivery Fee	\$ 0.0530
Clean Transit Retail Delivery Fee	\$ 0.0300
General Retail Delivery Fee	\$ 0.0840
Bridge and Tunnel Retail Delivery Fee	\$ 0.0270
Air Pollution Mitigation Retail Delivery Fee	\$ 0.0070
Total Retail Delivery Fee	\$ 0.27

- Bill creates new sources of dedicated funding for the state's transportation system
- Fees on retail deliveries by motor vehicles that transport tangible personal property (Amazon, DoorDash), passenger rides (Uber, Lyft)
- Active July 1, 2022



- HB21-1162
Management of Plastic Products

Fee Type	Rate
60% of the Disposable Bag Fee revenues to the municipality	\$0.06
40% of the Disposable Bag Fee revenues to the remitting store	\$0.04
Total Retail Disposable Bag Fee	\$0.10

- Bill phases out single-use plastic carryout bags and expanded polystyrene food containers
- Store must have three or more locations in the state, and a franchise, corporation, or partnership that has physical locations outside of Colorado
- Customers on federal or state food assistance program are exempt
- First phase active January 1, 2023



Finance Proposal

- Finance is proposing to clearly exempt the State of Colorado Retail Delivery Fee and the upcoming State Carryout Bag Fee (Starting January 1, 2023) from City sales and use tax
- Based on the definition of “purchases price” in the Greeley Municipal Code, the State delivery fee created by SB21-260 and the disposable bag fee created by HB21-1162 are subject to the City sales tax and use tax
- Under current Municipal City Code, Greeley would be taxing these State fees



Council Request

- The request is to approve a City Municipal Code change to create a sales tax and use tax exemption for the State Delivery Fee & the State Carryout Bag Fee
- Proposal is based on the CML model legislation
- This ordinance eliminates an additional tax burden created by the State on our residents and businesses



Questions

