



Fiscal Note
Legislative Council Staff
Nonpartisan Services for Colorado’s Legislature

SB 25-163: BATTERY STEWARDSHIP PROGRAMS

Prime Sponsors:

Sen. Cutter
Rep. Brown; Stewart R.

Fiscal Analyst:

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Published for: House Finance
Drafting number: LLS 25-0173

Version: First Revised Note
Date: April 30, 2025

Fiscal note status: The revised fiscal note reflects the reengrossed bill.

Summary Information

Overview. The bill creates a program in the Department of Public Health and Environment for collecting and recycling batteries.

Types of impacts. The bill is projected to affect the following areas on an ongoing basis:

- State Expenditures
- State Revenue
- Local Government
- TABOR Refunds

Appropriations. No appropriation is required.

Table 1
State Fiscal Impacts

Type of Impact ¹	Budget Year FY 2025-26	Out Year FY 2026-27	Out Year FY 2027-28	Out Year FY 2028-29
State Revenue	\$0	\$0	\$80,000	\$80,000
State Expenditures	\$0	\$0	\$136,653	\$129,983
Transferred Funds	\$0	\$0	\$0	\$0
Change in TABOR Refunds	\$0	\$0	\$80,000	\$80,000
Change in State FTE	0.0 FTE	0.0 FTE	1.1 FTE	1.1 FTE

¹ Fund sources for these impacts are shown in the tables below.

**Table 1A
State Revenue**

Fund Source	Budget Year FY 2025-26	Out Year FY 2026-27	Out Year FY 2027-28	Out Year FY 2028-29
General Fund	\$0	\$0	\$0	\$0
Battery Stewardship Cash Fund	\$0	\$0	\$80,000	\$80,000
Total Revenue	\$0	\$0	\$80,000	\$80,000

**Table 1B
State Expenditures**

Fund Source	Budget Year FY 2025-26	Out Year FY 2026-27	Out Year FY 2027-28	Out Year FY 2028-29
General Fund	\$0	\$0	\$36,385	\$29,715
Battery Stewardship Cash Fund	\$0	\$0	\$80,000	\$80,000
Federal Funds	\$0	\$0	\$0	\$0
Centrally Appropriated	\$0	\$0	\$20,268	\$20,268
Total Expenditures	\$0	\$0	\$136,653	\$129,983
Total FTE	0.0 FTE	0.0 FTE	1.1 FTE	1.1 FTE

Summary of Legislation

The bill creates the Battery Stewardship Program in the Department of Public Health and Environment (CDPHE). The program requires producers of batteries and battery-containing products (producers) to plan for the collection, transportation, processing, and recycling of the batteries.

Battery Stewardship Plans

By July 1, 2027, nonprofit organizations, or producers directly, may submit battery stewardship plans to the CDPHE for approval. The plan must establish battery collection and recycling methods, including developing accessible battery collection sites, performance goals, and outreach plans for program awareness. The organization must also charge producers that participate in their plan to cover costs of the plan.

By August 1, 2027, producers must participate in an approved battery stewardship plan and pay required fees to the organization, otherwise they may not sell or distribute the battery or product in the state. By July 1, 2029, retailers cannot sell or distribute batteries or battery-containing products unless the producer is in compliance. Battery stewardship organizations may describe collection methods to retailers in their plan.

By January 1, 2028, all batteries and battery-containing products must comply with new labeling requirements, which include producer identification and disposal instructions.

Program Reporting & Fees

By December 1, 2028, battery stewardship organizations must complete an assessment of battery management challenges and opportunities and submit a report to CDPHE. The organizations must also submit an annual report regarding their plan's implementation to CDPHE beginning June 1, 2029.

Organizations must pay the following fees to CDPHE, which will be deposited into the new Battery Stewardship Fund to cover CDPHE's administrative program costs:

- a one-time plan review fee of \$50,000 when submitting the plan for approval;
- an administrative fee of \$30,000 within three months after the plan is approved; and
- an annual fee within 12 months of plan approval and each July 1 thereafter, with the first year annual fee amount set at \$80,000.

Penalties

Producers or organizations that violate requirements in the bill are liable for an administrative penalty of up to \$15,000 per day per violation, or a civil penalty of up to \$25,000 per day per violation.

Assumptions

Timeline for Fee Revenue to CDPHE

As plans are required to be submitted by July 1, 2027, the fiscal note assumes \$80,000 in review and administrative fees will be collected in FY 2027-28, assuming one organization submits a plan that is approved by CDPHE.

After plan submission, CDPHE has 120 days to review and approve plans. The fiscal note assumes plans will be effective November 2027. The bill requires battery stewardship organizations to pay an annual fee to the CDPHE within 12 months of plan approval and each July 1 thereafter. As a result, the fiscal note assumes CDPHE will receive funding from annual fees to support the program beginning in November 2028 (FY 2028-29). The bill limits the annual fee to \$80,000 in the first year of collection. The fiscal note assumes that after the first year, annual fees will be set administratively by CDPHE to fully cover program costs beginning in FY 2029-30.

State Revenue

State revenue will increase in the Battery Stewardship Fund by \$80,000 in FY 2027-28 and FY 2028-29 from fees paid by battery stewardship organizations to CDPHE. It may also increase court fees and penalty revenue. These impacts are discussed below.

Fee Impact on Battery Producers and Battery Stewardship Organizations

Colorado law requires legislative service agency review of measures which create or increase any fee collected by a state agency. This measure increases fee revenue to CDPHE by \$80,000 in FY 2027-28 from one-time plan review and administrative fees paid by one battery stewardship organization. Actual revenue will depend on the number of organizations that submit plans.

In FY 2028-29, battery stewardship organizations must pay an annual fee of \$80,000. After that, annual fee revenue increases to cover the total costs of the program, and will be set administratively by CDPHE based on cash fund balance, program costs, and the number of stewardship organizations subject to the fee. This fee revenue is subject to TABOR.

Table 2
Fee Impact on Battery Stewardship Organizations

Fiscal Year	Type of Fee	Estimated Fee	Number Affected	Total Fee Impact
FY 2027-28	Plan Review and Admin. Fee	\$80,000	1	\$80,000
FY 2028-29	Annual Fee	\$80,000	1	\$80,000
FY 2029-30	Annual Fee (ongoing)	\$130,000	1	\$130,000

The bill also increases dues paid by battery producers to battery stewardship organizations to implement their stewardship plans. These dues are collected by private entities and not subject to TABOR or received by the state.

Civil Penalties and Court Fees

State revenue may also increase from civil penalties for violations and increased civil case filings. The fiscal note assumes that entities will comply with the bill and fee revenue impacts will be minimal. Fine revenue is not subject to TABOR.

State Expenditures

The bill increases state expenditures in CDPHE by \$137,000 in FY 2027-28 and \$130,000 in FY 2028-29 and ongoing. Costs are paid from the General Fund and the Battery Stewardship Fund initially until FY 2029-30, when annual fee revenue in the cash funds will fully cover

administrative costs, as described in the Assumptions section above. Costs are summarized in Table 3 and discussed below. The bill also minimally affects workload in the Judicial Department.

Table 3
State Expenditures
Department of Public Health and Environment

Cost Component	Budget Year FY 2025-26	Out Year FY 2026-27	Out Year FY 2027-28	Out Year FY 2028-29
Personal Services	\$0	\$0	\$84,362	\$84,362
Operating Expenses	\$0	\$0	\$1,280	\$1,280
Capital Outlay Costs	\$0	\$0	\$6,670	\$0
Legal Services	\$0	\$0	\$24,073	\$24,073
Centrally Appropriated Costs	\$0	\$0	\$20,268	\$20,268
FTE – Personal Services	0.0 FTE	0.0 FTE	1.0 FTE	1.0 FTE
FTE – Legal Services	0.0 FTE	0.0 FTE	0.1 FTE	0.1 FTE
Total Costs	\$0	\$0	\$136,653	\$129,983
Total FTE	0.0 FTE	0.0 FTE	1.1 FTE	1.1 FTE

Department of Public Health and Environment

The department will have staff and legal services costs beginning in FY 2027-28 to implement the bill.

Staff

CDPHE requires 1.0 FTE beginning in FY 2027-28, for program implementation and ongoing operations. This includes rulemaking, reviewing plans, and monitoring compliance. Standard operating and capital outlay costs are included.

Legal Services

CDPHE requires 180 hours of legal services for rulemaking and enforcement for the program beginning in FY 2027-28. Legal services are provided by the Department of Law at a rate of \$133.74 per hour.

Judicial Department

Trial court workload may increase for violations that require judicial review beginning in FY 2027-28. The fiscal note assumes entities will generally comply with the law, and any impacts will be minimal and can be accomplished within existing resources.

Centrally Appropriated Costs

Pursuant to a Joint Budget Committee policy, certain costs associated with this bill are addressed through the annual budget process and centrally appropriated in the Long Bill or supplemental appropriations bills, rather than in this bill. These costs, which may include employee insurance, supplemental employee retirement payments, leased space, and indirect cost assessments, are shown in the expenditure table above.

TABOR Refunds

A forecast of state revenue subject to TABOR is not available beyond FY 2026-27. In years in which the state is above the Referendum C revenue limit, the bill will increase the amount of state revenue required to be refunded to taxpayers by the amounts shown in the State Revenue section above, starting in FY 2027-28. Because TABOR refunds are paid from the General Fund, increased cash fund revenue will reduce the amount of General Fund available to spend or save.

Local Government

To the extent that local governments carry out battery recycling initiatives in their jurisdictions currently, expenditures may decrease as battery stewardship organizations and producers assume responsibility for battery collection and recycling. However, workload may also increase for local governments that collaborate with organizations in implementing stewardship programs. The impact will vary by local government.

Effective Date

The bill takes effect 90 days following adjournment of the General Assembly sine die, assuming no referendum petition is filed.

State and Local Government Contacts

Counties
District Attorneys
Judicial

Law
Public Health and Environment
Treasury

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](#).