

# BAG FEE PREPARATION CHECKLIST FOR MUNICIPALITIES

Starting January 1, 2023, large retail stores in Colorado are required\* to charge \$0.10 per paper or plastic bag provided to customers at checkout. Please review this checklist to ensure your municipality, local businesses, and residents are prepared for the new bag fee. *Note: Starting January 1, 2024, large retail stores in Colorado will be prohibited from distributing plastic checkout bags, and will continue to be required to charge \$0.10 per paper bag.*

## #1: Set up a system to collect fees

- If your municipality already has a sales tax or financial reporting software, such as GovOS, the municipal Department of Finance should create a new webpage for businesses to remit the bag fees.
- Home Rule Municipalities can exempt the bag fee from sales tax by adopting Colorado Municipal League's model ordinance language.
- If your municipality does not already have a system to collect taxes and fees, confirm whether there are businesses in your jurisdiction that are required to charge the bag fee (see Step 2). If all businesses are exempt, a municipality does not need to set up a system to collect the fees. If you need help setting up a system, contact [randy@ecocycle.org](mailto:randy@ecocycle.org).

## #2: Determine which businesses in your jurisdiction are exempt and nonexempt

- Find out which businesses are exempt from participating in the plastic and paper bag fee, and which are required to participate. Use the Exemption Chart on page 2 to determine which businesses are exempt.
- Know which bags are included in the disposable bag fee. Plastic and paper bags provided at checkout are included in the 10-cent bag fee. See the Exemption Chart on page 2 to see which bags are exempt.

## #3: Send a letter to nonexempt businesses alerting them of the change

- You may [use or customize this letter](#) to alert local nonexempt businesses of the upcoming bag fees. Many of these businesses may be national chain stores that already have systems in place for collecting and remitting fees.

## #4: Share information and resources with nonexempt businesses

- To help local businesses in your jurisdiction get ready to collect and remit fees on plastic and paper bags, make sure to share the information on the [Guide to Bag Fees for Businesses page](https://ecocycle.org/PPRA-businesses) (<https://ecocycle.org/PPRA-businesses>) and copy the information to your own site.

## #5: Share information and resources with the public

- Use the resources on the [Guide to Bag Fees for Your Community page](https://ecocycle.org/PPRA-communities) (<https://ecocycle.org/PPRA-communities>), including a social media toolkit, utility insert, a customizable newsletter article, and advertisements you can place in local newspapers.

## #6: Set up a system to monitor compliance with the bag fee

See these examples to help develop your monitoring and compliance system:

- Fort Collins: uses a [Business Confirmation Form](#) as an educational tool to help businesses determine if they are exempt or must comply with the bag fee.
- Boulder: monitors compliance by comparing its list of nonexempt businesses with a list of businesses that remit bag fees quarterly.
- Denver: uses an [online reporting system](#) to monitor compliance with their bag fee.

\*See Colorado [House Bill HB21-1162: Management Of Single-Use Products](https://leg.colorado.gov/bills/hb21-1162), for more details (<https://leg.colorado.gov/bills/hb21-1162>).