



DENVER
CLIMATE ACTION,
SUSTAINABILITY &
RESILIENCY

Updating Disposable Bag Fee Allowable Uses

December 2025

Disposable Bag Fee Presentation Outline

Overview & Impact

Current & Proposed Allowable Uses

Questions





Disposable Bag Fee Overview & Impact

Disposable Bag Fee

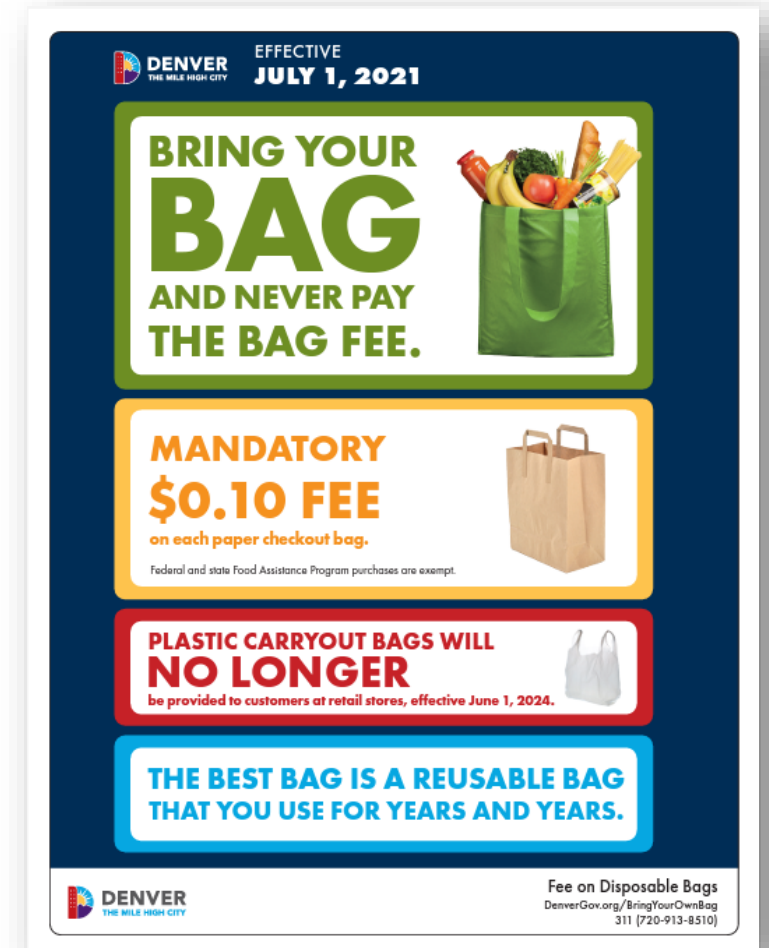
Original Ordinance (July 1, 2021)

- Stores must charge \$0.10 for disposable carryout bags
- 60% of fees remitted to the city
- 40% of fees retained by businesses to cover cost of implementation

Updated Ordinance (January 1, 2024)

- Reflects the State-Wide Plastic Bag Ban
- No longer can provide disposable plastic bags*
- Paper bags may still be provided for a \$0.10 fee

*retailers could use existing inventory of plastic bags until June 1, 2024.



Disposable Bag Fee

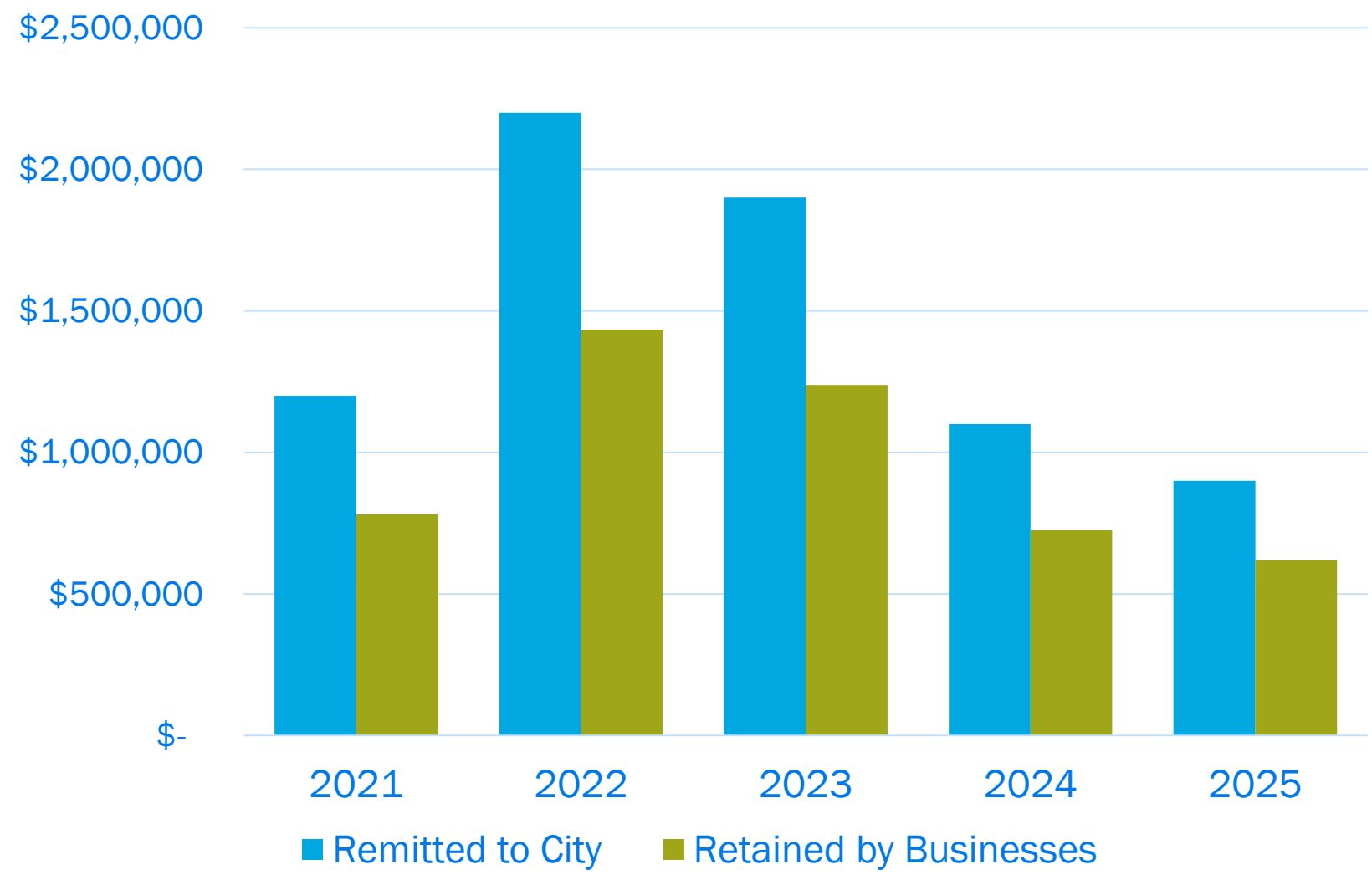
Why the fee?

- Financial incentive to change behavior
- Reduce single-use plastics and packaging in support of environmental protection
- Support education and infrastructure to enable shift away from single-use items

Has it been effective?

- **50%** Reduction in total disposable bag usage
- **99%** Average retailer compliance over 4 years
- **45,000+** Free reusable bags given to residents
- **50,000,000+** Plastic bags avoided

Disposable Bag Fee Revenue 2021-2025



\$7.3M

Total Remitted to the City

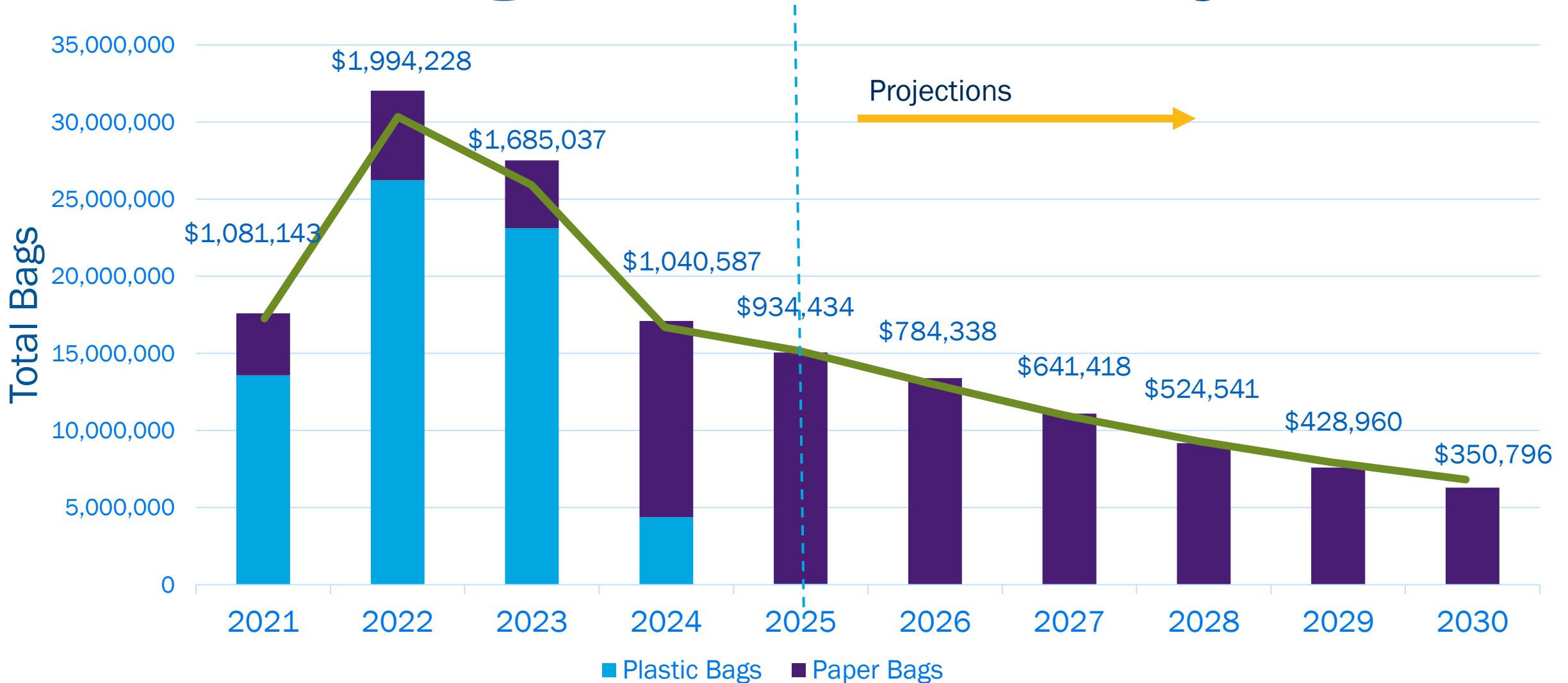
\$4.7M

Total Retained by Businesses

50%

Decrease in Disposable Bag Usage

Annual Bags & Revenue Projections



Historic Fund Allocation and Impacts

Disposable Bag Fee Fund Revenue & Expenses 2021-2025

Total Revenue	\$7.3 Million
Administration Expenses	\$400k
Program Expenses	\$740k
Remaining Balance	\$6.2 Million

Administration Outcomes:

- **50%** Reduction in total disposable bag usage
- **99%** Average retailer compliance over 4 years
- **45,000+** Free reusable bags given to residents
- **50,000,000+** Plastic bags avoided

Program Impacts:

- **57,000+** Plastic bags collected and recycled
- **74,000+** Disposable cups avoided
- **950,000+** Disposable food service ware items avoided



Current & Proposed Allowable Uses

Current Allowable Uses (simplified)

- ✓ Program administration
- ✓ Free reusable carryout bags
- ✓ Public education
- ✓ Programs and infrastructure to reduce waste associated with disposable bags and single-use products
- Equipment designed to minimize bag pollution
- ✓ Community cleanup events
- Mitigate the effects on the city's drainage system and natural environment
- ✓ Conduct studies of disposable bag usage and the impact of the fee
- ✓ Maintain a website that educates residents on progress of waste reduction efforts
- Develop a task force to analyze the data and impact

✓ = allowable uses that have been supported through CASR programs

Updates to Current Allowable Uses

Intent for Changing Allowable Use Language

(Recommended by CASR, MO, CAO, and DOF)

- Maintain the successful administration and support programs
- Language consistency with similar ordinances
- Expand to allow funds to support of additional community priorities (Universal Recycling & Composting Ordinance, circular economy programs, etc.)
- Enable one-time catalytic investments to support zero waste goals (DOTI's curbside composting expansion)

Proposed Additions to Allowable Uses

- **Studies on waste reduction, reuse and recycling systems**, material flow, economic and greenhouse gas impacts of circularity, lifecycle assessments, and end markets
- Programs, policies, events, and infrastructure to **advance Denver's circular economy**, such as reuse and repair initiatives
- Programs, policies, and infrastructure that **support local and regional end markets** for diverted materials
- Education, coordination, resources, and compliance-related **support for citywide universal recycling and composting requirements** impacting multi-family and commercial properties, permitted events, and construction and demolition projects
- Investments into the city's residential solid waste programs that **support citywide waste diversion goals** (*example: approved budget transfer to DOTI's VBP Program*)

Summary of Programs Supported Under Current and Updated Allowable Uses

Programs Funded Under Current Allowable Uses:

- Disposable Bag Fee Administration
- Reusable Bag Giveaways
- Reusable Food Service Ware at Restaurants
- Reusable Cups at Events
- Plastic Bag Swaps
- Community Cleanups

Potential Future Programs:

- **Universal Recycling & Composting Ordinance (URCO)** Implementation and supports
- **Studies:** Commercial Waste Study, Consumption-Based Emissions Inventory, Material Flow Analysis, etc.
- **Reuse and Repair** Programs, Incentives, and Infrastructure to keep materials in circulation
- **End Market** Development to secure a more localized and functional circular economy
- **One-Time Transfer** for Citywide Compost Roll-Out

Financial Support for Citywide Compost Roll-out

The 2025 budget – approved by City Council in November 2024 – authorized a transfer of \$4.7 million from the Disposable Bag Fee Fund to the Volume-Based Pricing Fund to provide much-needed financial support for compost service.

Completing this transfer is dependent upon a code change to update the allowable uses of the Disposable Bag Fee Fund.



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Questions & Discussion



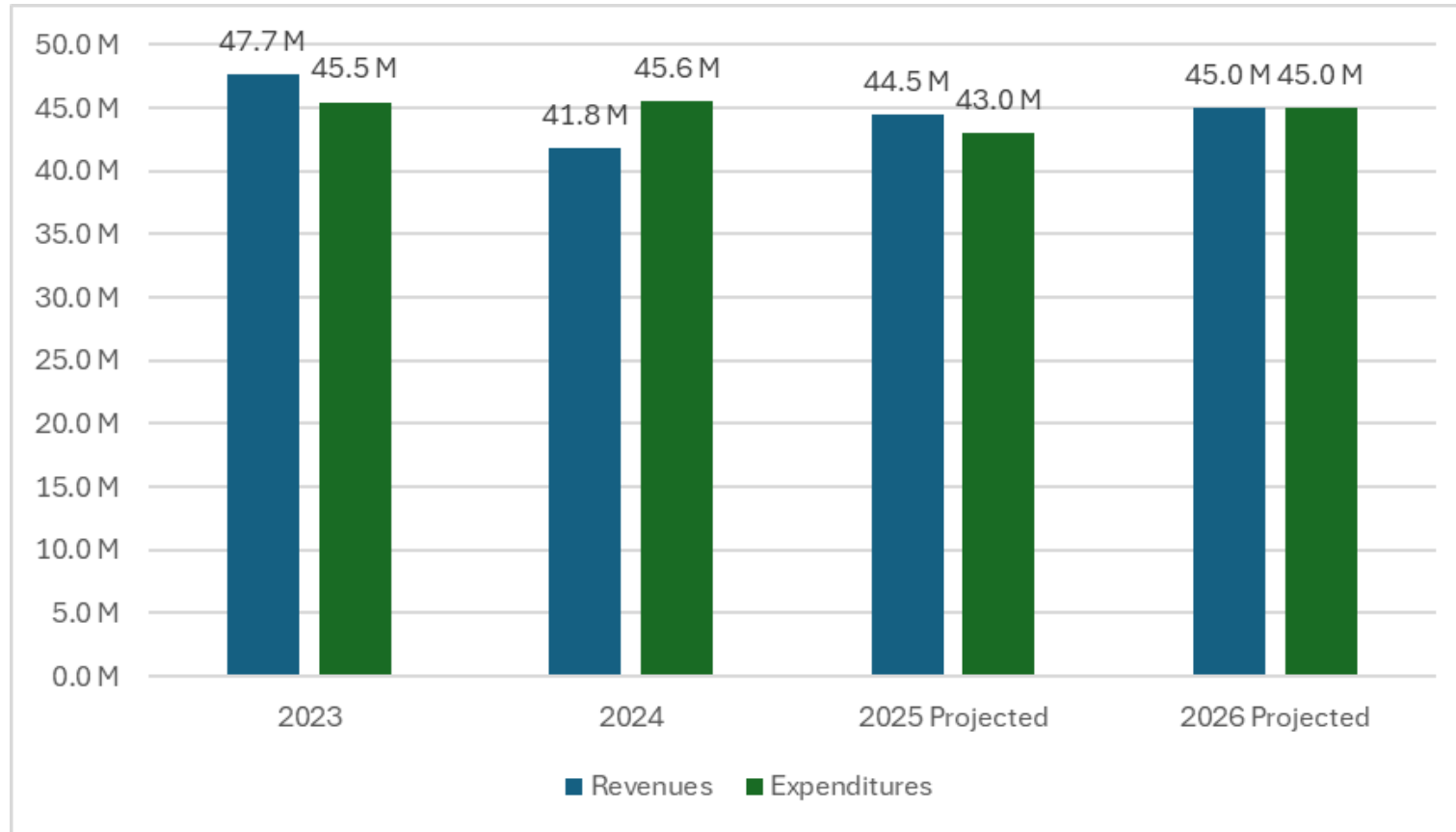
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PROTECTION FUND

Additional Data & Information

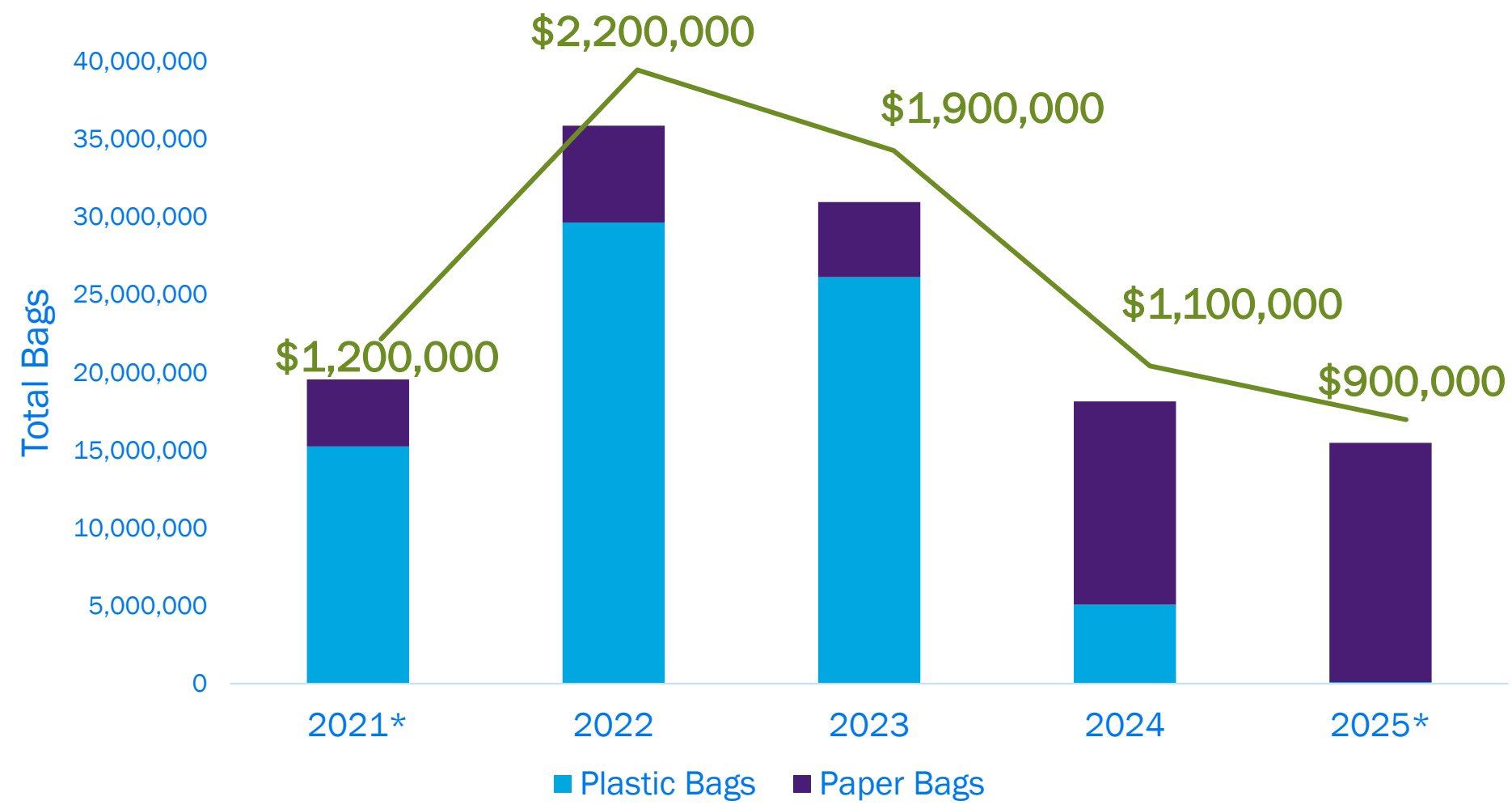
DOTI VBP Fund Revenues & Expenditures



Notes:

- Does NOT include \$8M to \$10M in General Fund costs associated with VBP Fleet maintenance and fuel.
- 2025 revenue does NOT include the proposed transfer from the Disposable Bag Fee.

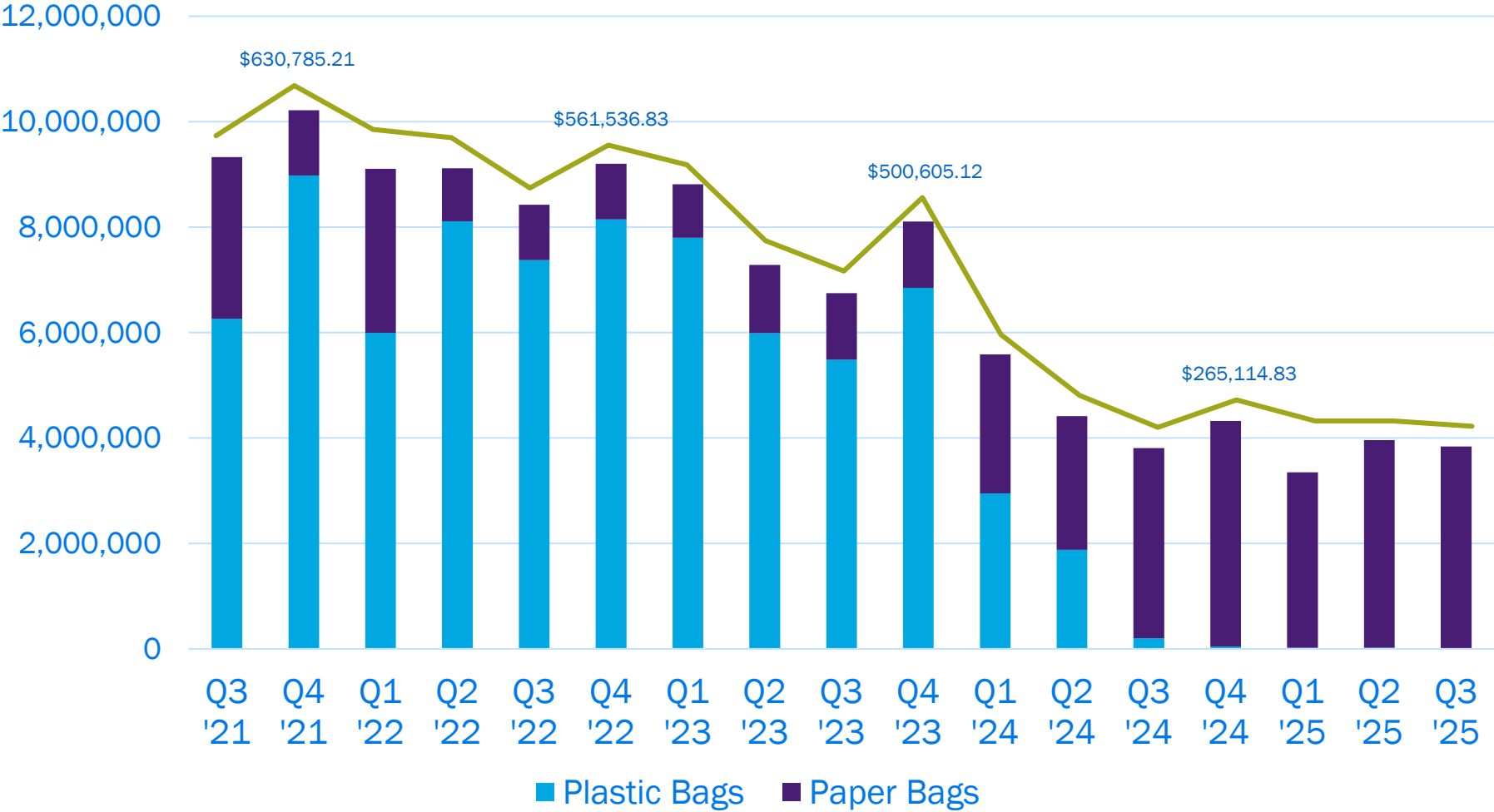
Disposable Bag Use & Annual Revenue



50%
Decrease in Disposable
Bag Usage
Since 2022

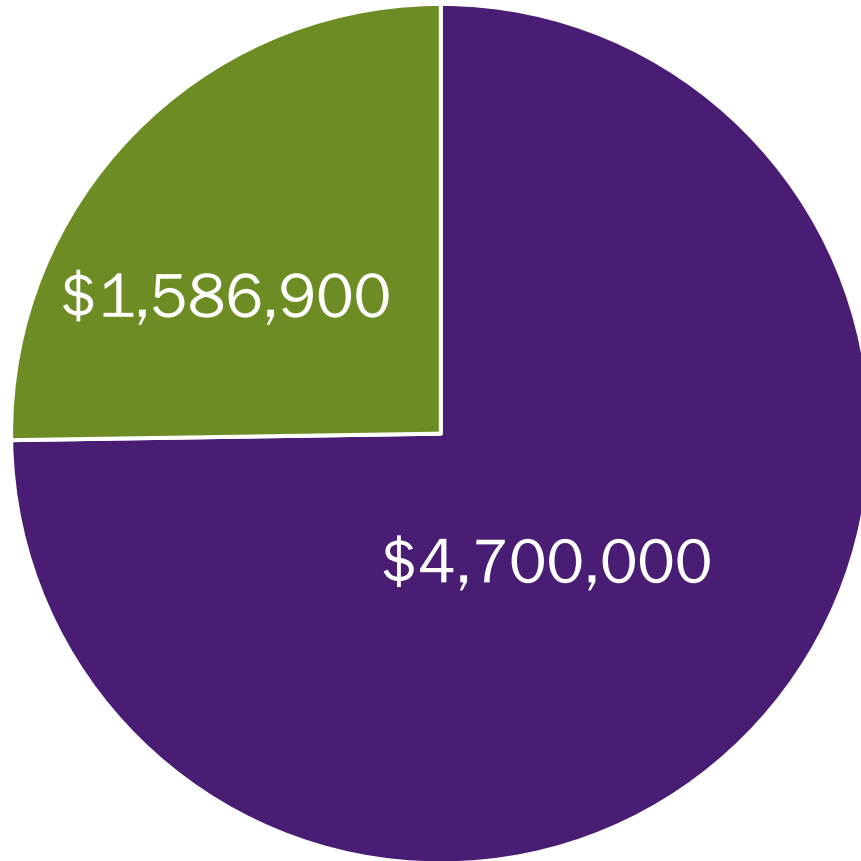
*2021 only includes data from Q3 & Q4 2021, since the program launched in July 2021.
*2025 includes a full year of data, including an estimate for Q4 2025.

Quarterly Bags & Revenue Trends



Quarterly Trends	
Period	% Change
Q1	-14%
Q2	-9%
Q3	-8%
Q4	15%

Remaining Fund Balance (Post-Transfer)



- Transfer to volume-based pricing program
- Estimated remaining fund balance