

OFFICE OF FISCAL ANALYSIS

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HB-5352

AN ACT CONCERNING MINOR REVISIONS TO THE TIRE
STEWARDSHIP PROGRAM.

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.

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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.