



# House of Representatives

**File No. 623**

General Assembly

February Session, 2024

**(Reprint of File No. 278)**

House Bill No. 5352  
As Amended by House Amendment  
Schedule "A"

Approved by the Legislative Commissioner  
April 29, 2024

**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2 supplement to the general statutes are repealed and the following is  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 either approve the  
38 submitted plan with conditions or modify [a] the submitted plan to  
39 make it conform to the requirements of subsections (b) to (d), inclusive,  
40 of this section and approve it. In the event that the commissioner  
41 approves the submitted plan with conditions, the commissioner shall  
42 identify the conditions in a notice of determination that the  
43 commissioner shall provide to the tire stewardship organization. The  
44 tire stewardship organization shall comply with such conditions not  
45 later than forty-five days after receipt of the commissioner's notice of  
46 determination, unless the commissioner determines that additional time  
47 is needed. Not later than one hundred [twenty] eighty days after the

48 approval of a plan pursuant to this section, the tire stewardship  
49 organization shall implement the tire stewardship program.

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51 general statutes is repealed and the following is substituted in lieu  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

53 (q) The Commissioner of Energy and Environmental Protection may  
54 assess a reasonable fee to any tire stewardship organization, not to  
55 exceed [ten] five per cent of total program costs, for administration of  
56 the applicable tire stewardship program.

57 Sec. 3. Subsection (b) of section 22a-905i of the 2024 supplement to the  
58 general statutes is repealed and the following is substituted in lieu  
59 thereof (*Effective from passage*):

60 (b) On or before January 1, 2025, each producer, or such producer's  
61 designee, shall join a tire stewardship organization and such  
62 organization shall submit a plan, for the Commissioner of Energy and  
63 Environmental Protection's approval, to establish a state-wide tire  
64 stewardship program, as described in this subsection. Any retailer may  
65 participate in any such tire stewardship organization. Such tire  
66 stewardship program shall, to the extent it is technologically feasible  
67 and economically practical: (1) Establish and manage a state-wide  
68 collection system utilizing covered entities; (2) provide access to the  
69 collection system to the public, free of charge, for the drop-off of  
70 discarded tires; (3) ensure discarded tires are picked up from the  
71 collection system and transported for recycling; (4) ensure all discarded  
72 tires collected in the collection system are resold or recycled; (5) provide  
73 suitable storage containers for tires, as required, throughout the  
74 collection system; (6) implement public promotion and education about  
75 the program; (7) assist in market development, as needed, to achieve  
76 performance goals; [and] (8) finance all program activities solely  
77 through producer funding; and (9) ensure that all collectors and  
78 processors are qualified to perform their respective functions pursuant  
79 to such program and are in substantial compliance with the laws and

80 regulations of any state in which such collector or processor operates,  
81 including, but not limited to, any financial assurance and closure plan  
82 requirements.

|   |                     |                     |
|---|---------------------|---------------------|
| 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)         |
| Sec. 3  | <i>from passage</i> | 22a-905i(b)         |

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 General Fund revenue loss 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.

House "A" makes procedural changes to the tire stewardship plan approval process and adds a tire stewardship organization responsibility. These changes have no fiscal impact.

***The Out Years***

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

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**OLR Bill Analysis****HB 5352 (as amended by House "A")\******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 several changes to the law establishing the program.

First, the bill expands the programs' operational requirements to include ensuring, if technologically feasible and economically practical, that all tire collectors and processors are (1) qualified to perform their responsibilities under the program and (2) in substantial compliance with the laws and regulations of any state in which they operate (e.g., financial assurance or closure plan requirements) (see BACKGROUND).

The bill allows DEEP to approve a tire stewardship plan with conditions when it disapproves a resubmitted plan, instead of only modifying it to meet the law's requirements. It also gives the stewardship organization an additional 60 days to implement the program.

The bill 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 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.

\*House Amendment "A" adds the provisions (1) allowing DEEP to approve a stewardship with conditions and (2) expanding the program requirements to include ensuring the participation of qualified collectors and processors that comply with applicable state laws and regulations.

EFFECTIVE DATE: Upon passage

## **TIRE STEWARDSHIP PLAN**

By law, a tire stewardship organization must submit its program plan to DEEP for approval. The law sets out the timeline for reviewing the plan and a process for resubmitting it if DEEP disapproves it.

Current law requires DEEP to modify a resubmitted plan to conform with the law's requirements and approve it if the organization fails to provide an acceptable plan within the resubmission timeframe and process. The bill gives DEEP an alternative of approving the plan with conditions. If DEEP does this, it must identify the conditions in a notice of determination provided to the organization. The organization must then comply with the conditions within 45 days after receiving the notice unless DEEP determines that more time is necessary.

The bill also gives the stewardship organization an additional 60 days to implement its program, which under current law, must start within 120 days after DEEP approves the plan. The bill expands this implementation window to 180 days after approval.

## **BACKGROUND**

### ***Program Operational Requirements***

By law, the tire stewardship program must, to the extent that it is technologically feasible and economically practical, establish and



manage a statewide collection system for tires and provide for the following:

1. free public access to the collection system (i.e., drop-off);
2. suitable storage containers for tires, as needed, throughout the collection system;
3. public promotion and education about the program;
4. market development, as needed, to meet performance goals; and
5. financing program activities only with producer funding.

The program must also ensure that discarded tires are (1) picked up from the collection system and transported for recycling and (2) resold or recycled (CGS § 22a-905i).

**COMMITTEE ACTION**

Environment Committee

Joint Favorable  
Yea 34 Nay 0 (03/20/2024)