

OFFICE OF FISCAL ANALYSIS

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sHB-5524

AN ACT CONCERNING THE STATE'S MATERIALS MANAGEMENT SYSTEM.

OFA Fiscal Note

State Impact:

Agency Affected	Fund-Effect	FY 27 \$	FY 28 \$	FY 29 \$
Department of Administrative Services	GF - Cost	None	None	1,800,000

Note: GF=General Fund

Municipal Impact:

Municipalities	Effect	FY 27 \$	FY 28 \$	FY 29 \$
Local and Regional School Districts; Various Municipalities	STATE MANDATE ¹ - Potential Cost	None	Potential Significant	Potential Significant
Various Municipalities	Potential Savings	See Below	See Below	See Below

Explanation

The bill, which makes various changes to solid waste requirements, results in the fiscal impacts described below by section.

Section 1 requires any entity that produces more than 26 tons of source-separated organic materials annually to separate and recycle

¹ State mandate is defined in Sec. 2-32b(2) of the Connecticut General Statutes, "state mandate" means any state initiated constitutional, statutory or executive action that requires a local government to establish, expand or modify its activities in such a way as to necessitate additional expenditures from local revenues.

such materials beginning in FY 28, if it is not currently subject to this requirement. This includes certain municipalities and local and regional school districts located more than 20 miles from a composting facility. This results in a potentially significant cost to towns and districts not already subject to the existing provision. These costs are related to: (1) transportation; (2) storage; and (3) personnel costs. Partially offsetting any costs is a potential savings due to decreased tipping fees paid to waste management companies.

Section 2 bans all food service entities from using expanded polystyrene foodware effective July 1, 2028. Beginning in FY 29 this results in a cost to the state of \$1.8 million per year in increased contracts and a potential significant cost to local and regional school districts. Under the bill, school districts may participate in a polystyrene recycling program instead of discontinuing use of polystyrene. Such recycling programs are largely inaccessible in Connecticut. The requirements result in a potential cost to local and regional school districts starting in FY 29, to the extent school districts are not compliant with the requirements of the bill. The state and school districts may have to renegotiate various contracts and may incur additional costs due to: (1) purchase of additional equipment and staffing for dishwashing; (2) purchase of re-usable food service alternatives; and (3) transportation, storage, and contract costs for any polystyrene recycling program participation. For districts that do not currently comply with the bill's requirements, the costs may be significant.

Section 3 requires all single-use food service items to only be provided upon request or through the use of a dispenser. This results in a potential minimal cost to the state and local and regional school districts.

Section 4 requires any entity subject to the organic material source-separating provision expanded in Section 1 to prioritize donating excess food for human consumption before other alternatives. This results in a potential cost to all municipalities and school districts that produce more than 26 tons of organic waste annually. This potential cost is

associated with: (1) additional equipment (e.g., refrigerators) needed for safely storing food; and (2) transportation and personnel costs for distributing food for donation.

The Out Years

The annualized ongoing fiscal impact identified above would continue into the future subject to inflation.