

# OFFICE OF FISCAL ANALYSIS

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sHB-6486

## AN ACT CONCERNING EXTENDED PRODUCER RESPONSIBILITY FOR TIRES.

As Amended by House "A" (LCO 8485)

House Calendar No.: 325

### **OFA Fiscal Note**

#### **State Impact:**

Agency Affected	Fund-Effect	FY 24 \$	FY 25 \$
Department of Energy and Environmental Protection	GF - Cost/Revenue Gain	None	See Below
Department of Transportation	TF - Potential Cost	See Below	See Below

Note: TF=Transportation Fund; GF=General Fund

#### **Municipal Impact:**

Municipalities	Effect	FY 24 \$	FY 25 \$
Various Municipalities	Potential Savings	None	See Below

#### **Explanation**

The bill requires, by January 1, 2025, tire producers to join or create a tire stewardship organization, which must submit a plan for statewide tire stewardship to the Department of Energy and Environmental Protection (DEEP) for approval.

This could potentially result in municipal savings, beginning in FY 25, as fewer tires would be part of the municipal solid waste (MSW) stream and subject to any costs for shipping MSW out-of-state.

The extent of any municipal savings would depend on the volume of

tires currently being disposed of in the MSW stream and current tip fees for each municipality.<sup>1</sup>

The bill may also result in a revenue gain to DEEP, beginning during the second half of FY 25, as DEEP may assess a fee on the stewardship organizations. There will additionally be costs to DEEP, also starting during the second half of FY 25, for administration of the statewide tire stewardship program, which are expected to be minimal given the limited scope of DEEP responsibilities in the bill. Revenues remitted to DEEP from the stewardship organizations would be used to cover DEEP expenses, as the bill allows the agency to retain up to 10% of total tire stewardship program costs for DEEP's administrative role.

Additionally, the bill allows DEEP to civilly enforce program requirements. This has no fiscal impact since it is expected that tire manufacturers will comply with the program, based on experience from existing paint and mattress stewardship programs.

The bill requires the Department of Transportation (DOT) to perform laboratory testing for a pilot program for using tire-derived asphalt on certain roadways and report, by January 1, 2025, to the Environment Committee on its effectiveness. This may result in a cost to DOT depending on the scope of the pilot program required under the bill.

Lastly, the bill also makes other changes that have no fiscal impact to the state or municipalities.

House "A" (1) alters the definition of "recycling" to include tires or other certain materials that are incinerated out-of-state or used as fuel, and (2) adds the DOT pilot program and reporting provisions resulting in the impacts described above.

### ***The Out Years***

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<sup>1</sup> The fee charged by the owner or operator of a landfill for the acceptance of a unit weight or volume of solid waste for disposal, usually done by the truckload. The tipping fee is passed back along the chain of waste acceptor to hauler to generator in the form of fees or taxes. Tipping fees rise as the volume of available landfill space is depleted, or as it becomes harder.

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The annualized ongoing fiscal impact identified above would continue into the future subject to the volume of tires removed from the MSW stream and the rate of tip fees.