



House of Representatives

General Assembly

File No. 884

January Session, 2025

Substitute House Bill No. 6917

House of Representatives, May 12, 2025

The Committee on Appropriations reported through REP. WALKER of the 93rd Dist., Chairperson of the Committee on the part of the House, that the substitute bill ought to pass.

AN ACT CONCERNING THE MANAGEMENT OF SOLID WASTE IN THE STATE.

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

1 Section 1. Section 22a-232 of the general statutes is repealed and the
2 following is substituted in lieu thereof (*Effective July 1, 2025*):

3 (a) There shall be paid to the Commissioner of Revenue Services by
4 the owner of any resources recovery facility or waste conversion facility
5 one dollar and fifty cents per ton of solid waste processed at [the] such
6 facility. [beginning on the date of commencement of commercial
7 operation of the facility for calendar quarters commencing on or after
8 October 1, 1987, until September 30, 2003. For calendar quarters
9 commencing on and after October 1, 2003, the owner of any resources
10 recovery facility shall pay to the Commissioner of Revenue Services one
11 dollar and fifty cents per ton of solid waste processed at such facility.]

12 (b) There shall be paid to the Commissioner of Revenue Services by
13 the owner of any transfer station or volume reduction plant one dollar

14 and fifty cents per ton of solid waste processed at such facility. The
15 provisions of this subsection shall not apply to: (1) A transfer station or
16 volume reduction plant that is owned by a municipality, (2) a volume
17 reduction plant that is a resources recovery facility, waste conversion
18 facility or recycling facility, or (3) solid waste that is recycled or
19 transferred to any resources recovery facility.

20 [(b)] (c) Each owner of a [resources recovery] facility subject to [the]
21 an assessment as provided by this section shall submit a return quarterly
22 to the Commissioner of Revenue Services, applicable with respect to the
23 calendar quarter beginning October 1, [2023] 2025, and each calendar
24 quarter thereafter, on or before the last day of the month immediately
25 following the end of each such calendar quarter, on a form prescribed
26 by the commissioner, together with payment of the quarterly
27 assessment determined and payable in accordance with the provisions
28 of subsection (a) or (b) of this section, as applicable.

29 [(c)] (d) Whenever such assessment is not paid when due, a penalty
30 of ten per cent of the amount due or fifty dollars, whichever is greater,
31 shall be imposed, and such assessment shall bear interest at the rate of
32 one per cent per month or fraction thereof until the same is paid. The
33 Commissioner of Revenue Services shall cause copies of a form
34 prescribed for submitting returns as required under this section to be
35 distributed throughout the state. Failure to receive such form shall not
36 be construed to relieve anyone subject to assessment under this section
37 from the obligations of submitting a return, together with payment of
38 such assessment within the time required.

39 [(d)] (e) Any person or municipality liable for the service fee for solid
40 waste delivered to a facility whose owner is subject to an assessment
41 imposed by subsection (a) of this section shall reimburse the owner for
42 any assessment paid for the solid waste delivered by such person or
43 municipality. Such an assessment shall be a debt from the person or
44 municipality responsible for paying such service fee to the owner.

45 [(e)] (f) The provisions of sections 12-548 to 12-554, inclusive, and
46 section 12-555a shall apply to the provisions of this section in the same

47 manner and with the same force and effect as if the language of said
48 sections 12-548 to 12-554, inclusive, and section 12-555a had been
49 incorporated in full in this section, except that to the extent that any such
50 provision is inconsistent with a provision in this section and except that
51 the term "tax" shall be read as "solid waste assessment".

52 [(f)] (g) [Two million eight hundred thousand dollars of the proceeds
53 from the assessments] Assessments imposed pursuant to [subsection
54 (a)] subsections (a) and (b) of this section shall be deposited by the
55 Commissioner of Revenue Services into [the General Fund and any
56 remaining funds from such assessments shall be deposited by the
57 commissioner into] the sustainable materials management account
58 established in section 16-244bb, as amended by this act.

59 Sec. 2. Subsection (d) of section 22a-244b of the general statutes is
60 repealed and the following is substituted in lieu thereof (*Effective from*
61 *passage*):

62 (d) All payments received by any municipality pursuant to the
63 provisions of subsection (c) of this section shall be expended by such
64 municipality on environmental measures intended to reduce the
65 generation of solid waste in such municipality or reduce the impact of
66 litter caused by such solid waste, including, but not limited to, the hiring
67 of a recycling coordinator, a municipal or regional waste coordinator,
68 the installation of storm drain filters designed to block solid waste and
69 beverage container debris or the purchase of a mechanical street
70 sweeper, vacuum or broom that removes litter, including, but not
71 limited to, such beverage containers and other debris from streets,
72 sidewalks and abutting lawn and turf areas.

73 Sec. 3. (*Effective from passage*) Not later than January 15, 2027, the
74 Commissioner of Energy and Environmental Protection, in accordance
75 with section 11-4a of the general statutes, shall submit a report to the
76 joint standing committee of the General Assembly having cognizance of
77 matters relating to the environment on the need for and viability of
78 establishing an extended producer responsibility program for consumer
79 packaging in the state. Such report shall include, but need not be limited

80 to, (1) an assessment of the costs to residents of the state and
81 municipalities for the handling, hauling, disposal, composting and
82 recycling of consumer packaging, (2) the approximate percentage of the
83 state's total solid waste stream that such consumer packaging
84 represents, (3) an analysis of the trends in the generation of such
85 consumer packaging for the previous five-year period and the
86 forthcoming five-year period, in addition to the projected trend of
87 recycling and composting rates of consumer packaging in the
88 forthcoming five-year period, (4) an assessment of the potential costs
89 and savings for residents of the state and municipalities that are
90 associated with the handling, hauling, disposal, composting and
91 recycling of such packaging pursuant to an extended producer
92 responsibility program, (5) a discussion of any post-consumer or
93 secondary markets and attendant demand for the materials that
94 compose the preponderance of such consumer packaging, (6) a review
95 and assessment of any industry initiatives, to date, for the reduction and
96 industry-sponsored collection of such consumer packaging, (7) an
97 evaluation of any regional efforts to establish extended responsibility
98 cooperative agreements among neighboring states for consumer
99 packaging, and (8) a review and assessment of existing recycling and
100 composting access, infrastructure and capacity throughout the state.

101 Sec. 4. Subsection (a) of section 16-244bb of the general statutes is
102 repealed and the following is substituted in lieu thereof (*Effective July 1,*
103 *2025*):

104 (a) There is established an account to be known as the sustainable
105 materials management account which shall be a separate, nonlapsing
106 account within the General Fund. The account shall contain moneys
107 collected by the alternative compliance payment for Class II renewable
108 portfolio standards pursuant to subsection (h) of section 16-244c and
109 subsection (k) of section 16-245 and moneys deposited pursuant to
110 subsection [(f)] (g) of section 22a-232, as amended by this act. The
111 Commissioner of Energy and Environmental Protection shall expend
112 moneys from the account for the purposes of the program established
113 under this section, provided the commissioner may also pledge such

114 moneys for revenue bonds the proceeds of which shall be used to
115 support waste infrastructure projects described in this section.

This act shall take effect as follows and shall amend the following sections:		
Section 1	<i>July 1, 2025</i>	22a-232
Sec. 2	<i>from passage</i>	22a-244b(d)
Sec. 3	<i>from passage</i>	New section
Sec. 4	<i>July 1, 2025</i>	16-244bb(a)

Statement of Legislative Commissioners:

Section 4 was added for purposes of a conforming statutory change.

ENV *Joint Favorable Subst. C/R*

APP

APP *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:

Agency Affected	Fund-Effect	FY 26 \$	FY 27 \$
Revenue Serv., Dept.	GF - Revenue Loss	2.3 million	2.3 million
Department of Energy and Environmental Protection	Sustainable Materials Management Account - Revenue Gain	3.2 million	3.2 million

Note: GF=General Fund

Municipal Impact:

Municipalities	Effect	FY 26 \$	FY 27 \$
Various Municipalities	Potential Cost	See Below	See Below

Explanation

The bill, which expands the solid waste assessment and the purposes for which municipalities may use the funds received from the state's nips surcharge, results in the following fiscal impacts:

Section 1 expands the solid waste assessment and dedicates all revenue (rather than just the amount in excess of \$2.8 million) to the sustainable materials management account. This results in (1) a General Fund revenue loss of approximately \$2.3 million, (2) a sustainable materials management account revenue gain of approximately \$3.2 million annually, and (3) a potential cost to municipalities, all beginning in FY 26.

Section 2 allows municipalities to spend certain funds on a municipal or regional waste coordinator which does not result in a fiscal impact as

it only expands the possible use of funds municipalities already receive.

The Out Years

The annualized ongoing fiscal impact identified above would continue into the future subject to solid waste volume.

OLR Bill Analysis**sHB 6917*****AN ACT CONCERNING THE MANAGEMENT OF SOLID WASTE IN THE STATE.*****SUMMARY**

This bill imposes a quarterly \$1.50 per ton fee on solid waste processed by (1) waste conversion facilities, (2) transfer stations, and (3) volume reduction plants, with certain exceptions as described below. Under current law, this fee applies only to resources recovery facilities, which are facilities that burn municipal solid waste to generate electricity. The bill requires the owners of these facilities to pay the fee to the Department of Revenue Services (DRS) commissioner starting on October 1, 2025, generally subject to the same payment and administrative requirements as current law applies to resources recovery facilities.

The bill directs all the solid waste fees the state collects from these facilities, including those from resources recovery facilities, to the existing sustainable materials management account (see BACKGROUND). Under current law, \$2.8 million of the fees go to the General Fund and the remainder go to this account.

The bill also expands the purposes for which municipalities may use the funds received from the state's nips surcharge to explicitly include hiring a municipal or regional waste coordinator. Existing law already allows them to use this revenue to hire a recycling coordinator, among other things.

Finally, the bill requires the Department of Energy and Environmental Protection (DEEP), by January 15, 2027, to submit a report to the Environment Committee on the viability and need for a consumer packaging extended producer responsibility program.

EFFECTIVE DATE: Upon passage, except that the solid waste fee provisions take effect July 1, 2025.

SOLID WASTE FEE

Applicable Facilities

Under the bill, the solid waste fee generally applies to the following:

1. waste conversion facilities (i.e. facilities that convert solid waste into electricity, fuel, gas, or other products through thermal, chemical, or biological processes, but not facilities that combust mixed municipal waste to generate electricity);
2. transfer stations (i.e. any location or structure, on land or water, where more than 10 cubic yards of solid waste generated elsewhere may be stored for transfer or transferred between containers for movement to another location, whether or not this waste is stored at the location prior to transfer); and
3. volume reduction plants (i.e. any location or structure, on land or water, used to reduce solid waste at a rate of more than 2,000 pounds per hour, including resources recovery facilities, waste conversion facilities and other incinerators, recycling facilities, pulverizers, compactors, shredders, balers and composting facilities).

It does not apply to:

1. municipally owned transfer stations or volume reduction plants;
2. volume reduction plants that are a resources recovery, waste conversion, or recycling facility; and
3. solid waste that is recycled or transferred to any resources recovery facility.

Fee Payment and Administration

As under current law for resources recovery facilities, the applicable facilities must submit a quarterly return to the DRS commissioner along

with the required payment. They must file these returns on a DRS-prescribed form by the last day of the month immediately following the end of each calendar quarter. Unpaid fees are subject to (1) a penalty of 10% of the amount due or \$50, whichever is greater, and (2) interest at the rate of 1% per month or partial month until they are paid.

Liability for Paying the Fee

By law, any person or municipality liable for paying to have waste disposed of at a resources recovery facility subject to the solid waste fee must reimburse the facility owner for any assessment attributable to that person's or municipality's waste. The assessment is a debt of the person or municipality paying to dispose of the waste. The bill extends this requirement to people or municipalities paying to have waste disposed at waste conversion facilities, but not transfer stations or volume reduction plants.

Fee Collection and Enforcement

By law, unchanged by the bill, certain tax collection and enforcement provisions that apply to the admissions and dues tax under existing law also apply to the solid waste fee. Under these provisions, the DRS commissioner can (1) impose a deficiency assessment and penalty; (2) require the facilities to keep certain records and examine all of their records; (3) administer oaths, subpoena witnesses, and receive testimony; and (4) collect the fee and any penalties using certain methods (e.g., tax warrants and liens).

The facilities can request a hearing on the amount of fees they are required to pay, and appeal the hearing decision if aggrieved. Lastly, an additional penalty may be imposed on facilities and retailers for willful violations or filing fraudulent returns.

CONSUMER PACKAGING EXTENDED PRODUCER RESPONSIBILITY PROGRAM REPORT

Under the bill, DEEP's report must:

1. assess the costs to state residents and municipalities for handling, hauling, disposing, composting, and recycling consumer

packaging;

2. indicate the approximate percentage of the state's total solid waste stream made up of consumer packaging;
3. analyze (a) trends in generating consumer packaging for the past and upcoming five-year period and (b) the projected trend of consumer packaging recycling and composting rates in the upcoming five-year period;
4. assess the potential costs and savings for state residents and municipalities associated with an extended producer responsibility program for consumer packaging handling, hauling, disposal, composting, and recycling;
5. discuss any post-consumer or secondary markets and the demand for these consumer packaging;
6. review and assess any industry initiatives, to date, for the reduction and industry-sponsored collection of consumer packaging;
7. evaluate any regional efforts to establish extended responsibility cooperative agreements among neighboring states for consumer packaging; and
8. review and assess existing recycling and composting access, infrastructure, and capacity throughout the state.

BACKGROUND

Nip Surcharge

The law imposes a five-cent surcharge on each nip sale in Connecticut. A "nip" is a beverage container containing 50mL or less of a spirit or liquor. Wholesalers must remit the surcharge to the municipality where the sale occurred, and municipalities must use these funds for environmental efforts to reduce the amount of solid waste generated in the municipality or the impact of litter (CGS § 22a-244b).

Sustainable Materials Management Account

The sustainable materials management account is a dedicated account that receives funding from the solid waste assessment described above as well as certain compliance payments related to the state's renewable portfolio standard. Funds from the account must be used (1) for a sustainable materials management program to reduce solid waste in the state and (2) to back revenue bonds used to support related waste infrastructure projects.

COMMITTEE ACTION

Environment Committee

Joint Favorable Substitute Change of Reference - APP

Yea 24 Nay 11 (02/28/2025)

Appropriations Committee

Joint Favorable Substitute

Yea 38 Nay 15 (04/24/2025)