

## **House of Representatives**

General Assembly

File No. 138

January Session, 2025

Substitute House Bill No. 5017

House of Representatives, March 19, 2025

The Committee on Environment reported through REP. PARKER of the 101st Dist., Chairperson of the Committee on the part of the House, that the substitute bill ought to pass.

# AN ACT CONCERNING PARTICIPATION IN THE TIRE STEWARDSHIP PROGRAM BY TIRE RETAILERS.

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

- Section 1. Subsections (b) and (c) of section 22a-905i of the general statutes are repealed and the following is substituted in lieu thereof
- 3 (*Effective from passage*):
- 4 (b) On or before January 1, 2025, each producer, or such producer's
- 5 designee, shall join a tire stewardship organization and such
- 6 organization shall submit a plan, for the Commissioner of Energy and
- 7 Environmental Protection's approval, to establish a state-wide tire
- 8 stewardship program, as described in this subsection. [Any retailer may
- 9 participate in any such tire stewardship organization.] On or before
- 10 January 1, 2026, each retailer shall participate in a tire stewardship
- 11 <u>organization.</u> Such tire stewardship program shall, to the extent it is
- technologically feasible and economically practical: (1) Establish and
- 13 manage a state-wide collection system utilizing covered entities; (2)
- 14 provide access to the collection system to the public, free of charge, for

the drop-off of discarded tires; (3) ensure discarded tires are picked up 15 16 from the collection system and transported for recycling; (4) ensure all 17 discarded tires collected in the collection system are resold or recycled; 18 (5) provide suitable storage containers for tires, as required, throughout 19 the collection system; (6) implement public promotion and education 20 about the program; (7) assist in market development, as needed, to 21 achieve performance goals; (8) finance all program activities solely 22 through producer funding; and (9) ensure that all collectors and 23 processors are qualified to perform their respective functions pursuant 24 to such program and are in substantial compliance with the laws and 25 regulations of any state in which such collector or processor operates, 26 including, but not limited to, any financial assurance and closure plan 27 requirements.

(c) Any plan submitted pursuant to subsection (b) of this section shall: (1) Identify each producer participating in the program and, on and after January 1, 2026, identify each retailer participating in the program, in accordance with subsection (g) of this section; (2) describe how the program will be financed; (3) establish performance goals for the first two years of the program; (4) describe the industry transition timeline that is required to achieve such performance goals and how the plan will, to the greatest extent economically feasible, utilize existing service providers and infrastructure in the state; (5) identify proposed facilities to be used by the program in the collection system and discarded tire transportation and recycling activities; (6) detail how the program follows the solid waste hierarchy, as defined in the state-wide solid waste management plan established pursuant to section 22a-228, and will promote the recycling of discarded tires to higher value products and sustainability; and (7) include a description of the public education program that will be used to promote consumer knowledge of such program.

Sec. 2. Subsection (l) of section 22a-905i of the general statutes is repealed and the following is substituted in lieu thereof (*Effective from passage*):

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(l) Any producer, retailer and tire stewardship organization shall be immune from liability for any claim of a violation of antitrust law or unfair trade practice, if such conduct is a violation of antitrust law, to the extent such producer or tire stewardship organization is exercising authority pursuant to the provisions of this section.

- Sec. 3. Subsection (r) of section 22a-905i of the general statutes is repealed and the following is substituted in lieu thereof (*Effective from passage*):
- (r) Any producer who fails to participate in a tire stewardship program authorized pursuant to this section shall not supply tires in this state. On and after January 1, 2026, any retailer who fails to participate in a tire stewardship program authorized pursuant to this section shall not supply tires in this state.

This act shall take effect as follows and shall amend the following		
sections:		
Section 1	from passage	22a-905i(b) and (c)
Sec. 2	from passage	22a-905i(l)
Sec. 3	from passage	22a-905i(r)

**ENV** 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: None

### Explanation

The bill requires tire retailers, by January 1, 2025, to join a stewardship organization and requires them to participate in the stewardship organization by January 1, 2026. The bill makes various other procedural changes and is not anticipated to result in a fiscal impact to the state or municipalities.

### The Out Years

State Impact: None

Municipal Impact: None

# OLR BILL ANALYSIS HB 5017

# AN ACT CONCERNING PARTICIPATION IN THE TIRE STEWARDSHIP PROGRAM BY TIRE RETAILERS.

#### SUMMARY

A 2023 law required the establishment of a statewide stewardship program to manage discarded tires (PA 23-62). Among other things, it required tire producers, by January 1, 2025, to join a stewardship organization and submit plans to implement the program to the Department of Energy and Environmental Protection (DEEP) for its approval (see BACKGROUND). This bill requires tire retailers to participate in a stewardship organization by January 1, 2026, and prohibits those who fail to participate in the program from supplying tires by that date. Under current law, their participation in a tire stewardship organization is voluntary.

The bill also requires tire stewardship organizations, starting by January 1, 2026, to identify in their implementation plans any retailer participating in their program. Under the bill, organizations must identify these retailers on an ongoing basis as part of the existing law that requires them to notify the DEEP commissioner of material changes to the program.

Under existing law, to the extent a tire producer or tire stewardship organization is exercising authority according to the law's provisions, they are immune from liability for any antitrust or unfair trade practice claim based on a violation of antitrust law. The bill extends these liability protections to retailers but does not correspondingly extend the condition that the protections apply only if the retailer is exercising authority according to the law.

EFFECTIVE DATE: Upon passage

#### **BACKGROUND**

### Connecticut Tire Stewardship, LLC's Plan

One entity, Connecticut Tire Stewardship, LLC, has submitted a tire stewardship program plan under the existing law. Currently, 15 tire producers, but no retailers, have joined the plan. The plan notes that it does not anticipate that many retailers will voluntarily participate in the program because they have a financial disincentive to do so. Many of them currently generate revenue by charging a fee for processing returned tires, which they would be prohibited from doing if they were participating in the tire stewardship program under existing law.

### Tire Stewardship Program Requirements

Under existing law, the tire stewardship program must, to the extent technologically and economically practicable, establish and manage a statewide collection system for tires. This program must provide for:

- 1. free public access to the collection system (i.e. drop-off) for discarded tires;
- 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 by 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). The DEEP commissioner is authorized to civilly enforce the program's requirements under her existing authority.

### COMMITTEE ACTION

**Environment Committee** 

Joint Favorable Substitute Yea 24 Nay 11 (02/28/2025)