


Colorado Legislative Council Staff Fiscal Note
STATE
FISCAL IMPACT

Drafting Number: LLS 10-0833
Prime Sponsor(s): Rep. Peniston
 Sen. Boyd

Date: February 15, 2010
Bill Status: House Finance
Fiscal Analyst: Janis Baron (303-866-3523)

TITLE: CONCERNING SOLID WASTE USER FEES.

Fiscal Impact Summary	FY 2010-2011	FY 2011-2012
State Revenue		
Cash Funds		
Solid Waste Management Fund		New Fee Revenue
Hazardous Substance Response Fund		New Fee Revenue
State Transfers or Diversions		
Transfers from the Hazardous Substance Response Fund to the:		
Department of Law	(\$550,000)	
Solid Waste Management Fund	(400,000)	
State Expenditures		
General Fund	(\$550,000)	
Cash Funds		
Department of Law — Hazardous Substance Response Fund	550,000	
Solid Waste Management Fund	400,000	
FTE Position Change		
Effective Date: Upon signature of the Governor, or upon becoming law without his signature.		
Appropriation Summary for FY 2010-2011: None required. At this time, this analysis assumes that all moneys transferred will be appropriated in the Long Bill for FY 2010-11.		
Local Government Impact: None.		

Summary of Legislation

The bill includes a number of provisions related to the Hazardous Substance Response Fund, the Solid Waste Management Fund, and the fees which support both the Solid Waste Management Program and the federal Comprehensive Environmental Response, Compensation and Liability Act (CERCLA), which is commonly referred to as the Superfund program. The repeal date for the solid waste user fee is extended to July 1, 2017. The details of these provisions are discussed in the three sections that follow.

State Transfers or Diversions

The bill transfers a total of \$950,000 from the Hazardous Substance Response Fund in FY 2010-11: \$550,000 to the Department of Law, and \$400,000 to the Solid Waste Management Fund. These transfers will accomplish two things:

- The transfer of \$550,000 to the Department of Law will offset General Fund appropriations to the department for its CERCLA responsibilities.
- The transfer of \$400,000 to the Solid Waste Management Fund will mitigate expected insolvency issues for the fund for FY 2010-11, and thereby allow the Department of Public Health and Environment to continue to operate the Solid Waste Management Program. The anticipated liquid fund balance for FY 2010-11 is estimated at (\$22,125). For FY 2010-11, solid waste user fees credited to the Solid Waste Management Fund are estimated at \$1.8 million; expenditures are estimated at \$2.0 million.

State Revenue

State revenue from fees will increase in both FY 2010-11 and FY 2011-12. Presently, the increase cannot be estimated because the fees will be set by the Solid and Hazardous Waste Commission, Department of Public Health and Environment. It can take the commission anywhere from 9 to 12 months to set fees and promulgate rules commensurate with those fees. Thus, FY 2010-11 revenue will reflect limited fee collections. A solid waste user fee shall be assessed upon each person disposing of solid waste at an attended solid waste disposal site. The bill requires that the fee support the following:

- Department of Public Health and Environment:
 - direct and indirect costs of the Solid Waste Management Program;
 - direct and indirect costs of the CERCLA, and provide matching funds and cover future maintenance costs.
- Department of Law:
 - direct and indirect costs of the department's responsibilities under CERCLA.

Additionally, the bill requires the following relative to the fees:

- all fees collected for the Solid Waste Management Program be deposited in the Solid Waste Management Fund;
- all fees collected for CERCLA be deposited in the Hazardous Substance Response Fund;

- the fee shall not exceed 50 cents/cubic yard of solid waste of which no more than 3.5 cents shall pay for costs in the Department of Law; and
- 100 percent of fees collected by attended solid waste disposal sites must be credited to those sites if those sites are also subject to local government solid waste disposal fees for hazardous substance response activities at sites listed on the CERCLA national priority list.

State Expenditures

No new expenditures are incurred as a result of the bill. The authorized transfers will ensure a continuing level of funding for the Solid Waste Management Program and CERCLA in FY 2010-11, and General Fund will be available for other state expenditures. New solid waste user fees set by the commission will cover costs in FY 2011-12. This analysis assumes that the appropriation of these moneys will occur through the annual budget process.

Departments Contacted

Law Public Health and Environment