
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)