



Town of New Castle
450 W. Main Street
PO Box 90
New Castle, CO 81647

Administration Department
Phone: (970) 984-2311
Fax: (970) 984-2716
www.newcastlecolorado.org

Memorandum

To: Mayor & Council
From: David Reynolds
Re: Workshop Item: Discussion of Colorado's Extended Producer Responsibility (EPR) Program for Recycling
Date: 1/20/26

Purpose:

The purpose of this workshop is to introduce Council to Colorado's **Extended Producer Responsibility (EPR) Program for Recycling**, adopted by the State Legislature in 2022, and to discuss how the program may affect local recycling services, costs, and opportunities for reimbursement beginning in 2026.

Background:

In 2022, the Colorado Legislature adopted **House Bill 22-1355**, establishing a statewide Extended Producer Responsibility (EPR) program for packaging and paper products. The law shifts the financial responsibility for recycling certain materials away from local governments and residents and onto the **producers** of those materials, such as manufacturers and brand owners.

Covered materials include most **packaging and paper products**, including **paper and cardboard used for shipping**. Producers that sell products in Colorado using these materials are required to participate in the program in order to continue doing business in the state.

Producer Dues:

Under the law, producers must:

- Register with a state-approved **Producer Responsibility Organization (PRO)**
- Report the amount and type of covered materials they supply into Colorado
- Pay **annual dues**, beginning in 2026, based on the weight and type of materials (e.g., paper, cardboard, plastic)

These dues are designed to reflect the **actual cost of providing recycling services** for those materials statewide.

Role of Circular Action Alliance (CAA):

Colorado has approved **Circular Action Alliance (CAA)** as the nonprofit Producer Responsibility Organization responsible for administering the EPR program.

CAA's responsibilities include:

- Collecting producer dues
- Developing and implementing a statewide recycling program plan
- Establishing minimum recycling service standards
- Administering a **recycling reimbursement program** for eligible service providers

Recycling Reimbursement (Rebate) Program:

Using the dues collected from producers, CAA will administer a reimbursement program that allows:

- Municipalities, counties, and other eligible recycling service providers to be reimbursed for the **net costs of recycling services** for covered materials

Eligible costs may include collection, hauling, processing, education, and certain capital expenses. While often referred to informally as a "rebate," the program is structured as a **cost reimbursement system** tied to documented services and performance standards.

Why This Matters to the Town:

As the EPR program is implemented:

- Recycling service costs currently borne by local governments may be **partially or fully reimbursed**
- New reporting, coordination, or service-level considerations may apply
- There may be opportunities to improve or expand recycling services with reduced local financial impact

Workshop Focus:

This workshop is intended to:

- Provide Council with an overview of the EPR program
- Clarify timelines and local relevance
- Identify potential implications and opportunities for the Town
- Receive initial Council questions and direction for future evaluation

No formal action is anticipated at this time.