

PA 25-54—HB 7085

Commerce Committee

AN ACT CONCERNING A REVIEW OF AND A TRANSITION TO THE RELEASE-BASED CLEANUP PROGRAM AND RELATED REGULATIONS

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Establishes a process for imposing a residential activity restriction on a parcel for purposes of determining the application of and compliance with the RBCRs, allowing the RBCRs' criteria for industrial or commercial property to be used when determining certain remediation requirements

BACKGROUND

SUMMARY: This act makes various changes to laws regarding the remediation of hazardous waste to transition the state from its transfer-based approach to property remediation (the Transfer Act) to a release-based approach under recently adopted

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release-based cleanup regulations (RBCRs; see BACKGROUND). A section-by-section analysis follows.

EFFECTIVE DATE: October 1, 2025, unless otherwise noted below.

§ 1 — RBCRS WORKING GROUP AND EVALUATION

Requires the working group established to advise DEEP on developing RBCRs to continue meeting after the regulations are adopted to evaluate the release-based cleanup program's implementation and review and make recommendations on related laws and regulations, including lower bounds provisions; modifies the working group's membership starting March 1, 2026; requires the DEEP and DECD commissioners to (1) convene the group quarterly until February 1, 2030, and (2) report on the working group's findings and recommendations twice to the Commerce and Environment committees

The act requires the existing working group established to advise the Department of Energy and Environmental Protection (DEEP) commissioner on developing the RBCRs to continue meeting after the regulations are adopted. The act clarifies that the Department of Economic and Community Development (DECD) commissioner (1) must jointly lead the working group with the DEEP commissioner and (2) may consult a representative from the brownfields working group while carrying out this group's duties. It also specifies the number of representatives to serve as members from each stakeholder group represented on the working group and makes various other changes to the group's membership, as described below.

Under the act, once the RBCRs are adopted, the working group must meet at least quarterly until February 1, 2030, to do the following:

- 1. evaluate the release-based cleanup program's implementation and efficacy and give related advice and feedback to the DEEP and DECD commissioners and
- 2. review and make recommendations on the laws and regulations related to release-based remediation, including the regulations' lower bounds provisions.

The act specifies data the working group must consider and requires it to seek public comment and stakeholder input while conducting its review and developing its recommendations. It also allows the working group to review and assess any DEEP-issued RBCRs guidance documents and recommend whether the documents should be adopted as regulations.

The DEEP and DECD commissioners must report to the Commerce and Environment committees on the working group's findings and recommendations twice, first by February 1, 2028, and then by February 1, 2030.

EFFECTIVE DATE: Upon passage

Working Group Membership

Prior law indicated various stakeholder groups and organizations that must be represented in the working group's membership but did not specify a required number of total members or representatives from each. Beginning when the RBCRs take effect (March 1, 2026), the act modifies the working group's stakeholder

members as shown in the following table. In doing so, it (1) requires the DEEP and DECD commissioners to mutually select and agree upon the stakeholder members, (2) generally retains the existing stakeholder groups that make up the working group's membership but specifies the number of representatives for each, and (3) removes certain representatives and adds others from Connecticut's business and industry and banking industry associations. The act also adds two members to the working group, chosen, one each, and mutually agreed upon by, the DEEP and DECD commissioners.

Act's Changes to RBCRs Working Group Stakeholder Members

Existing Stakeholders Retained (Number Required Under the Act) Environmental transaction attorneys (two) Commercial real estate brokers (two; but act requires that they be from a professional organization representing residential and commercial real estate brokers) Licensed environmental professionals (LEP) (one) Environmental advocacy groups representatives (one) Environmental Professionals Organization of Connecticut representatives (two) Municipal representatives (two, but the act requires one from a municipality with a population of at least 75,000 and one from a municipality with a population of up to 75,000) Brownfields Working Group representatives (two) Stakeholders Eliminated Under the Act Connecticut Manufacturers' Collaborative representatives Connecticut Conference of Municipalities and Connecticut Council of Small Towns representatives Council on Environmental Quality representatives Any other interested members of the public the DEEP commissioner designates

In total, under the act, the working group must have 27 members, including the 15 stakeholders listed above, the two members mutually agreed upon by the commissioners, the eight chairs and ranking members of the Commerce and Environment committees, and the DEEP and DECD commissioners or their designees.

Stakeholders Added Under the Act (Number Required)

RBCRs Evaluation

Data. The act specifies data the working group must consider when completing its RBCRs evaluation, including the:

1. total number and type of releases reported;

Connecticut business and industry association representative (two)

Banking industry association representative (one)

2. number and type of releases reported on residential properties and the status of these releases, including the timeframe and effort needed to complete remediation;

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- 3. percentage of releases discovered through multiple lines of evidence;
- 4. number of remediation verifications and certificates submitted;
- 5. duration between the discovery and remediation of a release;
- 6. types and number of releases assigned to a tier for long-term cleanup management;
- 7. percentage of releases assigned to a group at the time of tiering;
- 8. number of audits conducted;
- 9. number of enforcement actions taken, including the number and amount of assessed fines and penalties;
- 10. expedited closure processes, if any, for heating oil spills at owner-occupied single-family homes;
- 11. number of sites remaining to be remediated under the Transfer Act and any identified compliance barriers; and
- 12. cost of compliance for releases on parcels with owner-occupied single-family homes and one- to four-family homes, to the extent data is available.

Lower Bounds Provisions. The act requires the working group to evaluate the RBCRs' lower bounds provisions, which are the standards for the minimum amount of a substance that is considered a release requiring remediation. The group must consider the following:

- 1. whether, based on available data regarding the (a) number and type of these releases in the release-based cleanup program; (b) concentration at which the releases were discovered; and (c) releases' risk to human health and the environment, additional lower bounds provisions for volatile organic substances or releases discovered in groundwater are necessary;
- 2. the impact of the RBCRs' pollutant mobility criteria on lower bounds;
- 3. the lower bounds provisions' financial impact to homeowners, if any;
- 4. if modifications to the lower bounds provisions may be needed to balance the protection of human health and the cost to homeowners;
- 5. differences between Connecticut's RBCRs and similar regulations in neighboring states; and
- 6. the frequency and types of testing required to determine if a release is below the lower bounds criteria.

$\S\S\ 2\ \&\ 3$ — REMEDIATING TRANSFER ACT PROPERTIES UNDER THE RBCRS

Establishes conditions under which a property covered by the Transfer Act may be remediated under the RBCRs' requirements

Procedural Requirements for Remediating Transfer Act Properties Under the RBCRs

The act sets conditions under which a property covered by the Transfer Act may be remediated under the RBCRs' requirements and the certifying party may receive a letter from DEEP indicating that it has no further obligations under the Transfer Act's remediation requirements.

Cataloguing the Releases. Specifically, the act authorizes any certifying party

who has investigated a Transfer Act establishment and certified a Form III or Form IV (i.e. submitted specified filings under the Transfer Act) for the property according to prevailing standards and guidelines to submit an LEP-prepared report to the commissioner cataloguing each release the investigation discovered. (Under existing law, a "certifying party" is responsible for investigating and remediating a parcel covered by the Transfer Act.)

After receiving the LEP report, the act allows the DEEP commissioner to audit it, but she must start the audit within 90 days after receiving the report and complete it within one year of the same date. Once she completes the audit, she can either accept or reject the LEP report. She must send her determination and any written audit findings to the respective certifying party and LEP.

Addressing the Releases. The act allows the certifying party to address each of the catalogued releases (1) 90 days after submitting the report or (2) when the commissioner accepts the report, whichever is later. If the catalogued release will be addressed according to the RBCRs, the certifying party must, within one year after submitting the report, (1) submit a release remediation closure report for each of the releases or (2) assign them to the appropriate cleanup tier as specified under the RBCRs. Releases may be grouped for their tier assignments.

A "release remediation closure report" is a report verified by an LEP that demonstrates compliance with the RBCRs. Under the RBCRs, the closure report indicates that the cleanup standards have been satisfied and no further action is required regarding the release (Conn. Agencies Regs. § 22a-134tt-12).

Opting Out. The act allows a certifying party, within one year after submitting the LEP report, to voluntarily opt to have the catalogued releases remediated under the Transfer Act requirements rather than the RBCRs. To do so, the certifying party must notify the commissioner of his or her decision in writing.

DEEP Transfer Act Letter. Once the certifying party has submitted a release remediation closure report for each of the catalogued releases, he or she may ask the DEEP commissioner to issue a letter indicating that the certifying party has no further obligations under the Transfer Act's remediation requirements. The commissioner must issue this letter if she determines that a release remediation closure report has been submitted for each catalogued release and (1) she accepted the report or (2) any audit period specified in the RBCRs has expired. The commissioner must also issue this letter, subject to the same requirements, if:

- 1. one or more certifying parties investigated the entire parcel on which one or more establishments is or was located;
- 2. the certifying parties submitted a report cataloguing the releases, as described above; and
- 3. a release remediation closure report was submitted for each of these releases.

Form III or Form IV Verifications

The act allows a parcel owner to submit a Form III or Form IV verification even if the owner is not a certifying party. It also allows any certifying party to use this verification to show compliance with the Transfer Act, as long as at least one year

has passed since the owner submitted the verification and the DEEP commissioner has not started an audit or has completed it.

Transfer Act Verification for a Portion of an Establishment

Under the Transfer Act, a certifying party may satisfy specified remediation requirements (i.e. Form III or Form IV) by submitting an LEP's verification for any portion of an establishment for which the certifying party has completed remediation. Under the act, an LEP-verified release remediation closure report for the release, or for each of the releases if there is more than one release on the establishment, is considered a verification for these purposes.

The act also defines "portion" for purposes of the Transfer Act as a (1) defined geographic area making up a part of a parcel or (2) release, as long as its nature and extent has been determined by an investigation done according to prevailing standards and guidelines.

§ 4 — EXEMPTION OF RELEASES DISCOVERED BEFORE MARCH 1, 2026, FROM RBCRS' REQUIREMENTS

Exempts release data available or created before the RBCRs take effect on March 1, 2026, from triggering the release-based requirements

Prior law specified that, on its own, release data available or created before the RBCRs' adoption does not trigger the release-based requirements. The act instead ties this exemption to release data available or created before the RBCRs take effect (i.e. March 1, 2026). In doing so, it exempts from the RBCRs' requirements any release identified during environmental investigations from the RBCRs' adoption date (i.e. May 6, 2025) to March 1, 2026.

EFFECTIVE DATE: Upon passage

§ 5 — PROHIBITION ON REOPENING A REMEDIATION ON CERTAIN RESIDENTIAL PROPERTIES

Prohibits the DEEP commissioner from reopening a property's remediation if she determines that there is a violation of the release-based remediation law if the property is used only as an owner-occupied single-family home

The existing release-based remediation law and RBCRs establish circumstances under which a remediation may be reopened, including if the DEEP commissioner determines that there is a violation of the release-based remediation law. The act prohibits the DEEP commissioner from reopening a property's remediation on this basis if it is only used for an owner-occupied single-family home.

§ 6 — RESIDENTIAL ACTIVITY RESTRICTIONS

Establishes a process for imposing a residential activity restriction on a parcel for purposes of determining the application of and compliance with the RBCRs, allowing the RBCRs' criteria for industrial or commercial property to be used when determining certain remediation requirements

The RBCRs establish remediation standards specific to the type of property on which a release occurs (e.g., residential vs. commercial or industrial property). The act establishes a process for imposing a residential activity restriction on a parcel for purposes of determining the application of and compliance with the RBCRs. In doing so, it allows the RBCRs' criteria for industrial or commercial property to be used to calculate RBCR exemptions or determine if remediation obligations, including those for characterization, are met. The act defines "residential activity" as any activity at a (1) place intended for people to live (e.g., house, apartment, condominium, nursing home, or dormitory); (2) primary or secondary school, preschool, day care center, playground, or outdoor recreational area; or (3) hospital, but only for purposes of complying with the RBCRs' volatilization criteria (i.e. criteria to identify situations where contaminates in groundwater and soil vaporize and travel into another building and cause a health risk).

Under the act, residential activity must be considered restricted on a parcel when a release is discovered if (1) the respective parcel is not available or used for residential activity and (2) the person who created or is maintaining the release notifies the commissioner of the restriction within 30 days after the release is discovered. Notification to the commissioner must:

- 1. identify the release's date and approximate location,
- 2. describe the current use of the parcel where the release was discovered,
- 3. contain the owner's certification that (a) no residential activity is being conducted on the parcel and (b) residential activity will be restricted, and
- 4. be verified by an LEP.

The person who created or is maintaining the release must inspect the parcel for residential activity and submit an updated notification to the commissioner annually until the release is remediated.

The act specifies that an imposed residential activity restriction does not relieve a person from complying with the RBCRs' requirement to record an environmental use restriction. If a release is exempt from the RBCRs because residential activity has been restricted under the act, an environmental use restriction must be recorded within 30 months after the release's discovery. If the environmental use restriction is not recorded, the residential activity restriction does not apply, and the release must be remediated to the RBCRs' standards for residential activity.

BACKGROUND

RBCRs

The DEEP commissioner, with advice and feedback from a working group of agency officials, legislative leaders, and stakeholder members, developed RBCRs, which the Legislative Regulation Review Committee approved on April 22, 2025. Under existing law, the adoption of these regulations transitions the state from the Transfer Act to a release-based approach. The regulations were adopted May 6, 2025, and take effect March 1, 2026.

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Related Act

PA 25-6 makes various other changes related to the state's transition to a release-based approach to property remediation including (1) making the new approach effective when the RBCRs take effect, rather than on their adoption date, and (2) creating a new voluntary parcel-wide remediation program.