

1 DEPARTMENT OF PUBLIC HEALTH AND ENVIRONMENT

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5 Solid and Hazardous Waste Commission/Hazardous Materials
6 and
7 Waste Management Division
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10 6 CCR 1007-2
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13 PART 1 REGULATIONS PERTAINING TO SOLID WASTE SITES AND FACILITIES
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16 Section 1.7.4 Solid Waste User Fee Amendments
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19 1) Section 1.7.4 (Solid Waste User Fee) is being amended by revising paragraph (A) to read
20 as follows:
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22 1.7 SOLID WASTE AUTHORIZATION AND FEES

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24 1.7.4 Solid Waste User Fee

25 A. ~~Beginning July 1, 2012~~ From July 1, 2024 to June 30, 2025, the operator of each attended
26 solid waste disposal site shall, at the time of disposal, collect a solid waste user fee from
27 waste producers or other persons disposing of solid waste at the following rates:

1) Thirteen cents (\$0.13) <u>Twenty-two cents (\$0.22)</u> per cubic yard or forty-three cents (\$0.43) <u>seventy-three cents (\$0.73)</u> per ton on each load transported into the solid waste disposal site for disposal by any vehicle, or an equivalent amount determined using the conversion factors in subsection 1.7.4(A)(4) to support the costs described in § 25-16-104.5(1.7)(a)(I), C.R.S.;	Solid Waste User Fee	Cubic Yard Rate	Ton Rate
	Solid Waste Program	\$0.13	\$0.43
	§ 25-16-104.5(1.7)(a)(I)	<u>\$0.22</u>	<u>\$0.73</u>
2) Five cents (\$0.05) <u>Zero cents (\$0.00)</u> per cubic yard or seventeen cents (\$0.17) <u>zero cents (\$0.00)</u> per ton on each load transported into the solid	Hazardous Substance Response Fund	\$0.05	\$0.17
	§ 25-16-104.5(1.7)(a)(II)	<u>\$0.00</u>	<u>\$0.00</u>

waste disposal site for disposal by any vehicle, or an equivalent amount determined using the conversion factors in subsection 1.7.4(A)(4) to support the costs described in § 25-16-104.5(1.7)(a)(II), C.R.S.; and	Department of Law § 25-16-104.5(1.7)(a)(III)	\$0.03	\$0.10
3) Three cents (\$0.03) per cubic yard or ten cents (\$0.10) per ton on each load transported into the solid waste disposal site for disposal by any vehicle, or an equivalent amount determined using the conversion factors in subsection 1.7.4(A)(4) to support the costs described in § 25-16-104.5(1.7)(a)(III), C.R.S.	Total SWUF Note: Does not include RREO fee as defined in § 25-16-104.5(3.9)	\$0.21 <u>\$0.25</u>	\$0.70 <u>\$0.83</u>

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A. Beginning July 1, 2025 the operator of each attended solid waste disposal site shall, at the time of disposal, collect a solid waste user fee from waste producers or other persons disposing of solid waste at the following rates:

	<u>Solid Waste User Fee</u>	<u>Cubic Yard Rate</u>	<u>Ton Rate</u>
1) <u>Seventeen cents (\$0.17) per cubic yard or fifty-seven cents (\$0.57) per ton on each load transported into the solid waste disposal site for disposal by any vehicle, or an equivalent amount determined using the conversion factors in subsection 1.7.4(A)(4) to support the costs described in § 25-16-104.5(1.7)(a)(I), C.R.S.;</u>	<u>Solid Waste Program</u> <u>§ 25-16-104.5(1.7)(a)(I)</u>	<u>\$0.17</u>	<u>\$0.57</u>
2) <u>Five cents (\$0.05) per cubic yard or seventeen cents (\$0.17) per ton on each load transported into the solid waste disposal site for disposal by any vehicle, or an equivalent amount determined using the conversion factors in subsection 1.7.4(A)(4) to support the costs described in § 25-16-104.5(1.7)(a)(II), C.R.S.; and</u>	<u>Hazardous Substance Response Fund</u> <u>§ 25-16-104.5(1.7)(a)(II)</u>	<u>\$0.05</u>	<u>\$0.17</u>
	<u>Department of Law</u> <u>§ 25-16-104.5(1.7)(a)(III)</u>	<u>\$0.03</u>	<u>\$0.10</u>

3) Three cents (\$0.03) per cubic yard or ten cents (\$0.10) per ton on each load transported into the solid waste disposal site for disposal by any vehicle, or an equivalent amount determined using the conversion factors in subsection 1.7.4(A)(4) to support the costs described in § 25-16-104.5(1.7)(a)(III), C.R.S.

<u>Total SWUF</u>		
<u>Note: Does not include RREO fee as defined in § 25-16-104.5(3.9)</u>	<u>\$0.25</u>	<u>\$.83</u>

4) Conversion factors: Any solid waste disposal facility or jurisdiction may use the following conversion factors when calculating Solid Waste User Fees :

- a. 0.333 cubic yards/passenger car
- b. 0.666 cubic yards/light duty truck/suv
- c. 3.333 cubic yards/ton for municipal solid waste
- d. 5.000 cubic yards/1,000 gallons
- e. 0.75 cubic yards/ton for soil

A facility may request that the Department approve an alternate conversion rate, based on the material specific density for a given waste stream. This request must include data that validates the density of the material.

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37 **1.7.5 Reserved**

1 DEPARTMENT OF PUBLIC HEALTH AND
2 ENVIRONMENT

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5 Solid and Hazardous Waste Commission

6 Hazardous Materials and Waste Management Division

7 6 CCR 1007-2
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9 STATEMENT OF BASIS AND PURPOSE
10 AND SPECIFIC STATUTORY AUTHORITY FOR
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12 Amendment to the Regulations Pertaining to Solid Waste Sites and Facilities (6 CCR
13 1007-2, Part 1) - Section 1.7.4, Solid Waste User Fee
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15 Basis and Purpose

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17 I. Statutory Authority
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19 Section 25-16-104.5(1.7)(a) C.R.S. and Section 25-16-104.5(1.7)(a)(I) C.R.S.
20 authorizes the Solid and Hazardous Waste Commission (the Commission) to
21 promulgate rules to establish the solid waste user fee to cover the Colorado
22 Department of Public Health and Environment's costs to implement the solid waste
23 management program under Section 30-20-101.5, C.R.S.
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25 II. Purpose of revised regulations:
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27 The Solid Waste and Materials Management Program is expected to experience a
28 budget shortfall in the solid waste management fund in fiscal year 2024 and the fee
29 increase is needed to help prevent a budget shortfall for the program in fiscal year
30 2025. The purpose of these revisions to Section 1.7.4 of 6 CCR 1007-2 Part 1 (the
31 Regulations) is to increase the solid waste management fund's portion of the solid
32 waste user fee authorized in Section 25-16-104.5(1.7)(a)(I) C.R.S. from \$0.13 per cubic
33 yard to \$0.22 per cubic yard for one year beginning on July 1, 2024. Beginning on July
34 1, 2025, the solid waste management fund's portion will decrease to \$0.17 per cubic
35 year. During the one year period from July 1, 2024 to June 30, 2025, the Hazardous
36 Substance Response Fund's portion of the solid waste user fee will drop from \$0.05
37 per cubic yard to \$0.00.

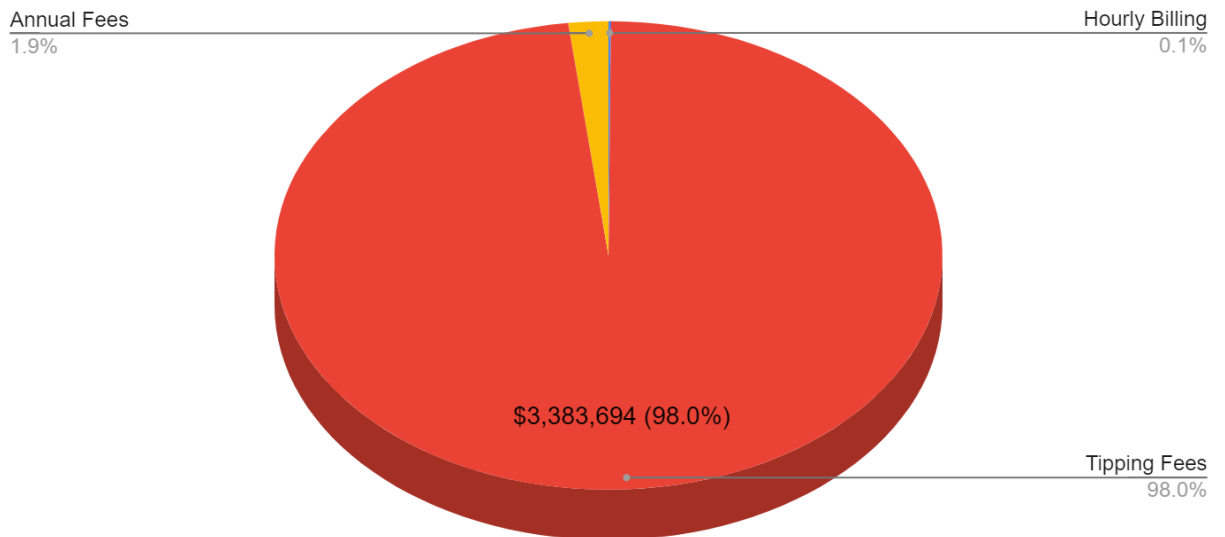
Discussion of Regulatory Proposal

The Solid Waste and Materials Management Program is funded through the solid waste user fee assessed on the disposal of waste, document review fees, and annual facility fees. With the exception of the general fund money appropriated to the department in HB 23-1194 to fund one full time employee (FTE) to implement the Closed Landfills Remediation Grant Program and a small amount of general fund money appropriated to support 0.4 FTE to implement SB 23-253, Standards For Products Represented as Compostable, the Solid Waste and Materials Management Program is fully funded through fees. The program receives funding through a few different fee types: the solid waste user fee, annual facility fees from solid waste disposal sites and facilities that do not pay the solid waste user fee, the waste tire fee, the paint stewardship fee, and document review fees.

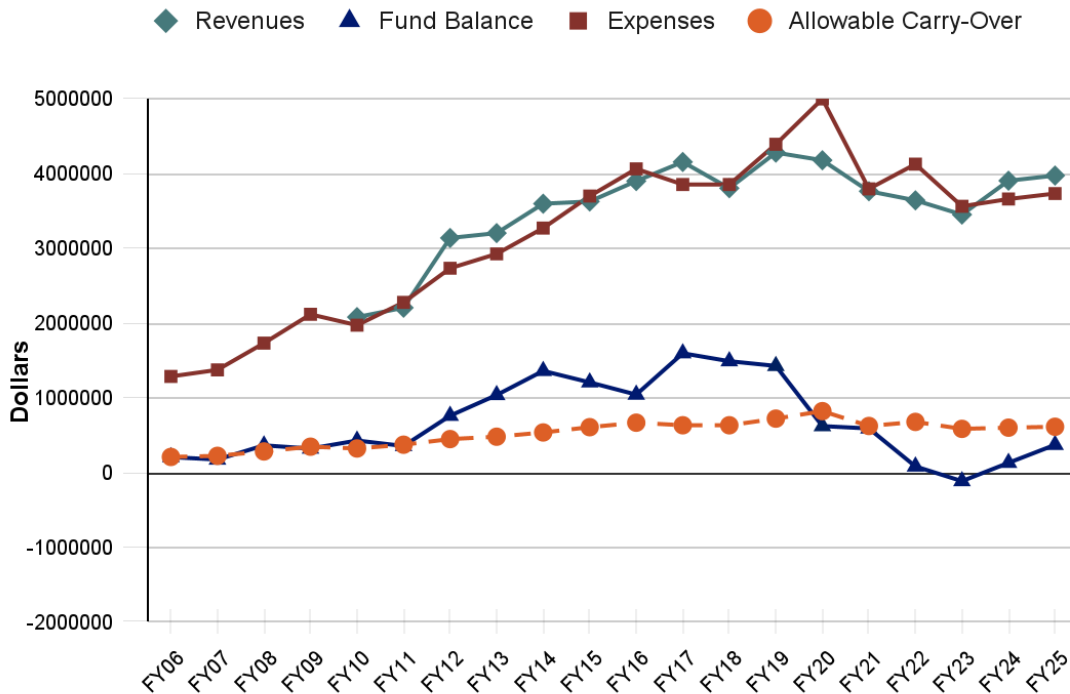
The Solid Waste Program brought in about \$3.5 million in total revenue in Fiscal Year 2022-2023. Ninety-eight percent of the total revenue (i.e., \$3.4 million) was generated by tipping fees.

Solid Waste Program Revenue

Fiscal Year 2022-23



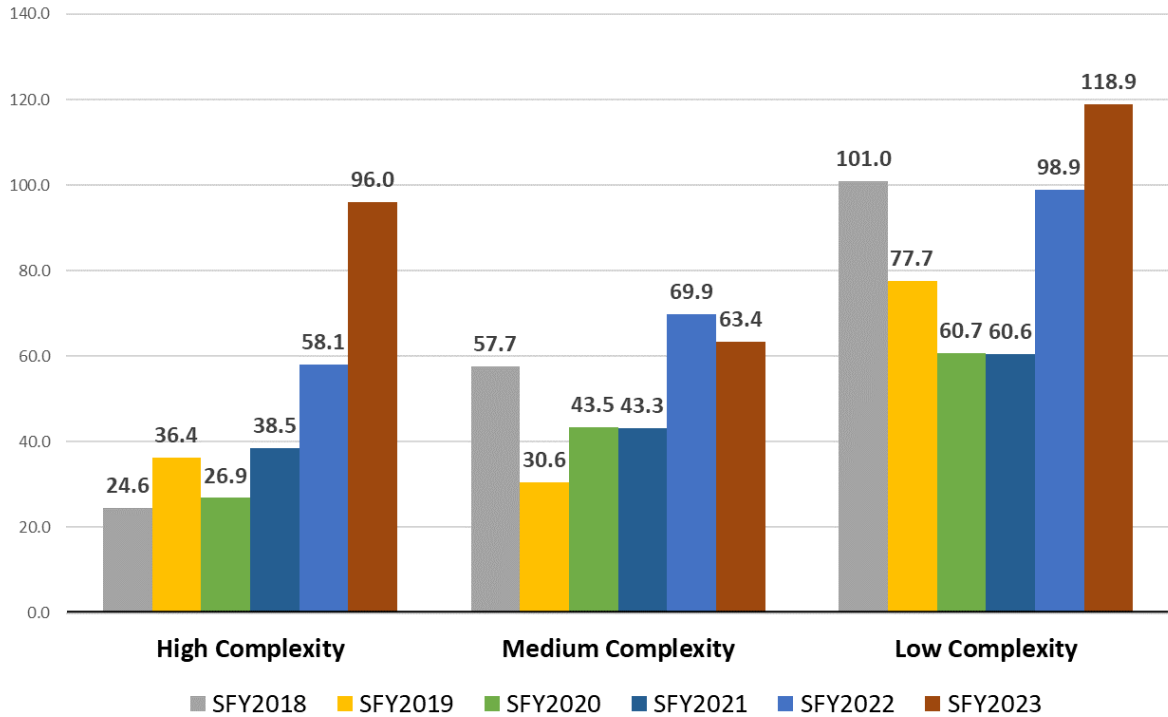
Solid Waste Management Fund Balance



The solid waste management fund supports 23 FTE. Twenty FTE are responsible for the implementation of the Regulations Pertaining to Solid Waste Disposal Sites and Facilities, 6 CCR 1007-2 (the solid waste regulations) Part 1 and the Solid Waste Act §§ 30-20-100.5 C.R.S. *et seq.*, at solid waste disposal sites and facilities. Three FTE are dedicated to recycling and waste diversion efforts through data collection and enforcement of the solid waste regulations at recycling facilities. Staff that perform document reviews for solid waste facility designs, groundwater monitoring reports, or other documents submitted for review by solid waste facilities are mostly funded through the solid waste user fee with a smaller percentage of their funding generated through document review fees. The Solid Waste Program charges \$125 per hour, as approved by the Solid and Hazardous Waste Commission, to review permitting documents.

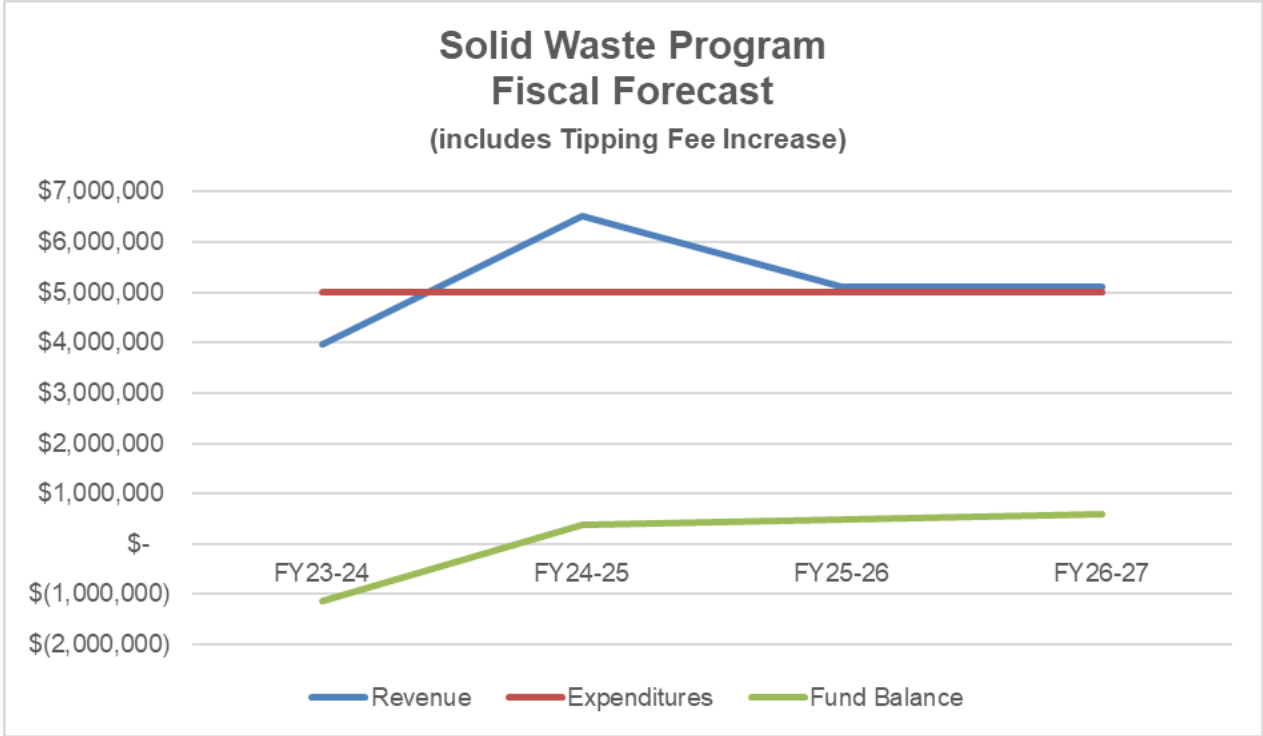
Due to a sweep of \$363,243 in 2020 by the legislature to support COVID relief efforts, recent obligations to conduct groundwater monitoring at small landfills and performing document reviews at no cost to small landfills, the solid waste management fund experienced a budget shortfall of about \$98,000 in state Fiscal Year 2023. Due to the budget shortfall, the solid waste program is holding 3 positions vacant. One vacant position is a solid waste inspector position, and the other 2 are solid waste permitting positions. As shown below, document review backlog times increased in FY 2023 due to the lack of the 2 permitting staff.

Average number of elapsed days document types are in backlog (based on document complexity)



The Solid Waste and Materials Management Program’s other funding sources are adequate to support the remaining 7 FTE at this time.

The Solid and Hazardous Waste Commission last approved an increase to the solid waste user fee for the solid waste management fund in 2010 to support the Solid Waste and Materials Management administrative functions.



In an effort to create a positive cash balance in the solid waste management fund, the solid waste user fee will increase a total of \$0.04 from \$0.21 per cubic yard to \$0.25 per cubic yard of waste disposed in solid waste facilities in July 1, 2024. Additionally, from July 1, 2024 through June 30, 2025, the entire portion of Hazardous Substance Response Fund (HSRF) of the solid waste user fee, or \$0.05 per cubic yard, will drop to zero and will instead be shifted to the solid waste program. The proposed changes are shown in the chart below.

From July 1, 2024 to June 30, 2025, the solid waste user fee will be:

Solid Waste User Fee	Cubic Yard Rate	Ton Rate
Solid Waste Program § 25-16-104.5(1.7)(a)(I)	\$0.22	\$0.73
Hazardous Substance Response Fund § 25-16-104.5(1.7)(a)(II)	\$0.00	\$0.00
Department of Law § 25-16-104.5(1.7)(a)(III)	\$0.03	\$0.10
Total SWUF Note: Does not include RREO fee as defined in § 25-16-104.5(3.9)	\$0.25	\$.83

Beginning on July 1, 2025, the solid waste user fee will be:

Solid Waste User Fee	Cubic Yard Rate	Ton Rate
Solid Waste Program § 25-16-104.5(1.7)(a)(I)	\$0.17	\$0.57
Hazardous Substance Response Fund § 25-16-104.5(1.7)(a)(II)	\$0.05	\$0.17
Department of Law § 25-16-104.5(1.7)(a)(III)	\$0.03	\$0.10
Total SWUF Note: Does not include RREO fee as defined in § 25-16-104.5(3.9)	\$0.25	\$.83

Issues Encountered During Stakeholder Process:

The Hazardous Materials and Waste Management Division conducted two stakeholder meetings to present the proposed changes to the Solid Waste User Fee. An initial stakeholder meeting was held on October 27, 2023 and an additional stakeholder meeting was held on November 28, 2023. The Hazardous Materials and Waste Management Division did not encounter any issues during the stakeholder process.

Two counties in Colorado (Denver County and Pitkin County) retain the Hazardous Substance Response (HSRF) portion of the solid waste user fee pursuant to § 25-16-104.5(1.7)(2)(a.5) C.R.S., which allows local governments to retain the fee assessed at their government-owned landfills to fund response activities at sites on the national priority list. Because the HSRF portion of the fee will decrease the local revenue to \$0.0 from July 1, 2024 to June 30, 2025, the department reached out to Denver County and Pitkin County to discuss the one-year pause in collection of the fee. Both counties understood the Division's position and were okay with the one-year

pause in collection of the fee.

Regulatory Alternatives

No other regulatory alternatives were evaluated.

Cost/Benefit Analysis

A cost-benefit analysis will be performed if requested by the Colorado Department of Regulatory Agencies.