



December 9, 2023

NOTIFICATION OF NEW STATE LAW REQUIREMENTS
RETAIL STORE CARRYOUT BAG FEES

To whom it may concern,

You are receiving this notification because our records indicate that your store will be affected by the recently adopted Colorado Plastic Pollution Reduction Act (PPRA), HB21-1162. Affected retail establishments are those which have more than three locations and/or are part of a franchise, corporation, or partnership that has a physical location outside of Colorado.

Under this law, beginning January 1, 2023, your store is required to charge a \$0.10 fee to customers for every paper and/or plastic carryout bag they receive during check-out. Beginning January 1, 2024, your store is not allowed to provide plastic carryout bags, but may still provide paper carryout bags for a fee.

If you have not done so already, it is strongly recommended that you contact the corporate or state-wide offices for your store to confirm if any company-wide policies have been developed in response to this state-wide law.

Please review the following rules and requirements regarding this law.

- Your store must implement systems to accurately charge customers the fee. Your store may not engage in practices to subvert the law including, but not limited to, providing refunds to customers to offset the bag fee in any way or failing to charge customers for each bag they use (including through self-check-out).
- Your store is not responsible for dishonest behavior from customers who try to avoid paying the fee, given that your store is taking necessary actions to implement and enforce fee collection.
- Your store must provide on each customer's transaction receipt a record of the number of carryout bags provided as part of the transaction and the total amount of fees charged for the carryout bags, itemized by type of bag (paper or plastic).
- Your store must display signage in conspicuous locations notifying customers of this fee. The City of Durango has developed signs that we encourage your store to use so there is consistency across our community, or you may display a different sign if desired.
- All paper carryout bags must be 100% recycled material or postconsumer content. A store may provide bags that do not meet this criteria if the bags are in the store's inventory prior to January 1, 2023. After January 1, 2023 your store should only purchase 100% recycled material paper bags if you wish to provide them.



- Your store must keep an accurate record of the total amount of fees collected and remit 60% of the total amount to the City of Durango. Durango is working to set up collections through the existing MuniRevs system. You will see notifications and remittance instructions through your MuniRevs portal.
- Fees collected must be remitted to the City of Durango on a quarterly basis, based on the total amount collected in the previous quarter. It is recommended that your store begin remittance as early as April 2023, but the first remittance must occur no later than April 2024. The first remittance payment must account for all fees collected starting January 1, 2023. After April 2024, remittance must occur regularly on a quarterly basis.
- Your store may retain 40% of the total fees collected, and these funds do not count as revenue for the purpose of calculating sales tax. There is no requirement of what these funds should or should not be spent on.

Failure to implement the requirements of this law could result in fines up to \$1,000 per customer transaction where a violation has occurred (e.g., failure to collect fees).

For more information and for example signage to use in your store, visit:

www.durangogov.org/bags

For full text of HB21-1162, visit:

<https://leg.colorado.gov/bills/hb21-1162>

If you believe your store is not impacted by this law, or you have questions or concerns regarding the implementation of the laws requirements, please contact City of Durango staff.

Email: sustainability@durangogov.org

Phone: 970-375-5061