

**STATE  
FISCAL IMPACT**

**Drafting Number:** LLS 10-0605  
**Prime Sponsor(s):** Rep. Hullinghorst  
 Sen. Schwartz

**Date:** January 18, 2010  
**Bill Status:** House Transportation and Energy  
**Fiscal Analyst:** Sara McPhee (303-866-4782)

**TITLE:** CONCERNING THE AUTHORITY OF THE DEPARTMENT OF PUBLIC HEALTH AND ENVIRONMENT TO REGULATE CERTAIN ACTIVITIES WITH RESPECT TO WASTE GREASE DERIVED FROM FOOD PREPARATION.

<b>Fiscal Impact Summary</b>	<b>FY 2010-2011</b>	<b>FY 2011-2012</b>
<b>State Revenue</b>		
Cash Funds		
Solid Waste Management Cash Fund*	\$85,525	\$85,525
<b>State Expenditures</b>		
Cash Funds		
Solid Waste Management Cash Fund	\$62,909	\$54,871
<b>FTE Position Change</b>	0.7 FTE	0.7 FTE
<b>Effective Date:</b> August 11, 2010, assuming the General Assembly adjourns May 12, 2010, as scheduled and no referendum petition is filed.		
<b>Appropriation Summary for FY 2010-2011:</b> See State Appropriations section.		
<b>Local Government Impact:</b> None.		

\* *Fee revenue exceeds state expenditures in order to pay for costs noted in the Expenditures not Included section of this fiscal note.*

**Summary of Legislation**

This bill requires the Solid and Hazardous Waste Commission in the Department of Public Health and Environment (DPHE) to regulate grease collection, transportation, storage, and disposal. This regulation pertains only to trap grease which is derived from food preparation and yellow grease which is used cooking oil. The commission is to regulate grease collection by requiring the following:

- registration of individuals, facilities, and vehicles that collect, transport, store, process, or dispose of grease;
- decals to be displayed by properly registered entities;
- surety bonds or another debt instrument to remediate any environmental hazard;
- uniform manifests to track grease transportation; and
- annual registration fees paid to the DPHE to cover the costs of regulation.

The commission is required to make rules for implementing this regulation by December 31, 2011. These rules will address procedures for individuals who collect or transport grease for personal use. The bill directs that any fees collected are to be deposited into the Solid Waste Management Cash Fund.

**State Revenue**

**Beginning in FY 2010-11, this bill increases revenue to the Solid Waste Management Cash Fund by \$85,525** by assessing an annual fee on individuals, companies, and trucks that collect, store, transport, or dispose of grease.

*Fee impact on individuals, families or business.* Section 2-2-322, C.R.S., requires legislative service agency review of measures which create or increase any fee collected by a state agency. The table below identifies the fee impact of this bill.

<b>Table 1. Fee Impact on Individuals, Families or Business</b>					
<b>Type of Fee</b>	<b>Current Fee</b>	<b>Proposed Fee</b>	<b>Fee Change</b>	<b>Number Affected</b>	<b>Total Fee Impact</b>
Grease Company	\$0	\$950	\$950	40	\$38,000
Grease Truck	\$0	\$475	\$475	95	\$45,125
Individuals	\$0	\$80	\$80	30	\$2,400
<b>TOTAL</b>					<b>\$85,525</b>

**State Expenditures**

**The DPHE requires \$62,909 and 0.7 FTE in FY 2010-11 and \$54,871 and 0.7 FTE in FY 2011-12 from the Solid Waste Management Cash Fund to implement this bill.** Table 2 provides an overview of the costs to regulate grease collection.

<b>Table 2. Expenditures Under HB 10-1125</b>		
<b>Cost Components</b>	<b>FY 2010-11</b>	<b>FY 2011-12</b>
Personal Services	\$42,187	\$42,187
FTE	0.7	0.7
Operating Expenses and Capital Outlay	4,934	1,665
Decals	1,000	0
Manifests	2,250	2,250
Travel	5,000	5,000
Legal Services	7,538	3,769
<b>TOTAL</b>	<b>\$62,909</b>	<b>\$54,871</b>

**Personal services.** The DPHE requires 0.7 FTE to assist with rulemaking, conducting inspections, and other enforcement activities. This staff also will perform financial and administrative oversight.

**Operating expenses.** The bill specifies that the DPHE is to provide a decal for every registered company and vehicle. The DPHE also must supply registered companies and vehicles with a uniform manifest to track grease transportation. Decals cost \$2.00 each and manifests cost \$1.50 each.

**Travel.** The DPHE requires \$5,000 annually for travel expenses to conduct inspections on registered facilities throughout the state. The fiscal note assumes 12 overnight trips a year to facilities outside of the metro Denver region.

**Legal Services.** The Department of Law will provide legal services to the DPHE to assist in establishing rules and procedures for regulating grease collection. The department will provide 100 hours of legal services in FY 2010-11 and 50 hours in FY 2011-12 at a blended rate of \$75.38 per hour.

### **Expenditures Not Included**

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. The centrally appropriated costs subject to this policy are summarized in Table 3.

<b>Table 3. Expenditures Not Included Under HB 10-1125*</b>		
<b>Cost Components</b>	<b>FY 2010-11</b>	<b>FY 2011-12</b>
Employee Insurance (Health, Life, Dental, and Short-term Disability)	\$4,970	\$4,970
Supplemental Employee Retirement Payments	1,569	1,909
Indirect Costs	16,020	16,020
<b>TOTAL</b>	<b>\$22,559</b>	<b>\$22,899</b>

\*More information is available at: <http://www.colorado.gov/cs/Satellite/CGA-LegislativeCouncil/CLC/1200536133924>

### **State Appropriations**

This bill requires an appropriation of \$62,909 from the Solid Waste Management Cash Fund and 0.7 FTE to the Department of Public Health and Environment. Of this amount, the Department of Law requires \$7,538 reappropriated funds.

### **Departments Contacted**

Public Health and Environment

Law