



# Fiscal Note

## Legislative Council Staff

Nonpartisan Services for Colorado’s Legislature

### SB 25-163: BATTERY STEWARDSHIP PROGRAMS

**Prime Sponsors:**

Sen. Cutter; Ball  
Rep. Brown; Stewart R.

**Fiscal Analyst:**

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**Fiscal note status:** The revised fiscal note reflects the reengrossed bill, as amended by the House Finance Committee.

### 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 <sup>1</sup>	Budget Year FY 2025-26	Out Year FY 2026-27	Out Year FY 2027-28	Out Year FY 2028-29
State Revenue	\$0	\$0	\$136,000	\$130,000
State Expenditures	\$0	\$0	\$135,984	\$129,314
Transferred Funds	\$0	\$0	\$0	\$0
Change in TABOR Refunds	\$0	\$0	\$136,000	\$130,000
Change in State FTE	0.0 FTE	0.0 FTE	1.1 FTE	1.1 FTE

<sup>1</sup> Fund sources for these impacts are shown in the tables below.

**Table 1A  
 State Revenue**

<b>Fund Source</b>	<b>Budget Year FY 2025-26</b>	<b>Out Year FY 2026-27</b>	<b>Out Year FY 2027-28</b>	<b>Out Year FY 2028-29</b>
General Fund	\$0	\$0	\$0	\$0
Battery Stewardship Cash Fund	\$0	\$0	\$136,000	\$130,000
<b>Total Revenue</b>	<b>\$0</b>	<b>\$0</b>	<b>\$136,000</b>	<b>\$130,000</b>

**Table 1B  
 State Expenditures**

<b>Fund Source</b>	<b>Budget Year FY 2025-26</b>	<b>Out Year FY 2026-27</b>	<b>Out Year FY 2027-28</b>	<b>Out Year FY 2028-29</b>
General Fund	\$0	\$0	\$0	\$0
Battery Stewardship Cash Fund	\$0	\$0	\$115,716	\$109,046
Federal Funds	\$0	\$0	\$0	\$0
Centrally Appropriated	\$0	\$0	\$20,268	\$20,268
<b>Total Expenditures</b>	<b>\$0</b>	<b>\$0</b>	<b>\$135,984</b>	<b>\$129,314</b>
<b>Total FTE</b>	<b>0.0 FTE</b>	<b>0.0 FTE</b>	<b>1.1 FTE</b>	<b>1.1 FTE</b>

## 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 \$86,000 within three months after the plan is approved; and
- an annual fee within 12 months of plan approval and each July 1 thereafter.

### **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**

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#### **Timeline for Fee Revenue to CDPHE**

As plans are required to be submitted by July 1, 2027, the fiscal note assumes \$136,000 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).

## State Revenue

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State revenue will increase in the Battery Stewardship Fund by \$136,000 in FY 2027-28 and by approximately \$130,000 in FY 2028-29 and ongoing 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 \$136,000 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.

Beginning in FY 2028-29, battery stewardship organizations must pay an annual fee to cover the total costs of the program, which 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**

<b>Fiscal Year</b>	<b>Type of Fee</b>	<b>Estimated Fee</b>	<b>Number Affected</b>	<b>Total Fee Impact</b>
FY 2027-28	Plan Review and Admin. Fee	\$136,000	1	<b>\$136,000</b>
FY 2028-29	Annual Fee (ongoing)	\$130,000	1	<b>\$130,000</b>

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

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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 Battery Stewardship Fund. 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**

<b>Cost Component</b>	<b>Budget Year FY 2025-26</b>	<b>Out Year FY 2026-27</b>	<b>Out Year FY 2027-28</b>	<b>Out Year FY 2028-29</b>
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	\$23,404	\$23,404
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
<b>Total Costs</b>	<b>\$0</b>	<b>\$0</b>	<b>\$135,984</b>	<b>\$129,314</b>
<b>Total FTE</b>	<b>0.0 FTE</b>	<b>0.0 FTE</b>	<b>1.1 FTE</b>	<b>1.1 FTE</b>

**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 about 175 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

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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

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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

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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

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Counties  
District Attorneys  
Judicial

Law  
Public Health and Environment  
Treasury