



Fiscal Note

Legislative Council Staff

Nonpartisan Services for Colorado's Legislature

SB 26-003: END-OF-LIFE MANAGEMENT OF EV BATTERIES

Prime Sponsors:

Sen. Wallace; Cutter
Rep. Brown

Fiscal Analyst:

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Fiscal note status: This fiscal note reflects the introduced bill.

Summary Information

Overview. The bill expands the Battery Stewardship Program to include electric vehicle batteries.

Types of impacts. The bill is projected to affect the following areas on an ongoing basis:

- State Expenditures
- State Revenue
- TABOR Refunds

Appropriations. For FY 2026-27, the bill requires an appropriation of \$102,307 to the Department of Public Health and Environment.

Table 1
State Fiscal Impacts

Type of Impact	Budget Year FY 2026-27	Out Year FY 2027-28	Out Year FY 2028-29	Out Year FY 2029-30
State Revenue	\$0	\$50,000	\$86,000	\$100,000
State Expenditures	\$120,312	\$79,854	\$54,930	\$204,930
Transferred Funds	\$0	\$0	\$0	\$0
Change in TABOR Refunds	\$0	\$50,000	not estimated	not estimated
Change in State FTE	0.9 FTE	0.6 FTE	0.5 FTE	0.5 FTE

Fund sources for these impacts are shown in the tables below.

Table 1A
State Revenue

Fund Source	Budget Year FY 2026-27	Out Year FY 2027-28	Out Year FY 2028-29	Out Year FY 2029-30
General Fund	\$0	\$0	\$0	\$0
Cash Funds	\$0	\$50,000	\$86,000	\$100,000
Total Revenue	\$0	\$50,000	\$86,000	\$100,000

Table 1B
State Expenditures

Fund Source	Budget Year FY 2026-27	Out Year FY 2027-28	Out Year FY 2028-29	Out Year FY 2029-30
General Fund	\$102,307	\$0	\$0	\$0
Cash Funds	\$0	\$68,601	\$43,677	\$193,677
Federal Funds	\$0	\$0	\$0	\$0
Centrally Appropriated	\$18,005	\$11,253	\$11,253	\$11,253
Total Expenditures	\$120,312	\$79,854	\$54,930	\$204,930
Total FTE	0.9 FTE	0.6 FTE	0.5 FTE	0.5 FTE

Summary of Legislation

The bill expands the Battery Stewardship Program in the Department of Public Health and Environment (CDPHE), and requires the department to perform additional enforcement, reporting, certification, and analytical responsibilities related to end-of-life battery management.

Propulsion Battery Plans

Under current law, battery stewardship organizations may submit plans to the CDPHE beginning on July 1, 2027, that establish battery collection and recycling methods, performance goals, and outreach plans for program awareness. These organizations must charge battery producers that participate in their plan to cover any overhead costs. This bill expands the program to plans for propulsion batteries, including electric vehicle (EV) batteries, and establishes an auxiliary path for plan submission beginning on April 1, 2028, and every five years thereafter.

By August 1, 2028, all propulsion battery providers, including vehicle manufacturers, must participate in an approved battery stewardship plan and pay required fees to the organization; otherwise, they may not sell or distribute the propulsion batteries in the state. Additionally, all propulsion batteries must comply with new labeling requirements, which include the chemical makeup of the product, the name of the providers, and voltage information, among others.

Battery stewardship organizations with propulsion battery plans must also develop and maintain a website that includes educational and promotional information about end-of-life management, safety, and training materials for propulsion batteries.

Recycler Certification

The bill requires the Solid and Hazardous Waste Commission in the CDPHE to establish a process for the certification of qualified battery recyclers by July 2027. The process must include review, appeals, reevaluations, demonstration of capabilities, recertification timelines, and assess other benchmarks that minimize secondary health impacts.

Program Reporting and Fees

Beginning June 1, 2030, battery stewardship organizations must submit an annual report to the CDPHE covering the preceding calendar year of plan implementation and include certain information. Further, the CDPHE must conduct a study to determine whether there is evidence of abandonment of orphaned batteries, analyze any relevant trends, and publish the report by January 1, 2031.

Participating organizations must pay fees to the CDPHE, which will be deposited into the Battery Stewardship Fund to support the department's administrative program costs.

Consumer Responsibilities

The bill requires individuals to manage unwanted propulsion batteries by:

- returning or delivering them to the battery provider or stewardship organizations;
- notifying the battery provider or organization and coordinating pickup; or
- selling the battery or vehicle containing the battery to a qualified battery recycler.

A person shall not dispose of a propulsion battery by taking it to a landfill.

Enforcement and Penalties

The bill requires the CDPHE to enforce program requirements and end-of-life propulsion battery management, as well as to collect and post data on the disposition of propulsion batteries. 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.

Background

Senate Bill 25-163 created the Battery Stewardship Program, which established the guidelines and requirements for the program, including the following fees to be paid by participating battery stewardship organizations:

- a one-time plan review fee of \$50,000 when submitting the plan for approval; and
- an administrative fee of \$86,000 within three months after the plan is approved.

The fiscal note for Senate Bill 25-163 assumed one battery stewardship organization would participate in the program.

Assumptions

Program Expansion

The fiscal note assumes that the bill's program expansion to propulsion batteries will result in at least one additional battery stewardship organization participating in the program. If additional organizations apply, state revenue will increase and state expenditures will remain the same.

Fee Timeline

The bill requires battery stewardship organizations to submit plans by April 1, 2028 (FY 2027-28), which includes the one-time plan review fee of \$50,000. After plan submission, the CDPHE has 120 days to review and approve plans, at which point the organization must pay an \$86,000 administration fee. The fiscal note therefore assumes payment on an effective plan date of July 1, 2028 (FY 2028-29), for one battery stewardship organization. Lastly, approved organizations must pay an annual fee to the CDPHE within 12 months of plan approval, and each year thereafter. As a result, the fiscal note assumes annual fee payment beginning on July 1, 2029 (FY 2029-30).

Study Funding

The fiscal note assumes that costs associated with the orphaned battery study are covered by fees assessed on battery stewardship organizations. If the intent is for fees not to cover study costs, General Fund expenditures will increase by \$150,000 in FY 2029-30, and state revenue from fees will decrease.

Battery Recycler Certification

As of January 2026, there are no qualified battery recyclers located in the state. Therefore, the fiscal note does not estimate state revenue or expenditures related to a certification program. In the future, if a qualified battery recycler begins operating in the state, revenue from fees will increase to cover increased program expenditures.

State Revenue

The bill increases state revenue in the Battery Stewardship Fund in the CDPHE by an estimated \$50,000 in FY 2027-28, \$86,000 in FY 2028-29, and \$100,000 in future years from fees paid by one battery stewardship organization to the CDPHE. These impacts are shown in Table 2 and discussed in more detail below.

Table 2
Fee Impact on Battery Stewardship Organizations

Fiscal Year	Type of Fee	Estimated Fee	Number Affected	Total Fee Impact
FY 2027-28	Plan Review Fee	\$50,000	1	\$50,000
FY 2028-29	Administrative Fee	\$86,000	1	\$86,000
FY 2029-30	Annual Fee (Ongoing)	\$100,000	1	\$100,000

Fee Impact on Battery Stewardship Organizations

Colorado law requires legislative service agency review of measures which create or increase any fee collected by a state agency. The bill increases cash fund revenue in the CDPHE by \$50,000 in FY 2027-28 and \$86,000 in FY 2028-29 from one assumed new applicant. Beginning in FY 2029-30, battery stewardship organizations must pay an annual fee to cover the costs of the program, which will be set administratively by the CDPHE based on cash fund balance, program costs, and the number of stewardship organizations subject to the fee. Based on anticipated program expenditures, the annual fee is estimated at about \$100,000. This fee revenue is subject to TABOR.

Civil and Administrative Penalties

Under the bill, a battery producer or stewardship organization violating the requirements of 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. This revenue is classified as a damage award and not subject to TABOR. Given the uncertainty about the number of cases that may be pursued by the Attorney General and district attorneys, as well as the wide range in potential penalty amounts, the fiscal note cannot estimate the potential impact of these civil penalties.

Filing Fees

The bill may increase revenue to the Judicial Department from an increase in civil case filings. Revenue from filing fees is subject to TABOR.

State Expenditures

The bill increases state expenditures in the CDPHE by about \$120,000 in FY 2026-27, \$80,000 in FY 2027-28, \$55,000 in FY 2028-29, and \$205,000 in FY 2029-30. These costs, paid from the General Fund and Battery Stewardship Fund, 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

Cost Component	Budget Year FY 2026-27	Out Year FY 2027-28	Out Year FY 2028-29	Out Year FY 2029-30
Personal Services	\$68,859	\$43,037	\$43,037	\$43,037
Operating Expenses	\$1,024	\$640	\$640	\$640
Capital Outlay Costs	\$7,000	\$0	\$0	\$0
Legal Services	\$24,925	\$24,925	\$0	\$0
Orphaned Battery Study	\$0	\$0	\$0	\$150,000
Translation	\$500	\$0	\$0	\$0
Centrally Appropriated Costs	\$18,005	\$11,253	\$11,253	\$11,253
FTE – Personal Services	0.8 FTE	0.5 FTE	0.5 FTE	0.5 FTE
FTE – Legal Services	0.1 FTE	0.1 FTE	0.0 FTE	0.0 FTE
Total Costs	\$120,312	\$79,854	\$54,930	\$204,930
Total FTE	0.9 FTE	0.6 FTE	0.5 FTE	0.5 FTE

Department of Public Health and Environment

The CDPHE will incur costs to administer the program beginning in FY 2026-27. Costs in the first year are paid from the General Fund, and in future years by the Battery Stewardship Fund.

Staff

In FY 2026-27 only, the CDPHE requires 1.0 FTE Environmental Protection Specialist II to assist with rulemaking, establish the expanded program for propulsion batteries, and coordinate outreach to eligible participants. Beginning in FY 2027-28, the CDPHE requires 0.5 FTE to collect and review stewardship plans, oversee fee collection, and maintain program operations. Staff costs and FTE are prorated in the first year based on a start date of September 1, 2026.

Orphaned Battery Study

In FY 2029-30, expenditures will increase by an estimated \$150,000 to hire a contractor that will study the evidence of abandoned orphaned batteries in the state. Actual costs will be determined through the contracting process.

Translation

The CDPHE will incur costs to provide translation and interpretation services during stakeholder engagement conducted as part of rulemaking. These costs include translating public-facing materials into languages spoken by disproportionately impacted communities and providing an interpreter at public meetings.

Legal Services

In FY 2026-27 and FY 2027-28, the CDPHE requires 180 hours of legal services for initial rulemaking and compliance. Legal services are provided by the Department of Law at a rate of \$138.47 per hour.

Other Agency Impacts

Similar to the State Revenue section above, the trial courts in the Judicial Department may experience an increase in workload if additional civil cases are filed. The fiscal note assumes that battery producers and stewardship organizations will comply with the law and any increase will be minimal.

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, indirect cost assessments, and other costs, are shown in Table 3 above.

TABOR Refunds

The bill is expected to increase the amount of state revenue required to be refunded to taxpayers by the amounts shown in Table 1 above. The bill does not change current expectations that the state will be below its revenue limit in the current FY 2025-26. This estimate assumes the December 2025 LCS revenue forecast. A forecast of state revenue subject to TABOR is not available beyond 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 in FY 2026-27, FY 2027-28, and any future years when the state is over its revenue limit.

Effective Date

The bill takes effect 90 days following adjournment of the General Assembly sine die, assuming no referendum petition is filed.

State Appropriations

For FY 2026-27, the bill requires a General Fund appropriation of \$102,307 to the Department of Public Health and Environment, and 0.8 FTE. Of this amount, \$24,925 is reappropriated to the Department of Law with an additional 0.1 FTE.

State and Local Government Contacts

Counties	Public Health and Environment
Judicial	Treasury
Law	