



House of Representatives

General Assembly

File No. 539

February Session, 2016

Substitute House Bill No. 5600

House of Representatives, April 7, 2016

The Committee on Planning and Development reported through REP. MILLER, P. of the 36th Dist., Chairperson of the Committee on the part of the House, that the substitute bill ought to pass.

AN ACT CONCERNING MATTRESS STEWARDSHIP PROGRAM RECYCLING FEES.

Be it enacted by the Senate and House of Representatives in General Assembly convened:

1 Section 1. Subsection (c) of section 22a-905a of the general statutes is
2 repealed and the following is substituted in lieu thereof (*Effective*
3 *January 1, 2017*):

4 (c) The council shall establish and implement a fee structure that
5 covers, but does not exceed, the costs of: [developing] (1) Developing
6 the plan described in subsection (b) of this section, (2) operating and
7 administering the program described in subsection (a) of this section,
8 (3) compensating each municipality that hosts a mattress recycling
9 facility, and (4) maintaining a financial reserve sufficient to operate the
10 program over a multiyear period of time in a fiscally prudent and
11 responsible manner. The portion of the fee structure providing
12 compensation to each municipality that hosts a mattress recycling
13 facility shall be an annual fee equal to twenty-five cents per capita

14 based upon the population of such municipality according to the most
15 recent federal decennial census. The council shall maintain all records
16 relating to the program for a period of not less than three years.

17 Sec. 2. Subsection (h) of section 22a-905a of the general statutes is
18 repealed and the following is substituted in lieu thereof (*Effective*
19 *January 1, 2017*):

20 (h) On or before July 1, 2014, and every two years thereafter, the
21 council shall propose a mattress stewardship fee for all mattresses sold
22 in this state except crib and bassinette mattresses. The council may
23 propose a change to the mattress stewardship fee more frequently than
24 once every two years if the council determines such change is needed
25 to avoid funding shortfalls or excesses for the mattress stewardship
26 program. Any proposed mattress stewardship fee shall be reviewed by
27 an auditor to assure that such assessment does not exceed the [cost to
28 fund the mattress stewardship program described in subsection (a) of
29 this section and to maintain financial reserves sufficient to operate said
30 program over a multiyear period in a fiscally prudent and responsible
31 manner] fee structure restrictions established in subsection (c) of this
32 section. Not later than sixty days after the council proposes a mattress
33 stewardship fee, the auditor shall render an opinion to the
34 Commissioner of Energy and Environmental Protection as to whether
35 the proposed mattress stewardship fee is reasonable to achieve the
36 goals set forth in this section. If the auditor concludes that the mattress
37 stewardship fee is reasonable, then the proposed fee shall go into effect
38 not less than ninety days after the auditor notifies the commissioner
39 that the fee is reasonable. If the auditor concludes that the mattress
40 stewardship fee is not reasonable, the auditor shall provide the council
41 with written notice explaining the auditor's opinion. Not later than
42 fourteen days after the council's receipt of the auditor's opinion, the
43 council may either propose a new mattress stewardship fee or provide
44 written comments on the auditor's opinion. If the auditor concludes
45 that the fee is not reasonable, the Commissioner of Energy and
46 Environmental Protection shall decide, based on the auditor's opinion
47 and any comments provided by the council, whether to approve the

48 proposed mattress stewardship fee. Such auditor shall be selected by
49 the council. The cost of any work performed by such auditor pursuant
50 to the provisions of this subsection and subsection (k) of this section
51 shall be funded by the mattress stewardship fee described in this
52 subsection.

This act shall take effect as follows and shall amend the following sections:		
Section 1	<i>January 1, 2017</i>	22a-905a(c)
Sec. 2	<i>January 1, 2017</i>	22a-905a(h)

PD *Joint Favorable Subst.*

The following Fiscal Impact Statement and Bill Analysis are prepared for the benefit of the members of the General Assembly, solely for purposes of information, summarization and explanation and do not represent the intent of the General Assembly or either chamber thereof for any purpose. In general, fiscal impacts are based upon a variety of informational sources, including the analyst's professional knowledge. Whenever applicable, agency data is consulted as part of the analysis, however final products do not necessarily reflect an assessment from any specific department.

OFA Fiscal Note

State Impact: None

Municipal Impact:

Municipalities	Effect	FY 17 \$	FY 18 \$
Bridgeport	Revenue Gain	18,452	36,903
East Hartford	Revenue Gain	6,379	12,758

Explanation

The bill establishes an annual payment for municipalities hosting mattress recycling facilities that is funded by revenue generated from the mattress stewardship program.

The mattress stewardship fee, established in the bill, must cover the cost of the annual payments equaling 25 cents per capita, based on the municipality's population. Currently, Bridgeport and East Hartford are the only municipalities that host mattress recycling facilities.

This results in an annualized revenue gain of \$36,903 to Bridgeport, and \$12,758 to East Hartford.

The Out Years

The annualized ongoing fiscal impact identified above would remain constant, subject to changes in population.

OLR Bill Analysis**sHB 5600*****AN ACT CONCERNING MATTRESS STEWARDSHIP PROGRAM RECYCLING FEES.*****SUMMARY:**

This bill establishes an annual payment for municipalities hosting mattress recycling facilities that is funded by the mattress stewardship program.

Under the bill, the fee that funds the program (i.e., mattress stewardship fee) must cover the cost of the annual payments, which equal 25 cents per capita and are based on the municipality's population in the most recent federal decennial census. Currently, Bridgeport and East Hartford are the only municipalities that host mattress recycling facilities and thus the only ones eligible for the payments.

As under existing law, the fee must also cover the costs of (1) developing the stewardship program plan, (2) operating and administering the program, and (3) maintaining a sufficient financial reserve to operate the program in a fiscally prudent and responsible manner over several years.

EFFECTIVE DATE: January 1, 2017

BACKGROUND***Mattress Stewardship Program***

This program, which is implemented by the nonprofit Mattress Recycling Council, manages discarded mattresses. It is funded by a fee (currently \$9) on mattress sales in the state. By law, the council proposes the mattress stewardship fee every two years, but it may propose interim fee changes if needed to avoid a funding shortfall or

excess. The fees must cover, but not exceed, the program's cost. An auditor reviews the fee and any proposed change to it.

COMMITTEE ACTION

Planning and Development Committee

Joint Favorable Substitute

Yea 20 Nay 0 (03/18/2016)