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Fiscal Note

Drafting Number:	LLS 24-0619	Date:	February 23, 2024
Prime Sponsors:	Sen. Cutter Rep. Froelich	Bill Status:	Senate Transportation & Energy

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Bill Topic: **PROCESSING OF MUNICIPAL SOLID WASTE**

Summary of Fiscal Impact: State Revenue State Transfer Local Government
 State Expenditure TABOR Refund Statutory Public Entity

The bill modifies laws around processing solid waste. It increases state and local expenditures beginning in FY 2024-25.

Appropriation Summary: No appropriation is required.

Fiscal Note Status: The fiscal note reflects the introduced bill.

Summary of Legislation

Starting July 1, 2024, the bill prohibits the use of units that incinerate municipal solid waste (incineration units), with some exceptions. As of January 1, 2025, the bill clarifies that these units do not meet state-set standards for recycling, clean energy, and other established programs.

The bill also specifies that synthetic gas produced by the pyrolysis of waste materials is no longer considered an eligible energy resources under state renewable energy standards, and methane from the pyrolysis of waste is not considered recovered methane or a clean heat resource for clean heat plants.

State Expenditures

Workload will increase for the Department of Public Health and Environment to provide compliance assistance, perform inspections, and manage enforcement issues. The extent of this workload impact is expected to be minimal, as the fiscal note assumes that there are few incinerators in operation that are covered by the bill. See the Technical Note below.

Local Government

To the extent local governments operate incinerators or pyrolysis facilities, costs may increase to shift or adjust waste disposal methods. The fiscal note assumes these impacts will be minimal as not many operate these facilities currently.

Technical Note

Based on the definitions in the bill for incineration units, municipal solid waste, and plastic products, incinerators used in the state, such as crematories, air curtain incinerators, and police contraband incinerators, would be prohibited as they may burn small amounts of plastic waste. The fiscal note assumes this is not the intent of the bill and has not included any state costs.

Effective Date

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

State and Local Government Contacts

Counties	Higher Education	Local Affairs
Municipalities	Public Health and Environment	Regulatory Agencies

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](#).