



House of Representatives

General Assembly

File No. 278

February Session, 2024

House Bill No. 5352

House of Representatives, April 4, 2024

The Committee on Environment reported through REP. GRESKO of the 121st Dist., Chairperson of the Committee on the part of the House, that the bill ought to pass.

AN ACT CONCERNING MINOR REVISIONS TO THE TIRE STEWARDSHIP PROGRAM.

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

1 Section 1. Subsections (d) and (e) of section 22a-905i of the 2024
2 supplement to the general statutes are repealed and the following is
3 substituted in lieu thereof (*Effective from passage*):

4 (d) Each stewardship organization shall establish and implement a
5 system for financing the tire stewardship program that covers [, but
6 does not exceed,] the costs of developing the plan described in
7 subsection (c) of this section, operating and administering the program
8 described in subsection (b) of this section and maintaining a financial
9 reserve for six months sufficient to operate such program. Each
10 stewardship organization shall maintain all records relating to the tire
11 stewardship program for a period of not less than three years. Funding
12 of such program may be through a fee structure.

13 (e) The Commissioner of Energy and Environmental Protection shall

14 approve a plan for the establishment of a tire stewardship program,
15 provided such plan meets the requirements of subsections (b) to (d),
16 inclusive, of this section. Prior to making any such determination, the
17 commissioner shall post the plan on the Department of Energy and
18 Environmental Protection's Internet web site and solicit public
19 comments on the plan. Such solicitation shall not be conducted pursuant
20 to chapter 54. Not later than ninety days after submission of the plan
21 pursuant to this section, the commissioner shall make a determination
22 whether to approve the plan. In the event that the commissioner
23 disapproves the plan because it does not meet the requirements of
24 subsections (b) to (d), inclusive, of this section, the commissioner shall
25 describe the reasons for the disapproval in a notice of determination that
26 the commissioner shall provide to the tire stewardship organization.
27 Such tire stewardship organization shall revise and resubmit the plan to
28 the commissioner not later than forty-five days after receipt of the
29 commissioner's notice of disapproval. Not later than forty-five days
30 after receipt of the revised plan, the commissioner shall review and
31 approve or disapprove the revised plan and provide a notice of
32 determination to the tire stewardship organization. Such stewardship
33 organization may resubmit a revised plan to the commissioner for
34 approval on not more than two occasions. If the tire stewardship
35 organization fails to submit a plan that is acceptable to the commissioner
36 because it does not meet the requirements of subsections (b) to (d),
37 inclusive, of this section, the commissioner shall modify a submitted
38 plan to make it conform to the requirements of subsections (b) to (d),
39 inclusive, of this section and approve it. Not later than one hundred
40 [twenty] eighty days after the approval of a plan pursuant to this
41 section, the tire stewardship organization shall implement the tire
42 stewardship program.

43 Sec. 2. Subsection (q) of section 22a-905i of the 2024 supplement to the
44 general statutes is repealed and the following is substituted in lieu
45 thereof (*Effective from passage*):

46 (q) The Commissioner of Energy and Environmental Protection may
47 assess a reasonable fee to any tire stewardship organization, not to

48 exceed [ten] five per cent of total program costs, for administration of
49 the applicable tire stewardship program.

This act shall take effect as follows and shall amend the following sections:		
Section 1	<i>from passage</i>	22a-905i(d) and (e)
Sec. 2	<i>from passage</i>	22a-905i(q)

ENV *Joint Favorable*

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:

Agency Affected	Fund-Effect	FY 25 \$	FY 26 \$
Department of Energy and Environmental Protection	GF - Revenue Loss	See Below	See Below

Note: GF=General Fund

Municipal Impact: None

Explanation

The bill lowers the allowable fee that the Department of Energy and Environmental Protection (DEEP) may charge to tire stewardship organizations, which results in an annual revenue loss to DEEP beginning in FY 25.

The department had been planning to charge the maximum allowable fee to such organizations, which is currently ten percent of total tire stewardship organization costs. The bill reduces the allowable fee to five percent of such costs.

The amount of the revenue loss, equivalent to five percent of total tire stewardship program costs, is dependent on such total costs, which are not currently known. Stewardship organizations must be formed during FY 25, which is presumably when DEEP would begin to charge the fee. To the extent the fee can be charged annually, the bill results in an annual revenue loss.

The bill's revenue loss may result in the General Fund absorbing some of the DEEP personnel costs of administering the tire stewardship program. The personnel costs are expected to be less than \$50,000

(including fringe benefits), as DEEP anticipates administration of the tire and gas cylinder stewardship programs will require an additional 0.5 full-time equivalent position beginning in FY 25.

The Out Years

The annualized ongoing fiscal impact identified above would continue into the future subject to tire stewardship organization costs.

OLR Bill Analysis

HB 5352

AN ACT CONCERNING MINOR REVISIONS TO THE TIRE STEWARDSHIP PROGRAM.

SUMMARY

PA 23-62 requires the establishment of a statewide stewardship program to manage discarded tires. Among other things, by January 1, 2025, tire producers must join a stewardship organization and submit a plan to implement the program to the Department of Energy and Environmental Protection (DEEP) for its approval.

This bill makes three changes to the program. First, it gives the stewardship organization an additional 60 days to implement the program, which under current law, must start within 120 days after DEEP approves it. The bill expands this implementation window to 180 days after the approval.

The bill also allows the organization to hold additional funds by eliminating the law’s cap on its financing system for the program. Current law requires the financing system to cover, and explicitly not exceed, the costs to develop the plan, operate and administer the program, and keep a financial reserve sufficient to operate the program for six months. The bill removes the limitation on exceeding the costs.

Lastly, the bill reduces by one-half, from 10% to 5% of total program costs, the maximum fee that DEEP may assess a stewardship organization for administration costs.

EFFECTIVE DATE: Upon passage

COMMITTEE ACTION

Environment Committee

Joint Favorable

Yea 34 Nay 0 (03/20/2024)