Commerce Committee JOINT FAVORABLE REPORT

Bill No.:HB-7085
AN ACT CONCERNING A REVIEW OF THE RELEASE-BASED CLEANUP
Title:Title:PROGRAM AND RELATED REGULATIONS.Vote Date:3/20/2025Vote Action:Joint Favorable SubstitutePH Date:3/4/2025File No.:Image: State Stat

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SPONSORS OF BILL:

Commerce Committee

REASONS FOR BILL:

This bill improves Connecticut's release-based cleanup program by streamlining hazardous waste remediation while balancing environmental protection and economic development. It establishes clear reporting and cleanup standards, introduces a tiered risk-based approach, and allows low-risk cases to be managed by licensed professionals. A working group of state officials, industry experts, and environmental advocates will provide ongoing input, ensuring effectiveness and transparency. The bill also enhances regulatory consistency, public participation, and audit procedures to prevent misinformation and ensure compliance. Ultimately, it modernizes cleanup laws for efficiency, safety, and redevelopment.

RESPONSE FROM ADMINISTRATION/AGENCY:

Paul Aresta, *Executive Director, Council on Environmental Quality*: "The Council recommends that proposed House Bill 7085 be refined to include an assessment of education and outreach efforts regarding the reporting and remediation provisions of the proposed Release-Based Cleanup Program and Related Regulations."

<u>Alicea Charamut, Executive Director, Rivers Alliance of Connecticut</u>. This bill establishes ongoing stakeholder engagement to gather feedback and improve regulations. Rivers Alliance appreciates DEEP's efforts in fostering collaboration to ensure the program effectively protects environmental and public health and supports this bill.

Katie D'Agostino, President & CEO, Central CT Chambers of Commerce: The proposed Release-Based Cleanup Regulations (RBCRs) will replace Connecticut's outdated Property Transfer Act, streamlining environmental remediation by focusing on actual contamination rather than property transactions. This reform will accelerate cleanups, lower costs, and boost economic growth by creating jobs and attracting investment. It will also enhance environmental protection by ensuring all pollution is addressed efficiently. By reducing regulatory burdens and providing clarity for property owners and investors, the RBCRs will promote redevelopment while maintaining strong environmental safeguards, paving the way for a cleaner, more prosperous Connecticut.

<u>Thomas Gill, Office of Planning & Economic Development:</u> The City of Bridgeport supports replacing the Transfer Act with a Release-Based Cleanup framework to modernize environmental laws, promote economic development, and improve environmental stewardship. The current system creates uncertainty, delays cleanups, and hinders redevelopment. The proposed framework would address contamination more efficiently by separating environmental remediation from property transactions. Bridgeport also supports HB 7085, which establishes ongoing stakeholder engagement to improve the program. The city appreciates state efforts to advance these reforms, which will encourage redevelopment and better environmental outcomes.

<u>Sara Mendillo, Government Affairs, Middlesex Chambers of Commerce</u>: The bill ensures ongoing stakeholder engagement with DEEP to refine regulations, promote transparency, and balance environmental and practical concerns. It encourages keeping the working group active between the legislation's approval and the regulations' effective date.

NATURE AND SOURCES OF SUPPORT:

<u>Elizabeth Gara, Executive Director, Connecticut Water Works Association (CWWA)</u>: CWWA supports transitioning to a release-based system to expedite contamination cleanup and better protect Connecticut's drinking water. The current Transfer Act has caused delays, hindering remediation efforts. However, CWWA is concerned that the proposed regulations grant DEEP broad authority to order public water systems to remediate, even when they are already complying with federal and state water quality standards. Additionally, the applicable remediation standards remain unclear.

Daniel O'Keefe, Commissioner, Department of Economic and Community Development: A diverse group of stakeholders, including real estate professionals, attorneys, and government agencies, has collaborated for years to shape the RBCRs. The Department of Economic and Community Development (DECD) supports continuing this dialogue to refine the regulations, ensuring they effectively clean up pollution while promoting economic growth. DECD will co-chair the working group to prevent the regulatory pitfalls of the Transfer Act.

<u>Art Corey, CT Realtors:</u> CTR and CBA (CT Banking Association) are concerned about potential impacts on residential property transactions under the new program. They are in ongoing discussions with agencies to balance environmental protection with a smooth transaction process. They support this bill working group to oversee implementation until 2030.

Brent Henebry, *Environmental Professionals Organization of Connecticut (EPOC)*: EPOC supports HB 7085 for its commitment to ongoing review and refinement of the Release-Based Cleanup Program. However, they are concerned that no stakeholder input is required between the adoption of regulations in 2025 and their effective date in 2026. EPOC urges the bill to include stakeholder engagement during this period to ensure the program operates effectively.

<u>Chase Lindemann, Save the Sound</u>: The Transfer Act created a liability system for contaminated properties but failed to drive economic development or effective cleanup. Property owners could avoid cleanup by not transferring ownership, leaving contamination unaddressed, often in disadvantaged communities. A release-based program would close this loophole by ensuring contamination is addressed when it occurs. The proposed program is the result of ongoing collaboration between DEEP and stakeholders to replace the Transfer Act.

Francis Pickering, *Executive Director, WestCOG*: He discusses improvements to Connecticut's environmental cleanup regulations, emphasizing a shift to a release-based system. Key reforms include a tiered risk-based approach, streamlined processes for managing impacted materials, and enhanced municipal protections. Special provisions for multi-family housing aim to facilitate brownfield redevelopment, reduce regulatory barriers, and promote affordable housing. The proposed changes are expected to generate economic growth, create jobs, and support sustainable urban development. The Western Connecticut Council of Governments urges the passage of related bills to ensure effective cleanup, economic revitalization, and environmental protection.

<u>Stephen Sack, President, Sack Energy Corporation:</u> "I am in support of fixing the way properties get classified as a Transfer Act property when there have not been any releases of hazardous material. This will spur more commercial development in our towns and state. Please vote in support of these bills."

Emily Scott, Environmental Attorney, Robinson & Cole, LLP: The Working Group established under Public Act 20-09 has made significant progress in shaping Connecticut's new remediation framework but still has work to do. HB 7085 ensures the group continues meeting until February 2030 to provide guidance on implementing the Release-Based Cleanup Regulations (RBCRs). While the current regulations have improved due to stakeholder input, unresolved concerns remain, and unforeseen issues may arise post-implementation. She supports HB 7085 but suggests amending it to require monthly, rather than quarterly, meetings between the adoption and effective dates of the RBCRs to allow for reviewing forms and guidance.

<u>Brian Werner, CT LEP</u>: The release-based cleanup program is undermined by conflicting regulations: RBCRs and new Underground Storage Tank (UST) Regulations. Despite USTs being a major contamination source, their cleanups are excluded from RBCRs, creating inconsistencies and confusion. Integrating UST cleanup provisions into RBCRs would ensure regulatory consistency, reduce uncertainty, and maintain reliability while complying with federal mandates.

NATURE AND SOURCES OF OPPOSITION:

None expressed.

GENERAL COMMENTS:

Pete Myers, Senior Public Policy Associate, Connecticut Business & Industry Association (CBIA): CBIA, representing businesses across Connecticut, has worked with DEEP and DECD to develop a more effective cleanup program. The current Transfer Act has failed, with only 400 of 4,000 sites successfully remediated, leaving blighted properties and stalled economic growth. CBIA is committed to collaborating on a plan to transition properties out of the ineffective system.

Reported by: Austin Adil

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