

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.

#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.

#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) 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), 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.

BAG FEE: EXEMPT VS NONEXEMPT

Find out which businesses and bags are included in the 10-cent bag fee, starting January 1, 2023.

The 10-cent bag fee is **APPLICABLE** to:

“LARGE” RETAILERS (defined as having more than three locations in Colorado, OR with one or more locations outside of Colorado), including:

- Grocery stores and supermarkets
- Convenience stores
- Liquor stores
- Pharmacies or drug stores

PLASTIC AND PAPER CHECKOUT BAGS*†



* Bags provided via curbside pickup are subject to the fee.

† Previously used plastic and paper bags brought into the store by the customer are not subject to the fee.

EXEMPTIONS to the 10-cent bag fee:

- **“SMALL” BUSINESSES** (defined as those with three or fewer locations operating solely in Colorado) are exempt.
- Farmers markets and roadside stand vendors that qualify for the small business exemption (three or fewer locations operating solely in Colorado).
- **RESTAURANTS:** All restaurants are exempt from charging bag fees, no matter how many locations are present in Colorado or outside the state.

Paper and plastic checkout bags used by **customers who participate in state or federal food assistance programs**

Bags used for other purposes besides checkout, including:

- Produce bags, and bags used for food that could contaminate other items, such as frozen food, meat, seafood, etc.
- Bags for unwrapped food and bakery goods
- Bags for loose, bulk items (hardware, nuts, fruits, vegetables, grains)
- Bags for dry cleaning or laundry
- Bags used for prescription medication
- Bags for the sale of small pets like fish, crustaceans, mollusks, and insects